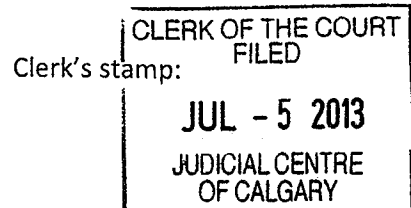


COURT FILE NUMBER 1201-05843  
COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE

1201-05843  
CALGARY



**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
RSC 1985, c C-36, AS AMENDED**

**AND IN THE MATTER OF UBG BUILDERS INC., ALBERTA BUILDERS  
CAPITAL INC., ALPINE HOMES (2006) INC., AMERICAN BUILDERS CAPITAL  
(US) INC., EDGEWATER AT GRIESBACH INC., ELITE HOMES (2006) LTD  
BANK., EVOLUTION BY GREENBORO INC., GREENBORO COMMUNITIES  
(2006) INC., GREENBORO ESTATE HOMES (2006) LTD BANK.,  
GREENBORO HOMES (2006) LTD BANK., GREENBORO LUXURY HOMES  
INC., HIGH POINTE INC., MOUNTAINEERS VILLAGE (2006) INC.,  
MOUNTAINEERS VILLAGE II INC., ORIGINS AT CRANSTON INC., SOUTH  
TERWILLEGAR VILLAGE INC., THE BRIDGES MANAGEMENT INC., THE  
LEDGES INC., TIMBERLINE LODGES (2006) INC., TODAY'S COMMUNITIES  
(2006) INC., TODAY'S HOMES (2006) INC., TUSCANY DEVELOPMENTS  
(2006) INC., UBG ALBERTA BUILDERS (2006) INC., UBG ALPINE HOMES  
(2006) LTD BANK., UBG BRIDGES INC., UBG BUILDERS (USA) INC., UBG  
COMMERCIAL INC., UBG LAND INC., UBG LOT DEPOSIT CORP., UBG 4500  
CALGARY INC., UBG 75 CANMORE INC., UBG 808 CALGARY INC., UNITY  
INVESTMENTS (2012) INC., VALMONT AT ASPEN STONE INC., VALOUR  
PARK AT CURRIE INC., VILLAGE AT THE HAMPTONS INC., VILLAGE ON  
THE PARK INC., WILDERNESS HOMES BY RIVERDALE INC., WILDERNESS  
RIDGE AT STEWART CREEK INC.**

**(COLLECTIVELY, THE "APPLICANTS")**

DOCUMENT

**APPLICATION**

ADDRESS FOR SERVICE AND CONTACT  
INFORMATION OF PARTY FILING THIS  
DOCUMENT

**DENTONS CANADA LLP**  
Bankers Court  
15<sup>th</sup> Floor, 850 - 2<sup>nd</sup> Street S.W.  
Calgary, Alberta T2P 0R8  
**Attention: David W. Mann / Derek M. Pontin**  
Ph. (403) 268-7097/6301 Fx. (403) 268-3100  
File No.: 549362-1

**NOTICE TO RESPONDENT(S)**

This application is made on behalf of the Applicants in the above noted proceedings. You are a respondent.

You have the right to state your side of this matter before the judge.

To do so, you must be in Court when the application is heard as shown below:

Date July 10, 2013  
Time 10:00 a.m.  
Where Court of Queen's Bench of Alberta  
Calgary Courts Centre  
601 – 5th Street S.W.  
Calgary, AB T2P 5P7  
Before Whom The Honourable Justice Horner

Go to the end of this document to see what you can do and when you must do it.

**Remedy claimed or sought:**

1. The Applicants ("**UBG**") respectfully seek the following relief:
  - (a) an Order, in substantially the form attached hereto as Schedule "A", approving the: (i) Term Sheet between Sterling Bridge Mortgage Corp. ("**Sterling**") and Greenboro Homes Limited Partnership, by its general partner Greenboro Homes (2006) Ltd. (collectively, "**GHL**") dated July 4, 2013 (the "**Term Sheet**"); and (ii) conditions for the emergence of GHL from these proceedings;
  - (b) an Order, in substantially the form attached hereto as Schedule "B", approving the sale of UBG's multi-family project known as Valmont at Aspen Stone (the "**Valmont Project**") by Valmont at Aspen Stone Limited Partnership, by its general partner Valmont at Aspen Stone Inc. (collectively, "**Valmont**"), by way of a stalking horse bid process;
  - (c) an Order, in substantially the form attached hereto as Schedule "C", approving an Interim Financing Extension Agreement, dated July 4, 2013, entered by UBG with Bank of Nova Scotia ("**BNS**"), and thereby extending the interim funding agreement currently in place with BNS respecting the Valmont Project (the "**Valmont Interim Funding Agreement**");
  - (d) an Order, in substantially the form attached hereto as Schedule "D", approving the sale of the Hamptons Lands (described below) by Village at the Hamptons Limited Partnership, by its general partner, Village at the Hamptons Inc. (collectively, "**Hamptons**"), to Anderson Builders Group Inc. ("**Anderson**");
  - (e) an Order, in substantially the form attached hereto as Schedule "E", approving the sale of the lands legally described as Condominium Plan 0614092, Unit 16, and 4088 undivided one ten thousandth shares in the common property, excepting thereout all mines and minerals (the "**UBG 75 Canmore Lands**"), by UBG 75 Canmore Limited Partnership, by its general partner, UBG 75 Canmore Inc. (collectively, "**UBG 75 Canmore**"), to 1724504 Alberta Ltd. (the "**Canmore Buyer**") or the Canmore Buyer's nominee;
  - (f) an Order, in substantially the form attached hereto as Schedule "F", amending the Order granted by this Honourable Court on July 10, 2012, regarding an agreement entered by UBG with Bank of Nova Scotia ("**BNS**"), and thereby amending and replacing the interim funding agreement currently in place with BNS (the "**Interim Funding Agreement**"); and

- (g) such other relief as may be sought by the Applicants and granted by this Honourable Court.

**Grounds for making this application:**

***Greenboro Homes - Term Sheet and Emergence***

2. GHL, in consultation with the Monitor, has determined that it is in the best interests of GHL and its various stakeholders for GHL to refinance its existing credit facilities, pay its creditors in full, and emerge from its CCAA proceedings (the "Emergence").
3. GHL's projects were largely financed by, and are subject to security in favour of, Alberta Treasury Branches ("ATB"). ATB and other conventional lenders are unwilling to refinance GHL's existing facilities and provide it with the requisite financing for the Emergence.
4. GHL entered into arm's length third party negotiations with Sterling Bridge Mortgage Corp. ("Sterling"). These negotiations led to GHL and Sterling entering into the Term Sheet providing for, amongst other things: (a) an emergence facility and operating facility by Sterling to GHL (collectively, the "Facilities"); and (b) the acquisition by Sterling of all right, title and interest in the equity of GHL (collectively, the "Equity").
5. The Facilities under the Term Sheet provide financing to:
  - (a) repay all amounts owing to ATB;
  - (b) establish funds to be maintained and administered by the Monitor to payout all valid unsecured claims and trade claims against GHL that are established pursuant to the Claims Procedure Order granted on June 15, 2012;
  - (c) pay the amount owing by GHL in favour of the beneficiaries of the Administration Charge (as defined in the Initial Order) in the amount of \$750,000
  - (d) perform GHL's obligations for warranty and seasonal deficiency work for the pre-filing period up to the maximum aggregate amount of \$940,960; and
  - (e) close on the purchase of developer residential lots and complete the construction of single family dwellings.
6. The Term Sheet is scheduled to close by July 31, 2013, subject to certain conditions. The salient conditions include:
  - (a) the granting of an Order by this Honourable Court approving the Term Sheet and the conditions for the Emergence;
  - (b) confirmation in writing by the Monitor that:
    - (i) ATB's claim against GHL does not exceed \$2,000,000;
    - (ii) trade claims against GHL do not exceed \$2,337,887; and

- (iii) unsecured claims against GHL do not exceed \$2,400,000;
  - (c) the acquisition by Sterling, or such other party designated by Sterling, of the Equity; and
  - (d) the Emergence of GHL.
7. The Term Sheet and the conditions for the Emergence are fair and reasonable in the circumstances and in the best interests of GHL and its stakeholders.
  8. The consideration provided by Sterling for the Equity in GHL is consistent with the appraised value of GHL and takes into consideration the risks associated with the transactions and financings contemplated in the Term Sheet.
  9. The Monitor has been involved at all stages of the negotiation of the Term Sheet and supports UBG's application to approve the Term Sheet and establish the conditions for the Emergence.

#### ***Sale of Valmont at Aspen Stone***

10. UBG, in consultation with the Monitor, has determined it would be in the best interest of UBG and its stakeholders to sell UBG's project known as Valmont at Aspen Stone (the "**Valmont Project**"). The basis for this decision is outlined in the Monitor's Tenth and Eleventh Reports (the "**Reports**").
11. UBG has received an offer from 772180 Alberta Ltd. ("**7712**") to purchase the Valmont Project (the "**Valmont Offer**"). The Valmont Offer is described in the Reports. 7712 has agreed to allow the Offer to stand as a stalking horse bid in a sales process, in consideration of a break fee of \$200,000. The proposed break fee is equivalent to approximately 1.3% of the stalking horse bid.
12. The Valmont Offer includes an aggregate purchase price of \$10,837,595, which includes an assumption or payout of the first charge security held by BNS.
13. UBG, with the assistance of the Monitor, will market the Valmont Project in accordance with the Stalking Horse Bid Procedure outlined in the proposed form of Order.
14. The Valmont Offer and the Stalking Horse Bid Procedure are, in the view of UBG and its advisors, fair, reasonable and necessary for UBG to maximize value for its stakeholders in the Valmont Project.
15. The Monitor has been involved with and supports the Valmont Offer and UBG's application to have the Valmont Offer and Stalking Horse Bid Procedure approved and implemented.

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#### ***Valmont Protocol Extension***

16. On July 10, 2012, the Court granted an Order in these proceedings approving the Valmont Interim Funding Agreement between BNS and various UBG entities involved in the financing and construction of the Valmont Project. BNS currently provides financing with respect to the Valmont Project pursuant to the Valmont Interim Funding Agreement.
17. The budget provided to BNS in relation to the Valmont Project changed following Court approval of the Valmont Interim Funding Agreement and the parties entered into a second interim

funding agreement, dated December 11, 2012 (the “**Second Valmont Funding Agreement**”). This was approved pursuant to an Amending Order granted on December 14, 2012.

18. The term of the Second Valmont Funding Agreement has expired and the parties thereto have agreed to extend it pursuant to an Extension Agreement.
19. UBG seeks the approval of the Extension Agreement as it will ensure that UBG’s funding will continue in respect of the Valmont Project, UBG’s current trade creditors will be paid (in respect of goods and services provided post-May 9, 2012), and work will continue on the Valmont Project.
20. The Monitor has been involved at all stages of negotiations of the Extension Agreement and supports UBG’s application to have the Extension Agreement approved.

