

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

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, RSC 1985, c-36, AS AMENDED AND IN
THE MATTER OF UBG BUILDERS INC., ALBERTA BUILDERS
CAPITAL INC., ALPINE HOMES (2006) INC., AMERICAN
BUILDERS CAPITAL (US) INC., EDGEWATER AT GRIESBACH
INC., ELITE HOMES (2006) LTD., EVOLUTION BY
GREENBORO INC., GREENBORO COMMUNITIES (2006) INC.,
GREENBORO ESTATE HOMES (2006) LTD., GREENBORO
HOMES (2006) LTD., GREENBORO LUXURY HOMES INC.,
HIGH POINTE INC., MOUNTAINEERS VILLAGE (2006) INC.,
MOUNTAINEERS VILLAGE II INC., ORIGINS AT CRANSTON
INC., SOUTH TERWILLEGAR VILLAGE INC., THE BRIDGES
MANAGEMENT INC., THE LEDGES INC., TIMBERLINE
LODGES (2006) INC., TODAY'S COMMUNITIES (2006) INC.,
TODAY'S HOMES (2006) INC., TUSCANY DEVELOPMENTS
(2006) INC., UBG ALBERTA BUILDERS (2006) INC., UBG
ALPINE HOMES (2006) LTD., UBG BRIDGES INC., UBG
BUILDERS (USA) INC., UBG COMMERCIAL INC., UBG LAND
INC., UBG LOT DEPOSIT CORP., UBG 4500 CALGARY INC.,
UBG 75 CANMORE INC., UBG 808 CALGARY INC., UNITY
INVESTMENTS (2012) INC., VALMONT AT ASPEN STONE
INC., VALOUR PARK AT CURRIE INC., VILLAGE AT THE
HAMPTONS INC., VILLAGE ON THE PARK INC.,
WILDERNESS HOMES BY RIVERDALE INC., WILDERNESS
RIDGE AT STEWART CREEK INC. (COLLECTIVELY, THE
"UBG GROUP OF COMPANIES")

DOCUMENT NINETEENTH REPORT OF ERNST & YOUNG INC. AS CCAA
MONITOR OF THE UBG GROUP OF COMPANIES

ADDRESS FOR SERVICE
AND CONTACT
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INTRODUCTION

1. On May 9, 2012, the Court of Queen's Bench of Alberta ("Court") issued an order ("Initial Order") granting the UBG Group of Companies ("UBG" or the "Company") protection pursuant to the *Companies' Creditors Arrangement Act* ("CCAA") (the "CCAA Proceedings"). Ernst & Young Inc. ("EY") was appointed monitor ("Monitor") under the Initial Order.
2. Since the date of the Initial Order the Monitor has filed 18 reports plus 13 project-specific reports in these CCAA Proceedings in connection with various Court applications made by UBG including obtaining approval for various Protocols for interim financing with several of the Company's lenders.
3. Pursuant to a Court Order made on September 10, 2014, the stay of proceedings under the Initial Order was extended to December 15, 2014.
4. The primary purposes of the CCAA Proceedings are to protect UBG's business and operations, to allow UBG an opportunity to realize value from its construction and development projects and to facilitate a restructuring of its credit facilities, all under a court-supervised process.
5. Capitalized terms not defined in this nineteenth report are as defined in all Reports and orders previously issued in respect of these CCAA Proceedings.

Purpose of this Report

6. The purpose of this nineteenth report ("Report") is to:
 - a) Provide an update on certain of the Company's development projects; and
 - b) Respectfully recommend that this Honourable Court make an order extending the stay of proceedings under the Initial Order to March 31, 2015.

Terms of Reference

7. In developing this Report, the Monitor has relied upon unaudited financial information prepared by the Company's management, the Company's books and records and discussions with its management. The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Monitor expresses no opinion or other form of assurance in respect of the information. Future-oriented financial information relied upon in this Report is based on management's assumptions regarding future events. Actual results achieved may vary from this information and these variations may be material, and as such the Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Report, or relied upon by the Monitor in preparing this Report.

