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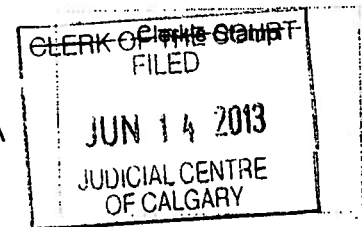
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COURT

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., EGEWATER 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

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

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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 nine reports plus three 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 March 22, 2013, the stay of proceedings under the Initial Order was extended to June 14, 2013.
4. There were two Court applications since the March 22, 2013 extension of the stay of proceedings; i) in connection with the Mystic Ridge Montreux Joint Settlement Agreement and The Toronto-Dominion Bank Financing Term Sheet and, ii) in connection with providing certain accounting documentation in respect of the Origins at Cranston and the Village on the Park projects.
5. 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.
6. Capitalized terms not defined in this tenth report are as defined in all Reports and orders previously issued in respect of these CCAA Proceedings.
7. UBG will be seeking an extension of the stay of proceedings for a limited period from June 14, 2013 to June 17, 2013 for scheduling purposes and to allow the judge hearing this matter to be available for the benefit of the various stakeholders.

Purpose of this Report

8. The purpose of this tenth report ("Report") is to:
 - a) Provide an update on the Company's restructuring efforts since the Initial Order;
 - b) Provide a status update on certain of the Company's development Projects;
 - c) Comment on the Company's projected statement of cash flow for the period ending September 30, 2013;
 - d) Support the Company's request for an extension of the CCAA Proceedings to September 19, 2013; and

- e) Respectfully recommend that this Honourable Court make an order extending the stay of proceedings under the Initial Order to September 19, 2013.

Terms of Reference

9. 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 performed an audit or other verification of such information. An examination of the Company's financial forecasts as outlined in the *Canadian Institute of Chartered Accountants Handbook* has not been performed. 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

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

BACKGROUND

Overview

11. 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.
12. The Company's corporate headquarters is located in Calgary, Alberta, as is the managerial and administrative staff. Additional employees are located in Edmonton and at various project sites.
13. 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

14. Since the date of the Initial Order, the Company continues to focus on stabilizing its operations and assessing its various Projects. Those efforts continue and include:
- a) Implementing controls, policies and procedures;
 - b) Reviewing each of the Projects to assess viability, asset values, associated obligations, costs to complete (where applicable) and required resources;
 - c) Ongoing cost reduction, such as cancelling certain contracts, and reviewing all areas in respect of its administrative processes and expenses;
 - d) Continuing to market all projects (excluding UBG USA);
 - e) Continuing to close Residential Units. UBG has closed 232 homes since the date of the Initial Order. A schedule identifying these home closings is provided as Appendix "A";
 - f) Meeting with certain Company lenders;
 - g) Meeting with representatives of Alberta New Home Warranty Program ("ANHWP");
 - h) Meeting with the suppliers of materials and services ("Trades");
 - i) Holding various investor meetings and telephone conference calls related to those UBG projects where investor funds have been invested;
 - j) Working with stakeholders in various Canmore projects to facilitate an orderly withdrawal from that marketplace;
 - k) Developed and implemented Protocols with Alberta Treasury Branches ("ATB"), Canada ICI Ltd. ("ICI"), The Bank of Nova Scotia ("Scotiabank"), The Toronto-Dominion Bank ("TD"), Canadian Western Bank ("CWB"), Stahl General Contracting Inc. ("Stahl") and Sterling Bridge Mortgage Corporation ("Sterling Bridge");
 - l) Agreed to amended protocols and priority charges with TD and ATB;
 - m) Approved amended protocols with Sterling Bridge in respect of building out certain of Today's Homes houses;

- n) Negotiating an asset purchase agreement with Anderson for the sale of Hamptons;
- o) Negotiating an amended protocol with Scotiabank in respect of the Terwillegar Project along with an amending management agreement with the development manager;
- p) Negotiating a sales process for the Valmont at Aspen Stone Project;
- q) Quitclaimed and or conveyed 31 condominium units owned by Timberline Lodges Limited Partnership to ICI and Bank of Montreal ("BMO");
- r) Listed for sale the property of the Mountaineers Village II Project located in Canmore, Alberta;
- s) Closed the sale of 19 condominium units owned by Wilderness Ridge at Stewart Creek Limited Partnership (the "Wilderness Project") to Highfield Stock Farm Inc.;
- t) Obtained Court approval for i) the Master Term Sheet, ii) the TD Charges and iii) the Bulk Lot Purchase and Sale Agreement in respect of Mystic Ridge and settled all outstanding matters with Caleron in respect of UBG Land's interest in 1199032 Alberta Ltd ("1199");
- u) Working with the Monitor and its legal counsel to assess claims filed by creditors in these CCAA Proceedings;
- v) Worked closely with the Monitor to develop and refine financial analyses and cash flows in respect of each of its various projects;
- w) Worked with its advisors regarding the development of emergence strategies and meetings with various potential strategic partners;
- x) Advising stakeholders that the Company is continuing to operate on a business as usual basis in the context of these CCAA Proceedings; and
- y) Dealt with various lienholders in connection with the establishment, maintenance, verification and payment of various lien claims.

