

IN THE COURT OF APPEAL OF ALBERTA

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 CAN MORE 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.

Respondents
(Respondents)

STREETSIDE DEVELOPMENT CORPORATION

Applicant
(Not a Party to the Chambers Application)

AFFIDAVIT OF GLYNN HENDRY

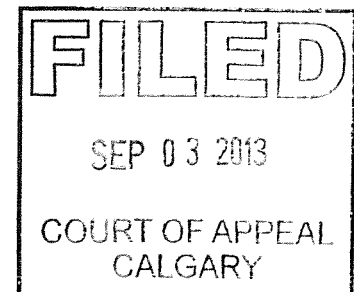
Sworn September 3, 2013

I, GLYNN HENDRY of Calgary, Alberta, SWEAR AND SAY THAT:

1. I am the Regional Vice President, Calgary, of Qualico, which includes its wholly owned subsidiary Streetside Development Corporation.
2. I swore an Affidavit on August 28, 2013 in relation to the application on August 29, 2013, before Mme Justice C.A. Kent of the Court of Queen's Bench, for the sale of the Valmont lands by the Monitor of Respondents (the Respondents as collectively referred to as "UBG"). Attached hereto and marked as **Exhibit "A"** is a true copy of my Affidavit sworn on August 28, 2013. Where terms were defined in my Affidavit of August 28, 2013, I have used the same terms in this Affidavit.

Valmont Project

3. The Valmont Project is a four phase multi-family condominium project located in southwest Calgary comprised of 247 units in four buildings:
 - (a) Building B is complete;



- (b) Building C and D are currently under construction, with only the construction of the parking garage in Building D having been commenced as the parking garage must be completed in order to obtain an occupancy permit for Building B; and
- (c) Building A is not yet under construction.

Stalking Horse Process

4. The Valmont Project was the subject of a "Stalking Horse Process" which was initiated by a Stalking Horse Bid from 7711280 Alberta Ltd. in the amount of \$10,837,595.00 dated June 20, 2013, attached hereto and marked as **Exhibit "B"**.
5. It is my understanding that the Stalking Horse Bid was to be a fair and reasonable bid. It is also my understanding that 7711280 would have the opportunity to review the Valmont Project and conduct due diligence before other potential bidders were able to assess its value.
6. The Stalking Horse Process made the Valmont Project information available to Streetside and other bidders for 22 days, with a closing of August 9, 2013.
7. When UBG's Application to approve the sale to 7711280 was made, Streetside became aware that:
 - (a) 7711280 had made a second offer to purchase the Lands on August 9, 2013 in the amount of \$13,509,000.00, but that offer was not used and another dated August 12, 2013 (after closing) was executed by 7711280 and UBG in the form required and attached to UBG's affidavit in support of the sale to 7711280;
 - (b) Streetside's offer was \$13,500,000.00 and in the form required; and
 - (c) There were two other bidders at \$12,125,000.00 and \$12,100,000.00, respectively.
8. Streetside objected to 7711280's Second Offer, attached hereto and marked as **Exhibit "C"**, and amended pursuant to an Amending Agreement dated August 21, 2013, attached hereto and marked as **Exhibit "D"**, being accepted by the Monitor for a number of reasons, including:
 - (a) it appeared implausible that 7711280 would bid 25% higher than its "fair and reasonable" Stalking Horse Bid merely 50 days after making a bid of \$10,837,595.00 and that its new bid would be slightly higher than the Streetside Offer;
 - (b) there is no evidence that 7711280 made an offer on the same basis as Streetside and the other competing bidders by the closing date on August 9, 2013; and
 - (c) the affidavit in support of UBG's Application to approve the sale included an Asset Purchase Agreement executed by 7711280 on August 12, 2013, 3 days after the closing of the bidding process.
9. I am advised by Streetside's counsel, and verily believe, that counsel for the Monitor referred to the documentation submitted by 7711280 on August 9, 2013, in relation to 7711280's Second Offer, and although it was not presented as evidence in the Application on August 29, 2013, I understand that it was a revised form of the Stalking Horse Bid dated June 20, 2013.

10. The Stalking Horse Offer did not require 7711280 to maintain and uphold the purchase contracts to third party purchasers of the individual units in the Valmont Project ("**Purchase Contracts**"). The Purchase Contracts for the sale of the units are now under-market value and being released from them would mean that 7711280 would have the opportunity to sell the units for higher prices and greater profit. However, not honouring the Purchase Contracts would also mean that purchasers would be able to claim back their respective deposits for the units making either UBG or Alberta New Home Warranty Program liable for such deposits. This was not the basis on which Streetside made its analysis of the Valmont Project as the Monitor made it clear to the competing bids that the Purchase Contracts would have to be honoured, resulting in a lower commercial value of the Valmont Project to Streetside as compared to the Stalking Horse Bid.
11. Ensuring that the Purchase Contracts were taken over was part of the goal of the Stalking Horse Process as evidenced in the Bank of Nova Scotia Agreement for financing of the Valmont Project dated July 5, 2012, attached hereto at **Exhibit "E"** (without a copy of Schedule B to that Agreement), where it is acknowledged, in sub-paragraph 3(c), that the Borrower will use diligent commercial efforts to ensure that the Purchase Contracts are honoured.
12. The Asset Purchase Agreement, which the competing bidders, including Streetside were required by the Monitor to execute, and which was in fact executed by 7711280 after the closing, included in the definition of the "Lands" to be purchased: "Any and all purchase contracts respecting the sale of units to customers".
13. The inclusion of the Purchase Contracts in the Asset Purchase Agreement was a significant commercial change from the Stalking Horse Bid.
14. In addition, as described in my Affidavit of August 28, 2013, the Amending Agreement to the 7711280 Asset Purchase Agreement further changed the commercial arrangement between the parties.
15. Streetside objects to the selection of the 7711280 Second Offer because:
 - (a) 7711280's Second Offer was not received until August 12, 2013;
 - (b) 7711280's Second Offer before closing was not in the correct form of Asset Purchase Agreement, or comparable, to the offer from Streetside;
 - (c) the circumstances and amount of 7711280's Second Offer are incompatible with a conclusion that 7711280 did not have information regarding Streetside's Offer;
 - (d) the bids were not evaluated fairly because 7711280's Second Offer was not allocated a discount for the payment of the break fee of \$200,000.00 in accordance with the Stalking Horse Order of July 10, 2013, attached hereto and marked as **Exhibit "F"**; and
 - (e) the Stalking Horse Process did not contemplate 7711280 being a "Competitive Bidder" and there was no right of first refusal provided for in the Stalking Horse Process as outlined in the Stalking Horse Order (Exhibit F).

Particularities of the Valmont Project and Streetside's Interest in the Valmont Project

16. In my position with Qualico I am knowledgeable and familiar with the market in Calgary and the surrounding area and there are no projects like the Valmont Project which are for sale. The Valmont Project is unique because it is a large scale development that has been partially constructed and sold.
17. Streetside is particularly interested in the Valmont Project and the sale of the Lands pursuant to the Stalking Horse Order, granted July 10, 2013, for a number of reasons:
 - (a) Streetside is well-established to continue on partially constructed projects as it has a number of existing subcontractor, supplier and consultant arrangements already in place;
 - (b) Streetside has a gap in projects that have been approved and while Streetside has a full project base for 2015 and 2016, it is very interested in the Valmont Project as it can be concluded in the short term because it is already under construction; and
 - (c) without the Valmont Project, Streetside will have a gap in its projects until 2015 and such a gap will have a negative impact on Streetside's staffing, subcontractors, suppliers and consultants.
18. The negative impact of a gap that I refer to above relates to the fact that developers must provide their regular subcontractors, suppliers and consultants with a steady flow of work. In the event that this flow is disrupted, the subcontractors, suppliers and consultants will look elsewhere for work and may not be available when required at a later date. This can occur even with subcontractors, suppliers and consultants with whom Streetside has a long term relationship because of the economics of the situation on the parties involved.
19. In the case of the Valmont Project, Streetside was prepared to bid aggressively, in fact, 25% higher than the Stalking Horse Bid, because of the uniqueness of the Valmont Project and its availability to keep the flow of work for Streetside throughout 2014. This project comes with the added benefit of not interfering with Streetside's future projects because it would be finished before those future projects are ready to proceed. The Valmont Project would provide the Streetside staff continued work on viable and current projects while still allowing Streetside to complete its future projects. Further, the Valmont Project would facilitate the flow of work to Streetside's subcontractors, suppliers and consultants, such that they would be available to continue with their long term relationships with Streetside.

Concerns about Proceeding with a Timely Sale

20. Streetside is also concerned regarding the timeliness of the sale from UBG and is prepared to close within a short period of time to facilitate the immediate turnover of the project. The Bank of Nova Scotia loan is due September 13, 2013 and if Streetside were permitted to purchase the Valmont Project today it could close on those timelines.
21. Given the time sensitive nature of the matter, Streetside would agree to the shortest possible time for filing and a hearing of this matter on an expedited basis that the court permits.

Conclusion

22. I make this Affidavit in support of an Order for a stay and leave to appeal pursuant to Section 13 of the *Companies' Creditors Arrangement Act*.

SWORN BEFORE ME at the Calgary, Alberta, this
3rd day of September, 2013

E Chang

(Commissioner for Oaths in and for the
Province of Alberta)

R. D. Hendry

Glynn Hendry
Regional Vice President, Calgary, Qualico

EVELYN CHANG
A Commissioner for Oaths
in and for the Province of Alberta
My Commission Expires MAY 24, 2014

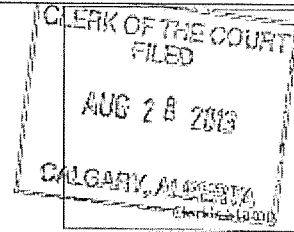


This is Exhibit "A" referred to in the Affidavit of Glynn Hendry, sworn before me this 3rd day of September, 2013

EChang

A Commissioner for Oaths in and for the Province of Alberta

My Commission expires: May 24, 2014



COURT FILE NUMBER 1201-05843
COURT 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 CAN MORE 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 AFFIDAVIT
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Rose LLP
810, 333 - 5th Avenue S.W.
Calgary, Alberta T2P 3B6
Telephone: (403) 776-0515
Attention: E. Jane Sidne#
File No.: 10049-008

AFFIDAVIT OF GLYNN HENDRY

Sworn (~~or Affirmed~~) on August 28, 2013

I, GLYNN HENDRY of Calgary, Alberta, SWEAR AND SAY THAT:

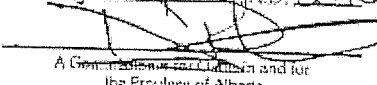
1. I am the Regional Vice President, Calgary, of Qualico, which includes its wholly owned subsidiary Streetside Development Corporation ("Streetside").
2. The Applicants, in accordance with an Order granted in this Action on July 10, 2013 (the "Stalking Horse Order"), commenced a sale process for the lands ("Stalking Horse Sales Process") legally described as Condominium Plan 0813651, Units 2, 3 and 4, all related common property and all appurtenances thereto (the "Lands"), which consists of lands and partially complete multi-family residential units (the "Valmont Project").
3. The Stalking Horse Sales Process incorporated an initial Offer to Purchase the Lands by 7711280 Alberta Ltd. ("7711280") from the owner, Valmont at Aspen Stone Limited Partnership, by its general partner Valmont at Aspen Stone Inc., dated June 20, 2013, in the amount of \$10,837,596.00 (the "Stalking Horse Bid"). That offer was broken down as:
 - (a) \$200,000.00 initial deposit;
 - (b) Assumption of Bank of Nova Scotia Mortgage in the amount of \$7,837,595.00, plus construction draws prior to closing ("BNS Obligations"); and
 - (c) \$2,800,000.00, balance owing, subject to adjustments in the Offer to Purchase.