Currency

8. All currency references in this Report are in Canadian dollars.

BACKGROUND

Overview

9. UBG is a real estate development group overseeing various homebuilder companies. UBG is involved in residential and commercial real estate development in Alberta and real estate investment through its investment arms, Unity Investments (2012) Inc. (“Unity Investments”), Alberta Builders Capital Inc. (“ABC Capital”) and American Builders Capital (US) Inc. (“ABC US Capital”). UBG was previously involved in residential real estate in Colorado Springs, Colorado, and San Antonio, Texas; however, all operations in the United States have been discontinued.
10. Considerable background detail and materials were included in the Monitor’s Second Report and in the May 8, 2012 affidavit of Robert Friesen (the “May 8th Friesen Affidavit”) filed in these CCAA Proceedings which included, *inter alia*, details on:
 - a) The Company’s corporate organization and divisional structure;
 - b) Background on single family and multi-family projects;
 - c) Further information on operations in the US;
 - d) Commercial land and building holdings; and
 - e) Investors.

COMPANY’S ACTIVITIES

11. UBG continues to address various Projects. Since the commencement of the CCAA Proceedings, those efforts, among other things, include:
 - a) Continuing to close Residential Units;
 - b) Discussions and meetings with certain Company lenders;
 - c) Discussions and meetings with Alberta New Home Warranty Program (“ANHWP”);
 - d) Quitclaiming UBG’s head office property located in Calgary, Alberta owned by UBG 808 Calgary Limited Partnership to ICI Capital Corporation (“ICI”);
 - e) Quitclaiming and or conveying 31 condominium units located in Canmore, Alberta owned by Timberline Lodges Limited Partnership to ICI and Bank of Montreal;
 - f) Closing the sale of the property located in Canmore owned by The Ledges Limited Partnership;
 - g) Communicating with investors and Olympia Trust Company in respect of a solution to the Mountaineers Village II Project located in Canmore;
 - h) Closing the sale of 19 condominium units located in Canmore owned by Wilderness Ridge at Stewart Creek Limited Partnership (“Wilderness”);
 - i) Closing the sale of the commercial property located in Canmore owned by UBG 75 Canmore Limited Partnership;

- j) Closing the sale of the property located in Edmonton, Alberta owned by Village at the Hamptons Limited Partnership;
- k) Closing the sale of the property located in Edmonton owned by Edgewater at Griesbach Limited Partnership;
- l) Closing the agreement for transfer of the property located in Calgary owned by UBG Bridges Limited Partnership;
- m) Concluding the Terwillegar Project;
- n) Vesting the lands located in Calgary owned by Valour Park at Currie Limited Partnership ("Valour Park") to Canadian Western Bank ("CWB");
- o) Closing the sale of the property located in Edmonton owned by Village at Laurels Limited Partnership;
- p) Closing the sale of the Project located in Calgary owned by Valmont at Aspen Stone Limited Partnership ("Valmont");
- q) Closing the sale of seven townhouse units owned by Origins at Cranston Limited Partnership ("Origins") to Attainable Homes Calgary Corporation ("Attainable Homes");
- r) Negotiating first the financing and completion of, and then the return of, the 40 Calgary lots owned by Today's Homes to United Communities;
- s) Successfully emerging Greenboro Homes Limited Partnership ("GHL") from these CCAA Proceedings effective August 29, 2013;
- t) Obtaining Court approval of a stalking horse solicitation process and subsequently a vesting Order in respect of Phase 3 of the Origins Project;
- u) Communicating and working with the investors in ABC US Capital and United States legal counsel in connection with the Court approved assignment of security to Valiant Trust Company ("Valiant");
- v) Communicating and working with the investors in the Murals at High Pointe Project, including the appointment of an investor steering committee and listing the Murals Project for sale;
- w) Obtaining Court approval of Greenboro Estate Homes Limited Partnership's ("GEH") Plan of Compromise and Arrangement ("Plan") and successfully closing the transactions contemplated by the Plan and implementing same;
- x) Working with Calbridge Homes in connection with developers, lenders, creditors and stakeholders;
- y) Working with the Monitor and its legal counsel to assess claims filed by creditors in these CCAA Proceedings including obtaining certain settlements;
- z) Dealing with various lienholders in connection with the establishment, maintenance, verification and payment of various lien claims;and
- aa) Working with legal counsel and the Monitor in respect of certain UBG joint venture arrangements held by UBG Land Inc. ("UBG Land").