#### ***Sale of the Hamptons Lands***

21. UBG, through Hamptons, has negotiated an Asset Purchase Agreement (the “**Hamptons Agreement**”) with Anderson for the purchase and sale of, *inter alia*, the lands legally described as Plan 0726963, Block 1, Lots 1 and 2, excepting thereout all mines and minerals (the “**Hamptons Lands**”).
22. The salient terms and conditions of the Hamptons Agreement include:
  - (a) an aggregate purchase price of \$11,787,000, which includes the payout by Anderson of the first position secured creditor Bank of Montreal;
  - (b) the assumption by Anderson of the Trust Indenture between Hamptons and Valiant Trust Company, dated May 11, 2011, subject to an amended and restated Trust Indenture as approved by extraordinary resolution of the subordinate investors;
  - (c) the return by the City of Edmonton of a letter of credit in the sum of \$750,000, held by the City of Edmonton as security for the completion of development permit conditions; and
  - (d) a payment for Borrower’s Costs in the manner as consistently deducted from sale proceeds respecting other sales by UBG in these proceedings, in an amount equivalent to approximately 3% of the purchase price.
23. The purchase price of the Lands is consistent with the market value of the Lands
24. The Hamptons transaction is described in greater detail in the Reports. The Monitor has been involved at all stages of negotiations of the Hamptons Agreement and supports UBG’s application to have the Hamptons Agreement approved and implemented.

#### ***Sale of the UBG 75 Canmore Lands***

25. UBG, through UBG 75 Canmore, has negotiated and entered into a purchase and sale agreement (the “**UBG 75 Canmore Agreement**”) with the Canmore Buyer for the purchase and sale of the UBG 75 Canmore Lands.

26. The salient terms and conditions of the UBG 75 Canmore Agreement include:
- (a) the purchase price of the UBG 75 Canmore Lands will be \$2,646,302.87;
  - (b) GST will be paid by the Canmore Buyer;
  - (c) the purchase price will be subject to both customary and specific adjustments on closing;
  - (d) the Canmore Buyer will take the UBG 75 Canmore Lands further to the representations and warranties stated in the UBG 75 Canmore Agreement, and subject to permitted encumbrances;
  - (e) UBG 75 Canmore will authorize the Town of Canmore to assign a \$50,000 security deposit held by Town of Canmore in favor of UBG 75 Canmore to Condominium Corporation 0614092; and
  - (f) the closing will be conditional upon Court approval.
27. The purchase price in the UBG 75 Canmore Agreement is consistent with the appraised value for the UBG 75 Canmore Lands.
28. There are presently two tenants, 1564158 Alberta Ltd. and The Market at Three Sisters Ltd., occupying the UBG 75 Canmore Lands to whom termination notices have been sent by UBG 75 Canmore (the "Terminated Tenants"). The interests of the Terminated Tenants are subordinate to the priority encumbrances on title to the UBG 75 Canmore Lands. The Terminated Tenants' tenancies are not permitted encumbrances and are required to be foreclosed from title as a condition of the sale. There will be no equity beyond payment of the priority encumbrances.
29. UBG believes this transfer is in the best interests of UBG and its stakeholders. The Monitor supports the sale of the UBG 75 Canmore Lands in accordance with the terms in the UBG 75 Canmore Agreement.

***South Terwillegar Amending Agreement***

30. On July 10, 2012, the Court granted an Order in these proceedings approving the Interim Funding Agreement between BNS and various UBG entities involved in the financing and construction of the South Terwillegar Project. BNS currently provides financing with respect to the South Terwillegar Project pursuant to the ST Interim Funding Agreement.
31. The budget provided to BNS in relation to the South Terwillegar Project, after Court approval of the ST Interim Funding Agreement, has changed. The parties to the ST Interim Funding Agreement have determined that it is necessary to amend and replace the ST Interim Funding Agreement with a new funding agreement (the "ST Amending Agreement").
32. The ST Amending Agreement, if approved, will provide for a plan to:
- (a) fund and complete the construction of the South Terwillegar Project;
  - (b) close the sales of certain units in the South Terwillegar Project that have been sold;

- (c) market and sell the remaining units; and
  - (d) repay the indebtedness of the UBG entities to BNS.
33. The ST Amending Agreement is substantially similar to the ST Interim Funding Agreement as approved by the Court. The ST Amending Agreement contemplates that BNS will be granted a charge over the assets of South Terwillegar Village Limited Partnership and South Terwillegar Village Inc. and will fund the completion of the South Terwillegar Project. UBG will continue to market and sell units and will distribute the sales proceeds in accordance with the ST Amending Agreement.
34. The charges contemplated in the ST Amending Agreement are critical to BNS's decision to provide its commitment to continue to advance funds in respect of the South Terwillegar Project. The charge in favour of BNS would be limited to the South Terwillegar Project. This charge will not prejudice any other lenders or unrelated stakeholders of UBG.
35. The ST Amending Agreement will ensure that UBG's funding will continue in respect of the South Terwillegar Project, UBG's current trade creditors will be paid (in respect of goods and services provided post-May 9, 2012), and work will continue on the South Terwillegar Project, all of which will contribute to the completion and sale of units to the benefit of UBG and its creditors, lenders, customers and other stakeholders.
36. The Monitor has been involved at all stages of negotiations of the ST Amending Agreement and supports UBG's application to have the ST Amending Agreement approved.

**Material or evidence to be relied on:**

37. The Affidavit of Robert Friesen, dated May 13, 2013.
38. The Monitor's Tenth Report, dated June 13, 2013.
39. The Monitor's Eleventh Report, dated July 4, 2013
40. The Affidavit of Robert Friesen, dated July 4, 2013.
41. Such further and other materials as counsel for the Petitioners may advise and this Honourable Court may deem necessary.

**Applicable Rules:**

42. The *Alberta Rules of Court*, AR 124/2010.

**Applicable Acts and regulations:**

43. *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended, and the regulations thereunder.
44. Such further and other acts and regulations as counsel for the Applicants may advise and this Honourable Court may deem necessary.

**How the application is proposed to be heard or considered:**

45. In person before the Honourable Justice Horner in Chambers.

**WARNING**

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.



# Schedule "A"

Clerk's stamp:

COURT FILE NUMBER

1201-05843

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985, c C-36, AS AMENDED

AND IN THE MATTER OF UBG BUILDERS INC., ALBERTA BUILDERS CAPITAL INC., ALPINE HOMES (2006) INC., AMERICAN BUILDERS CAPITAL (US) INC., EDGEWATER AT GRIESBACH INC., ELITE HOMES (2006) LTD., EVOLUTION BY GREENBORO INC., GREENBORO COMMUNITIES (2006) INC., GREENBORO ESTATE HOMES (2006) LTD., GREENBORO HOMES (2006) LTD., GREENBORO LUXURY HOMES INC., HIGH POINTE INC., MOUNTAINEERS VILLAGE (2006) INC., MOUNTAINEERS VILLAGE II INC., ORIGINS AT CRANSTON INC., SOUTH TERWILLEGAR VILLAGE INC., THE BRIDGES MANAGEMENT INC., THE LEDGES INC., TIMBERLINE LODGES (2006) INC., TODAY'S COMMUNITIES (2006) INC., TODAY'S HOMES (2006) INC., TUSCANY DEVELOPMENTS (2006) INC., UBG ALBERTA BUILDERS (2006) INC., UBG ALPINE HOMES (2006) LTD., UBG BRIDGES INC., UBG BUILDERS (USA) INC., UBG COMMERCIAL INC., UBG LAND INC., UBG LOT DEPOSIT CORP., UBG 4500 CALGARY INC., UBG 75 CANMORE INC., UBG 808 CALGARY INC., UNITY INVESTMENTS (2012) INC., VALMONT AT ASPEN STONE INC., VALOUR PARK AT CURRIE INC., VILLAGE AT THE HAMPTONS INC., VILLAGE ON THE PARK INC., WILDERNESS HOMES BY RIVERDALE INC., WILDERNESS RIDGE AT STEWART CREEK INC. (COLLECTIVELY, THE "APPLICANTS")

**DRAFT**

DOCUMENT

EMERGENCE ORDER

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

**DENTONS CANADA LLP**  
Bankers Court  
15<sup>th</sup> Floor, 850 - 2<sup>nd</sup> Street S.W.  
Calgary, Alberta T2P 0R8  
**Attention: David W. Mann / Doug Schweitzer**  
Ph. (403) 268-7097/6301 Fx. (403) 268-3100  
File No.: 549362-1

DATE ON WHICH ORDER WAS PRONOUNCED: July 10, 2013

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary

NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Madam Justice K.M. Horner

**EMERGENCY ORDER**  
**(Greenboro Homes)**

**UPON** the application of the Applicants in these proceedings for an Order approving the: (a) Term Sheet between Sterling Bridge Mortgage Corp. ("**Sterling**") and Greenboro Homes Limited Partnership, by its general partner Greenboro Homes (2006) Ltd. (collectively, "**Greenboro**") dated July 4, 2013 (the "**Term Sheet**") providing for, *inter alia*, an emergence and operating facility by Sterling to Greenboro, and acquisition of all shares, units and equity in Greenboro by Sterling; and (b) emergence from these proceedings of Greenboro (the "**Emergence**");

**AND UPON** having read the Application by the Applicants, dated July \_\_, 2013, the Affidavit of Robert Friesen dated July 4, 2013 (the "**Friesen Affidavit**"), the Affidavit of Anna Collister dated July \_\_, 2013 (the "**Service Affidavit**"), the \_\_\_\_\_ Report of the Court appointed monitor, Ernst & Young Inc. (the "**Monitor**"), dated July \_\_, 2013, and such other material in the pleadings and proceedings as are deemed necessary; **AND UPON** hearing counsel for the Applicants, the Monitor, and other interested parties; **AND UPON** this Honourable Court determining that Greenboro has acted in good faith and with due diligence and all the terms and conditions of the Term Sheet, including but not limited to the funding, the Emergence and transactions contemplated therein, are fair, reasonable, not oppressive and are in the best interests of Greenboro and all of Greenboro's stakeholders and creditors; **AND UPON** having considered and being satisfied as to the fairness and reasonableness of the Term Sheet and the Emergence both substantively and procedurally, and the appropriateness of the transactions contemplated in this Order;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

***Interpretation and Service***

1. The time for service of notice of this application is abridged to the time actually given and service of the Application and supporting material as described in the Service Affidavit is good and sufficient, and this hearing is properly returnable before this Honourable Court today and further service thereof is hereby dispensed with.
2. All capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the Initial Order granted in these proceedings on May 9, 2012 (the "**Initial Order**"), and the following terms shall have the following meaning:
  - (a) "**Administration Claim**" means the amount owing by Greenboro in favour of the beneficiaries of the Administration Charge in the amount of \$750,000;
  - (b) "**Administration Charge**" shall have the meaning ascribed thereto in the Initial Order;
  - (c) "**Affected Claims**" means any and all Claims filed against Greenboro in accordance with the Claims Procedure Order, and includes any reduction to such Claims as a result of any payment, compromise, or other deduction applied against such Claims, whether before or after May 9, 2012, but does not include Unaffected Claims;
  - (d) "**Affected Creditors**" means Creditors with Affected Claims in respect of and to the extent of such Affected Claims;
  - (e) "**ATB**" means the Alberta Treasury Branches;