The Stalking Horse Order, in Schedule "A", provided for a break fee of \$200,00.00, payable to 7711280, in the event the Stalking Horse Bid is not accepted, as "fair and reasonable compensation to 7711280 ... for its costs and providing the [Stalking Horse Bid]" in the amount of \$10,837,596.00.
4. Streetside has been interested in the purchase of the Lands and actively pursued information and investigation of the Lands in the short time frame between July 18, 2013, when notice was received, and August 9, 2013, when the bidding closed (22 days).
5. As part of the Stalking Horse Sales Process, the Monitor requested that a form of Asset Purchase Agreement be used by potential bidders and this was posted by the Monitor on the Valmont Project information website (Firmex data site) on July 26, 2013 (the "Asset Purchase Agreement"). The Asset Purchase Agreement was different than the Stalking Horse Bid in that it required that the BNS Obligations be expanded to encompass:
 - (a) satisfy the Bank of Nova Scotia Mortgage in the amount of \$7,837,595.00 (same as the Stalking Horse Bid);
 - (b) plus all outstanding letters of credit (additional to the Stalking Horse Bid);
 - (c) plus construction draws advanced after July 10, 2013 (same as the Stalking Horse Bid);
 - (d) plus all fees and interest accrued prior to the Close Date (additional to the Stalking Horse Bid).

6. Before the closing deadline on August 9, 2013, Streetside submitted a bid for the Lands of \$13,500,000.00 (which amount is disclosed in the Affidavit of Robert Friesen, dated August 22, 2013 (the "Friesen Affidavit"), as being the second highest offer), together with the Asset Purchase Agreement (in substantially same form as requested) and the required deposit of \$200,000.00 (the "Streetside Offer").
7. The Friesen Affidavit states that an offer was received from 7711280 on the closing date of August 9, 2013, but attached to the Friesen Affidavit is an Asset Purchase Agreement from 7711280 dated August 12, 2013 ("7711280's Second Offer"), which is after the closing date, indicating that a comparable offer from 7711280 was not made until after closing. 7711280's Second Offer states that is for \$13,509,000.00, which is \$9,000.00 more than the Streetside Offer.
8. The Monitor is required to follow the Stalking Horse Order; however:
 - (a) 7711280's Second Offer was not received until August 12, 2013, so the offer from 7711280 before closing was not in the correct form of Asset Purchase Agreement or comparable to the offer from Streetside; and
 - (b) without being in the form of the Asset Purchase Agreement, there is no evidence before the court that the offer from 7711280 received before the closing date included the expanded BNS Obligations as provided for in the Asset Purchase Agreement.
9. Even if the 7711280 Second Offer is not disqualified, the Stalking Horse Order requires the Monitor to select the most favourable competing bid as the successful bidder as of the closing date of August 9, 2013; however, it is not clear that this has been done, because:
 - (a) the Stalking Horse Order is silent as to whether the break-fee payable to 7711280 should be considered in determining the successful bidder, but does require bids to be at least \$225,000.00 higher than the Stalking Horse Bid of \$10,837,596.00; however:
 - (i) based on the Stalking Horse Order, Schedule A, the break fee is payable to 7711280 for submitting the Stalking Horse Bid regardless of whether it also submits a competing bid, so the analysis that 7711280's bid is \$209,000.00 better than the Streetside Offer is wrong; and
 - (ii) 7711280's Second Offer is *different* than the Stalking Horse Bid and it should be evaluated on the same terms as the other competing bidders and not given a \$200,000.00 credit for the payment of the break fee for the Stalking Horse Bid;
 - (b) 7711280's Second Offer, while on its face is \$9,000.00 higher than the Streetside Offer, was amended by an Amending Agreement dated August 21, 2013, which added a new paragraph stating:

"Trade Payment Adjustment. The Purchaser will be responsible for payment of all new trade payment invoices dated from and after August 23, 2013 and the Vendor will be responsible for all trade payable invoices dated prior to August 23, 2013."



THIS IS EXHIBIT " C " referred to in the Affidavit of Robert Friesen
 Sworn before me this 4 day of July A.D. 2013

 A Commissioner for Oaths and for the Province of Alberta

OFFER TO PURCHASE

Dated as of June 20, 2013

This is Exhibit "B" referred to in the Affidavit of Glynn Hendry, sworn before me this 3rd day of September, 2013



A Commissioner for Oaths in and for the Province of Alberta

My Commission expires: May 24, 2014

Derek Pontin

~~Barister and Solicitor~~ 1280 Alberta LTD. (hereinafter called the "Purchaser"), hereby offers and agrees to purchase from Valmont at Aspen Stone Inc. as general partner for and on behalf of Valmont at Aspen Stone LP (hereinafter called the "Vendor"), a body corporate having an office in the Province of Alberta, the lands and property currently owned by the Vendor and with a civic address of 15, 25, and 45 Aspenmont Heights, Calgary, Alberta, and legally described as Plan 0813651, City of Calgary, Province of Alberta, and as more specifically described in Article 1 herein (hereinafter collectively called the "Property"), upon the terms and conditions hereinafter set forth.

ARTICLE I

THE PROPERTY

1.01 The Property shall include the lands, the partially constructed building and parking structure, including all work and materials completed and present on the property, site improvements, and all fixtures and all intellectual documents associated with the partially completed condominium project known as Valmont at Aspen Stone.

Municipal Description: 15, 25 and 45 Aspenmont Heights SW,
Calgary, Alberta

1.02 The legal description of the Property is:

Condominium Plan 0813651
Unit 3
And 2765 Undivided One Ten Thousandth shares in the common property excepting thereout all mines and minerals

Condominium Plan 0813651
Unit 2
And 1895 Undivided One Ten Thousandth shares in the common property excepting thereout all mines and minerals

Condominium Plan 0813651
Unit 4

And 2788 Undivided One Ten Thousandth shares in the common property excepting thereout all mines and minerals

- 1.03 The Property shall include all fixtures including the buildings, parkade and its components existing as at the completion date.
- 1.04 The Property shall include any and all deposits prepaid by the Vendor whether to the City of Calgary or any utility supplier or any contractor, except for those deposits no longer required in respect of the continuing rights or privileges or obligations pertaining to the Property.
- 1.05 The Property shall include the following:
 - (a) copies of all documents in the Vendor's possession related to the Property and all improvements and developments thereon, and the construction of the Valmont condominium project (but specifically excepting all financial information that is reasonably confidential to the business affairs of the Vendor) including but without restricting the generality of the foregoing the following:
 - (1) foundation permit and building permits;
 - (2) all architectural drawings, working drawings, and blue prints;
 - (3) all plans, specifications, and working drawings;
 - (4) all engineering reports and consulting reports, all structural, mechanical and electrical reports, studies or other documents relating the HVAC electrical systems, mechanical systems, roofing systems, plumbing systems;
 - (5) all surveys, proposed strata plans, and proposed condominium plans;
 - (6) all environmental reports and other site studies;
 - (7) all zoning documentations;
 - (8) all City of Calgary inspection reports, outstanding work orders, and/or compliance orders;
 - (9) all documents in regard to utilities including storm, sanitary, water, electrical and gas; and
 - (10) all other reports and inspections reasonably attributable to the Property;
 - (b) names and contact information of all the consultants, contractors, trades and suppliers engaged by the Vendor; and
 - (c) copies of all existing contracts for consultants, contractor's trades and suppliers engaged by the Vendor.

ARTICLE II

PURCHASE PRICE AND DEPOSITS

- 2.01 The purchase price (hereinafter called the "Purchase Price") payable by the Purchaser to the Vendor for the Property free and clear of any and all charges or encumbrances shall be the aggregate sum of \$10,837,595 plus construction draws prior to closing, in lawful money of Canada, to be paid as follows:
- (a) by the sum of \$200,000 as an initial deposit within five business days before the court date of July 10, 2013;
 - (b) by the assumption or payout of the first mortgage in the amount of \$7,837,595 plus construction draws prior to closing with the Bank of Nova Scotia that is in favour of Valmont at Aspen Stone LP to be arranged by the Purchaser; and
 - (c) by the sum of \$2,800,000 as the balance owing (subject to adjustments as described herein).
- 2.02 The Purchase Price does not include GST. The Purchaser represents and warrants that the Purchaser currently is, and will be a GST registrant on Closing Date. In the event the Purchaser is not a GST registrant on Closing Date, the Purchaser shall, in addition, to the Purchase Price, pay GST on the Purchase Price, and if it is determined after the Closing Date that the Purchaser is not a GST registrant the Purchaser will indemnify the Vendor against any and all costs incurred by the Vendor as a consequence thereof; including without limitation to the generality of the foregoing, the penalties and any interest costs incurred by the Vendor in respect of its compliance with the requirements of the Canada Revenue Agency.
- 2.03 The initial deposit shall be deposited no later than five business days before the court date of July 10, 2013. The initial deposit shall be delivered to the, lawyers for the Seller,
- 2.04 Deleted
- 2.05 If this transaction is completed as contemplated hereby, the Deposits and any interest thereon shall be credited on account of the Purchase Price on the date of closing.
- 2.06 If the conditions of the Purchaser as contained in clause 4.01 hereof are satisfied or waived as provided in this Agreement by the dates specified herein and the Purchaser thereafter fails to complete the purchase of the Property in accordance with this Agreement, the Deposits and any interest thereon shall be paid to the Vendor upon demand by the Vendor, and the money so paid to the Vendor will be

absolutely forfeited to the Vendor as a pre-agreed estimate of liquidated damages, and not as a penalty, and the forfeiture and delivery of such money to the Vendor will be the Vendor's sole and exclusive remedy against the Purchaser.