MULTI-FAMILY PROJECTS

Origins at Cranston

12. The Origins Project is a three phase multi-family development located in south east Calgary. It comprises a total of 140 units (24 townhomes and 116 condominiums). Phase 1 is a 48 unit condominium building which is complete and all sales have closed. One unit has not been sold and is being retained as a show suite. Construction on Phase 3 consisting of 68 units had not been started and that phase was sold with the Court approving such sale on August 4, 2014. The sale subsequently closed in late September 2014.
13. Phase 2 comprises 24 townhomes. 17 were completed by UBG and these sales have closed. The remaining seven townhomes were sold to Attainable Homes and that sale closed in early November 2013.
14. Origins was financed by ICI. ICI loans were paid out in full concurrent with the closing of the sale of the seven townhomes to Attainable Homes.
15. Origins is also financed by Unity Investments which holds a second secured charge on the property subordinate to ICI. Unity Investments is owed more than \$7.0 million.
16. There is a private investor that holds a 50% equity interest in Origins having made an initial contribution of approximately \$1.75 million. The private investor is currently owed approximately \$1.75 million.
17. Lear Construction Management Ltd. ("Lear") was building Origins; however, prior to completing construction on the 24 townhomes Lear stopped working and did not return to the Origins construction site. Lear is owed significant amounts for costs incurred pre-May 9, 2012 and also for amounts owed post-May 9, 2012.
18. Lear filed an application returnable November 26, 2013 seeking various relief including orders: i) determining the amount owing to Lear; ii) that the amount is immediately due and payable and must be paid forthwith; and iii) requesting additional accounting information in connection with the ICI loan draws and the sales proceeds from the sale of Phases 1 and 2.
19. With respect to pre-May 9, 2012 amounts owed to Lear, those amounts will be addressed in due course as part of the Claims Process and will be subject to not only establishing the validity of these claims, but also to priority claims and realizations on the Origins Project.
20. In respect of post-May 9, 2012 amounts owed to Lear, Lear has submitted invoices to Origins which indicate that costs have increased over budgeted costs. As Lear is aware, the funds provided by ICI were a fixed amount and no additional funds were available from the ICI loan facilities to address any increased costs. The cost consultant retained on the project approved Lear's invoices in accordance with the agreed upon budget. No additional amounts have been approved for payment to Lear.
21. UBG and the Monitor have provided Lear with certain Origins accounting information as requested by Lear.

22. On August 28, 2014 a consent Order was agreed to setting out, among other things, certain dates for examinations, filing of reports and submission of written briefs. The hearing date for this matter was set for 10:00 am on November 4, 2014; however that date could not be met and the matter has been adjourned *sine die*. A representative of Lear was examined by the Monitor's counsel on August 22, 2014 and the undertaking responses in respect of the examination were received on December 4, 2014. The Monitor will review the undertakings in the next few weeks and plans to move this matter forward in 2015.
23. The Investors in Unity Investments have now engaged independent legal counsel who has advised the Monitor that the Investors will take part in this application.
24. There are several outstanding deficiency claims relating to the condominiums and townhomes, and certain common areas. Moreover, there are outstanding enrollment fees in connection with Progressive Home Warranty. It is the Monitor's view that these costs have been incurred for the benefit of all stakeholders and must be paid regardless of the outcome of the application. The Monitor intends to pay the quantified priority costs and expenses determined to date of \$39,251.90 from funds held in respect of the Origins Project.

South Terwillegar

25. The project known as South Terwillegar is a two phase 112 unit townhome complex located in Edmonton, Alberta. All construction is complete.
26. On July 10, 2013 UBG entered into an Interim Financing Agreement with Scotiabank whereby Scotiabank agreed to finance the remaining construction costs on 22 unfinished units. Concurrently, UBG entered into an Amended Development Agreement with Footprint Developments Ltd. ("Footprint") to complete construction of Terwillegar. Scotiabank was paid its loans in full in December 2013.
27. Unity Investments also provided financing on the South Terwillegar Project. Unity Investments holds a second secured position and is currently owed approximately \$1.95 million excluding interest.
28. Based on the sales proceeds and the costs incurred to complete construction, the Monitor estimates that there will be funds available for a partial distribution to Unity Investments. The City of Edmonton held a letter of guarantee to ensure landscaping was completed at South Terwillegar. The letter of guarantee was recently released.
29. The Monitor understands that there are some deficiencies that will need to be addressed prior to distribution of the remaining proceeds. The Monitor is attempting to quantify the deficiencies and have them addressed such that a pro-rata distribution to the investors can be made in the first quarter of 2015.