- (f) "ATB's Claim" means all amounts claimed by ATB against Greenboro in an amount not to exceed \$2,000,000;
- (g) "ATB's Charge" means the CCAA Charge granted over all of Greenboro's undertaking, property, and assets in favour of ATB on July 10, 2012, as amended, subject to the exceptions to such CCAA Charge permitted thereby;
- (h) "CCAA" means the *Companies' Creditors Arrangement Act*, RSC 1985, c. C-36, as amended;
- (i) "CCAA Charge" means an Order in the CCAA Proceedings granting a charge over certain specified property in priority to all security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise, except such interests as are expressly stated to be in priority to such charge;
- (j) "CCAA Proceedings" means the proceedings brought by Greenboro, and others, pursuant to the provisions of the CCAA in the Court File Number 1201-05843;
- (k) "Claims" means valid claims against Greenboro pursuant to the claims process established by to the Claims Procedure Order;
- (l) "Claims Procedure Order" means the Claims Procedure Order granted in the CCAA Proceedings on June 15, 2012;
- (m) "Court" means the Court of Queen's Bench of Alberta in the Judicial District of Calgary presiding over the CCAA Proceedings;
- (n) "Creditor" means any Person having a Claim;
- (o) "Emergence Date" means the date the Monitor's Certificate is filed in the CCAA Proceedings;
- (p) "Emergence Facility" means an advance of up to \$13,714,458 by Sterling to Greenboro pursuant to paragraph A(2)(l) of the Term Sheet;
- (q) "Equity" means all right, title and interest in (i) all partnership units of Greenboro Homes Limited Partnership; (ii) all issued and outstanding shares of Greenboro Homes (2006) Ltd.; and (iii) all other interests in the equity of Greenboro;
- (r) "Facilities" means the Operating Facility and the Emergence Facility;
- (s) "Funds" means the Trade Fund and the Unsecured Fund;
- (t) "Lots" means all single family and duplex home lots either owned by Greenboro or subject to purchase and sale between Greenboro and various developers;
- (u) "Monitor's Certificate" means a certificate filed by the Monitor in the CCAA Proceedings pursuant to paragraph 22 of this Order;

- (v) **"Operating Facility"** shall mean an advance of up to \$12,554,475 by Sterling to Greenboro pursuant to paragraph A(2)(II) of the Term Sheet;
- (w) **"Permitted Agreements"** means: (a) all Pre-Sales, (b) Greenboro's head office lease in Edmonton, (c) all purchase and sale agreements for Lots (including all Lot financing agreements, if any); (d) Pre-CCAA Warranty and Seasonal Work to the maximum amount of \$940,960, (e) licenses and agreements to utilize and operate Greenboro's server, and accounting and operational software, and (f) any other agreements determined by Sterling, in its sole, unfettered and absolute discretion, provided written notice setting out such agreements is provided to Greenboro and the Monitor prior to the Emergence Date;
- (x) **"Person"** means an individual, partnership, joint venture, trust, corporation, group, firm, association, unincorporated organization, committee, government or agency or instrumentality thereof, or any other juridical entity howsoever designated or constituted;
- (y) **"Pre-CCAA Warranty and Seasonal Work"** means Greenboro's obligations for warranty and seasonal deficiency work for the Pre-Filing period, covered by the Alberta New Home Warranty Program or other equivalent warranty providers, up to the maximum aggregate amount of \$940,960 (calculated as an amount equal to Greenboro's actual costs incurred for such work);
- (z) **"Pre-Filing"** means the period on or before May 9, 2012;
- (aa) **"Pre-Sales"** means the pre-sold homes set out in Schedule "B" to the Term Sheet;
- (bb) **"Property"** means all of the assets, undertakings and property of Greenboro;
- (cc) **"Trade Claims"** means the Claims of Greenboro's trade creditors who have filed liens against the Property;
- (dd) **"Trade Creditors"** means Greenboro's creditors with Trade Claims;
- (ee) **"Trade Fund"** means a fund established and maintained by the Monitor from funds advanced to the Monitor by Greenboro in the amount of \$2,337,887;
- (ff) **"Unaffected Claims"** means Claims for Pre-CCAA Warranty and Seasonal Work and claims in respect of Permitted Agreements, if any;
- (gg) **"Unsecured Claims"** means valid unsecured Claims;
- (hh) **"Unsecured Creditors"** means Greenboro's creditors with Unsecured Claims;
- (ii) **"Unsecured Fund"** means a fund established and maintained by the Monitor from funds advanced to the Monitor by Greenboro in the amount of \$2,400,000.

***Approval of the Term Sheet***

3. The Term Sheet, attached as Exhibit "A" to the Friesen Affidavit, is hereby approved.

4. Amendments to the Term Sheet, if any, that are agreed to in writing by Greenboro and Sterling, and approved by the Monitor as reasonably necessary, are hereby authorized and approved.
5. Greenboro and the Monitor are hereby authorized and directed to do all things reasonably necessary to implement and perform all of their respective obligations under the Term Sheet, including the execution of all documents and agreements, and to do all things reasonably necessary to close the financing under the Facilities, and convey the Equity to Sterling, pursuant to the terms of the Term Sheet and this Order.
6. The Term Sheet, including all transactions, conveyances, assignments, grants, advances, security and obligations contemplated therein, shall be valid and enforceable and the rights and remedies of the parties thereto shall not otherwise be limited or impaired in any way by: (i) the pendency of these proceedings and the declaration of insolvency made herein; (ii) any Bankruptcy Order sought or issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of Greenboro or any assignment in bankruptcy made or deemed to be made in respect of Greenboro; or (iii) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of encumbrances, contained in any existing agreement, lease, sub-lease, offer to lease or other arrangement which binds any of the Applicants (a "**Third Party Agreement**"), and notwithstanding any provision to the contrary in any Third Party Agreement.
7. Neither the creation of the Term Sheet, nor the execution, delivery or performance of the Term Sheet shall create or be deemed to constitute a breach by any of the Applicants of any Third Party Agreement to which it is a party.
8. The parties to the Term Sheet shall not have liability to any person whatsoever as a result of any breach of any Third Party Agreement caused by, or resulting from, the execution, delivery or performance of the Term Sheet.
9. Notwithstanding the pendency of these proceedings and the declaration of insolvency made in these proceedings, the Term Sheet, including all transactions, conveyances, assignments, grants, advances, security and obligations contemplated therein, shall constitute legal, valid and binding obligations of the applicable Applicants enforceable against them in accordance with the terms thereof, and all transactions, conveyances, assignments, grants, advances, security and obligations made by the parties pursuant to this Order and the Term Sheet, do not and will not constitute settlements, fraudulent preferences, fraudulent conveyances or other challengeable or reviewable transactions or conduct meriting an oppression remedy under any applicable law, and shall not constitute advances under the *Builders' Lien Act* (Alberta) nor be subject to any builder's lien registered at the date of this Order or thereafter.
10. If and to the extent the provisions of this Order and the Term Sheet are contradictory, the provisions set out in this Order take precedence and the contradictory provisions of the Term Sheet are of no force and effect.
11. No action or proceeding may be commenced against a party to the Term Sheet by reason of any such party having entered into the Term Sheet or having performed the obligations thereunder without leave of this Court having been obtained on seven days' notice to the Applicants, Sterling and the Monitor.

***Conditions to Emergence******Establishing the Funds***

12. Greenboro is authorized and directed to drawdown Facility "B" under the Emergence Facility and utilize such funds to establish the Trade Fund with the Monitor. The Monitor is authorized and directed to:
  - (a) hold the Trade Fund in a separate interest bearing trust account; and
  - (b) make distributions and partial distributions from the Trade Fund to Trade Creditors that have established, to the satisfaction of the Monitor, valid Trade Claims.
13. Greenboro is authorized and directed to drawdown Facility "C" under the Emergence Facility and utilize such funds to establish the Unsecured Fund with the Monitor. The Monitor is authorized and directed to:
  - (a) hold the Unsecured Fund in a separate interest bearing trust account; and
  - (b) make distributions and partial distributions from the Unsecured Fund to Unsecured Creditors that have established, to the satisfaction of the Monitor, valid Unsecured Claims.
14. Upon the Funds being established with the Monitor, all Trade Claims and Unsecured Claims are irrevocably satisfied and discharged as against Greenboro with such claims having recourse solely against the applicable Fund and all proceedings with respect to, in connection with or relating to such Trade Claims and Unsecured Claims are hereby permanently stayed, subject only to any right of such creditors to prove their claim for the purpose of receiving a distribution pursuant to this Order from the applicable Fund.
15. All distributions and payments by the Monitor to any Trade Creditor and Unsecured Creditor from the applicable Fund are for the account of Greenboro and the fulfillment of its obligations to such creditors, whether under this Order or otherwise. No interest will be paid on the Trade Claims and the Unsecured Claims.
16. Prior to making any distributions to Trade Creditors and Unsecured Creditors from the applicable Fund, the Monitor shall ensure that a reserve remains in the applicable Fund for the full amount of any disputed or unresolved Trade Claims and Unsecured Claims.
17. The Administration Charge shall survive against the Funds, up to the aggregate amount of \$10,000, as security for the professional fees and disbursements of the Monitor, counsel to the Monitor and counsel to the Applicants incurred at their normal rates and charges in relation to the administration of the Fund. The Monitor is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants from the Fund at such times and from time to time as the Monitor deems appropriate.

***Payout of Claims***

18. Greenboro is authorized and directed to drawdown Facility "A" under the Emergence Facility and utilize such funds to payout ATB's Claim. Upon making such payment, ATB's Charge and any

other security or guarantees held by ATB over or relating to Greenboro shall be discharged and all Claims of ATB against Greenboro, including but not limited to ATB's Claim, are deemed to be released.

19. Greenboro is authorized and directed to drawdown Facility "D" under the Emergence Facility and utilize such funds to payout the Administration Claim. The payment of the Administration Claim by Greenboro shall be made to the Monitor to administer. Upon making such payment, the Administration Charge shall be discharged against Greenboro and all claims of the Monitor, its legal counsel and legal counsel to the Applicants against Greenboro are deemed to be released.
20. Greenboro is authorized to drawdown such amounts in Facilities "E" and "F" under the Facilities and utilize such funds to payout, bring current or otherwise address all purchase and sale agreements for Lots to the satisfaction of Greenboro and Sterling.

Lot Credit

21. Nothing in this Order shall discharge Greenboro's obligation to remit 50% of the Credit, as that term is defined in the Order granted in the CCAA Proceedings on March 22, 2013, to Greenboro Communities Limited Partnership.