- 2.07 If the conditions of the Purchaser as contained in clause 4.01 hereof are satisfied or waived as provided in this Agreement by the dates specified herein and the Vendor thereafter fails to complete the sale of the Property in accordance with this Agreement, or if the Vendor repudiates this Agreement, the Deposits and any interest thereon shall forthwith be refunded to the Purchaser upon demand by the Purchaser without prejudice to any other rights and remedies which the Purchaser may have at law or in equity, as a result of such default by the Vendor.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

- 3.01 The Vendor, by its acceptance of this Agreement, represents and warrants to the Purchaser that on Closing and with the granting of the Approval and Vesting Order (and acknowledges that, in making this Agreement and entering into the agreement constituted by the Vendor's acceptance hereof, the Purchaser is relying upon each and every such representation and warranty on the date of closing):
- (a) there are not and will not be any agreements or options for the purchase of the Property other than the agreement resulting from an acceptance of this Agreement, or any subsisting lease or agreement for a lease affecting the Property other than those particular commercial leases which have already been disclosed by the Vendor to the Purchaser and which the Purchaser hereby acknowledges having received particulars thereof;
 - (b) there is not now and will not be any unregistered right of way or other easement howsoever created upon, over or in respect of the Property;
 - (c) the Vendor has and will have good and marketable title to the Property free and clear of any and all registered liens, mortgages, charges, encumbrances and registrations;
 - (d) there is not and will not be any encroachments upon the Property by buildings or other structures or improvements belonging to owners of adjacent or adjoining properties and to the best of the Vendor's knowledge, information and belief, the Property is neither subject to claims by adjoining owners nor has the Vendor any claims against the adjoining owners;
 - (e) the Vendor is not and will not be a non-resident of Canada as defined by the provisions of the Income Tax Act (Canada);

(f) any capital contributions and/or utility installation costs (whether to the boundaries of, beyond or within the Property), site servicing, construction or other costs, levies, municipal taxes, rates, assessments or other similar charges which may become a charge against the Property or are due to any municipal or other governmental authority will have been paid in full on or prior to the date of closing; on the date of closing, all municipal, private and public utility services, including, without limitation, sanitary, sewers, water, electricity, telephone and gas, shall have been installed, connected and shall be operating satisfactorily, all of which services shall have been fully paid for by the Vendor, whether or not chargeable against the Property by way of local improvement charges, other than services which are provided under month to month contracts terminable on not more than thirty (30) days prior notice;

(g) the Vendor has not received any notice of and is not aware of any expropriation or dedication, or proposed expropriation or dedication of the Property, or any part thereof;

(h) the Vendor has not received any notice of and is not aware of any material or substantial facts or circumstances relating to the Property or to zoning, or permitted use thereof, which have not been disclosed to the Purchaser and which might, if disclosed, be reasonably expected to affect the Purchaser's decision to make this Agreement;

(i) the Vendor has good right, full power and absolute authority to transfer the Property for the purposes, in the manner and according to the true intent and meaning of this Agreement;

(j) The Vendor will be responsible for clearing through the courts all claims or litigation pending or threatened with respect to the Property or the occupancy or use thereof by the Vendor or which would affect the right of the Purchaser to own the fee simple interest in the Property;

(k) Deleted

3.02 All representations, covenants and warranties made by the Vendor hereunder shall survive the closing of this transaction and shall not be deemed to have merged on closing and/or registration of any further documentation relating to this transaction, whether at the date of closing or otherwise.

3.03 At the request of the Purchaser, the Vendor shall forthwith deliver such information and documentation as the Purchaser may reasonably require in order to conduct its due diligence with respect to the construction, condition, ownership, leasing, management, operation or development of the property. Furthermore and for the purposes hereof, the Vendor hereby further irrevocably authorizes the Purchaser to make all necessary inquiries with representatives of the City of Calgary, Province of

Alberta or other authorities or regulatory bodies of competent jurisdiction as it may reasonably require in order to satisfy the conditions of the Purchaser as contained in clause 3.03 hereof and its due diligence.

ARTICLE IV

CONDITIONS

- 4.01 The Purchaser agrees that any information obtained by the Purchaser as a result of the inspections and materials provided for in this Article III shall be treated as strictly confidential and such confidentiality shall continue in full force until the date of closing. If the transaction does not close for any reason whatsoever, all copies of materials in the Purchaser's possession obtained pursuant to this Agreement shall be returned to the Vendor forthwith. The Vendor agrees that this requirement of confidentiality shall not prohibit the Purchaser from providing such information to parties considering financing to the Purchaser and to the Purchaser's technical and financial advisers.
- 4.02 The Vendor will obtain an order of the Court approving the transaction and conveying title to the Property free and clear of all claims and encumbrances other than permitted encumbrances, which order shall be in form and substance satisfactory to the Vendor and the Purchaser acting reasonably, and in full force effect, free of any stay or other impediment to execution (the "Approval and Vesting Order")
- 4.03 The Purchaser acknowledges that its offer will stand as a "Stalking Horse offer" and such "Stalking Horse" offer will be included in a "Stalking Horse" sales process to be approved by the Court no later than July 10, 2013. In this regard, the Purchaser and the Vendor agree that: (a) this offer will be publicly disclosed; (b) in the event that a superior offer is received, the Purchaser shall be entitled to a break fee of \$200,000, payable on a priority basis out of the sale proceeds received from the superior offer and thereafter all rights and obligations hereunder are terminated other than in respect of confidentiality.

ARTICLE V

THE CLOSING

- 5.01 The closing date of this transaction shall be July 26, 2013 (the "date of closing"). The purchase and sale herein contemplated shall be completed at the offices of the offices of Bishop & McKenzie, 1700 Watermark Tower, 530 – 8 Avenue SW, Calgary, Alberta, at 11:00 o'clock in the forenoon on the date of closing, unless the Vendor and the Purchaser in writing mutually agree upon an earlier or later date, in

which event such earlier or later date shall be the date of closing for all purposes of this Agreement.

5.02 The Vendor will deliver the following on the date of closing:

- (a) a registrable transfer for each parcel of the Property from the Vendor to the Purchaser, in form appropriate to the Land Titles Registry in the province in which the particular parcel of Property is situate, together with all such conveyances, assignments, releases, surrenders and other documents and assurance as the Purchaser's solicitors may reasonably require to convey to the Purchaser or its nominee, in fee simple, the Property, free from all liens, charges or encumbrances, except as herein otherwise expressly provided and otherwise effectually to carry out the provisions of this Agreement;
- (b) a statement of adjustments;
- (c) a statutory declaration of an officer of the Vendor confirming that all of the representations and warranties set forth herein are true and correct at the date of closing;
- (d) an assignment of all permits and licences affecting the Property;
- (e) assignment of rights under agreements registered on title as the Purchaser may require, along with registrable transfers of caveats registered in regard to such agreements as the Purchaser may require;
- (f) all tax, and all other accounts which are to be apportioned as of the date of closing, it being acknowledged and agreed that any insurance shall not be transferred by the Vendor to the Purchaser;
- (g) a statutory declaration by an officer or other responsible employee on behalf of the Vendor that the Vendor is not a non-resident of Canada within the meaning of the Income Tax Act (Canada); and
- (h) all such other documents transfers, assignments, directions, statutory declarations, certificates, undertakings, acknowledgments, agreements, warranties and covenants that the Purchaser and its counsel may reasonably require in respect of the purchase and sale transaction herein.

5.03 All transfers, assignments, directions, statutory declarations, certificates, undertakings, acknowledgments, agreements, warranties and covenants to be delivered by the Vendor on or before the date of closing shall be in form and substance satisfactory to the Purchaser and its counsel, acting reasonably.

- 5.04 For the purposes of this Agreement, "business day" shall mean any day other than a Saturday, Sunday or statutory holiday.

ARTICLE VI

ADJUSTMENTS

- 6.01 The balance due on the date of closing payable by the Purchaser to the Vendor shall be subject to adjustment for all expenditures, including, without limiting the generality of the foregoing, taxes, local improvement charges which shall be apportioned and allowed to 12:01 o'clock a.m. on the date of closing, and in making such apportionments and allowances, the Purchaser will be charged with all outgoings and credited with all receipts for such date. The parties shall readjust as may be necessary after closing.

ARTICLE VII

RISK

- 7.01 The Property shall be and remain at the risk of the Vendor until closing. Until completion of the transaction of purchase and sale at closing, the Vendor shall hold all policies of insurance and any proceeds thereof in trust for the parties hereto as their interests may from time to time appear.

ARTICLE VIII

MISCELLANEOUS

- 8.01 This Agreement, when accepted, shall constitute a binding contract of purchase and sale, and time shall in all respects be of the essence hereof; provided that the time for doing or completing any matter provided for herein may be extended or abridged by agreement in writing signed by the parties hereto.
- 8.02 Any tender of documents or money hereunder may be made upon the solicitors acting for the party on whom tender is desired to be made and it shall be sufficient that a certified or solicitor's trust cheque be tendered instead of cash.
- 8.03 The Vendor and the Purchaser shall, at all times, either before or after the closing of the transaction contemplated hereby, execute and deliver at the request of the other, all such further documents, deeds and instruments and do all such acts as may be reasonably necessary to give effect to the intent and meaning of this Agreement.
- 8.04 The Vendor covenants with the Purchaser that it will do nothing to encumber the Property after the date of acceptance of this Agreement.

