

**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

**Item 1 Name and Address of the Issuer**

Bellair Ventures Inc. (“Bellair” or the “Company”)  
Suite 509, 10 Bellair Street  
Toronto, Ontario M5R 3T8

**Item 2 Date of Material Change**

August 8, 2012.

**Item 3 News Release**

A news release with respect to the material change referred to in this report was issued by Bellair through the newswire services of Marketwire on August 8, 2012 and subsequently file on SEDAR, a copy of which is attached hereto as Schedule “A”.

**Item 4 Summary of Material Change**

The Company has entered into a letter of intent dated August 8, 2012 with The Edward J. Winter Family Trust, Urban Mechanical Contracting Ltd. (“Urban Mechanical”), Edward J. Winter and Marco Winter. Pursuant to the letter of intent, Bellair intends to acquire all of the issued and outstanding shares of Urban Mechanical for a purchase price of \$10,000,000 less any long term debt of Urban Mechanical outstanding at closing of the transaction.

**Item 5 Full Description of Material Change**

For a full description of the material change, please see the press release attached hereto as Schedule A.

**Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not applicable.

**Item 7 Omitted Information**

No significant facts have been omitted from this report.

**Item 8 Executive Officer**

The name and business number of the executive officer of the Company who is knowledgeable about the material change and this report is:

Emlyn J. David,  
President and Chief Executive Officer  
(416) 840 5002

**Item 9 Date of Report**

DATED the 15<sup>th</sup> day of August, 2012.

## SCHEDULE "A"

### BELLAIR VENTURES INC.

#### BELLAIR VENTURES INC. ENTERS INTO LETTER OF INTENT WITH RESPECT TO THE ACQUISITION OF URBAN MECHANICAL CONTRACTING LTD.

TSX VENTURE EXCHANGE: BVI

FOR IMMEDIATE RELEASE

**Toronto, Ontario** – August 8, 2012 – Bellair Ventures Inc. ("**Bellair**") (TSXV:BVI) announces that it has entered into a letter of intent (the "**Letter of Intent**") dated August 8, 2012 with The Edward J. Winter Family Trust (the "**Vendor**"), Urban Mechanical Contracting Ltd. ("**Urban Mechanical**"), Edward J. Winter and Marco Winter. Pursuant to the Letter of Intent, Bellair intends to acquire all of the issued and outstanding shares of Urban Mechanical for a purchase price of \$10,000,000 less any long term debt of Urban Mechanical outstanding at closing of the transaction (the "**Purchase Price**"). In the Letter of Intent, the parties have agreed to, among other things, a 90 day exclusivity period within which to negotiate and conclude a definitive agreement.

"Bellair believes that this horizontal integration strategy meets the increasing demand of the Industrial Commercial Institutional ("**ICI**") marketplace by combining Clean Energy Developments Corp. ("**CleanEnergy**"), a national leader of sustainable design build energy solutions, with Urban Mechanical, a company with a 45 year history of complete mechanical installations. This combination will allow the delivery of end-to-end sustainable solutions for asset owners, managers and construction leaders" stated Emlyn J. David, CEO of Bellair. "In addition, a number of synergies exist between CleanEnergy and Urban Mechanical that will enable the delivery of more cost effective and risk mitigated solutions to customers for inside and outside thermal energy and mechanical services."

#### **Proposed Payment of Purchase Price**

The Letter of Intent contemplates that, at closing of the transaction agreed to in the definitive agreement, Bellair would satisfy the Purchase Price by a combination of a payment of \$500,000 in cash, the assignment to the Vendor of a \$500,000 term loan to be provided by Bellair to Urban Mechanical upon signing of the definitive agreement in respect of the transaction, and the issuance of up to \$9,000,000 worth of common shares of Bellair at an issue price of \$0.55 per share, representing a discount of approximately 15% off the closing price on Tuesday, August 7, 2012 of \$0.65 per share. The number of Bellair common shares to be issued on closing will be reduced by the amount of any long term debt of Urban Mechanical outstanding on closing. Further, up to \$1,000,000 of the common shares of Bellair to be issued in satisfaction of the Purchase Price will not be issued at closing but will be issued on the date that is one year following the closing of the transaction to ensure the Vendor's performance of certain obligations under the definitive agreement, and shall be subject to adjustment in certain events.

The terms of the \$500,000 term loan to be advanced by Bellair to Urban Mechanical remain subject to negotiation and are expected to be settled and disclosed upon signing of the definitive agreement. The advance by Bellair of such term loan will be subject to approval by the TSX Venture Exchange (the "**TSX-V**").