***Emergence of Greenboro***

22. The Monitor shall file the Monitor's Certificate when it is in irrevocable receipt of a certificate from Greenboro and Sterling jointly certifying that: (a) all conditions under the Term Sheet have been waived or satisfied; (b) all conditions under this Order have been waived, to the extent permitted, or satisfied; and (c) all advances described in this Order have been received by, and the related payments have been irrevocably been paid by, Greenboro.
23. The Emergence occurs upon the Monitor filing the Monitor's Certificate.
24. The Applicants are hereby authorized and directed to take all actions necessary or appropriate, in accordance with the terms of this Order, to enter into, adopt, execute, deliver, implement and consummate the contracts, instruments, releases, all other agreements or documents to be created or which are to come into effect in connection with this Order and all matters contemplated under this Order involving corporate action of the Applicants and such actions are hereby approved and will occur and be effective as of the Emergence Date in accordance with this Order, in all respects and for all purposes without any requirement of further action by shareholders, unit holders, directors or officers of the Applicants. Further, to the extent not previously given, all necessary approvals to take such actions shall be and are hereby deemed to have been obtained from the directors, unit holders or the shareholders of the Applicants, as applicable, including the deemed passing by any class of shareholders or unit holders of any resolution or special resolution, and no shareholders' agreement or agreement between a shareholder and another Person limiting in any way the right to vote shares held by such shareholder or shareholders with respect to any of the steps contemplated by this Order shall be effective or shall have any force or effect.
25. Upon Emergence:



- (a) All obligations of Greenboro in respect of warranty obligations, executory contracts, and other liabilities are hereby discharged and released except in respect of Permitted Agreements, which are deemed to be valid, binding, and in good standing, and no Person who is a party to any such obligation or agreement shall, on or after the Emergence Date, accelerate, terminate, rescind, refuse to renew, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise, or purport to enforce or exercise, any right (including any right of set-off, combination of accounts, dilution, buy-out, divestiture, forced purchase or sale option, or other remedy) or make any demand under or in respect of any such obligation or agreement, by reason of:
- (i) any event or events which occurred on or before the Emergence Date and is not continuing after the Emergence Date, which would have entitled any party thereto to enforce such rights or remedies (including defaults or events of default arising as a result of the insolvency of Greenboro);
  - (ii) Greenboro having sought or obtained relief under the CCAA;
  - (iii) any arrangements, settlements, assignments or transactions effected pursuant to this Order or completed during the CCAA Proceedings;
  - (iv) any default or event of default arising prior to the Emergence Date as a result of the financial condition or insolvency of Greenboro; or
  - (v) the effect upon Greenboro of the completion of any of the transactions contemplated under the Term Sheet, this Order or completed during the CCAA Proceedings
- (b) Greenboro shall be free of all estate, right, title, interest, royalty, rental and equity of redemption of the Applicants and all persons who claim, by through or under the Applicants in respect of Greenboro and the Property, other than in respect of Unaffected Claims, if any;
- (c) Greenboro shall be entitled to enter into and upon, hold and enjoy the Property for its own use and benefit without any interference of or by the Applicants, or any person claiming by or through or against the Applicants, subject only to such rights and obligations as may exist under Permitted Agreements;
- (d) The Equity shall be vested in the name of Sterling, or such other Person designated by Sterling, free of all estate, right, title, interest, royalty, rental and equity of redemption of the Applicants and all persons who claim, by through or under the Applicants in respect of the Equity, if any;
- 
- (e) The CCAA Charges against Greenboro are fully and finally terminated, discharged and released;
- (f) Greenboro shall be entitled to credit any of its existing deposits for Lots against the purchase price under the applicable purchase and sale agreements for Lots;
- (g) All claims, liens, encumbrances, charges, security interests and registrations in favour of Trade Creditors, Unsecured Creditors and ATB, including all builders' liens and

registrations made in accordance with the *Builders' Lien Act*, *Personal Property Security Act*, as amended, *Mines and Minerals Act*, (Alberta), *Land Titles Act* (Alberta), or similar legislation in other jurisdictions against the interests of Greenboro in favour of Trade Creditors and ATB shall be and are hereby deemed to be released, discharged and extinguished and all registrations as may be provided in request for discharge forms that may be submitted to such registries, departments, directors, Commissioners or Ministers by counsel for Greenboro or by the Monitor, from time to time;

- (h) Without limiting the provisions of the Claims Procedure Order, an Affected Creditor that did not file a Proof of Claim (as defined in the Claims Procedure Order) by June 30, 2013, whether or not such Affected Creditor received notice of the claims process established by the Claims Procedure Order, shall be and is hereby forever barred from making a Claim against Greenboro and shall not be entitled to any Claim against Greenboro or distribution from the Funds, and such Affected Creditor's claim is forever extinguished. Nothing in this Order extends or shall be interpreted as extending or amending the Claims Bar Date or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred, extinguished, amended or disallowed pursuant to the Claims Procedure Order;
  - (i) Any and all Persons shall be and are hereby permanently stayed from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, including, without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against Greenboro in respect of all Trade Claims and Unsecured Claims and any other matter which is released pursuant to this Order; and
  - (j) The stay of proceedings under the Initial Order, as extended from time to time in the CCAA Proceedings, shall be and is hereby temporarily extended in respect of Greenboro, solely with respect to Claims for Pre-CCAA Seasonal and Warranty Work, until the earlier of September 30, 2013 or the completion of Pre-CCAA Seasonal and Warranty Work.
26. Upon receipt of a certified copy of this Order together with the Monitor's Certificate, all registrars, directors, Commissioners and Ministers of personal property registries, energy, mine, mineral and petroleum resources or similar government departments and land title offices are hereby directed and required to give effect to the discharges contemplated by this Order. The directions contemplated by this Order are to be given full effect by all such registries, departments, directors, Commissioners or Ministers notwithstanding section 191(1) of the *Land Titles Act* (Alberta) or any similar provision contained in any other legislation of any jurisdiction.

#### ***The Monitor and the CCAA Proceedings***

- 27. Subject to fulfilling its obligations under this Order, the Monitor has, with respect to Greenboro, satisfied all of its obligations required pursuant to the CCAA, the CCAA Proceedings and the Orders made in the course of the CCAA Proceedings, and the Monitor shall have no liability in respect of any information disclosed in the CCAA Proceedings.
- 28. With respect to Greenboro, the Monitor, in addition to its prescribed rights and obligations under the CCAA and the powers provided to the Monitor herein, shall be and is hereby authorized, directed and empowered to perform its functions and fulfill its obligations and

necessary administrative functions under this Order and the Claims Procedure Order including, without limitation, to administer the Funds and disbursements therefrom (the “Fund Administration”) and the completion of the remaining functions in connection with this Order and the Claims Procedure Order.

29. The Monitor is hereby authorized and directed to pay the accounts of the Monitor, its legal counsel, and legal counsel to the Applicants, at such times and from time to time as it deems appropriate, and the Monitor shall have no personal liability with respect to the Fund Administration, except for acts of gross negligence or wilful misconduct.

**General**

30. Notwithstanding: (a) the pendency of the CCAA Proceedings and the declaration of insolvency made therein; (b) a bankruptcy or act of bankruptcy of any of the Applicants; or (c) the provisions of any federal or provincial statute, none of the transactions, payments, steps, releases or compromises made, with respect to Greenboro, during the CCAA Proceedings, or contemplated to be performed or effected pursuant to this Order, shall constitute settlements, fraudulent preferences, fraudulent conveyances or other challengeable or reviewable transactions under any applicable law, federal, provincial or otherwise, nor shall they constitute conduct meriting an oppression remedy.
31. Greenboro has complied with the provisions of the CCAA and the Orders of this Honourable Court in these proceedings in all respects.
32. Any of the Applicants, the Monitor, Sterling or any other interested Person, may apply to this Court for advice and direction, or to seek relief in respect of, any matter arising out of or incidental to this Order, including without limitation, the interpretation of this Order or the implementation thereof, and for any further Order that may be required, on notice to any party likely to be affected by the Order sought or on such notice as this Court orders.
33. This Court hereby requests the aid and recognition (including assistance pursuant to Part IV of the CCAA, as applicable) of any court or any judicial, regulatory or administrative body in any province or territory of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province or territory or any court or any judicial, regulatory or administrative body of the United States and of any other nation or state to act in aid of and to be complementary to this Court in carrying out the terms of this Order.
34. The Applicants shall serve, by courier, telecopy transmission, e-mail transmission, or ordinary post, a copy of this Order on all parties present at this application and on all parties who received notice of this application or who are presently on the service list established in these proceedings, and service on any or all other parties is hereby dispensed with. Service effected as aforesaid shall be good and sufficient service.

**DRAFT**

# Schedule "B"

Schedule "B"

Clerk's stamp:

COURT FILE NUMBER 1201-05843

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

**IN THE MATTER OF THE COMPANIES CREDITORS  
ARRANGEMENT ACT, RSC, 1985, c C-36, AS AMENDED;**

**AND IN THE MATTER OF UBG BUILDERS INC., ALBERTA  
BUILDERS CAPITAL INC., ALPINE HOMES (2006) INC.,  
AMERICAN BUILDERS CAPITAL (US) INC., EDGEWATER AT  
GRIESBACH INC., ELITE HOMES (2006) LTD., EVOLUTION BY  
GREENBORO INC., GREENBORO COMMUNITIES (2006) INC.,  
GREENBORO ESTATE HOMES (2006) LTD., GREENBORO  
HOMES (2006) LTD., GREENBORO LUXURY HOMES INC.,  
HIGH POINTE INC., MOUNTAINEERS VILLAGE (2006) INC.,  
MOUNTAINEERS VILLAGE II INC., ORIGINS AT CRANSTON  
INC., SOUTH TERWILLEGAR VILLAGE INC., THE BRIDGES  
MANAGEMENT INC., THE LEDGES INC., TIMBERLINE  
LODGES (2006) INC., TODAY'S COMMUNITIES (2006) INC.,  
TODAY'S HOMES (2006) INC., TUSCANY DEVELOPMENTS  
(2006) INC., UBG ALBERTA BUILDERS (2006) INC., UBG  
ALPINE HOMES (2006) LTD., UBG BRIDGES INC., UBG  
BUILDERS (USA) INC., UBG COMMERCIAL INC., UBG LAND  
INC., UBG LOT DEPOSIT CORP., UBG 4500 CALGARY INC.,  
UBG 75 CANMORE INC., UBG 808 CALGARY INC., UNITY  
INVESTMENTS (2012) INC., VALMONT AT ASPEN STONE  
INC., VALOUR PARK AT CURRIE INC., VILLAGE AT THE  
HAMPTONS INC., VILLAGE ON THE PARK INC., WILDERNESS  
HOMES BY RIVERDALE INC., WILDERNESS RIDGE AT  
STEWART CREEK INC.**

**(COLLECTIVELY, THE "APPLICANTS")**

**DRAFT**

DOCUMENT

**ORDER**

(Valmont Stalking Horse)

ADDRESS FOR SERVICE AND CONTACT  
INFORMATION OF PARTY FILING THIS  
DOCUMENT

**DENTONS CANADA LLP**

Bankers Court  
15<sup>th</sup> Floor, 850 - 2<sup>nd</sup> Street S.W.  
Calgary, Alberta T2P 0R8

**Attention: David W. Mann / Travis Lysak**  
Ph. (403) 268-7097/7063 Fx. (403) 268-3100  
File No.: 549362-1

DATE ON WHICH ORDER WAS PRONOUNCED: July 10, 2013

LOCATION WHERE ORDER WAS PRONOUNCED: CALGARY

NAME OF JUDGE WHO MADE THIS ORDER: JUSTICE K.M. HORNER

**ORDER**  
**(STALKING HORSE)**

UPON the application of the Petitioners in these proceedings (collectively, "UBG"); AND UPON having read the Application of the Petitioners, dated July \_\_\_\_\_, 2013, the Affidavit of Robert Friesen, sworn July \_\_\_\_\_, 2013 (the "Friesen Affidavit"), the Tenth and Eleventh Reports of the Monitor, the Affidavit of Anna Collister, sworn July \_\_\_\_\_, 2013 (the "Service Affidavit"), all filed, and such other material in the pleadings and proceedings as deemed necessary; AND UPON hearing counsel for UBG, counsel for the Monitor, and other interested parties;

IT IS HEREBY ORDERED THAT:

***Service***

1. The time for service of notice of this application is abridged to the time actually given and service of the Application and supporting material as described in the Service Affidavit is good and sufficient, and this hearing is properly returnable before this Honourable Court today and further service thereof is hereby dispensed with.
2. All capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the Initial Order granted in these proceedings on May 9, 2012 (the "Initial Order").