- 8.05 No waiver of any of the provisions of this Agreement by the Vendor or the Purchaser shall constitute a waiver of any other provision of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided therein.
- 8.06 Notices to be given pursuant to this Agreement and/or further documents shall be effectively given by being delivered by personal delivery, or by sending the same by registered mail, to the Purchaser or the Vendor at the last known business address of such party.
- 8.07 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- 8.08 No changes or modifications to this Agreement shall be valid or binding upon either of the parties unless such change or modification shall be in writing and signed by both the parties hereto, unless otherwise expressly herein provided. Changes or amendments when so made shall together with this instrument constitute one and the same agreement.
- 8.09 This Agreement shall be construed and interpreted in accordance with and governed by the laws of the Province of Alberta which for all purposes shall be the proper law of this Agreement unless there exists any mandatory provision of the laws of Alberta which apply to contracts for the purchase and sale of real estate notwithstanding an express choice of law by the parties thereto of the laws of some other jurisdiction, in which event such mandatory law shall also apply.
- 8.10 This Agreement, and the Confidentiality Agreement executed between the parties, contain the whole agreement between the Vendor and the Purchaser in respect of the transaction of purchase and sale contemplated hereby, and there are no other or collateral warranties, representations, insurance, conditions or agreements between the parties in respect thereof other than as expressly set forth in this Agreement.
- 8.11 The captions in this document are for convenience only and do not alter or modify, or define, limit or determine the scope or meaning of the provisions hereof.
- 8.12 In the event that any provision of this Agreement shall be adjudged by a court of competent jurisdiction to be unenforceable, illegal or invalid, such provision shall be severable from the remaining provisions of this Agreement and shall not affect the validity of the remainder of this Agreement.
- 8.13 This Agreement shall be read with all changes of gender or number required by the context.

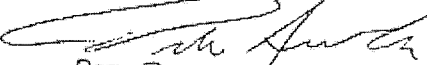
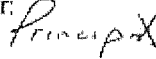
ARTICLE IX

ACCEPTANCE

9.01 This Agreement shall be open for acceptance by the Vendor up to 5:00 o'clock p.m. (Calgary time) on July 10, 2013, after which time, if an accepted original copy of this Agreement is not returned to the Purchaser, it shall become null and void and of no effect; provided always that the parties may by agreement in writing extend the time for acceptance of this Agreement.

IN WITNESS WHEREOF, the Purchaser has executed this Agreement this _____ day of June, 2013.

771280 Alberta Ltd.


Per: 

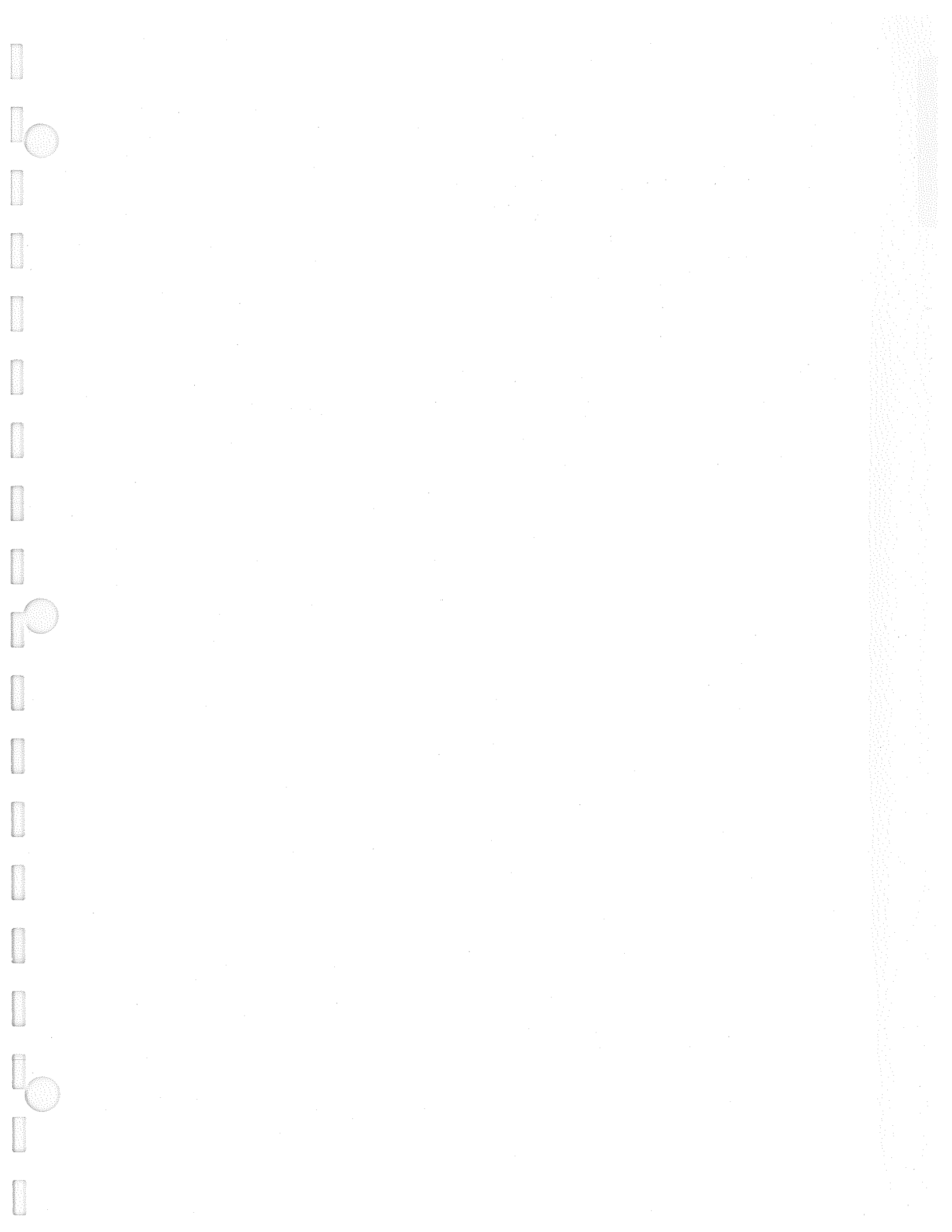
ACCEPTANCE OF AGREEMENT

The Vendor hereby accepts the foregoing Agreement and agrees to be bound by all of the terms and conditions hereof and to complete the transaction of purchase and sale upon the terms and conditions above set forth.

IN WITNESS WHEREOF, the Vendor has executed acceptance of this Agreement at the City of Calgary, in the Province of Alberta, this _____ day of June, 2013.

Valmont at Aspen Stone Inc., as
general partner for and on behalf of
Valmont at Aspen Stone LP

Per: 



This is Exhibit "C" referred to in the Affidavit of Glynn Hendry, sworn before me this 3rd day of September, 2013

EChamoy

A Commissioner for Oaths in and for the Province of Alberta

My Commission expires: May 24, 2014

ASSET PURCHASE AGREEMENT

THIS AGREEMENT is dated as of August 12, 2013 between;

Valmont at Aspen Stone LP by its General Partner Valmont at Aspen Stone Inc. (the "Vendor")

- and -

* 771280 Alberta Ltd. (the "Purchaser").

WHEREAS pursuant to an order (the "Initial Order") of the Court of Queen's Bench (Alberta) (the "Court") made as of the 9th day of May, 2012, the Vendor sought and obtained protection under the *Companies' Creditors Arrangement Act* (Canada);

AND WHEREAS pursuant to the Initial Order, Ernst & Young Inc. (the "Monitor") has been appointed as the monitor of the Vendor;

AND WHEREAS as part of the Vendor's restructuring efforts, the Vendor and the Monitor have determined that it is in the best interests of the Vendor to sell the Lands (as defined herein);

AND WHEREAS the Vendor has agreed to sell and the Purchaser has agreed to purchase the Lands upon the terms and conditions hereinafter set forth;

NOW THEREFORE in consideration of the mutual covenants and agreements contained herein, the parties hereby agree with each other as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions. Unless the context otherwise requires, the following terms and expressions shall have the meanings set forth below wherever used in this Agreement:

"Agreement" means this Asset Purchase Agreement;

"Approval and Vesting Order" has the meaning ascribed thereto in Section 3.33.2;

"Assets" means the Lands and other property listed on Schedule "A";

"Closing Date" has the meaning ascribed thereto in Section 3.1;

"Deposit" means a deposit in the amount of Two Hundred Thousand (\$200,000) Canadian dollars payable by the Purchaser to the Vendor's Solicitors upon execution and delivery of this Agreement which shall be refundable if the conditions set out in Sections 3.3, 3.4, and 3.5 are not met or waived;

"GST" has the meaning ascribed thereto in Section 2.4;

"ITA" means the *Income Tax Act* (Canada), as amended;

"Lands" means all of the Vendor's right, title and interest in and to the real property described in Schedule "A" hereto;

"Purchase Price" means the purchase price for the Lands as set forth in Section 2.2;

"Purchaser's Conditions" has the meaning ascribed thereto in Section 3.3

"Time of Closing" has the meaning ascribed thereto in Section 3.1, or such other date as may be agreed to in writing between the Vendor and the Purchaser;

"Title Qualifications" mean the permitted encumbrances, liens and interests in respect of the Lands as set forth in Schedule "B" attached hereto that will not be discharged from the lands pursuant to the Approval and Vesting Order;

"Transaction" means a transaction of purchase and sale and assignment and assumption contemplated by this Agreement; and

"Vendor's Solicitors" means Dentons Canada LLP, Attention: Joe Pfafflin.

- 1.2 Headings, etc. The division of this Agreement into articles, sections and paragraphs and the insertion of headings is for convenience of reference only and shall not affect the construction or interpretation hereof. Unless otherwise stated, all references herein to articles or sections are to those of this Agreement.
- 1.3 Plurality and Gender. Words used herein importing the singular number only shall include the plural and vice versa and words importing gender shall include all genders and words importing individuals shall include corporations, partnerships, trusts, syndicates, joint ventures, governments and governmental agents and authorities and vice versa.
- 1.4 Governing Law. This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the Province of Alberta. Each of the parties hereto irrevocably submits to the non-exclusive jurisdiction of the Court over any action or proceeding arising out of or relating to this Agreement and the parties hereto irrevocably agree that all claims in respect of such action or proceeding may be heard and determined in such courts of the Province of Alberta.
- 1.5 Schedules. The following Schedules are incorporated and form part of this Agreement:

Schedule "A"	Lands and Other Assets
Schedule "B"	Title Qualifications

ARTICLE 2
PURCHASE AND SALE

- 2.1 Sale of Assets. Upon the terms and conditions stated herein, as of the Closing Time, the Purchaser hereby purchases from the Vendor, and the Vendor hereby sells, assigns, sets over and delivers to the Purchaser, the Assets at and for the purchase price hereinafter described.
- 2.2 Purchase Price. The aggregate purchase price payable by the Purchaser to the Vendor for the Assets shall be the amount of Twelve million and fifty thousand (\$13,509,000) Canadian dollars (the "Purchase Price").
- 2.3 Payment of Purchase Price. Subject to this Agreement, the Purchaser shall pay, on or before the Closing Date, the Purchase Price as follows:
 - (a) the Deposit upon execution and delivery of this Agreement;

- (b) an amount equal to the sum required to satisfy all of the Vendor's obligations in favour of the Bank of Nova Scotia which amount is calculated to be \$7,837,585 as at July 10, 2013 plus (i) all outstanding letters of credit, (ii) construction draws advanced after July 10, 2013, and (iii) fees and interest accrued prior to the Closing Date; and
- (c) the balance of the Purchase Price (subject to adjustments as provided herein).