Village on the Park ("VOP")

30. The project known as VOP is a three phase 243 unit condominium complex comprising three buildings located in Edmonton. Construction on all three buildings is complete and all units have sold and closed.

31. Scotiabank was providing the financing on this project. The Scotiabank loan was retired in full on July 24, 2012.
32. There are amounts owed to Trades in respect of construction and amounts also owed to Lear for its role in the construction. UBG has identified several deficiencies and a list of those deficiencies has been provided to Lear. Those deficiencies have not yet been addressed. Lear is of the view that its contract is a cost plus contract and that the costs to rectify any deficiencies are for VOP's account. UBG and the Monitor disagree with Lear's position and have taken alternative steps to have the deficiencies completed.
33. Numerous creditors have made claims against VOP totalling in excess of \$300 million. The Monitor has completed its review of the majority of the claims however it is likely some of those claims will be disputed.
34. The Monitor is reviewing all VOP bank accounts since the inception of the VOP project to attempt to determine amounts that may be owed to certain parties that have filed claims against VOP. This exercise is complicated and time consuming and it has been necessary to request certain source documentation from the two banks where the VOP bank accounts were maintained.

Murals

35. The project known as Murals is a three phase 59 townhome unit complex located in High River, Alberta. Phase 1 comprising 18 units and Phase 2 comprising 16 units are complete and the sales of all units in Phase 1 and 2 have closed. Phase 3 comprising 25 units has not yet started.
36. Unity Investments (the "Investors") is the only secured creditor and is owed approximately \$2.147 million (which includes interest of approximately \$313,945). There is no other financing on the project. The Monitor is currently reviewing an accounting of the Murals Project which is expected to be provided to the Investors shortly.
37. By way of Extraordinary Resolution, the Investors appointed a Steering Committee to manage the listing, marketing and sale of the Phase 3 lands. The Phase 3 lands are presently listed for sale and one offer has recently been received. The offer is being reviewed by the Steering Committee and, if acceptable to the Steering Committee, the Monitor and UBG, the Monitor anticipates UBG will make an application for the approval of the sale.

Wilderness

38. The sale of the Wilderness Project to Highfield Stock Farm Inc. ("Highfield") closed on May 2, 2013. Pursuant to the sale agreement, Highfield was to either: i) assume the obligations pursuant to a \$525,000 letter of guarantee, \$500,000 held in the favour of the Town of Canmore in respect of landscaping requirements and \$25,000 in favour of ANHWP; or ii) provide a cash secured replacement letter of guarantee to the Town of Canmore.
39. Highfield assumed the obligations pursuant to the letter of guarantee. The Town of Canmore released \$450,000 of the \$500,000 guarantee and those funds will be available for distribution to the Wilderness project creditors on a pro rata basis. The Town of Canmore recently released an additional \$45,000 of the guarantee.

40. The Monitor has completed its review of the claims filed against the Wilderness Project. A small number of claims remain unresolved, including some law suits filed against Wilderness by some unit purchasers where the unit sales were not concluded. The Monitor is working to finalize these claims and expects to issue Notices of Revision or Disallowance in the near future.

Mountaineers II

41. Mountaineers II comprises three acres of raw land located in the Three Sisters area in Canmore. Unity Investments holds security over this project and is owed approximately \$2.9 million. Based on information available to the Monitor, it appears that there is only one additional creditor on Mountaineers II which is the Town of Canmore for outstanding property taxes.
42. The Monitor solicited a listing proposal from a large independent real estate firm indicating a suggested listing price of \$1.6 million. The Court approved listing Mountaineers II lands for sale and the property was placed on the market in January 2013.
43. There were no formal offers received for the property and the listing agreement was allowed to expire.
44. The Investors have expressed a desire to have the property conveyed to them through the establishment of a holding company. The Monitor understands that the process of establishing the holding company and a mechanism to address outstanding property taxes is still underway. Once the terms of the transaction are finalized it is anticipated an application will be made to this Honourable Court seeking approval for the property to be transferred.