***Approval of the Sales Procedure and Solicitation Process***

3. The Offer to Purchase among Valmont at Aspen Stone Limited Partnership and 771280 Alberta Ltd. dated June 20, 2013 (the "Offer") including the break fee discussed in paragraph 4.03 of the Offer to sell the lands legally defined as Condominium Plan 0813651, Units 2, 3, and 4 and all appurtenances thereto (the "Lands"), be and is hereby approved, and the Offer shall form the Stalking Horse Bid.
4. UBG and the Monitor are hereby authorized and directed to accept the Offer, continue listing the Lands, and proceed with the procedure outlined in the Sales Procedure attached hereto as Schedule "A" (the "Sales Procedure") and do all such things as are reasonably necessary to carry out their respective obligations thereunder and give full effect to the Sales Procedure.

***Miscellaneous***

5. The Sales Procedure may be altered or amended by the Monitor in a non-substantive manner to give full or better effect to the sales procedure approved hereby.
6. UBG shall serve, by courier, facsimile transmission, e-mail transmission, or ordinary post, a copy of this Order on all parties present at this application and on all parties who received notice of this application or who are presently on the service list established in these proceedings, and service on any or all other parties is hereby dispensed with. Service effected as aforesaid shall be good and sufficient service.

**DRAFT**

---

Justice of the Court of Queen's Bench of Alberta

**Schedule "B"**

**SCHEDULE "A"**  
**TO THE STALKING HORSE ORDER**

**Unity Builders Group – Sales Procedure**

**Valmont at Aspen Stone Limited Partnership**

Overview of contemplated sales procedure (the "Sale Process") for the lands legally described as:

- (a) Condominium Plan 0813651  
Unit 2  
And 1695 Undivided One Ten Thousandth Shares in the Common Property  
Excepting Thereout all Mines and Minerals;
  - (b) Condominium Plan 0813651  
Unit 3  
And 2765 Undivided One Ten Thousandth Shares in the Common Property  
Excepting Thereout all Mines and Minerals; and
  - (c) Condominium Plan 0813651  
Unit 4  
And 2768 Undivided One Ten Thousandth Shares in the Common Property  
Excepting Thereout all Mines and Minerals,
- and all appurtenances thereto (the "Lands").

1. The Offer to Purchase the Lands by 771280 Alberta Ltd. (the "Offer"), is a "Stalking Horse" bid and the Offer may be utilized by the Vendor in conjunction with it continuing to list the lands and sell the Lands on terms and conditions that are (a) no less favourable, (b) no more burdensome or conditional, and (c) except for purchase consideration greater than the Purchase Consideration, substantially similar to the Offer.
2. Valmont at Aspen Stone Limited Partnership ("Valmont") and/or the Monitor will:
  - (a) send out an introduction letter to potential purchasers as identified by UBG, its counsel and the Monitor, as soon as reasonably practical;
  - (b) place an advertisement in local, national, or international publications as appropriate; and
  - (c) provide any potential purchasers who execute an acceptable confidentiality agreement:
    - (i) a confidential information memorandum relating to the Company; (ii) access to the Company's premises and available management team; and (iii) access to an electronic data room to be maintained by the Monitor.
3. The Offer will be made available to all potential purchasers.
4. The Monitor and Valmont will facilitate site visits for prospective purchasers.

5. A potential purchaser ("**Competing Bidder**") who wishes to acquire the Lands shall submit its offer – in form and substance substantially similar to the Offer - to the Monitor no later than 5:00 p.m., Calgary time, August 9, 2013, which offer shall provide:
  - (a) a deposit of not less than \$200,000 of that offer's total consideration,
  - (b) a closing time of not later than August 23, 2013, and
  - (c) the purchase consideration to be in excess of the current purchase price of \$10,837,595 by an amount equal to at least \$225,000.

(a "**Competing Bid**").
6. If the Monitor receives one or more Competing Bids then:
  - (a) the most favourable Competing Bid shall be selected as the successful bidder (the "**Successful Bidder**"), and
  - (b) the date of closing (as defined in the Offer) shall be extended by not more than ten Business Days.
7. UBG and the Monitor shall seek a vesting Order as soon as reasonably practicable after:
  - (a) a Successful Bidder is selected by the Monitor, or
  - (b) if there is no competing bidder, August 9, 2013
8. The sale of the Lands will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Monitor, UBG or any of their agents, estates, advisors, professionals or otherwise.
9. 771280 Alberta Ltd. shall be entitled to a fee (the "**Break Fee**"), secured against the purchase consideration provided by the Successful Bidder in an amount equal to \$200,000, which is fair and reasonable compensation to 771280 Alberta Ltd. for its costs and providing the Offer.
10. In the event of any conflict between this Sales Procedure and the Offer, this Sales Procedure shall prevail.



# Schedule "C"

Schedule "C"

Clerk's stamp:

COURT FILE NUMBER 1201-05843

COURT OF QUEEN'S BENCH OF  
ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
RSC 1985, c C-36, AS AMENDED

AND IN THE MATTER OF UBG BUILDERS INC., ALBERTA BUILDERS  
CAPITAL INC., ALPINE HOMES (2006) INC., AMERICAN BUILDERS  
CAPITAL (US) INC., EDGEWATER AT GRIESBACH INC., ELITE HOMES  
(2006) LTD., EVOLUTION BY GREENBORO INC., GREENBORO  
COMMUNITIES (2006) INC., GREENBORO ESTATE HOMES (2006) LTD.,  
GREENBORO HOMES (2006) LTD., GREENBORO LUXURY HOMES INC.,  
HIGH POINTE INC., MOUNTAINEERS VILLAGE (2006) INC.,  
MOUNTAINEERS VILLAGE II INC., ORIGINS AT CRANSTON INC., SOUTH  
TERWILLEGAR VILLAGE INC., THE BRIDGES MANAGEMENT INC., THE  
LEDGES INC., TIMBERLINE LODGES (2006) INC., TODAY'S  
COMMUNITIES (2006) INC., TODAY'S HOMES (2006) INC., TUSCANY  
DEVELOPMENTS (2006) INC., UBG ALBERTA BUILDERS (2006) INC., UBG  
ALPINE HOMES (2006) LTD., UBG BRIDGES INC., UBG BUILDERS (USA)  
INC., UBG COMMERCIAL INC., UBG LAND INC., UBG LOT DEPOSIT  
CORP., UBG 4500 CALGARY INC., UBG 75 CANMORE INC., UBG 808  
CALGARY INC., UNITY INVESTMENTS (2012) INC., VALMONT AT ASPEN  
STONE INC., VALOUR PARK AT CURRIE INC., VILLAGE AT THE  
HAMPTONS INC., VILLAGE ON THE PARK INC., WILDERNESS HOMES BY  
RIVERDALE INC., WILDERNESS RIDGE AT STEWART CREEK INC.  
(COLLECTIVELY, THE "APPLICANTS")

**DRAFT**

DOCUMENT

Order

(re: Valmont Extension Agreement)

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS DOCUMENT

**FRASER MILNER CASGRAIN LLP**

Bankers Court  
15<sup>th</sup> Floor, 850 - 2<sup>nd</sup> Street S.W.  
Calgary, Alberta T2P 0R8

**Attention: David W. Mann / Derek M. Pontin**

Ph. (403) 268-7097/6301 Fx. (403) 268-3100

File No.: 549362-1

DATE ON WHICH ORDER WAS  
PRONOUNCED

July 10, 2013

NAME OF JUSTICE WHO MADE  
THIS ORDER

The Honourable Madam Justice K.M. Horner

**AMENDING AND APPROVAL ORDER**

(re: Valmont Extension Agreement)

UPON the application of the Applicants in these proceedings (collectively, "UBG"); AND UPON having read the Application of the Applicants, dated July 4, 2013, the Affidavit of Robert Friesen, dated July 4, 2013 (the "Friesen Affidavit"), the Eleventh Report of the Monitor, dated July 4, 2013, the Affidavit of Anna Collister, dated July \_\_, 2013 (the "Service Affidavit"), and such other material in the pleadings and proceedings as deemed necessary; AND UPON hearing read the Order (re: BNS Protocol (Valmont)) granted by this Court in these proceedings on July 10, 2012 (the "BNS (Valmont) Order"); AND UPON hearing counsel for UBG, counsel for Bank of Nova Scotia ("BNS"), counsel for the Monitor, and other interested parties; IT IS HEREBY ORDERED AND DECLARED THAT:

***Service***

1. The time for service of notice of this application is abridged to the time actually given and service of the Application and supporting material as described in the Service Affidavit is good and sufficient, and this hearing is properly returnable before this Honourable Court today and further service thereof is hereby dispensed with.
2. All capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the Initial Order granted in these proceedings on May 9, 2012 (the "Initial Order").

***Approval of Interim Financing Extension Agreement***

3. The Interim Financing Extension Agreement dated July 4, 2013 among Valmont at Aspen Stone Inc., as general partner for Valmont at Aspen Stone Limited Partnership (the "Borrower"), Valmont at Aspen Stone Inc., as general partner for Valmont at Aspen Stone Limited Partnership, UBG Alberta Builders (2006) Inc., as general partner for UBG Alberta Builders Limited Partnership, Today's Communities (2006) Inc., as general partner for Today's Communities Limited Partnership, as guarantors, and BNS, attached as Exhibit "F" to the Friesen Affidavit (the "Extension Agreement"), is hereby approved.
4. UBG and the Monitor are hereby authorized and directed to do all things reasonably necessary to implement, and perform all of their respective obligations under, the Extension Agreement.

***Miscellaneous***

5. The Applicants, the Monitor, and BNS are at liberty to apply for such further advice, assistance and direction as may be necessary to give full force and effect to the terms of this Order.
6. The Applicants shall serve, by courier, facsimile transmission, e-mail transmission, or ordinary post, a copy of this Order on all parties present at this application and on all parties who received notice of this application or who are presently on the service list established in these proceedings, and service on any or all other parties is hereby dispensed with. Service effected as aforesaid shall be good and sufficient service.