CLAIMS PROCESS

15. The processes to be followed in respect of creditor claims were set out in the Claims Procedure Order and the Reverse Claims Procedure Order granted by the Court on June 15, 2012 and detailed in the Fifth Report. The Monitor has conducted the claims process pursuant to the Claims Procedure and Reverse Claims Procedure Orders. The Monitor has received a total of 1,158 claims totalling in excess of \$630 million. The Monitor has also received 71 claims subsequent to the Claims Bar Date.
16. These claims are under review by the Monitor and UBG and a recommendation in respect of acceptance or disallowance of such claims will be placed before the Court at a later date.
17. A summary of the claims received and progress in respect of the Claims Procedure and Reverse Claims Procedure was included in the Seventh Report.

18. Approximately \$1.06 million of lien claims were paid in April 2013 in respect of closed properties in Greenboro Estate Homes Limited Partnership ("GEH") and Greenboro Homes Limited Partnership ("GHL"). A number of dispute notices in respect of these claims have been received by the Monitor and are being reviewed. A second payment, of approximately \$342,000, was made on June 13, 2013 in respect of house sales up to April 30, 2013.
19. As previously reported to the Court, the Monitor has not yet assessed unsecured claims and neither the Monitor nor UBG has proceeded with Court applications to resolve disputed claims, but will do so when circumstances warrant such review and applications.

Igloo

20. One of GHL's suppliers, Igloo Building Supplies Group Ltd. ("Igloo") has made an application, scheduled to be heard by this Honourable Court on June 19, 2013, pursuant to numerous liens it has filed against GHL properties. Further background to this matter is detailed in the Monitor's Eighth Report to the Court.
21. Specifically, Igloo is seeking an order that its costs be paid from the sales proceeds and that the June 15, 2012 Approval and Vesting Order ("AV Order") be set aside so that it may pursue collection of amounts owed outside of the CCAA Proceedings. Such relief would have a significant negative impact on UBG's CCAA Proceedings.
22. The AV Order and the Protocol established with ATB were put in place to protect various stakeholders by allowing home sales to close and holding proceeds in a trust account to be applied in payment of valid and enforceable claims in respect of services or materials provided pre May 9, 2012.
23. The AV Order and Protocols are working as intended. When home sales close, funds are held in trust by Dentons Canada LLP ("Dentons"). The Monitor and its legal counsel, with the assistance of UBG, reviews the claims registered against a particular property (including liens) and, provided the claims are valid the Monitor then advises UBG's legal counsel, Dentons to make the appropriate distribution.
24. A payment of \$54,654.13 was made to Igloo on December 6, 2012. A second payment of \$47,816.04 (net of a hold back for costs of \$25,000) was paid to Igloo in connection with payments made to lienholders in April 2013. Those payments were in connection with house closings up to January 31, 2013. The third payment made to Igloo on June 13, 2013 was in the amount of \$63,711.08 in respect of house closings up to April 30, 2013. As house sales close additional payments will be made to lienholders with valid lien claims. It remains the Monitor's view that the AV Order is working precisely as intended.
25. Igloo, through its legal counsel, continues to make numerous demands of, and threats against the Monitor. Dealing with these demands and threats is time consuming and costly. The Monitor and its counsel have had to spend an inordinate amount of time dealing with Igloo's legal counsel. Attached as Appendix "B" are copies of all substantive correspondence between legal counsel for Igloo, the Monitor and UBG related to these issues, of which the Monitor is aware and which has not previously been put before the Court.

26. The Monitor and its legal counsel have endeavoured to address the various demands of Igloo and in that connection have provided to Igloo further information from UBG in respect of sales prices and disposition of funds in respect of GHL house closings against which Igloo registered liens. The Monitor has updated this schedule for the June 12, 2013 lien payments. Attached as Appendix "C" is a schedule of all payments made to Igloo to date in respect of homes that have closed. Also included in Appendix "C" are copies of the correspondence to Igloo which accompanied the payments. Other than the \$25,000 holdback on account of costs incurred as noted in paragraph 33 below and \$35,686 in respect of liens filed by Igloo on properties transferred to third parties prior to Igloo registering its liens, all but \$14,631.40 has been paid to Igloo in respect of its lien claims. Disputes raised by Igloo on the non-payment of the \$14,631.40 are being reviewed by UBG and the Monitor.
27. Igloo has also demanded an update in relation to eleven additional properties on which it has filed liens. Sales on these properties closed in April and up to May 10, 2012.
28. Based on the Monitor's initial review of Igloo's demand, it appears that sales on each of these properties were closed and title transferred to the respective purchasers **prior** to Igloo registering its liens. It is the Monitor's view that these liens are invalid and that if the claims themselves are valid debts due, Igloo will have only an unsecured claim against GHL for these amounts. Other Trades are in the same situation where the liens were filed after title was transferred and their claims have been treated in the same manner. The Monitor believes that the appropriate mechanism to deal with these claims where liens were filed after transfer of title is within the Claims Process.
29. Igloo's lien claims are for work done prior to the commencement of these CCAA Proceedings and as such, its claims are governed by the Claims Procedure Order. Amounts Igloo is claiming for interest and legal fees in the Monitor's view are not provable claims in the CCAA Proceedings.
30. The AV Order and Protocols were established for the benefit of UBG's creditors and stakeholders so that home sales could close in the normal course, funds could be distributed in accordance with established priorities, and certainty and equity among UBG's creditors and stakeholders was brought to the CCAA Proceedings all with a minimum expenditure of costs and resources of the parties. The AV Order and Protocols are being adhered to by UBG.
31. Accordingly, there was no need for Igloo to incur legal fees as its rights are protected pursuant to the AV Order. It appears to the Monitor that Igloo's expenditure of legal fees and requiring the Monitor and UBG to incur same have not enhanced its position, which was always protected under the AV Order and ATB Protocol Order.
32. Igloo seeks to be treated differently than all other trade creditors, wishes to be removed from the AV Order, has not properly adhered to the Claims Procedure Order, is attempting to recover unsecured amounts or non-provable amounts in priority to other valid claims including ATB's DIP Charge, and has caused UBG, its counsel, the Monitor and its counsel and ATB's counsel (which UBG is responsible for paying pursuant to various security agreements) to incur significant unnecessary costs.
33. The Monitor estimates that the various counsels and the Monitor have incurred in excess of 75 hours of time to address Igloo's demands, threats and applications. Furthermore, Igloo's actions fly in the face of the stay of proceedings, the established process for distribution of proceeds, the