Valmont

45. The sale of the Valmont Project was approved by this Honourable Court on August 30, 2013 and closed on September 6, 2013.
46. As detailed in the Monitor's earlier reports to Court in respect of the Valmont Project (the "Second Valmont Report"), there were ongoing disputes with Square Foot Real Estate Corporation ("Square Foot") with respect to:
 - a) ownership of all of the interior furnishings, layout boards and sales materials located in the Valmont sales centre (collectively, the "Assets"); and
 - b) the agreement between Valmont and Square Foot (the "Valmont Square Foot Agreement") relating to the portion of commissions payable upon a confirmed unit sale.
47. The matter with respect to the Assets has been settled pursuant to a consent Court Order dated June 9, 2014.
48. The commissions issue has not been resolved and it is anticipated that this matter will have to be placed before the Court for determination. The Monitor and its legal counsel will be working with Square Foot's legal counsel to establish agreeable dates to have this matter heard by the Court.
49. The Monitor completed its review of all Proofs of Claim received and Notices of Acceptance and Notices of Revision or Disallowance were issued in respect of all Proofs of Claim received. Four

Dispute Notices (including the Square Foot matter noted above) were received and the Monitor is working to resolve those disputes.

50. West Gallant Developments Ltd. ("West Gallant") submitted a claim against Valmont in the amount of \$4,940,000. The Monitor does not dispute the quantum of West Gallant's claim but rather its priority. West Gallant filed a Notice of Dispute with the Monitor and the claim has not been resolved. West Gallant has also raised questions in respect of certain valid lien claims filed by creditors. The Monitor does not agree with West Gallant's assessment of the lien claims and is attempting to resolve this issue with West Gallant. Once the lien issues have been resolved the Monitor will distribute funds to the valid lien claimants.
51. Similar to the VOP Project the UBG accounting for Valmont is under review. The Monitor is reviewing all Valmont bank accounts since the inception of the Valmont Project to attempt to determine amounts that may be owed to certain parties that have filed claims against Valmont. This exercise is complicated and time consuming and it has been necessary to request certain source documentation from the bank where the Valmont bank accounts were maintained.
52. The review of UBG's accounting and the resolution of the Square Foot and West Gallant claims is required prior to the Monitor making a distribution to the Valmont Project's creditors. The timing of the distribution is unknown at this time; however, the Monitor is working to resolve the disputes as quickly as possible.

Other Multi-Family Projects

53. The Valour Park project has been returned to CWB pursuant to previous Monitor's reports. There are no funds for creditors or investors.
54. The trial of an issue that was directed to determine which parties, if any, are liable to purchasers at Valour Park for unrecovered deposits is ongoing.

SINGLE FAMILY PROJECTS

Greenboro Estate Homes Limited Partnership

55. On October 10, 2013 the Court issued an order approving GEH's Plan and the Plan was implemented on December 31, 2013.
56. The Monitor has reviewed the claims against GEH and issued several Notices of Revision or Disallowance. There remain some unresolved claims that the Monitor is currently addressing.

Mystic Ridge

57. Mystic Ridge is a single family project located in West Calgary comprising three phases. Phase 1, consisting of 38 homes, is essentially complete. Phases 2 and 3, comprising approximately 13.5 acres and 39 homes are currently under construction. The Mystic Ridge Lands are held by a nominee company 1199032 Alberta Ltd. ("1199") which is not a party to these CCAA Proceedings.

58. The Toronto-Dominion Bank (“TD”) agreed to finance the remaining development of Mystic Ridge. The Master Term Sheet was approved by this Honourable Court on April 25, 2013 which provides for, among other things, the financing to be provided by TD for: i) 1199 to develop the Mystic Lots; ii) GEH to purchase the Mystic Lots and iii) GEH to construct the Mystic Ridge housing development.
59. The development of Mystic Ridge was integral to GEH’s emergence from these CCAA Proceedings. The Monitor has been contacted by the developer of Phase 1 in connection with certain unfinished development requirements. The Monitor is working with UBG and GEH to attempt to understand the development requirements in respect of Phase 1.