Unless otherwise agreed, all amounts payable pursuant to clauses (a) and (c) above shall be paid to the Vendor's Solicitors by Solicitor's trust cheque, wire transfer, in cash, or by cheque certified by, or draft of, a Canadian chartered bank to be released as applicable upon Closing.

- 2.4 GST. The Purchase Price shall not include the amount of Goods and Services Tax exigible on the within transaction pursuant to the provisions of the *Excise Tax Act* (Canada) (the "GST"), which GST shall be tendered in accordance with the provisions of Section 4.2(b).
- 2.5 Late Interest. In the event the Vendor agrees to accept late payment, the Purchaser agrees to pay interest at the rate of Bank of Nova Scotia Prime Interest Rate on the Closing Date plus one percent (Prime rate + 1.0%) calculated and payable monthly not in advance on the Purchase Price owing to the Vendor.

ARTICLE 3
CLOSING

- 3.1 Time of Closing. The closing of the transactions contemplated by this Agreement (the "Time of Closing") shall occur at the earlier of 2:00 p.m. (M.D.T.) on August 23, 2013 or 2:00 p.m. (M.D.T.), seven (7) days after satisfaction of the conditions contained in Section 3.3 or such other date as the parties hereto may agree upon in writing (the "Closing Date").
- 3.2 Post-Closing Adjustments. Adjustment for the actual costs of realty taxes, utilities, closing costs, and rent payments (as applicable) will be made not later than three days after Closing (the Closing Date to be for the account of the Purchaser) and shall be reflected on a Post-Closing Statement of Adjustments to be delivered by the Purchaser to the Vendor and the Monitor within five days after Closing.
- 3.3 Conditions to Closing. The obligation of the Purchaser and the Vendor to proceed with the closing of the Transaction is conditional upon the Vendor obtaining an order of the Court:
 - (a) approving the Transaction; and
 - (b) conveying title to the Lands free of claims of the Vendor and the parties claiming through the Vendor (other than as specifically referenced herein),

which order shall be: (i) in form and substance satisfactory to the Vendor and the Purchaser, acting reasonably, and (ii) in full force and effect, free of any stay or other impediment to execution (iii) the stalking horse offer will be deemed null and void on closing and this Asset Purchase agreement will stand in its place (the "Approval and Vesting Order").

3.4 Vendor's Conditions. The obligation of the Vendor to complete the Transaction on the Closing Date is subject to the following conditions being fulfilled or performed at or prior to the Time of Closing, as applicable:

- (a) all representations and warranties of the Purchaser contained in this Agreement shall be true as of the Closing Date with the same effect as though made on and as of that date; and
- (b) the Purchaser shall have performed each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date.

The foregoing conditions are for the exclusive benefit of the Vendor. Any condition may be waived by the Vendor in whole or in part. Any such waiver shall be binding on the Vendor only if made in writing.

ARTICLE 4
DELIVERY

4.1 Deliveries by the Vendor. The Vendor shall deliver, or cause to be delivered, the following to the Purchaser:

- (a) a duly executed and registerable transfer of land in respect of the Lands;
- (b) the Approval and Vesting Order;
- (c) an assignment of all licences affecting the Lands;
- (d) an assignment of all permits and plans affecting the Lands;
- (e) an assignment of all rights under agreements registered against title to the Lands, as the Purchaser may require, along with registrable transfers of caveats with regard to such agreements; and
- (f) such further and other documentation as is referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.

4.2 Deliveries by the Purchaser. At the Time of Closing the Purchaser shall deliver, or cause to be delivered, the following to the Vendor:

- (a) a certified cheque or bank draft, payable to the Vendor's Solicitor in an amount equal to the balance of the Purchase Price set out in Section 2.3;
- (b) a statutory declaration or officer's certificate confirming that the Purchaser is registered for the purposes of Part IX of the *Excise Tax Act* (Canada) (the "Act") and confirming that, by virtue of the registration and the provisions of the Act, the Purchaser covenants to assume the liability for the GST accruing in respect of this transaction. The Purchaser further covenants that it shall either pay the GST payable in respect of the transaction or complete and execute such forms, make such filings and reports and do all other things that are necessary or required pursuant to the Act, all within the time limits prescribed in the Act. The Purchaser hereby agrees to indemnify and save the Vendor harmless from and against all liability, costs and expenses, including legal fees and disbursements on a

solicitor and its own client basis, that the Vendor may incur or become subject to as a result of a default by the Purchaser of its obligations pursuant to this paragraph; and

- (c) such further and other documentation as is referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.

4.3 Escrow. The Vendor agrees to deliver, or cause the Vendor's Solicitors to tender, the items outlined for delivery pursuant to paragraph 4.1 hereof, together with any other documents or items reasonably requested by the Purchaser, with a reasonable time prior to the Closing Date on such trust conditions as are customarily used by solicitors in the City of Calgary for transactions similar in nature for the sole purpose of facilitating the conveyance of the Lands.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF THE VENDOR

5.1 Vendor's Representations and Warranties. The Vendor represents and warrants, and acknowledges that the Purchaser is relying upon such representations and warranties in connection with the acquisition of the Lands, that, as at the Closing Date, the Vendor is a resident of Canada within the meaning of the ITA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

6.1 Purchaser's Representations and Warranties. The Purchaser represents and warrants, and acknowledges that the Vendor is relying upon such representations and warranties in connection with the sale of the Lands, that, as at the Closing Date:

- (a) the Purchaser is a validly existing corporation under the laws of the Province of Alberta, has all requisite corporate power and authority to execute, deliver and perform this Agreement and the consummation of the transactions contemplated have been duly authorized by all necessary corporate action on the part of the Purchaser;
- (b) the Purchaser is registered under Part IX of the *Excise Tax Act* (Canada); and
- (c) the Purchaser is not a non-Canadian as defined in the *Investment Canada Act* (Canada) and that the completion of the within transaction is not notifiable or reviewable under the said legislation.

ARTICLE 7
ADDITIONAL COVENANTS OF THE PARTIES

7.1 As is where is. The Purchaser and the Vendor represent, warrant, covenant and agree with each other as follows:

- (a) the Assets are sold on an "as is - where is" basis and there are no representations, warranties or conditions, whether express or implied (by law or by equity), with respect to the Assets including without limitation any representation, warranty or condition respecting the environmental condition, presence of hazardous substances or any other environmental matter concerning the Assets, the merchantability of the Assets, the condition, quality or fitness for any particular purpose of the Assets, the conformity of the Assets to any description, or any warranty of title with respect to the Assets. The Purchaser acknowledges that it has conducted or will conduct its own independent inspection and investigation of the Assets and is satisfied with the Assets in all respects; and

- (b) the Lands shall be conveyed to the Purchaser free and clear of all right, title, and interest of the Vendor and those claiming through the Vendor by virtue of the Vesting and Approval Order, but subject to the Title Qualifications registered against title to the Lands,
- 7.2 Confidential Information. The Purchaser agrees that any information obtained by the Purchaser from the Vendor in respect of the Transaction shall be treated as strictly confidential and such confidentiality shall continue to be governed by the provisions of the confidentiality agreement currently in place between the parties.

ARTICLE 8
NOTICES

- 8.1 Notices. Any notices or other communications required or given under this Agreement shall be in writing, shall be delivered in person or by facsimile and shall be deemed to have been given and received when delivered in person or when communicated by facsimile during normal business hours on a business day (and otherwise on the next business day):

- (a) If to the Vendor, addressed to:

Dentons Canada LLP
15th Floor, Bankers Court
850 - 2nd Street SW
Calgary, AB T2P 0R8

Attention: Joe O. Pfafflin/David W. Mann
Facsimile: (403) 268-3100

- (b) If to the Purchaser, addressed to:

- Bishop and McKenzie
- 1700 Watermark Tower
- 530-8th Avenue, SW
- Calgary, Alberta

Attention: Armand Moss
E-mail: a.moss@bishopmckenzie.com

or at such other place or places or to such other person or persons as shall be designated in writing by a party to this Agreement in the manner herein provided.

ARTICLE 9
MISCELLANEOUS

- 9.1 Declaration of Trust. In the event the Vendor has not complied with all the necessary legal requirements to transfer the legal title to any or all of the Lands as of the Closing Time, the Vendor acknowledges and declares that, as of the Closing Time, the Vendor shall hold and stand possessed of and shall continue to hold and stand possessed of the beneficial interest in the Lands for which legal title has not been transferred in trust for and on behalf of the Purchaser for the Purchaser's sole use, enjoyment and benefit, and further acknowledges that all benefit and advantage accruing to the beneficial interest shall, if and when received, be received and held by the Vendor, its successors or its assigns, fully for the benefit, use and ownership of the Purchaser as aforesaid.
- 9.2 Enurement. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their legal representatives, successors and permitted assigns.

- 9.3 **Severability.** In case any provision in this Agreement shall be prohibited, invalid, illegal or unenforceable in any jurisdiction, such provision shall be ineffective only to the extent of such prohibition, invalidity, illegality or unenforceability in such jurisdiction without affecting or impairing the validity, legality or enforceability of the remaining provisions hereof, and any such prohibition, invalidity, illegality or unenforceability shall not affect or impair such provision in any other jurisdiction.
- 9.4 **Further Assurances.** Each of the parties hereto shall at the request and expense of the other party hereto so requesting execute and deliver such further or additional documents and instruments as may reasonably be considered necessary or desirable to properly reflect and carry out the true intent and meaning of this Agreement.
- 9.5 **Survival.** The representations, warranties, covenants and agreements made by the parties each to the other in or pursuant to this Agreement shall survive the closing of the transactions herein provided for.
- 9.6 **Time of Essence.** Time shall be of the essence of this Agreement.
- 9.7 **Commission.** The Purchaser acknowledges that there are no commissions, including without limitation any agent or brokerage fees, payable in connection with the Transaction and the Purchaser agrees to indemnify the Vendor against any claim for compensation or commission by any third party or agent retained by the Purchaser in connection with, or in contemplation of, the Transaction.
- 9.8 **Costs.** Each party shall be responsible for its own costs in preparation of this Agreement and completion of the Transaction. For further certainty, the Vendor shall bear the cost of obtaining the Approval and Vesting Order and preparing the transfer of the Lands. All other costs including the cost of registration of the transfer of the Lands and the preparation and registration of any mortgage documentation are to be paid by the Purchaser.
- 9.9 **Waiver.** Failure by either party hereto to insist in any one or more instances upon the strict performance of any one of the covenants contained herein shall not be construed as a waiver or relinquishment of such covenant. No waiver by any party hereto (whether in whole or in part) of any such covenant shall be deemed to have been made unless expressed in writing and signed by the waiving party.
- 9.10 **Amendment.** This Agreement may not be amended, modified or terminated except only in a non-material respect and, in such an event, only:
- (a) by an instrument in writing signed by the parties hereto; and
 - (b) approved by the Monitor.
- 9.11 **Counterparts and Facsimile.** This Agreement may be executed in counterparts, each of which when so executed shall be deemed to be an original and all counterparts together shall constitute one and the same instrument. A signed counterpart provided by way of facsimile transmission or by e-mail in PDF format shall be as binding upon the parties as an originally signed counterpart.