spirit and intent of the CCAA and the mechanism that brings certainty to lenders, Trades, developers and home purchasers involved in these CCAA Proceedings.

34. Accordingly, the Monitor respectfully recommends that this Honourable Court dismiss the Igloo application with costs.

Alberta New Home Warranty Program

35. ANHWP made an application to this Honourable Court seeking Orders:
- a) Lifting the stay of proceedings to allow ANHWP to terminate the agreement with UBG and Valour Park;
 - b) Directing that UBG immediately pay outstanding fees for services provided by ANHWP;
 - c) Directing UBG to provide ANHWP with a closing schedule for the 48 condominium units at Origins at Cranston;
 - d) Directing UBG to provide ANHWP with the particulars of new warranty coverage obtained by UBG on Origins at Cranston;
 - e) Directing UBG to provide to ANHWP a list of all single-family and multi-family homes for which warranty coverage is being provided by another provider;
 - f) Directing UBG to provide ANHWP with a list of all pre-sold single-family homes subject to ANHWP coverage;
 - g) Directing UBG to enroll all single-family homes with ANHWP and pay the associated enrolment fees; and
 - h) Directing that UBG comply with any agreements currently in place with ANHWP until such time as UBG and ANHWP mutually agree to the termination of such agreements.
36. The Monitor and UBG have provided ANHWP with the information requested. There is some clarification required in respect of some of the materials provided and UBG and the Monitor will endeavour to provide clarification and supporting documentation to ANHWP within the next few weeks.
37. The Monitor and UBG met with ANHWP on June 7, 2013 to discuss the next steps and to determine whether an agreement could be reached in advance of the June 18, 2013 application.
38. ANHWP, UBG and the Monitor have reached an agreement such that the June 18, 2013 application has been adjourned *sine die*. UBG and the Monitor have agreed to meet with ANHWP either in person or by conference call on a weekly basis for the foreseeable future to keep ANHWP informed and up to date with respect to UBG's projects and restructuring efforts.

SINGLE FAMILY PROJECTS

Greenboro Estate Homes and Greenboro Luxury Homes

39. All Greenboro Estates Projects in respect of single family homes in Calgary are financed by, and subject to security in favour of TD. Details of each of Greenboro Estates Projects are contained in the Second Report and the May 8th Friesen Affidavit. All Greenboro Luxury Homes Limited Partnership projects ("Greenboro Luxury Projects") are financed by and subject to security in favour of TD.
40. The future development lots on which the homes are to be built are either held by the developers and will have to be paid for, or have been purchased by UBG through financing obtained from ABC Capital.
41. Sale of 16 Greenboro Estates houses have closed and Dentons holds the proceeds from those sales in trust until they are distributed. The Monitor's legal counsel reviewed TD's security and has, subject to customary and specific qualifications, opined that the security constitutes legal, valid, binding and enforceable security. Accordingly, Dentons, with the approval of the Monitor has made periodic distributions of the proceeds held to TD. Future distributions to TD from the funds held by Dentons are expected to be made as proceeds become available from closings.
42. Protocols were developed with TD to provide funding for ongoing operations, with the terms of such Protocols being approved by this Honourable Court on September 14, 2012. Pursuant to the TD Protocols between Greenboro Estates and TD, and between Greenboro Luxury and TD, the operations of Greenboro Estates and Greenboro Luxury continue. Houses are being sold, built and closed in the normal course for properties located at Castle Keep, Currie Barracks, Sage Meadows, and Westmere.
43. Trades continue to provide materials and services and are being paid for same. Each time a new house is sold and the sale is approved by TD, the Monitor advises the Trades that financing is in place in respect of such home so that Trades can be assured that they will be paid for materials and services provided.
44. There are a number of properties which closed prior to May 9, 2012 where certain "seasonal" work remains outstanding prior to the houses being complete. The Company estimates these costs to be approximately \$360,000. In respect of some of the "seasonal" work funds were held in trust to address these "seasonal" costs and in that regard UBG is completing the "seasonal" work. A mechanism to address the "seasonal" work where funds were not held in trust has not yet been found; however, UBG continues to explore all available options.
45. Greenboro Estates Projects have experienced some construction delays. The timing of closings affects the quantum of funds required to support ongoing construction and operating costs. UBG took steps to replace certain Trades to reduce construction delays. Also an amended protocol (the "Amended TD Protocol") was developed with TD which provided increased financing from \$22.0 million to \$24.5 million. The Amended TD Protocol was approved by this Honourable Court on March 22, 2013.