Greenboro Luxury Homes

60. Greenboro Luxury Homes Currie Barracks 1A Limited Partnership (“Greenboro Luxury LP”) was created to acquire and develop lands in the Currie Barracks area of Calgary. The project is limited to 16 high-value lots. As of the date of the CCAA Proceedings 14 homes had been developed and sold. Construction on the two remaining homes commenced during the CCAA Proceedings.
61. Both properties have been completed and the sales have closed. The construction financing was provided by TD pursuant to a financing protocol approved by this Honourable Court. The Greenboro Luxury LP TD loan has been paid in full.
62. The Monitor understands that all amounts owed to Trades have now been paid. As with the VOP and Valmont projects, the Monitor is currently reviewing the UBG accounting for Greenboro Luxury LP. As all Trades have now been paid the Monitor will commence its review of the Greenboro Luxury LP bank accounts since the inception of the Greenboro Luxury LP Project.
63. The Monitor has also commenced its review of the claims filed against Greenboro Luxury LP.

Greenboro Homes Limited Partnership

64. On August 29, 2013 the Monitor filed the required Monitor’s Certificate and GHL has emerged from these CCAA Proceedings.
65. The Monitor holds required funds to pay the GHL creditors 100 cents on the dollar in respect of their proven claims. The Monitor has distributed \$3,575,948.04 to the GHL creditors. There are a few claims which remain in dispute which relate mainly to landscaping deposits. The Monitor is making headway in addressing those claims.

Today’s Homes

66. Certain of Today’s Homes’ single family homes are financed by Sterling Bridge Mortgage Corporation (“Sterling Bridge”). UBG entered into a lending agreement with Sterling Bridge to provide financing to Today’s Homes of up to \$6.0 million to construct 17 homes. The Sterling Bridge Protocol which was approved by this Honourable Court on September 14, 2012 governs the financing relationship. Details of each of the Today’s Homes projects are contained in the Second Report and the May 8th Friesen Affidavit.

67. A Second Sterling Bridge Protocol was approved by order of this Honourable Court on March 27, 2013 in respect of four pre-sold uneconomic homes.
68. Today's Homes was unable to complete construction on the homes being financed and a third party contractor was engaged to complete construction. Construction of the homes is complete and sales of all houses have closed; however, the Monitor is informed that there are construction deficiencies that are currently being addressed.
69. The Monitor is advised that UBG will be meeting with Sterling Bridge as soon as possible to review the status of the financing protocols and the outstanding deficiencies.
70. On December 2, 2013, this Honourable Court approved the Settlement Agreement between UBG and the developer of 40 lots owned by Today's Homes. The Settlement Agreement resulted in approximately \$650,000 being realized for the benefit of Today's Homes' stakeholders.
71. Any distribution and the amount thereof to Today's Homes creditors will not be known until the remaining deficiencies have been rectified and all amounts owed to Sterling Bridge have been paid.

UBG LAND LIMITED PARTNERSHIP

72. The purpose of UBG Land was to enter into joint venture agreements ("JVAs") with certain third parties to acquire and build land inventories, and subdivide, service and sell those lands as single and multi-family development properties. The JVAs allow UBG to participate in a broader range of products with a lower up front capital cost.
73. The time horizon for development was long term as the majority of the land inventories were bare land and were not yet under development.
74. Through the JVAs, lands are normally contributed by a JV party and held by a corporation (as nominee) or that JV party for and on behalf of the JV parties. Each JV party has a beneficial interest in the lands in proportion to the value it has contributed to the JV, either in land or in cash. Each JV party is required to make capital contributions for the duration of the JV; however, if a JV party fails to make its required capital contribution, its capital contribution may be covered by the other JV parties in the form of a loan secured by a lien against the defaulting party's beneficial interest.
75. In some cases, UBG's interest in a JV may be further contributed to a second JV with another group of participants, further sharing costs and recoveries.
76. UBG's legal counsel and the Monitor commenced a review of the JVAs to confirm UBG's ownership percentage, the status of each JV and whether the JVAs are in good standing. The JVAs contain numerous provisions in respect of default, prohibitions of sale, assignment or transfer which are complicated and will take time to assess. The review has revealed that there appears to be only one JVA that has any substantive value.
77. In addition to the foregoing, UBG Land owned 21 lots located near Strathmore, Alberta. A realtor has been retained and those lots have been listed for sale. Offers have been received and accepted on four of the lots. The sales prices have been equal to or greater than the listing prices.