***DRAFT***

Justice of the Court of Queen's Bench of Alberta

# Schedule "D"

Schedule "D"

Clerk's stamp:

COURT FILE NUMBER 1201-05843  
COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985, c C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF UBG BUILDERS INC., ALBERTA BUILDERS CAPITAL INC., ALPINE HOMES (2006) INC., AMERICAN BUILDERS CAPITAL (US) INC., EDGEWATER AT GRIESBACH INC., ELITE HOMES (2006) LTD., EVOLUTION BY GREENBORO INC., GREENBORO COMMUNITIES (2006) INC., GREENBORO ESTATE HOMES (2006) LTD., GREENBORO HOMES (2006) LTD., GREENBORO LUXURY HOMES INC., HIGH POINTE INC., MOUNTAINEERS VILLAGE (2006) INC., MOUNTAINEERS VILLAGE II INC., ORIGINS AT CRANSTON INC., SOUTH TERWILLEGAR VILLAGE INC., THE BRIDGES MANAGEMENT INC., THE LEDGES INC., TIMBERLINE LODGES (2006) INC., TODAY'S COMMUNITIES (2006) INC., TODAY'S HOMES (2006) INC., TUSCANY DEVELOPMENTS (2006) INC., UBG ALBERTA BUILDERS (2006) INC., UBG ALPINE HOMES (2006) LTD., UBG BRIDGES INC., UBG BUILDERS (USA) INC., UBG COMMERCIAL INC., UBG LAND INC., UBG LOT DEPOSIT CORP., UBG 4500 CALGARY INC., UBG 75 CANMORE INC., UBG 808 CALGARY INC., UNITY INVESTMENTS (2012) INC., VALMONT AT ASPEN STONE INC., VALOUR PARK AT CURRIE INC., VILLAGE AT THE HAMPTONS INC., VILLAGE ON THE PARK INC., WILDERNESS HOMES BY RIVERDALE INC., WILDERNESS RIDGE AT STEWART CREEK INC. (COLLECTIVELY, THE "APPLICANTS")

**DRAFT**

DOCUMENT

ORDER  
(RE: HAMPTONS)

ADDRESS FOR SERVICE AND CONTACT  
INFORMATION OF PARTY FILING THIS  
DOCUMENT

DENTONS CANADA LLP  
Bankers Court  
15<sup>th</sup> Floor, 850 - 2<sup>nd</sup> Street S.W.  
Calgary, Alberta T2P 0R8  
Attention: David W. Mann / Derek M. Pontin  
Ph. (403) 268-7097/6301 Fx. (403) 268-3100  
File No.: 549362-1

DATE ON WHICH ORDER WAS PRONOUNCED: July 10, 2013

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUDGE WHO MADE THIS ORDER: Justice Horner

**ORDER**  
**(Approval and Vesting Order re: Hamptons)**

UPON the application of the Applicants in these proceedings; AND UPON having read the Application of the Applicants, dated July \_\_, 2013, the Affidavit of Robert Friesen dated July \_\_, 2013 (the "**Friesen Affidavit**"), and the Affidavit of Anna Collister, dated July \_\_, 2013 (the "**Service Affidavit**"), the Tenth and Eleventh Reports of Ernst & Young Inc. the Court appointed monitor (the "**Monitor**"), (the "**\_\_\_\_\_ Reports**"), all filed, and such other material in the pleadings and proceedings as are deemed necessary; AND UPON hearing counsel for Applicants, the Monitor, and other interested parties; IT IS HEREBY ORDERED AND DECLARED THAT:

**Service**

1. The time for service of notice of this application is abridged to the time actually given and service of the Application and supporting material as described in the Service Affidavit is good and sufficient, and this hearing is properly returnable before this Honourable Court today and further service thereof is hereby dispensed with.
2. All capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the Order granted by Madam Justice K.M. Horner in this Action, dated May 9, 2012 (the "**Initial Order**"), and the following terms shall have the following meaning:
  - (a) "**Asset Purchase Agreement**" means that certain asset purchase agreement dated June 18, 2013 respecting the purchase of the Property between the Vendor and the Purchaser;
  - (b) "**Lands**" means the lands legally described in Schedule "A" to this Order;
  - (c) "**Property**" means all of the right, title and interest of the vendor in and to the Lands and other property described in Schedule "A" attached to this Order;
  - (d) "**Purchaser**" means Anderson Builders Group Inc.; and
  - (e) "**Vendor**" means Village at the Hamptons Limited Partnership by its general partner Village at the Hamptons Inc.

**Approval of Sale and Vesting of the Property**

3. The sale of the Property to the Purchaser pursuant to the terms and conditions of the Asset Purchase Agreement is hereby authorized and approved.
4. The Applicants and the Monitor are hereby authorized and directed to execute all documents and agreements, and to do all things reasonably necessary to complete the sale of the Property and carry out the terms of this Order.
5. Upon the Monitor delivering a certificate (the "**Monitor's Certificate**") certifying that the sale of the Property has closed substantially in accordance with the terms of the Asset Purchase Agreement and the purchase price payable pursuant to the Asset Purchase Agreement has been tendered to Dentons Canada LLP, then:
  - (a) the Property shall be vested in the name of the Purchaser free of all estate, right, title, interest, royalty, rental, and equity of redemption of the Applicants and all persons who claim by, through or under any of the Applicants in respect of the Property subject only to the permitted encumbrances outlined in Schedule "B" of this Order (the "**Permitted Encumbrances**");

- (b) the Applicants and all persons who claim by, through or under any of the Applicants in respect of the Property, save and except the Permitted Encumbrances, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental, and equity of redemption in and to the Property (including for certainty any mortgages, liens, charges, encumbrances, security interests, statutory claims or adverse claims) and, to the extent that any such person remains in possession or control of any of the Property, they shall forthwith deliver possession of same to the Purchaser;
  - (c) the Purchaser shall be entitled to enter into and upon, hold and enjoy, as the case may be, the Property for its own use and benefit without any interference of or by any of the Applicants, or any person claiming by or through or against any of the Applicants;
  - (d) the Registrar of the Land Titles Office of Alberta shall immediately discharge all encumbrances in respect of the Lands, save and except the Permitted Encumbrances, and shall register the Lands in the name of the Purchaser, notwithstanding section 191(1) of the *Land Titles Act* (Alberta);
  - (e) the purchase price payable pursuant to the Asset Purchase Agreement (the "**Purchase Price**") shall be dealt with as follows:
    - (i) the sum of \$410,000 shall be immediately made available to the Applicants (in keeping with the Order of this Honourable Court on June 15, 2012 and in respect of the effort, fees, and disbursements expended by the Applicants in connection with the preservation, marketing, and conveyance of the Property to the benefit of its stakeholders in these proceedings) for their use, in their sole and unfettered discretion, as approved by the Monitor, for general corporate purposes;
    - (ii) the sum of approximately \$8,069,105.20, to be finalized and approved by the Monitor, shall, in accordance with the Asset Purchase Agreement, be paid to the Bank of Montreal in respect of all amounts owed to it in relation to the Property;
    - (iii) the remainder of the Purchase Price, if any, (the "**Claims Reserve**") shall be held in the place and stead of the Property transferred pursuant to this Order, and not disbursed to any party without the consent of the Monitor or upon further Order of this Honourable Court; and
    - (iv) all claims of whatsoever nature or kind, including without limitation, all real property taxes not subject to adjustment under the Asset Purchase Agreement, liens, claims, encumbrances, mortgages, proprietary claims, trust claims, lease claims, royalty claims, and other interests, other than the Permitted Encumbrances, (the "**Claims**") shall attach solely to the Claims Reserve, and only to such extent as such Claims have been proven in accordance with the Order (Claims Procedure) granted in these proceedings on June 15, 2012 (the "**Claims Procedure Order**"), with the same validity, priority and in the same amounts and subject to the same defences that were or may have been available when the Claims were attached to the Property itself.
6. The Claims shall continue to be administered in accordance with the Claims Procedure Order.
7. The Applicants are authorized and empowered, in respect of the Property, to execute and deliver such additional, related and ancillary documents and assurances governing or giving effect to the conveyance of the Property, which, in the Applicants' discretion are reasonably necessary or advisable to conclude the transactions contemplated in or in furtherance of the implementation of the Asset Purchase Agreement and/or this Order.

8. The Applicants are authorized and empowered to execute and deliver any and all instruments and documents in respect of the Property as may be required by the Registrar of the Land Titles Office of Alberta or deemed necessary by the Applicants, and the Registrar is hereby directed, notwithstanding section 191(1) of the *Land Titles Act* (Alberta), to effect registration of any such instrument or document so executed by the Applicants or its solicitors.
9. Upon the filing of the Monitor's Certificate, the Monitor may discharge, or authorize the discharge of, any security registration or registrations in the Personal Property Registry of Alberta as may be required to properly convey clear title to the Property to the Purchaser.
10. This Court hereby requests the aid and recognition (including assistance pursuant to Section 17 of the CCAA, as applicable) of any court or any judicial, regulatory or administrative body in any province or territory of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada in carrying out the terms of this Order and the Asset Purchase Agreement.

**Miscellaneous**

11. Any conveyance or transfer of the Property made pursuant to the provisions of this Order shall be valid and enforceable and not be rendered invalid or unenforceable and the rights and remedies of the parties thereto shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declaration of insolvency made herein; (b) any Bankruptcy Order sought or issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) ("**BIA**") in respect of any of the Applicants; or (c) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of encumbrances, contained in any existing agreement, lease, sub-lease, offer to lease or other arrangement which binds any of the Applicants (a "**Third Party Agreement**"), and notwithstanding any provision to the contrary in any Third Party Agreement:
  - (i) the transactions contemplated in the Asset Purchase Agreement and/or by this Order shall not create or be deemed to constitute a breach by any of the Applicants of any Third Party Agreement to which they are a party; and
  - (ii) the Purchaser shall not have liability to any person whatsoever as a result of any breach of any Third Party Agreement cause by or resulting from the creation, execution, delivery or performance of any transactions contemplated in the Asset Purchase Agreement and/or by this Order.
12. Notwithstanding (a) the pendency of these proceedings and the declaration of insolvency made herein, (b) any Bankruptcy Order sought or issued pursuant to the BIA in respect of any of the Applicants, and (c) the provisions under the BIA, or any other applicable federal or provincial legislation or common law, the Asset Purchase Agreement and transactions contemplated therein and the transactions contemplated by this Order shall constitute legal, valid and binding obligations of the Applicants enforceable against them in accordance with the terms thereof and hereof, and no transactions contemplated in the Asset Purchase Agreement and/or by this Order will be void or voidable at the instance of creditors and claimants and do not constitute nor shall they be deemed to constitute settlements, fraudulent preferences, assignments, fraudulent conveyances, oppressive conduct, or other reviewable transactions under the BIA, or any other applicable federal or provincial legislation or common law.
13. The Applicants, the Monitor, the Purchaser or any interested party may apply to this Court for advice and direction on notice to any party likely to be affected by the Order sought or on such notice as this Court directs.