Mystic Ridge

46. 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, are currently bare land with plans to construct 39 homes on the two phases.
47. Further detailed background is contained in the Monitor's Seventh, Ninth and Mystic Ridge Reports.
48. In previous reports the Monitor advised that in February 2006, UBG entered into a joint venture agreement (the "Montreux JVA") with Caleron Properties Ltd. ("Caleron") and Ronald Slater ("Slater") which governs the development of Mystic Ridge. UBG Land is the assignee of UBG. Title to the Mystic Ridge Lands is held by a nominee company, 1199 which was, until recently, owned by UBG Land and Caleron.
49. For several years litigation was carried on by Caleron with respect to the Mystic Ridge development.
50. The development of Mystic Ridge is integral for the emergence of GEH from these CCAA Proceedings.
51. TD agreed to finance the remaining development of Mystic Ridge. The Master Term Sheet (the particulars of which were set out in the Monitor's Mystic Ridge Report) was negotiated which set out 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. The TD Master Term Sheet Order was approved by this Honourable Court on April 25, 2013. Pursuant to this settlement, UBG Land acquired Caleron's interest in the Montreux JVA.
52. In connection with the TD financing, UBG and Caleron entered into settlement discussions. As a result of those discussions, a settlement was reached and the Settlement Agreement was approved by this Honourable Court on April 25, 2013.
53. 1199 expects to commence development of the Mystic Lots in the very near future.

Emergence

54. GEH has been developing CCAA emergence strategies for its single family projects. GEH expects to file a plan for emergence from their CCAA Proceedings by the end of July, 2013.

Greenboro Homes Limited

55. All of Greenboro Homes' Projects in respect of single family homes in Edmonton are financed by, and are subject to security in favour of ATB. Details of each of these Projects are contained in the Second Report and the May 8th Friesen Affidavit.
56. The future development lots on which the homes are to be built are either held by the developers and will have to be paid for, or have been purchased by UBG through financing obtained from ABC Capital.

57. The ATB Protocol was developed as detailed in the Second and Third Reports. The ATB Protocol Order, approving the terms of the protocol, was granted by this Honourable Court on July 10, 2012. The financing with ATB expired on December 31, 2012. An Amended ATB Protocol was developed and approved by this Honourable Court on March 22, 2013. ATB's security expires on June 30, 2013.
58. Sales of 75 Greenboro Homes' houses have closed since May 9, 2012. Dentons holds the proceeds from those sales in a trust account until they are distributed. The Monitor's legal counsel reviewed ATB's security and has, subject to customary and specific qualifications, opined that the security constitutes legal, valid, binding and enforceable security. Accordingly, Dentons, with the approval of the Monitor has made periodic distributions of the proceeds held to ATB. Future distributions to ATB from the funds held by Dentons are expected to be made as proceeds become available from closings. Currently approximately \$4.2 million is outstanding to ATB.
59. There are several properties which closed prior to May 9, 2012 where certain "seasonal" work remains outstanding prior to the houses being complete. The Company estimates the "seasonal" costs to be approximately \$1.0 million and currently there is no financing in place to address these costs. UBG continues to explore all options to obtain financing to complete the "seasonal" work as soon as possible.

Sterling Bridge

60. GHL has been developing CCAA emergence strategies for its single family projects.
61. GHL is in negotiations with Sterling Bridge to refinance its operations and enable its emergence from CCAA. Negotiations are ongoing. The arrangement with Sterling Bridge is expected to include the following:
 - a) Payment in full of ATB's indebtedness;
 - b) A payout of current amounts owed to the lot developers;
 - c) Payment of pre-CCAA amounts owed to Trades subject to those amounts being proved in accordance with the Claims Procedure Order;
 - d) Financing to construct remaining sold units and to build houses on the remaining lots; and
 - e) Emerge GHL from these CCAA Proceedings.

Today's Homes

62. Certain of Today's Homes' single family homes ("Today's Projects") are now financed by Sterling Bridge. UBG entered into a lending agreement with Sterling Bridge to provide financing on the Today's Projects up to \$6.0 million. The Sterling Bridge Protocol between Today's Projects and Sterling Bridge which was approved by this Honourable Court on September 14, 2012 governs the financing relationship. Details of each of the Today's Projects are contained in the Second Report and the May 8th Friesen Affidavit. Construction of the homes is currently in progress.

63. 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. Construction on those four homes is in process.
64. Today's Homes is considering a CCAA emergence strategy; however, the timing of advancing any plan is currently unknown.

MULTI-FAMILY PROJECTS

Projects not under construction

65. As at the date of the Initial Order, there were five of the Multi-Family Projects that were either bare land or were in the planning stage. Particulars of the five projects were detailed in the Second Report and the May 8th Friesen Affidavit. Sales of The Ledges, The Bridges, and Village at the Laurels were approved by this Honourable Court and the sales of The Ledges and The Bridges have closed. The sale of the Village at the Laurels is expected to close in the next 60 days.

Edgewater at Griesbach

66. The hearing to approve the sale of Edgewater at Griesbach on March 22, 2013 was adjourned. Canada Lands, Canada ICI Capital Corporation and Lear continue to address matters among them. A Court application to have the sale approved is expected in the next 30-45 days.

Mountaineers II

67. Mountaineers II is a 1.89 acre site of raw land located in the Three Sisters area in Canmore, Alberta. UBG with the assistance of the Monitor solicited a listing proposal from a large independent real estate firm which indicated a suggested listing price of \$1.6 million. Pursuant to an order of this Honourable Court dated December 14, 2012 the property of Mountaineers II has been listed for sale by Cushman Wakefield at \$1.6 million.
68. No offers have been received to date. The property continues to be marketed.