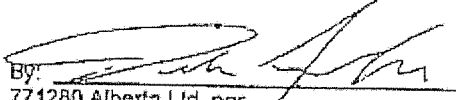
IN WITNESS WHEREOF the parties hereto have caused this Agreement to be signed and delivered by its duly authorized officer on the date indicated below.

Dated Aug 22, 2013

Valmont at Aspen Stone LP by Its General Partner Valmont at Aspen Stone Inc.

By: 

Dated August 12, 2013

By: 
771280 Alberta Ltd, per
Dale Anda, President

SCHEDULE "A"

Lands

All undertaking, property, and assets used on or in the lands municipally known as 15, 25 and 45 Aspenmont Heights, Calgary, Alberta, and legally described as:

- Firstly: Plan 0813651
Unit 3
And 2765 Undivided One Ten Thousandths shares in the Common Property
Excepting thereout all mines and minerals
- Secondly: Plan 0813651
Unit 2
And 1685 Undivided One Ten Thousandths shares in the Common Property
Excepting thereout all mines and minerals
- Thirdly: Plan 0813651
Unit 4
And 2768 Undivided One Ten Thousandths shares in the Common Property
Excepting thereout all mines and minerals

Other Assets

Any and all supplies, equipment, chattels and personal property located on 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.

Any and all deposits prepaid by the Vendor to the City of Calgary or any utility supplier or contractor and outstanding as at the Date of Closing.

Any and all purchase contracts respecting the sale of units to customers.

SCHEDULE "B"

Title Qualifications

Plan 0813051 Unit 3

Registration Number	Encumbrances, Liens & Interests
051 350 248	Utility Right of Way in favour of the City of Calgary
051 350 249	Caveat Re: Restrictive Covenant
051 350 250	Caveat Re: Restrictive Covenant
081 297 968	Easement
081 297 969	Utility Right of Way in favour of Alco
081 297 970	Utility Right of Way in favour of Enmax
091 082 341	Easement
To be determined	Purchaser's Financing

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Plan 0813651 Unit 2

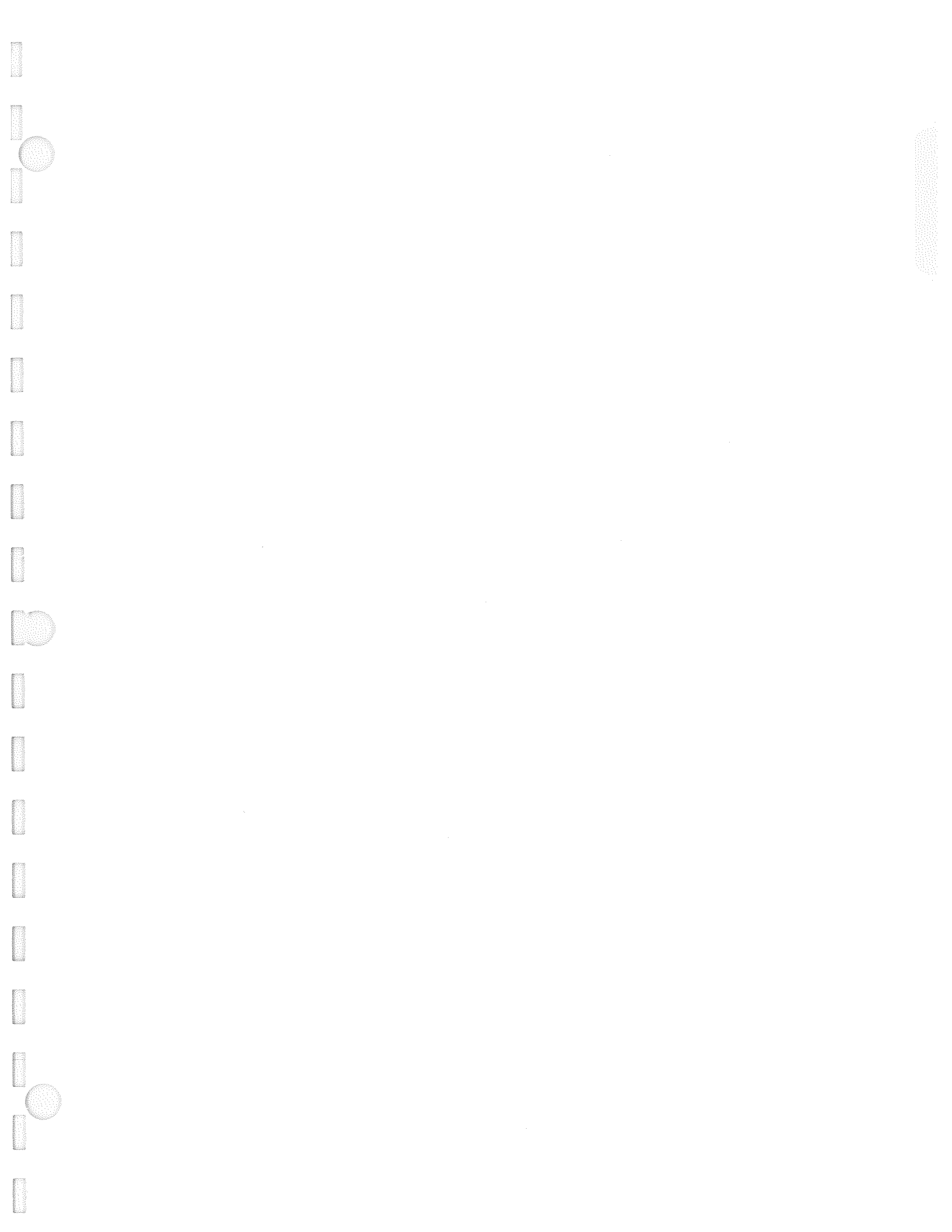
Registration Number	Encumbrances, Liens & Interests
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051 350 249	Caveat Re: Restrictive Covenant
051 350 250	Caveat Re: Restrictive Covenant
081 297 868	Easement
081 297 869	Utility Right of Way In favour of Atco
081 297 970	Utility Right of Way In favour of Enmax
091 082 341	Easement
To be determined	Purchaser's Financing

Valmont et Aspen Stone Blank APS:3631772_2

Plan 0813651 Unit 4

Registration Number	Encumbrances, Liens & Interests
051 350 246	Utility Right of Way in favour of the City of Calgary
051 350 249	Caveat Re: Restrictive Covenant
051 350 250	Caveat Re: Restrictive Covenant
081 297 068	Easement
081 297 969	Utility Right of Way in favour of Alco
081 297 970	Utility Right of Way in favour of Enmax
091 082 341	Easement
To be determined	Purchaser's Financing

Valmont at Aspen Store Blank APS:3531772_2



This is Exhibit "D" referred to in the Affidavit of Glynn Hendry, sworn before me this 3rd day of September, 2013

E Chang

A Commissioner for Oaths in and for the Province of Alberta

My Commission expires: *May 24*, 20*14*

AMENDING AGREEMENT

THIS AGREEMENT is dated as of August 21, 2013 between:

Valmont at Aspen Stone LP by its general partner, Valmont at Aspen Stone Inc. (the "Vendor")

- and -

771280 Alberta Ltd. (the "Purchaser")

WHEREAS the parties hereto entered into an Asset Purchase Agreement dated August 12, 2013 respecting various assets of the Vendor (the "APA");

AND WHEREAS the APA contemplated a Closing Date of August 23, 2013;

AND WHEREAS the parties must delay the Closing Date to September 6, 2013;

AND WHEREAS between August 23, 2013 and the Closing Date, the Bank of Nova Scotia may make draw advances related to the Land and Improvements which will affect the consideration to be paid by the Purchaser to the Vendor under the APA;

AND WHEREAS the parties must make certain changes to the APA to change the Closing Date, to clarify certain other points, and to provide for an adjustment of the Purchase Price in the event the Draw Advances are made;

AND WHEREAS all capitalized terms not defined herein shall take the meaning ascribed to them in the APA;

NOW THEREFORE in consideration of the mutual covenants and agreements contained herein, the parties hereby agree as follows:

1. The definition of "Purchaser's Conditions" in Paragraph 1.1 of the APA is deleted in its entirety and the following definition will be added to Paragraph 1.1 of the APA:

"Vendor's Conditions" has the meaning ascribed thereto in Section 3.4;"

2. The definition of "Approval and Vesting Order" in Paragraph 1.1 of the APA is deleted in its entirety and replaced by the following:

"Approval and Vesting Order" has the meaning ascribed thereto in Section 3.3;"

3. The definition of "Deposit" in Paragraph 1.1 of the APA is deleted in its entirety and replaced by the following:

"Deposit" means a deposit in the amount of Two Hundred Thousand (\$200,000) Canadian dollars payable by the Purchaser to the Vendor's Solicitors upon execution and

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delivery of this Agreement which shall be refundable if the conditions set out in Sections 3.3 and 3.4 are not met or waived;"

4. Paragraph 2.2 of the APA is amended by removing the words "Twelve million and fifty thousand" and replacing them with "Thirteen million five hundred nine thousand".

5. A new Paragraph 2.6 will be added to the APA, which will state the following:

"Trade Payable Adjustment. The Purchaser will be responsible for payment of all new trade payable invoices dated from and after August 23, 2013 and the Vendor will be responsible for all trade payable invoices dated prior to August 23, 2013."

6. Paragraph 3.1 of the APA is deleted in its entirety and replaced by the following:

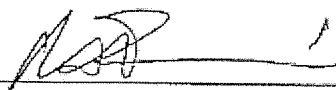
"Time of Closing. The closing of the transactions contemplated by this Agreement (the "Time of Closing") shall occur at 2:00 M.D.T. on September 6, 2013 or such other date as the parties hereto may agree to in writing."