14. The Applicants shall serve, by courier, facsimile transmission, e-mail transmission, or ordinary post, a copy of this Order on all parties present at this application and on all parties who received notice of this application or who are presently on the service list established in these proceedings, and service on any or all other parties is hereby dispensed with. Service affected as aforesaid shall be good and sufficient service.

**DRAFT**

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Justice of the Court of Queen's Bench of Alberta

**SCHEDULE "A"**

**Lands**

All undertaking, property, and assets used on or in the lands municipally known as 4615-199 Street Edmonton, Alberta, and legally described as:

Firstly:            Plan 0726963  
                         Block 1  
                         Lot 1  
                         Excepting thereout all mines and minerals

Secondly:         Plan 0726963  
                         Block 1  
                         Lot 2  
                         Excepting thereout all mines and minerals

**Other Assets**

Any and all supplies, equipment, chattels and personal property located on the Lands (other than supplies, equipment, chattels and fixtures of the Vendor which are, under the terms of its Lease, is entitled or obligated to remove from the Lands) owned by the Vendor and used in the management, operation, maintenance or repair of the Lands and Improvements.

All site improvements in place, all working drawings and right to use same, licenses, development permits, environmental reports, geotechnical investigation, and all transmittal letters as required, to provide the Purchaser the benefit thereof.

**SCHEDULE "B"**

**Title Qualifications**

Plan 0726963, Block 1, Lot 1

<b>Registration Number</b>	<b>Encumbrances, Liens &amp; Interests</b>
072 465 943	Utility Right of Way in favour of Epcor
072 465 944	Utility Right of Way in favour of the City of Edmonton
072 465 945	Utility Right of Way in favour of the City of Edmonton
072 465 947	Easement
092 046 556	Agreement re: Restrictive Covenant and Easement
091 162 677	Restrictive Covenant
112 251 199	Valiant Trust Company (to be amended and restated)
<b>To be determined</b>	<b>Amended and Restated Trust Indenture in favor of Valiant Trust Company (to be Postponed in favor of Purchaser's Financing and further Postponed as required and finally discharged upon full payout of the debt.)</b>
<b>To be determined</b>	<b>Purchaser's Financing</b>

Plan 0726963, Block 1, Lot 2

<b>Registration Number</b>	<b>Encumbrances, Liens &amp; Interests</b>
072 465 944	Utility Right of Way in favour of the City of Edmonton
072 465 947	Easement
092 046 556	Agreement re: Restrictive Covenant and Easement
112 251 199	Valiant Trust Company (to be Amended and Restated)
<b>To be determined</b>	<b>Amended and Restated Trust Indenture in favor of Valiant Trust Company (to be Postponed in favor of Purchaser's Financing and further Postponed as required and finally discharged upon full payout of the debt.)</b>
<b>To be determined</b>	<b>Purchaser's Financing</b>

# Schedule "E"

Schedule "E"

Clerk's stamp:

COURT FILE NUMBER 1201-05843

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
RSC 1985, c C-36, AS AMENDED

AND IN THE MATTER OF UBG BUILDERS INC., ALBERTA BUILDERS CAPITAL INC., ALPINE HOMES (2006) INC., AMERICAN BUILDERS CAPITAL (US) INC., EDGEWATER AT GRIESBACH INC., ELITE HOMES (2006) LTD., EVOLUTION BY GREENBORO INC., GREENBORO COMMUNITIES (2006) INC., GREENBORO ESTATE HOMES (2006) LTD., GREENBORO HOMES (2006) LTD., GREENBORO LUXURY HOMES INC., HIGH POINTE INC., MOUNTAINEERS VILLAGE (2006) INC., MOUNTAINEERS VILLAGE II INC., ORIGINS AT CRANSTON INC., SOUTH TERWILLEGAR VILLAGE INC., THE BRIDGES MANAGEMENT INC., THE LEDGES INC., TIMBERLINE LODGES (2006) INC., TODAY'S COMMUNITIES (2006) INC., TODAY'S HOMES (2006) INC., TUSCANY DEVELOPMENTS (2006) INC., UBG ALBERTA BUILDERS (2006) INC., UBG ALPINE HOMES (2006) LTD., UBG BRIDGES INC., UBG BUILDERS (USA) INC., UBG COMMERCIAL INC., UBG LAND INC., UBG LOT DEPOSIT CORP., UBG 4500 CALGARY INC., UBG 75 CANMORE INC., UBG 808 CALGARY INC., UNITY INVESTMENTS (2012) INC., VALMONT AT ASPEN STONE INC., VALOUR PARK AT CURRIE INC., VILLAGE AT THE HAMPTONS INC., VILLAGE ON THE PARK INC., WILDERNESS HOMES BY RIVERDALE INC., WILDERNESS RIDGE AT STEWART CREEK INC. (COLLECTIVELY, THE "APPLICANTS")

**DRAFT**

DOCUMENT

Order  
(re: UBG 75 Canmore Office)

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

DENTONS CANADA LLP  
Bankers Court  
15<sup>th</sup> Floor, 850 - 2<sup>nd</sup> Street S.W.  
Calgary, Alberta T2P 0R8  
**Attention: David W. Mann / Derek M. Pontin**  
Ph. (403) 268-7097/6301 Fx. (403) 268-3100  
File No.: 549362-1

DATE ON WHICH ORDER WAS PRONOUNCED

July 10, 2013

LOCATION WHERE ORDER WAS PRONOUNCED

Calgary Courts Centre, Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER

The Honourable Madam Justice Horner

**ORDER**

(re: UBG 75 Canmore Office)

UPON the application of the Applicants in these proceedings (collectively, "UBG"); AND UPON having read the Application of the Applicants, dated July \_\_\_\_, 2013, the Affidavit of Robert Friesen, dated July \_\_\_\_, 2013 (the "Friesen Affidavit"), the Tenth and Eleventh Reports of the Monitor, the Affidavit of Anna Collister, dated July \_\_\_\_, 2013 (the "Service Affidavit"), and such other material in the pleadings and proceedings as deemed necessary; AND UPON hearing counsel for UBG, counsel for the Monitor, and other interested parties; IT IS HEREBY ORDERED AND DECLARED THAT:

**Service**

1. The time for service of notice of this application is abridged to the time actually given and service of the Application and supporting material as described in the Service Affidavit is good and sufficient, and this hearing is properly returnable before this Honourable Court today and further service thereof is hereby dispensed with.
2. All capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the Initial Order granted in these proceedings on May 9, 2012 (the "Initial Order"), and the following terms shall have the following meaning:
  - (a) "Closing Adjustments" means the ordinary and specific closing adjustments described at clause 8.2 of the Purchase and Sale Agreement (as defined herein);
  - (b) "Lands" means the lands legally described as Condominium Plan 0614092, Unit 16, and 4088 undivided one ten thousandth shares in the common property, excepting thereout all mines and minerals;
  - (c) "Net Proceeds" means the proceeds from the sale of the Property, less amounts required to pay the Closing Adjustments and all other reasonable and ordinary closing costs, including without limitation goods and services and other applicable sales taxes, property taxes, commissions, applicable condominium fees and legal fees and disbursements, calculated in a manner consistent with the calculation of 'Net Proceeds' described in the Order granted by this Honourable Court in these proceedings on date June 15, 2012, and including, without limitation, a deduction in favour of the Applicants of \$75,000.00 for their business and operational purposes;
  - (d) "Property" means all of the Vendor's right, title and interest in and to the Lands;
  - (e) "Purchase and Sale Agreement" means the agreement in writing respecting the sale of the Property (as herein defined) from the Vendor to the Purchaser;
  - (f) "Purchaser" means 1724504 Alberta Ltd., or the Purchasers' nominee; and
  - (g) "Vendor" means UBG 75 Canmore Limited Partnership, by its general partner, UBG 75 Canmore Inc.

**Approval of Sale and Vesting of the UBG 75 Canmore Office Building**

3. The sale and conveyance of the Property to the Purchaser be and is hereby authorized and approved.
4. UBG and the Monitor are hereby authorized and directed to execute all deeds, documents, and agreements, and to do all things reasonably necessary to complete the conveyance of the Property pursuant to the terms of the Purchase and Sale Agreement and carry out the terms of this Order.
5. Upon the Monitor delivering a certificate (the "**Monitor's Certificate**") certifying that the sale of the Property has closed in accordance with the terms of the Purchase and Sale Agreement and all purchase monies due and owing in respect of such sale have been tendered to UBG's solicitors, then:
  - (a) the Property shall be vested in the name of the Purchaser free of all estate, right, title, interest, royalty, rental, and equity of redemption of UBG and all persons who claim by, through or under UBG in respect of the Property whose interests are subordinate to those of the Purchaser by virtue of its security on the Property, subject only to the permitted encumbrances outlined in Schedule "A" of this Order (the "**Permitted Encumbrances**") and the permitted tenancies outlined in Schedule "B" of this Order (the "**Permitted Tenancies**");
  - (b) for further clarity, the tenancy interests of 1564158 Alberta Ltd. and The Market at Three Sisters Ltd. respecting the Lands are hereby terminated and foreclosed off title to the Lands;
  - (c) UBG and all persons who claim by, through or under UBG in respect of the Property, save and except the Permitted Encumbrances and the Permitted Tenancies, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental, and equity of redemption of the Property and, to the extent that any such person remains in possession or control of any of the Property, they shall forthwith deliver possession of same to the Purchaser or its nominee;
  - (d) the Purchaser shall be entitled to enter into and upon, hold and enjoy the Property for its own use and benefit without any interference of or by UBG, or any person claiming by or through or against UBG; and
  - (e) the Registrar of the Land Titles Office of Alberta shall discharge all encumbrances in respect of the Lands, save and except the Permitted Encumbrances, and shall register the Property in the name of the Purchaser, notwithstanding the requirements in section 191 of the *Land Titles Act* (Alberta).
6. UBG is authorized and empowered, in respect of the Property, to execute and deliver: (a) such additional, related and ancillary documents and assurances governing or giving effect to the conveyance of the Property, which, in UBG's discretion are reasonably necessary or advisable to conclude the transactions contemplated in or in furtherance of the transfer of the Property and/or this Order; and (b) any and all instruments and documents in respect of the Property as may be required by the Registrar of the Land Titles Office of Alberta or deemed necessary by



UBG, and the Registrar is hereby directed, notwithstanding any restrictions in the *Land Titles Act* (Alberta) (the "LTA"), including but not limited to s. 191(1) of the LTA, to effect registration of any such instrument or document so executed by UBG or its solicitors.