INVESTORS

78. The Company attracted investment through its Unity Investments division as described in the Second Report and more fully in the May 8th Friesen Affidavit.
79. There are approximately 227 individual investors invested through Unity Investments, ABC Capital and ABC US Capital.
80. Certain amounts have been distributed to the investors in ABC Capital in connection with the Sterling Bridge financing of Today's Homes and proceeds realized upon closing single family house sales where the lot purchase was financed by ABC Capital.
81. The Monitor assumed the distribution of funds to the investors this summer. The Monitor distributed \$2,495,129.39 to the investors in October 2014.
82. In respect of the multi-family projects, amounts to be recovered by the Unity Investments investors will depend on the quantum of proceeds realized from the sale of condominium units or from the property on those projects where the entire project has been sold, quit claimed or conveyed to the secured lender. Investors in the multi-family projects Murals, Origins, Mountaineers II, South Terwilligar and VOP will experience some recovery on their investments. Investors in Valour Park and Timberline are not expected to recover any amounts in respect of their investments.

ABC US Capital

83. ABC US Capital raised funds from investors (the "Debenture Holders") to invest in real estate in the United States. Valiant is the trustee for the Debenture Holders. The Debenture Holders are owed approximately \$2.5 million.
84. ABC US Capital entered into two loan facilities covering 67 residential lots located in two residential development areas in Colorado.
85. The Monitor reported in its Eighteenth Report that all UBG's right, title and interest in and to the 67 lots was transferred to Valiant Trust pursuant to an order of this Honourable Court dated August 4, 2014.

TAX RETURNS

86. Pursuant to an order granting the Monitor certain enhanced powers issued on December 2, 2013 (the "Enhanced Powers Order"), the Monitor has been working to assist UBG to provide tax returns and GST returns for the various UBG entities.
87. The Monitor has had difficulty obtaining the financial information necessary for completing the tax returns for the Various UBG entities but believes it is now in a position to do so. Once those returns are completed the Monitor will be able to provide tax reporting information for the 227 individual investors. The Monitor expects to complete the tax returns for UBG entities and the investors by March 31, 2015.
88. The Monitor continues to work on filing GST returns for the various UBG entities.

COMPANY'S REQUEST FOR AN EXTENSION OF THE CCAA PROCEEDINGS

89. The Monitor supports the Company's request for an extension of the stay of proceedings from December 15, 2014 to March 31, 2015 for the following reasons:
- a) The Company is acting in good faith and with due diligence in its restructuring efforts;
 - b) The Company has made significant progress in respect of its restructuring. It is implementing exit strategies in respect of the Canmore marketplace, selling projects and assets that are uneconomic, completing construction on both single family and multi-family projects and emerging GHL and GEH from these CCAA Proceedings;
 - c) The Company continues to focus its resources on disposing the uneconomic projects;
 - d) The Company requires additional time to assist the Monitor in resolving various claims, completing tax filings and to address certain construction deficiencies; and
 - e) An extension will provide the Company with an opportunity to continue to monetize certain of its assets, under the supervision of this Court, which is expected to maximize recoveries for all stakeholders.

CONCLUSION AND RECOMMENDATION

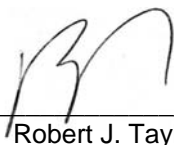
90. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court make orders granting the relief detailed in Paragraph 6 b) of this Report.

* * *

All of which is respectfully submitted this 10th day of December 2014.

**ERNST & YOUNG INC.
IN ITS CAPACITY AS CCAA MONITOR OF
THE UBG GROUP OF COMPANIES
AND NOT IN ITS PERSONAL CAPACITY**

Per: _____



Robert J. Taylor, FCA, CIRP