7. The following is added to the end of Schedule "A" to the APA:

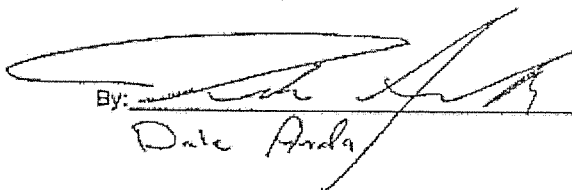
"Any and all contracts with trades in relation to the Lands and Improvements."

IN WITNESS WHEREOF the parties hereto have caused this Amending Agreement to be signed and delivered by their respective duly authorized officer on the date first written above.

Valmont at Aspen Stone LP by its general partner Valmont at Aspen Stone Inc.

By: 

771280 Alberta Ltd.

By: 
Dale Arda



THIS IS EXHIBIT " D " referred to in the Affidavit of Robert Friesch

Sworn before me this 4 day of July 10, 2013

[Signature]

A Commissioner for Oaths in and for the Province of Alberta

AGREEMENT

THIS AGREEMENT made this 5th day of July, 2012

Derek Pontin Barrister and Solicitor

BETWEEN:

VALMONT AT ASPEN STONE INC., as general partner for VALMONT AT ASPEN STONE LIMITED PARTNERSHIP (the "Borrower")

This is Exhibit "E" referred to in the Affidavit of Glynn Hendry, sworn before me this 3rd day of September, 2013

[Signature]

A Commissioner for Oaths in and for the Province of Alberta

My Commission expires: May 24, 2014

Day of July 10, 2013

[Signature]

A Notary Public in and for the Province of Alberta

TYLER E. JOHNSON, B.A., LL. BARRISTER, SOLICITOR, NOTARY PUBLIC OF THE FIRST PART

- and -

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 (collectively, the "Guarantors")

OF THE SECOND PART

- and -

BANK OF NOVA SCOTIA ("BNS")

OF THE THIRD PART

WHEREAS BNS has made secured loans and advances to the Borrower and has been granted security from the Borrower therefor including, inter alia, a first mortgage on the Project, including the lands, premises, and condominium units described in the attached Schedule "A" (the "Units");

AND WHEREAS the Borrower has obtained protection under and pursuant to the provisions of the Companies' Creditors Arrangement Act pursuant to an Initial Order (the "Initial Order") made in the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "Court") in Action Number 1201-05843 on May 9, 2012 (the "CCA Proceedings");

AND WHEREAS the Borrower has obtained a Vesting Order (the "Vesting Order") in the CCAA Proceedings on June 15, 2012 in respect of, inter alia, the sale of the Units;

AND WHEREAS the Borrower has obtained a Claims Procedure Order (the "Claims Procedure Order") in the CCAA Proceedings on June 15, 2012;

AND WHEREAS Ernst & Young Inc. is the court appointed monitor (the "Monitor") in the CCAA Proceedings;

AND WHEREAS the Borrower, BNS, and the Monitor (collectively, the "Parties") have agreed to proceed with a plan to:

- (a) fund and complete construction of the Project, including the Units under construction;
(b) close the sales of Units that are under contract for sale;

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- (c) market and sell (and to the extent required, complete the construction thereof) the Remaining Units (defined below);
- (d) all with a view to expeditiously repaying the secured indebtedness owing to BNS.

NOW THEREFORE, this agreement (hereinafter, the "Agreement") witnesses that in consideration of the mutual covenants and agreements contained herein the Parties agree as follows:

1. Defined Terms

In this Agreement, unless otherwise defined herein, capitalized terms shall have the following meanings:

"Borrower's Costs" means an amount payable to the Borrower for its immediate use to cover its ongoing costs and disbursements of developing, constructing, marketing, selling, and otherwise completing the Project, calculated as follows:

- a) beginning as of the date of the first advance under the Revised Facility and ending on the closing date of the first sale of a Unit, the amount of \$50,000 per month;
- b) commencing upon the closing of the sale of the first Unit and continuing for all closings thereafter, a percentage of the Net Sale Proceeds of each Unit, where the percentage is equal to: 6%;

"Closing Costs" means all ordinary or reasonable costs of closing the sale of a Unit including, without limitation: (a) all goods and services and other applicable sales taxes, property taxes, commissions, applicable condominium or community fees, and legal fees and disbursements; and (b) such withholdings as may be customary or necessary, including to secure warranty obligations of the Borrower of 0.5% of the total sale proceeds of the Unit;

"DIP Order" means an Order granted by the Court in the CCAA Proceedings in the form attached hereto as Schedule "B" or otherwise acceptable to the parties;

"Guarantees" means:

- a) a Guarantee Agreement dated March 22, 2007 provided by Today's Communities Limited Partnership in favour of BNS;
- b) a Guarantee Agreement dated March 22, 2007 provided by U8G Alberta Builders Limited Partnership in favour of BNS;
- c) a Guarantee Agreement dated April 26, 2007 provided by Vaimont at Aspen Stone Limited Partnership in favour of BNS;

"Loan Documents" means the commitment letter, security documents, Guarantees, and related agreements among BNS and the Borrower governing the credit facilities granted by BNS in favour of the Borrower for the development of the Project and sale of the Units;

"Net Sale Proceeds" means the gross selling price of each Unit, less Closing Costs.

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"Payables" means any amount owed by the Borrower for the provision of property, goods or services in respect of developing the Project and all the Units thereof to their completion and, in the case of goods or services provided to the Borrower prior to May 9, 2012, where such claim has been proven in accordance with the Claims Procedure Order;

"Project" means the multi-unit residential condominium project known as "Valmont", being a four phase development ("A", "B", "C", and "D") comprised of 257 units located in southwest Calgary, Alberta.

"QS" means the quantity surveyor of the Project, namely BTY Group, or such other quantity surveyor as BNS, the Borrower, and the Monitor may agree upon;

"Units" means all of the residential properties in the Project set forth in Schedule "A" to this Agreement and such additional residential units as may be agreed to by the parties in writing; and

"Units Under Construction" means those Units listed in Parts I and II of Schedule "A" to this Agreement.

2. **BNS Indebtedness**

(a) Confirmation of Indebtedness

As of May 9, 2012 the principal balance outstanding and owing by the Borrower to BNS is \$4,320,000 (the "Outstanding Loan Amount"), plus letters of guarantee issued by BNS on behalf of the Borrower totalling \$232,155 (the "Outstanding Letters of Guarantee Amount"), exclusive of accrued interest and all other costs and charges due or accruing due under and pursuant to the security held by BNS (collectively, the Outstanding Loan Amount and Outstanding Letters of Guarantee Amount shall be referred to as the "Indebtedness").

(b) Payment of Interest

Throughout the CCAA Proceedings and until the Indebtedness is repaid in full, BNS shall be entitled to charge interest on the Indebtedness to the Borrower on the terms and conditions prescribed by the Loan Documents (the "Interest"). The Borrower shall pay interest to the Borrower first out of any interest reserves of the Borrower with BNS (the "Interest Reserves") until the Interest Reserves are exhausted, after which such interest shall be paid to BNS by the Borrower out of its cashflow.

3. **Future Unit Sales**

(a) General

The Borrower has advised that the Units of phase "C" listed in Part I of Schedule "A" to this Agreement have been sold to arms-length parties pursuant to existing written contracts for sale (collectively, the "Contracts"). The Borrower agrees to provide copies of the Contracts to BNS and the Monitor on or before July 31, 2012.

The Borrower has advised that the Units of phase "C" listed in Part II of Schedule "A" to this Agreement have not yet been sold and are being constructed as part of the requirements of the Project and the occupancy thereof (the "Remaining Units").

(b) Interim Financing

BNS will advance the funds required to complete phase "C" of the Project and market the phase "C" Units Under Construction as requested by the Borrower (the "Draws") as follows:

- (i) Draws will be secured by the "super-priority" charge set forth in, and otherwise governed by the provisions of, the DIP Order;
- (ii) Draws will not exceed:
 - (A) the allocated budget expense for the Project (as confirmed by the QS), and
 - (B) the aggregate principal amount of \$5,480,000, and will bear interest at BNS prime rate of interest plus 1.75% (the "Revised Facility");
- (iii) the Borrower shall pay to BNS a monthly maintenance fee in the amount of \$10,000 (the "Monthly Maintenance Fee") with respect to the Revised Facility, which sum shall be withdrawn automatically on a monthly basis by BNS from the Revised Facility;
- (iv) for the sake of clarity, except for the rate of interest on the Revised Facility prescribed by subparagraph (ii)(B) above and the Monthly Maintenance Fee, which terms are prescribed herein, all fees, costs, charges and other amounts payable by the Borrower to BNS pursuant to the Loan Documents shall also be paid by the Borrower with respect to the Revised Facility, and shall be withdrawn by BNS from the Revised Facility pursuant to the terms of the Loan Documents;
- (v) Draws will be used to pay Payables related to the completion of the Project, including the phase "C" Units Under Construction; and
- (vi) except as may be provided in this Agreement and the DIP Order, Draw advances shall be subject to the terms and conditions set forth in the Loan Documents.

The Borrower shall immediately proceed in the CCAA Proceedings to seek and obtain the DIP Order.

(c) Completion and Sale of Units Under Construction

The Borrower agrees to utilize diligent commercial efforts to proceed to the completion of the Project, including the completion and closing of the sale of the Units pursuant to the Contracts and to the completion, sale and closing of the Remaining Units. The Parties agree that the sales proceeds from the Units shall be disbursed as follows:

- (i) firstly, to the payment of Closing Costs;

- (ii) secondly, to the payment of the Borrower's Costs;
- (iii) thirdly, to the repayment of all Draws made pursuant to the DIP Order (including all of BNS's costs and expenses, including but not limited to legal fees, project monitor fees, and all other costs and expenses payable to BNS pursuant to the Loan Documents);
- (iv) fourthly, to the repayment of the Outstanding Loan Amount;
- (v) fifthly, to the Outstanding Letters of Guarantee Amount; and
- (vi) sixthly, to the Borrower for general corporate purposes.

4. Sale and Marketing of Remaining Units

The Borrower, with the consent of the Monitor, shall supply a proposed listing price (the "Listing Price") of the Remaining Units to BNS, which Listing Price shall not be less than the lowest list price permitted by agreements related to each Remaining Unit. The Borrower shall be entitled to enter into arms length contracts for sale of the Remaining Units in the manner prescribed by paragraph 4 of the Vesting Order. The proceeds of sale from any Remaining Units shall be paid pursuant to Section 3(c) hereof.