Projects under Construction

Valmont

69. The project known as Valmont is a four phase condominium project located in south west Calgary comprising a total of 247 units in four buildings. Building "B" is complete; Building "C" and "D" are currently under construction. Construction on Building "A" has not commenced. Construction on the parking garage in Building "D" has commenced as the parking garage must be completed in order to obtain an occupancy permit for Building "C".
70. There is a private investor that holds a 50% interest in the Valmont project having made an initial contribution of approximately \$6.76 million. The private investor is currently owed approximately \$5 million.

71. UBG and Scotiabank entered into an Amended Scotiabank Protocol which was approved by this Honourable Court on December 14, 2012. Construction on Valmont recommenced in January 2013. Unfortunately, certain Trades refused to return to the site and UBG was forced to retender certain aspects of Valmont resulting in significant increased costs to complete Building "C" and the Building "D" parking garage. As a result of the increased costs UBG is in breach of the Amended Scotiabank Protocol.
72. Scotiabank will continue to provide financing so that construction may continue provided that a third party construction project manager is engaged to oversee ongoing construction. The Monitor had identified a construction project manager and the terms of reference for his engagement are being developed. Moreover, Scotiabank has advised the Monitor that it wants to exit the Valmont project on a timely basis. If there is no timely exit for Scotiabank they may consider taking steps to take control of the project.
73. The Monitor has been contacted by several parties expressing an interest in the Valmont project. The Monitor has received an unsolicited offer from an unrelated party for Valmont and is advised by UBG that additional offers are pending.
74. In addition, the private investor has indicated to the Monitor that it is interested in taking over the project; however, a time line for that exercise is unknown at this time.
75. Given the nature of the unsolicited offer, interest expressed in the project by other parties, the interest of the private investor and Scotiabank's position to urgently exit the project, UBG, with the assistance of the Monitor has developed a proposed sales process. The proposed sales process was expected to be placed before this Honourable Court for approval on June 17, 2013; however certain matters have not yet been finalized. At the first available opportunity, UBG expects to make an application to this Honourable Court for approval of the proposed sales process.

South Terwillegar

76. The project known as South Terwillegar is a two phase 112 unit town home complex located in Edmonton, Alberta. Phase 1 is complete; all units are sold and closed. Phase 2 is under construction and comprises 42 units of which all are pre-sold. The developer of Phase 2 is Footprint Developments Inc. ("Footprint").
77. Scotiabank agreed to continue funding Phase 2 under the Scotiabank Protocols detailed in the Second and Third Reports and approved by this Honourable Court on July 10, 2012. Construction has progressed to a stage where approximately 20 of the 42 units are complete. To date, 19 units have closed.
78. As a result of the cost overruns detailed in the Monitor's Ninth Report, construction on the remaining 22 units was suspended pending a review of such overruns by the Monitor and an analysis of the profitability of the project.
79. As a result of the Monitor's review of South Terwillegar, Scotiabank has agreed to finance the remaining construction costs (the "Interim Financing Agreement") and Footprint has agreed to amend the development agreement (the "Amended Development Agreement") so that South Terwillegar can be completed. The Interim Financing Agreement and the Amended Development

Agreement were expected to be placed before this Honourable Court for approval on June 17, 2013; however, the documents have not been yet been finalized. At the first available opportunity, UBG expects to make an application to this Honourable Court seeking approval of the Interim Financing Agreement and the Amended Development Agreement.

Murals

80. The project known as Murals is a three phase 59 town home unit complex located in High River, Alberta. Phase 1 was completed and all units closed prior to May 9, 2012. Phase 2 comprised 16 units and the units are now complete with the exception of some seasonal and common area construction which is being completed, and all have closed. Phase 3 comprising 25 units has not yet started.
81. Unity Investments is the only secured creditor and is owed approximately \$1.4 million. There is no other financing on the project.
82. The project was being built by Stahl who, according to the proof of claim filed with the Monitor; is owed approximately \$350,000 in respect of Trade debt incurred and \$248,000 in respect of an investment in the project. Pursuant to an agreement with Stahl, Phase 2 was completed with the exception of some seasonal and common area items noted above.
83. Kohr Builders Inc. ("Kohr"), a company that was established by certain former employees of UBG, has made a proposal to complete this project (the "Kohr Proposal"). The Monitor understands that a majority of the investors in Murals are in favour of Kohr completing construction and closing and selling the remaining 25 units. The Monitor understands that the basic terms of the Kohr Proposal have been agreed to with some minor amendments still pending. The Monitor understands an application to this Honourable Court for approval of the Kohr Proposal will be made in the next 30 to 45 days.

Origins at Cranston

84. The Origins at Cranston is a five phase multi-family development located in south east Calgary. It comprises a total of 140 units (24 town homes and 116 condominiums). One 48 unit condominium building and 10 of the townhomes were recently completed and all but four of those sales have closed. The remaining 14 townhomes are currently under construction and are close to being finished. Construction on the final building consisting of 68 units has not been started.
85. ICI agreed to continue funding the 48 unit building and also agreed to provide new financing for the 24 town homes as detailed in the Third Report. The ICI Protocol was approved by this Honourable Court on August 20, 2012.
86. ANHWP advised it would not enroll the 24 town homes in its program without having an agreement in place with UBG to address warranty matters on all of the UBG projects. UBG obtained warranty coverage with an alternative provider well known in the industry. UBG also replaced ANHWP on the 48 unit building.