7. Upon the filing of the Monitor's Certificate, the Monitor shall discharge, or authorize the discharge of, any security registration or registrations in the Personal Property Registry of the Province where the Property is located as may be required to properly convey clear title of the Property to the Purchaser.
8. Upon the filing of the Monitor's Certificate, the Net Proceeds shall be:
  - (a) firstly, paid to Bank of Montreal ("BMO") in respect of all valid amounts owing to BMO, as approved by the Monitor, in relation to the Lands;
  - (b) secondly, the remainder of the Purchase Price (the "Claims Reserve") shall be held in the place and stead of the Property transferred pursuant to this Order, and not disbursed to any party without the consent of the Monitor or upon further Order of this Honourable Court.
9. All claims of whatsoever nature or kind, including without limitation, all real property taxes not subject to adjustment under the Purchase and Sale Agreement, liens, claims, encumbrances, mortgages, proprietary claims, trust claims, lease claims, royalty claims, and other interests, other than the Permitted Encumbrances and Permitted Tenancies, (the "Claims") shall attach solely to the Claims Reserve, and only to such extent as such Claims have been proven in accordance with the Claims Procedure Order granted in these proceedings on June 15, 2012, with the same validity, priority and in the same amounts and subject to the same defences that were or may have been available when the Claims were attached to the Property itself.

#### **Miscellaneous**

10. Any conveyance or transfer of the Property made pursuant to the provisions of this Order shall be valid and enforceable and not be rendered invalid or unenforceable and the rights and remedies of the parties thereto shall not otherwise be limited or impaired in any way by: (i) the pendency of these proceedings and the declaration of insolvency made herein; (ii) any Bankruptcy Order sought or issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) ("BIA") in respect of any of the Petitioners; or (iii) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of encumbrances, contained in any existing agreement, lease, sub-lease, offer to lease or other arrangement which binds any of the Petitioners (a "Third Party Agreement"), and notwithstanding any provision to the contrary in any Third Party Agreement:
  - (a) the transaction contemplated hereby shall not create or be deemed to constitute a breach by any of the Petitioners of any Third Party Agreement to which they are a party; and
  - (b) the Purchaser shall not have liability to any person whatsoever as a result of any breach of any Third Party Agreement caused by or resulting from the creation, execution, delivery or performance of any transaction contemplated hereby.

11. Notwithstanding (i) the pendency of these proceedings and the declaration of insolvency made herein, (ii) any Bankruptcy Order sought or issued pursuant to the BIA in respect of any of the Petitioners, and (iii) the provisions under the BIA, or any other applicable federal or provincial legislation or common law, the Purchase and transaction contemplated hereby shall constitute legal, valid and binding obligations of the Petitioners enforceable against them in accordance with the terms thereof, and no transaction contemplated herein will be void or voidable at the instance of creditors and claimants and do not constitute nor shall they be deemed to constitute settlements, fraudulent preferences, assignments, fraudulent conveyances, oppressive conduct, or other reviewable transactions under the BIA, or any other applicable federal or provincial legislation or common law.
12. UBG, the Monitor, the Purchaser, or any interested party may apply to this Court for advice and direction on notice to any party likely to be affected by the Order sought or on such notice as this Court directs.

***General***

13. UBG shall serve, by courier, facsimile transmission, e-mail transmission, or ordinary post, a copy of this Order on all parties present at this application and on all parties who received notice of this application or who are presently on the service list established in these proceedings, and service on any or all other parties is hereby dispensed with. Service affected as aforesaid shall be good and sufficient service.

***DRAFT***

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Justice of the Court of Queen's Bench of Alberta

**Schedule A**  
**(Order re: UBG 75 Canmore Office)**

**PERMITTED ENCUMBRANCES**

<b>Registration Number</b>	<b>Date (D/M/Y)</b>	<b>Encumbrances, Liens &amp; Interests</b>
021 298 502	26/08/2002	UTILITY RIGHT OF WAY
021 298 505	26/08/2002	RESTRICTIVE COVENANT
021 298 509	26/08/2002	RESTRICTIVE COVENANT
021 336 079	24/09/2002	CAVEAT
021 354 337	08/10/2002	CAVEAT
051 473 075	12/12/2005	CAVEAT
061 359 468	01/09/2006	CAVEAT
061 379 179	14/09/2006	EASEMENT
061 465 438	08/11/2006	CAVEAT
101 019 232	19/01/2010	CAVEAT
111 309 632	29/11/2011	CAVEAT
111 309 633	29/11/2011	CAVEAT

**Schedule B  
(Order re: UBG 75 Canmore Office)**

**PERMITTED TENANCIES**

<b>TENANT</b>	<b>MUNICIPAL ADDRESS</b>	<b>DATE OF LEASE</b>
A. Constantin Professional Corporation and Gert du Plessis Professional Corporation	#105 and 106, 75 Dyrgas Gate, Canmore	September 1, 2011
GAIA Collaborative Medicine Inc.	#101, 75 Dyrgas Gate, Canmore	October 1, 2006
Bow Valley Kitchens Ltd.	#103, 75 Dyrgas Gate, Canmore	September 22, 2006

# Schedule "F"

Schedule "F"

Clerk's stamp:

COURT FILE NUMBER 1201-05843

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
RSC 1985, c C-36, AS AMENDED**

**AND IN THE MATTER OF UBG BUILDERS INC., ALBERTA BUILDERS  
CAPITAL INC., ALPINE HOMES (2006) INC., AMERICAN BUILDERS  
CAPITAL (US) INC., EDGEWATER AT GRIESBACH INC., ELITE HOMES  
(2006) LTD., EVOLUTION BY GREENBORO INC., GREENBORO  
COMMUNITIES (2006) INC., GREENBORO ESTATE HOMES (2006) LTD.,  
GREENBORO HOMES (2006) LTD., GREENBORO LUXURY HOMES INC.,  
HIGH POINTE INC., MOUNTAINEERS VILLAGE (2006) INC.,  
MOUNTAINEERS VILLAGE II INC., ORIGINS AT CRANSTON INC., SOUTH  
TERWILLEGAR VILLAGE INC., THE BRIDGES MANAGEMENT INC., THE  
LEDGES INC., TIMBERLINE LODGES (2006) INC., TODAY'S  
COMMUNITIES (2006) INC., TODAY'S HOMES (2006) INC., TUSCANY  
DEVELOPMENTS (2006) INC., UBG ALBERTA BUILDERS (2006) INC., UBG  
ALPINE HOMES (2006) LTD., UBG BRIDGES INC., UBG BUILDERS (USA)  
INC., UBG COMMERCIAL INC., UBG LAND INC., UBG LOT DEPOSIT  
CORP., UBG 4500 CALGARY INC., UBG 75 CANMORE INC., UBG 808  
CALGARY INC., UNITY INVESTMENTS (2012) INC., VALMONT AT ASPEN  
STONE INC., VALOUR PARK AT CURRIE INC., VILLAGE AT THE  
HAMPTONS INC., VILLAGE ON THE PARK INC., WILDERNESS HOMES BY  
RIVERDALE INC., WILDERNESS RIDGE AT STEWART CREEK INC.  
(COLLECTIVELY, THE "APPLICANTS")**

**DRAFT**

DOCUMENT

Amending and Approval Order  
(re: BNS Protocol (ST))

ADDRESS FOR SERVICE AND CONTACT  
INFORMATION OF PARTY FILING THIS  
DOCUMENT

**FRASER MILNER CASGRAIN LLP**  
Bankers Court  
15<sup>th</sup> Floor, 850 - 2<sup>nd</sup> Street S.W.  
Calgary, Alberta T2P 0R8  
**Attention: David W. Mann / Derek M. Pontin**  
Ph. (403) 268-7097/6301 Fx. (403) 268-3100  
File No.: 549362-1

DATE ON WHICH ORDER WAS PRONOUNCED: JULY 10, 2013

LOCATION WHERE ORDER WAS PRONOUNCED: CALGARY

NAME OF JUDGE WHO MADE THIS ORDER: JUSTICE KM HORNER

**AMENDING AND APPROVAL ORDER**

(re: BNS Protocol (ST))

UPON the application of the Applicants in these proceedings (collectively, "UBG"); AND UPON having read the Application of the Applicants, dated July 4, 2013, the Affidavit of Robert Friesen, dated July 4, 2013, the Eleventh Report of the Monitor, dated July 4, 2013, the Affidavit of Anna Collister, dated July \_\_\_, 2013 (the "Service Affidavit"), and such other material in the pleadings and proceedings as deemed necessary; AND UPON hearing read the Order (re: BNS Protocol (ST)) granted by this Court in these proceedings on July 10, 2012 (the "BNS (ST) Order"); AND UPON hearing counsel for UBG, counsel for Bank of Nova Scotia ("BNS"), counsel for the Monitor, and other interested parties; IT IS HEREBY ORDERED AND DECLARED THAT:

***Service***

1. The time for service of notice of this application is abridged to the time actually given and service of the Application and supporting material as described in the Service Affidavit is good and sufficient, and this hearing is properly returnable before this Honourable Court today and further service thereof is hereby dispensed with.
2. All capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the Initial Order granted in these proceedings on May 9, 2012 (the "Initial Order").

***Amendment to the Order (re: BNS Protocol (ST))***

3. Paragraph 3 of the BNS (ST) Order is hereby deleted and replaced with the following paragraph:

The loan agreement among South Terwillegar Village Inc., as general partner for South Terwillegar Village Limited Partnership (the "Borrower"), South Terwillegar Village Inc., as general partner for South Terwillegar Village Limited Partnership, UBG Alberta Builders (2006) Inc., as general partner for UBG Alberta Builders Limited Partnership, as guarantors, and BNS, dated June 27, 2013, attached as Exhibit "N" to the Affidavit of Robert Friesen sworn in these proceedings on July 4, 2013 (the "BNS Interim Financing Agreement") providing for, *inter alia*, the funding, completion, sale of and distribution of proceeds from the development of the Project and sale of Units in the Project (as defined in the BNS Interim Financing Agreement) is hereby approved.

4. In all other respects the BNS (ST) Order, including the charges created and the distributions authorized thereunder, is confirmed.

***Approval of Footprint Amending Agreement***

5. The Amending Agreement dated June 25, 2013 among South Terwillegar Village Limited Partnership, by its general partner South Terwillegar Village Inc. and South Terwillegar Townhomes Inc. and Footprint Developments Inc. (the "Footprint Amending Agreement"), attached as Exhibit "O" to the Friesen Affidavit (the "Extension Agreement"), is hereby approved.

6. UBG and the Monitor are hereby authorized and directed to do all things reasonably necessary to implement, and perform all of their respective obligations under, the Footprint Amending Agreement.

***Miscellaneous***

7. South Terwillegar Village Inc., as general partner for South Terwillegar Village Limited Partnership, and the Monitor and UBG be and are hereby authorized and directed to do such further and other things as may reasonably be necessary to implement and perform their respective obligations under the agreements hereby approved.
8. No action or proceeding may be commenced against a party to the BNS Interim Financing Agreement or the Development Agreement by reason of any such party having entered into such agreement or having performed their obligations thereunder without leave of this Court having been obtained on seven days' notice to the Applicants, the Monitor, STT, and BNS.
9. The Applicants, the Monitor, STT, and BNS are at liberty to apply for such further advice, assistance and direction as may be necessary to give full force and effect to the terms of this Order.
10. The Applicants shall serve, by courier, facsimile transmission, e-mail transmission, or ordinary post, a copy of this Order on all parties present at this application and on all parties who received notice of this application or who are presently on the service list established in these proceedings, and service on any or all other parties is hereby dispensed with. Service effected as aforesaid shall be good and sufficient service.

**DRAFT**

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Justice of the Court of Queen's Bench of Alberta