Closing of the proposed transaction will be subject to, among other things, the signing of a definitive

agreement, the satisfactory completion of Bellair's ongoing due diligence investigations, the appointment of Edward J. Winter as a director of Bellair, Edward J. Winter entering into an employment agreement with Urban Mechanical on terms acceptable to Bellair and Edward J. Winter pursuant to which Edward J. Winter will agree to act as president and as a director of Urban Mechanical following closing of the proposed transaction and the receipt of all necessary consents and approvals, including the approval of the TSX-V.

### **About Bellair**

Bellair, through its wholly-owned subsidiary, CleanEnergy, is a leading national design builder and distributor of thermal energy systems and solutions. CleanEnergy has executed over 2,100 geoechange installations across Canada. CleanEnergy's vision is to design build cost-effective and environmentally friendly thermal energy systems for its users. CleanEnergy provides building owners, managers and developers a risk-managed solution with the ability to self-finance and/or provide a utility model for long-term thermal energy contracts.

### **About Urban Mechanical**

Urban Mechanical is a leading mid-tier mechanical contractor which, together with predecessor businesses, has a history spanning more than 45 years in low-rise residential, high-rise residential and ICI installations in Ontario, Canada. With over 140 employees, Urban Mechanical has become an industry leader in design, LEED certified buildings, job site safety and risk management. Together these attributes have assisted Urban Mechanical with forging strong client/customer relationships which has enabled Urban Mechanical to complete over two billion dollars in mechanical installations.

### **Financial Information of Urban Mechanical**

Based on a review engagement of the unaudited annual financial statements for the period ended July 31, 2011, Urban Mechanical had net income of \$986,564 on revenue of \$54,891,603. In addition, Urban Mechanical had assets of \$17,674,183, liabilities of \$15,402,445 and shareholders' equity of \$2,271,663.

As at April 30, 2012, Urban Mechanical had net profit of \$760,487 on contracted sales and work in progress of \$49,933,560 along with assets of \$21,938,477, liabilities of \$18,906,248 and shareholders' equity of \$3,032,230, based on unaudited, management prepared financial statements for the 9-month period then ended.

### **Corporate History and Structure of Urban Mechanical**

Urban Mechanical was incorporated under the *Business Corporations Act* (Ontario) on June 28, 1993. Urban Mechanical's registered and head office is located at 254 Attwell Drive, Toronto, Ontario. Urban Mechanical is wholly owned by The Edward J. Winter Family Trust, a trust settled under the laws of Ontario, of which Edward J. Winter and his wife, Norma Winter, are the only trustees. Edward J. Winter is the president, secretary and sole director of Urban Mechanical and it is anticipated Edward J. Winter will continue to act as a director and officer of Urban Mechanical following closing of the proposed transaction.

Edward J. Winter has served as the president, secretary and sole director of Urban Mechanical since 1993. With Urban Mechanical and predecessor businesses, Edward J. Winter has over 45 years of mechanical contracting experience. He presently serves as the President of the Metropolitan Plumbing and Heating Contractors Association.

*Certain statements in this press release are forward-looking statements. The reader is cautioned that assumptions used in the preparation of such information, although considered reasonable by Bellair at the time of preparation, may prove to be incorrect. Forward-looking statements, specifically those concerning future performance, expectations with respect to the entering into the definitive agreement contemplated by the Letter of Intent, the closing of the transaction contemplated therein and other statements that are not historical fact, are subject to certain risks and uncertainties, and actual results may differ materially from Bellair's plans and expectations. These plans, expectations, risks and uncertainties are detailed herein and from time to time in the filings made by Bellair with the TSXV and securities regulators. Bellair does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.*

*Completion of the transaction proposed by the Letter of Intent is subject to a number of conditions, including the entering into a definitive agreement, Exchange acceptance and approval of the shareholders of Bellair. The transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all. Investors are cautioned that, except as disclosed in the management information circular and filing statement to be prepared in connection with the proposed transaction, any information released or received with respect to the proposed transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Bellair should be considered highly speculative. All forward-looking information contained in this news release is expressly qualified in its entirety by this cautionary statement.*

***Neither the TSX-V, nor its Regulation Services Provider (as that term is defined in the policies of the TSX-V) accepts responsibility for the adequacy or accuracy of this release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.***

For further information, please contact Emlyn David, President, Chief Executive Officer, Secretary and Chairman of Bellair, at (416) 840-5002.