87. There is a private investor that holds a 50% interest in Origins at Cranston having made an initial contribution of approximately \$1.75 million. The private investor is currently owed approximately \$1.75 million.
88. Lear Construction ("Lear") is building Origins at Cranston. Lear is owed significant amounts for costs incurred pre-May 9, 2012 and also for amounts owed post-May 9, 2012. 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.
89. In respect of post-May 9, 2012 amounts owed to Lear, Lear has submitted invoices on Origins at Cranston which indicate that costs have increased over budgeted costs. As Lear is aware, the funds provided by ICI are a fixed amount and no additional funds are available from the ICI loan facilities to address any increased costs. Consequently, Lear cannot be paid for the increased costs incurred post-May 9, 2012 until the sale of residential units close provided; however, there are sufficient funds realized to pay those amounts.
90. Lear is of the view that its contract with UBG on Origins at Cranston is a cost plus contract and the terms contained therein require that Lear be reimbursed for all costs incurred. UBG and the Monitor disagree with Lear's interpretation of the contract. Furthermore, Lear has never submitted any change orders nor obtained any approval from UBG in respect of additional costs.
91. On April 5, 2013 Lear obtained an order from this Honourable Court compelling the provision of certain information by UBG. This information has been provided to Lear.
92. Discussions with Lear continue and Court applications may be necessary to resolve outstanding issues.

Valour Park at Currie Barracks

93. The project known as Valour Park is a two Phase 24 town home development located in the Currie Barracks area of Calgary. Phase 1 comprises nine units of which eight were pre-sold. The nine units were under construction up to May 9, 2012.
94. Phase 2 comprises 15 town homes. UBG pre-sold eight of the 15 units in Phase 2. Construction on this phase has not commenced.
95. CWB is providing the financing on this project and Unity Investments is a partner in this project. The CWB Protocol was approved by this Honourable Court on October 17, 2012.
96. In previous reports the Monitor advised that following a detailed review of the project it was determined that the project as planned was uneconomic and that in order to make Valour Park economic for the benefit of CWB, Unity Investments and the Trades, Valour Park must be built under a much different pricing structure.
97. Therefore disclaimer notices (the "Disclaimer Notices") were issued to all eight purchasers of units in Phase I of the Valour Park Project. Only one of these parties filed an objection to the Disclaimer Notice. The objection application was adjourned so the parties could explore a re-pricing alternative.

98. Unfortunately, certain Trades refused to return to the site and UBG was forced to retender certain aspects of Valour Park resulting in significant increased costs to complete. CWB and Kohr are in negotiations to determine the best course of action for completing Phase 1. Any agreement between CWB and Kohr will be subject to Court approval. CWB continues to advance funds with draws nine and ten recently being advanced.

Village at the Hamptons

99. The project known as Village at the Hamptons is a seven phase, 458 unit complex located in northwest Edmonton, Alberta comprising 86 town homes and 372 condominiums.
100. Construction had just commenced prior to May 9, 2012. Approximately \$1.7 million has been spent by the Company on construction. The project was not approved or enrolled with ANHWP.
101. Prior to May 9, 2012 the Company had pre-sold 65 condominiums and five town homes. The Company's plan was to first construct Phase 1 (consisting of two apartment buildings of 91 and 99 units) and Phase 5 (26 town homes). The remaining phases would be completed in the future.
102. BMO is providing the financing on the Hamptons project and is currently owed approximately \$8.1 million (excluding a \$750,000 letter of credit). BMO was not prepared to provide further financing on the Hamptons project.
103. Unity Investments also provided financing, has a second charge on the lands and is owed approximately \$3.55 million.
104. There is a private investor that holds a 50% interest who is currently owed approximately \$3.5 million.
105. UBG and BMO consented to the Monitor arranging for Cushman Wakefield ("CW"), a large experienced and reputable real estate firm with local, national and international experience, to list the property for sale. The listing agreement with CW excluded one party (Anderson) as Anderson was identified as a potential purchaser.
106. While negotiations with Anderson and UBG continued, CW pursued prospective purchasers. CW presented two offers to the Monitor, both of which contained numerous conditions, would not see a sale close for more than six months and were for amounts less than that being offered by Anderson.
107. Negotiations with Anderson continued and UBG accepted an offer from Anderson to purchase the Hampton's project. There were several conditions precedent to the offer, most of which have now been addressed and a draft Asset Purchase Agreement ("APA") has been prepared. It was expected that the APA would be finalized and that UBG would be seeking approval of the APA by this Honourable Court on June 17, 2013; however, there remain some details yet to be finalized. The APA is expected to be finalized very soon.
108. The relevant terms of the APA are as follows:
- a) The purchase price is \$11,787,000;