The Parties agree that the Borrower shall consult with BNS in respect of sales and marketing process for the Remaining Units.

5. Construction and Loan Maturity

- (a) The Borrower hereby confirms that the monies advanced pursuant to the terms of this Agreement shall be repayable in full, including interest, fees and all other amounts due and owing to the Lender, by no later than December 31, 2012 (the "Maturity Date").
- (b) The Borrower shall make its best efforts on an ongoing basis to construct the Project in a timely, orderly and diligent fashion, and shall complete construction on the Project by no later than the Maturity Date.
- (c) The Borrower acknowledges and agrees that its breach of sections 5(a) and 5(b) shall constitute events of default pursuant to the Loan Documents.

6. The Guarantees

The Guarantors hereby acknowledge and affirm their existing and ongoing obligations to BNS pursuant to the Guarantees, including but not limited to the indebtedness and the Draws under the Revised Facility.

7. General

- (a) The Parties agree and acknowledge that this Agreement is subject to the provisions of, and compliance with, the DIP Order, the Claims Procedure Order and the Vesting Order, all in form and substance satisfactory to the Parties.

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- (b) The Parties agree to use diligent commercial efforts to give full effect to the terms and conditions of this Agreement. To the extent a Party determines, acting reasonably, that Court approval is required to give effect to the provisions herein, then the other Parties covenant and agree to support any application to the Court to give effect to the terms of this Agreement.
- (c) There is no promise, warranty, representation, undertaking, covenant or understanding by or binding upon the Parties except such as are expressly set forth in this Agreement, and this Agreement contains the entire agreement between the Parties in respect of the subject matter hereof.
- (d) This Agreement shall be construed and enforced in accordance with, and the rights of the Parties shall be governed by, the laws of the Province of Alberta.
- (e) No amendment, modification or supplement to this Agreement shall be valid or binding unless set out in writing and executed by the Parties.
- (f) Whenever necessary or appropriate in this Agreement, the plural shall be interpreted as singular, the masculine gender as feminine or neuter and vice versa.
- (g) Time shall be of the essence hereof.
- (h) This Agreement may be executed in counterparts and delivered via facsimile or via email in PDF format and the counterparts together shall constitute an original.

THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

The Parties have entered into this Agreement as of the date first above written.

VALMONT AT ASPEN STONE LIMITED
PARTNERSHIP, by its general partner,
VALMONT AT ASPEN STONE INC.

Per: _____
Name:
Title:


UBG ALBERTA BUILDERS LIMITED
PARTNERSHIP by its general partner UBG
ALBERTA BUILDERS (2006) Inc.

Per: _____
Name:
Title:

TODAY'S COMMUNITIES LIMITED
PARTNERSHIP by its general partner TODAY'S
COMMUNITIES (2006) INC.

Per: _____
Name:
Title:

BANK OF NOVA SCOTIA

Per:  _____ Jats
Name: Mark Jensen
Title: Senior Account Manager

The Terms of the memorandum of
Understanding are Approved and Consented to
by the Monitor, ERNST & YOUNG INC.

Per:  _____
Robert J Taylor

The Parties have entered into this Agreement as of the date first above written.

VALMONT AT ASPEN STONE LIMITED
PARTNERSHIP, by its general partner,
VALMONT AT ASPEN STONE INC.

Per: Tom Chisholm
Name: Tom Chisholm
Title: President USA

UBG ALBERTA BUILDERS LIMITED
PARTNERSHIP by its general partner UBG
ALBERTA BUILDERS (2006) INC.

Per: Tom Chisholm
Name: Tom Chisholm
Title: President USA

TODAY'S COMMUNITIES LIMITED
PARTNERSHIP by its general partner TODAY'S
COMMUNITIES (2006) INC.

Per: Tom Chisholm
Name: Tom Chisholm
Title: President

BANK OF NOVA SCOTIA
Per: Frank Jensen Jd98
Name: Frank Jensen
Title: Service Account Manager

The Terms of the memorandum of
Understanding are Approved and Consented to
by the Monitor, ERNST & YOUNG INC.

Per: _____
Robert J. Taylor

Schedule A - Part I
Building C - Units Sold

Job #	Suite	Model Name	Sold Price	Deposit Amount	Contract Date
2C-00101	101	B1-b	\$ 302,165.00	\$ 31,727.33	03/25/2008
2C-00102	102	B1-a	\$ 300,212.00	\$ 15,645.00	07/19/2007
2C-00104	104	B1-b	\$ 307,195.00	\$ 16,127.74	06/01/2008
2C-00105	105	A1	\$ 199,900.00	\$ 20,989.50	08/15/2007
2C-00107	107	B1	\$ 321,192.00	\$ 16,862.58	04/14/2008
2C-00108	108	A1	\$ 190,000.00	\$ 9,975.00	05/30/2007
2C-00109	109	B1	\$ 314,900.00	\$ 16,352.25	04/15/2008
2C-00110	110	B1	\$ 329,887.00	\$ 17,319.07	05/22/2008
2C-00112	112	A1	\$ 201,148.00	\$ 10,560.27	03/05/2008
2C-00113	113	A1	\$ 199,900.00	\$ 20,899.50	08/20/2007
2C-00114	114	B1	\$ 327,400.00	\$ 17,188.50	04/24/2008
2C-00201	201	B1-b	\$ 292,345.00	\$ 30,334.50	07/02/2007
2C-00202	202	B1-a	\$ 289,365.00	\$ 30,135.00	06/20/2007
2C-00203	203	B1-a	\$ 294,065.00	\$ 30,660.00	06/19/2007
2C-00204	204	B1-b	\$ 292,300.00	\$ 30,660.00	06/21/2007
2C-00205	205	A1	\$ 203,473.00	\$ 10,652.25	06/13/2007
2C-00207	207	B1	\$ 313,900.00	\$ 16,479.75	01/22/2008
2C-00208	208	A1	\$ 206,316.00	\$ 21,304.50	06/22/2007
2C-00209	209	B1	\$ 304,437.00	\$ 15,744.75	07/16/2007
2C-00210	210	B1	\$ 313,362.00	\$ 15,482.25	06/12/2007
2C-00211	211	B1	\$ 299,647.00	\$ 31,384.50	06/24/2007
2C-00212	212	A1	\$ 203,450.00	\$ 10,652.25	06/25/2007
2C-00213	213	A1	\$ 202,248.00	\$ 10,652.25	07/02/2007
2C-00214	214	B1	\$ 299,647.00	\$ 31,384.50	06/24/2007
2C-00216	216	B1	\$ 299,525.00	\$ 31,185.00	06/19/2007
2C-00307	307	E2	\$ 326,630.00	\$ 17,148.08	06/13/2008
2C-00308	308	C1	\$ 469,900.00	\$ 49,339.50	06/19/2007
2C-00309	309	B1	\$ 316,477.00	\$ 16,269.75	06/04/2007
2C-00310	310	A1	\$ 233,900.00	\$ 12,279.75	06/04/2007
2C-00311	311	B1	\$ 312,412.00	\$ 16,269.75	07/16/2007
2C-00312	312	B1	\$ 315,292.00	\$ 32,539.50	06/22/2007
2C-00313	313	B1	\$ 314,900.00	\$ 16,532.25	08/07/2007
2C-00314	314	A1	\$ 208,900.00	\$ 10,967.25	06/10/2007
2C-00315	315	A1	\$ 210,448.00	\$ 10,967.25	06/07/2007
2C-00316	316	B1	\$ 334,787.00	\$ 17,319.75	05/30/2007

Gross Total \$ 9,851,627 \$ 709,991

Valmont at Aspen Stone (VAS2)
Sales Summary
As at 07/06/2012

Schedule A - Part II
 Building C - Remaining Units to Sell

Job #	Suite	Model Name	Buyer Last Name	Conditional Sale/Rescission Period	Listed Price	Deposit Amount	Rescission Expiry
2C-00103	103	B1-a	SPIESS	\$ 322,215.00		\$ 16,816.29	07/30/2012
2C-00108	108	C1			\$ 479,500.00		
2C-00111	111	B1	KLINAKIS	\$ 315,820.00		\$ 16,622.55	07/06/2012
2C-00115	115	C1			\$ 467,500.00		
2C-00116	116	B1	SALES CENTRE		\$ 300,000.00		
2C-00206	206	C1			\$ 480,500.00		
2C-00215	215	C1			\$ 477,500.00		
2C-00301	301	E1			\$ 319,500.00		
2C-00302	302	E1			\$ 319,500.00		
2C-00303	303	E1			\$ 319,500.00		
2C-00304	304	E1			\$ 319,500.00		
2C-00305	305	E1			\$ 319,500.00		
2C-00306	306	E1			\$ 319,500.00		
2C-00317	317	C1			\$ 487,500.00		
2C-00318	318	D1			\$ 475,500.00		

Gross Total \$ 636,835 \$ 5,111,700 \$ 31,539



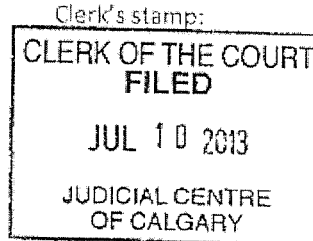
COURT FILE NUMBER

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.

I hereby certify this to be a true copy of the original Order
 Dated this 10 day of July, 2013

 for Clerk of the Court

(COLLECTIVELY, THE "APPLICANTS")

DOCUMENT

ORDER

{Valmont Stalking Horse}

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

DENTONS CANADA LLP
 Bankers Court
 15th Floor, 850 - 2nd 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

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This is Exhibit "F" referred to in the Affidavit of Glynn Hendry, sworn before me this 3rd day of September, 2013

EChang
 A Commissioner for Oaths in and for the Province of Alberta

My Commission expires: May 24, 2014

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 5, 2013, the Affidavit of Robert Friesen, sworn July 4, 2013 (the "Friesen Affidavit"), the Tenth and Eleventh Reports of the Monitor, the Affidavit of Anna Collister, sworn July 9, 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.



Justice of the Court of Queen's Bench of Alberta

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 2758 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.

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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.

IN THE COURT OF APPEAL OF ALBERTA

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 CAN MORE 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.

Respondents
(Respondents)

STREETSIDE DEVELOPMENT CORPORATION

Applicant

(Not a Party to the Chambers Application)

AFFIDAVIT

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Attention: E. Jane Sidnell

File No.: 10049-008