- b) Amounts owed to BMO will be paid in full;
 - c) Anderson will arrange for a replacement letter of credit with the City of Edmonton in the amount of \$750,000;
 - d) Anderson will assume a second mortgage in favour of Unity Investments, the amount which will be determined upon closing of the sale, but which is expected to be approximately 85% of the principal owed to Unity Investments; and
 - e) The second mortgage will be restated by the investor under that mortgage by Extraordinary Resolution under the Trust Indenture.
109. The Monitor supports the sale of Hamptons to Anderson and will be, once the APA is finalized, recommending that this Honourable Court approve the sale for the following reasons:
- a) UBG is unable to advance development of this project;
 - b) The purchase price being paid by Anderson is the highest offer received and is consistent with Hampton's appraised value;
 - c) A majority of the investors in Unity Investments are in favour of the sale to Anderson; and
 - d) BMO supports the sale of Hamptons to Anderson.
110. The funds to be realized from the sale to Anderson will be insufficient to pay any Trades or to refund deposits received on house pre-sales. The Monitor will communicate with the purchasers, advise them there will be no recovery and provide them with a proof of claim form if they have not previously submitted a claim with the Monitor.
111. The Borrower's Cost associated with the sale of Hamptons total \$400,000. This amount will be paid to UBG's legal counsel. The Monitor is of the view that the Borrower's Cost of approximately 3% of the value of the Hamptons is reasonable.
112. Even when the APA is finalized, the transaction will remain subject to certain conditions precedent including the finalization of the Unity Investments amended and restated second charge.

COMPLETED PROJECTS

113. Three of the Multi-Family Projects, Village on the Park ("VOP"), Timberline and Wilderness are substantially complete. VOP is located in Edmonton, Alberta. Timberline and Wilderness are located in Canmore, Alberta. As previously discussed, the units in Timberline were conveyed to ICI and BMO pursuant to orders of this Honourable Court and Wilderness has been sold.

Village on the Park

114. The project known as VOP is a three phase 243 unit condominium complex comprising three buildings located in Edmonton, Alberta. Construction on all three buildings is now complete. All

units have now been sold. Dentons holds approximately \$3.7 million in trust in respect of this project.

115. Scotiabank was providing the financing on this project and the Scotiabank loan was retired in full on July 24, 2012.
116. 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. As noted above in paragraph 90 Lear is of the view that its contract is similar to the Origins at Cranston contract in that it 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.
117. There is a private investor that holds a 50% interest in the VOP project having made an initial contribution of approximately \$3.0 million. The private investor is currently owed approximately \$3.0 million.
118. On April 5, 2013 Lear obtained an order from this Honourable Court compelling the provision of certain information by UBG. This information has been provided to Lear.
119. Numerous creditors have made claims against VOP totalling in excess of \$300 million. The Monitor will have to review all claims and determine priority. The Monitor remains of the view that until such time as the amount of deficiencies are quantified, responsibility for same determined and the claims review has been completed, no funds can be distributed in respect of this project.

COMMERCIAL PROPERTIES

UBG 75 Canmore LP

120. The Monitor outlined the pending sale of the commercial building owned by UBG 75 in the Seventh Report.
121. It was anticipated that the sale of the UBG 75 building would be placed before this Honourable Court for approval on June 17, 2013. However, the Monitor is advised that there remain some minor matters that have not yet been finalized between the purchaser and BMO. At the first available opportunity UBG expects to make an application to this Honourable Court seeking approval of the sale.

INVESTORS

122. The Company attracted investment through its Unity Investments division as described in the Second Report and more fully in the May 8th Friesen Affidavit.
123. There are approximately 200 individual investors invested through Unity Investments, ABC Capital and ABC US Capital.
124. The Company has continued holding a series of conference calls for investors to provide regular information to the investors; calls are now scheduled when needed on a project by project basis.

125. 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.

Lot Deposit Corp

126. UBG Lot Deposit Corp ("Lot Deposit Corp") solicited funds from investors to make unsecured loans to various of the UBG home building entities. Funds raised were used to place up to a 25% deposit (new purchase or refinance) on single lot inventory in new communities throughout Alberta.
127. The loans were for an initial twelve months with 12-15% cumulative interest varying with the amount invested. Interest payments were to be made annually on the anniversary date and redemption was to be on 30 days notice without penalty. The loans were unsecured but backed by a corporate guarantee from UBG Builders Inc.
128. Three investors invested a total of \$1,060,077 on February 29, 2012. These funds were loaned to GEH to complete a closing of 15 lots in Currie Barracks. UBG has informed the Monitor that no loan documentation exists to reflect the loan from Lot Deposit Corp to GEH.
129. The Monitor is of the view that this loan is unsecured. The investors have retained legal counsel and the Monitor's legal counsel has been in communication with the investors' legal counsel. UBG remains hopeful that GEH will emerge from the CCAA proceedings and that all creditors will be paid in full including the Lot Deposit Corp Investors.

ABC US Capital

130. ABC US Capital raised capital from individual investors to invest in homebuilding in the USA. ABC US Capital advanced funds to Heritage Homes Inc. ("HHI"), a US entity, which owns 16 lots in the Banning Lewis area and several lots in the Dublin Terrace area, both located in Colorado (the "ABC US Lots").
131. UBG has received an offer from a prospective purchaser for \$40,000 per lot for the 16 Banning Lewis lots. There has been no offer on the Dublin Terrace lots to date although the Monitor understands there is interest in these lots.
132. There are significant issues to closing any sale. PNC Bank ("PNC"), the construction loan lender, placed certain HHI assets into receivership several months after the date of the Initial Order in the UBG CCAA proceedings. The Monitor understands that the PNC construction loan was secured against certain of the HHI assets.
133. Priority to any funds from the sale of the ABC US Lots is not determined and will require legal review in the US. It is likely PNC will dispute priority to some of the ABC US Capital assets including the ABC US Lots or the proceeds from any sale and an application to court in the US may be required to resolve the priority issue.

134. Additionally, there are subsequent encumbrances from Trades who serviced the ABC US Lots who may assert their own priority claim to the ABC US Lots or the proceeds thereof. These also create difficulty in liquidating these lots outside of a United States Court proceeding.
135. Finally, prior to any distribution of funds, financial statements, annual and tax returns have to be brought up to date for HHI. The costs of all these issues will need to be borne by the proceeds from the sale of the ABC US Lots.
136. Resolving the matters in the US are complex, expensive and time consuming. The Monitor is working with Dentons to expedite this matter but the Monitor has no authority in the US and cannot commence foreclosure proceedings there. ABC US Capital cannot commence foreclosure proceedings until the impact of the receivership of HHI is resolved.

CASH FLOW

137. UBG, in addition to other materials, has filed cash flow projections in connection with its court applications to obtain an extension of the stay of proceedings. A comparison of the budget to actual results for the period up to May 19, 2013 is provided as Appendix "D". The notes to Appendix "D" provide explanation of the operational variances.
138. An updated projected statement of cash flow for the period ending September 30, 2013 ("Projection") is provided as Appendix "E". The notes to the Projection should be read in conjunction with the Projection. The Monitor assisted UBG with the preparation of the projected cash flow. The cash flow is predicated on UBG continuing to operate in the normal course in the context of the CCAA Proceedings and entering into Protocols with the various lenders for continued financing. The Monitor has reviewed the Projection and its underlying assumptions. The Projection is based on UBG's management's assumptions regarding future events; actual results will vary, perhaps significantly, from the information presented even if the forecast assumptions occur, and the variations may be material. For example, the timing of closing sales can vary substantially depending on the availability of trades and inclement weather conditions. Closings can be delayed up to several months which negatively impacts the timing of cash receipts by UBG. Accordingly, the Monitor expresses no assurance as to whether the Projection will be achieved.
139. The Projection continues to reflect that UBG requires a holdback on Net Proceeds in order to meet ongoing operational expenses. The holdback employed to date has been used to fund payroll, rent, overhead expenses and restructuring costs. Since the outset of these CCAA proceedings the hold back has ranged between approximately 12% on more complicated projects and approximately 4% on those projects that are relatively straightforward and have few complicated issues.
140. With respect to the single family projects being constructed by Greenboro Estates, Greenboro Luxury and Greenboro Homes, the projection assumes that the lenders will fund direct payroll and direct overhead costs incurred by those entities and the Net Proceeds holdback is calculated at 2% to address general corporate overheads.

COMPANY'S REQUEST FOR AN EXTENSION OF THE CCAA PROCEEDINGS

141. The Monitor supports the Company's request for an extension of the stay of proceedings from June 14, 2013 to September 19, 2013 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 by entering into various protocols with its lenders, focusing on its reporting and projections, developing exit strategies in respect of the Canmore marketplace, selling projects and assets that are uneconomic and developing emergence strategies with respect to its single family projects in Calgary and Edmonton;
 - c) The Company continues to focus its resources on sales and closings which will assist it with its finances as the Residential Units are sold and closed; and
 - d) An extension will provide:
 - I. the Company's management team, with the assistance of the Monitor, an opportunity to continue to review the projects, make arrangements with lenders for continued support of the projects and develop go forward strategies on a project specific basis; and
 - II. 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.
142. As noted earlier in this Report, it was anticipated that UBG would be seeking Court approval for several matters in respect of several of its projects. Unfortunately, there have been some delays in finalizing the required documentation; however, Court approval of those matters is slated for the very near future. Moreover, the Monitor anticipates that as it, the Company and key stakeholders further assess many of the projects, the Company and the Monitor will be reporting to the Court before expiration of the proposed stay extension with respect to additional project-specific relief.

MONITOR'S ACTIVITIES

143. In addition to the activities referenced in this Report, the Monitor's activities since the Ninth Report include:
- a) Preparing and regularly updating detailed financial analyses of the Company's projects;
 - b) Meeting with and corresponding with the Company's lenders;
 - c) Regular meetings with the Company's representatives;
 - d) Reviewing the Company's cash flow;
 - e) Participating in calls and meetings with the Unity Investors;

- f) Preparation, review, execution and Court approval of funding protocols;
- g) Administration of the claims process and the reverse claims process;
- h) Regular communications and meetings with creditors and stakeholders;
- i) Posting documents filed in these proceedings on its website;
- j) Corresponding with Dentons and the Monitor's legal counsel;
- k) Assisting the Company in all of the activities noted throughout in this Report; and
- l) Drafting, reviewing and finalizing this Report.

CONCLUSION AND RECOMMENDATION

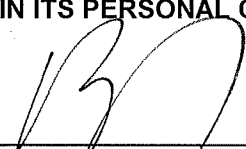
144. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court make an order granting the relief detailed in Paragraph 8 e) of this Report.

* * *

All of which is respectfully submitted this 13th day of June 2013.

**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, CA, CIRP

Appendix A

UBG Builders Group
Property Closings - Post May 9, 2012
As at March 15, 2013
(\$Cdn, Unaudited)

# of Closings	UBG Entity	Address	City
	Greenboro Estate Homes	1405 Montrose Terrace SE	Calgary
	Greenboro Estate Homes	160 Ascot Crescent SW	Calgary
	Greenboro Estate Homes	176 Stonemere Close	Chestermere
	Greenboro Estate Homes	225 Sage Meadows Circle NW	Calgary
	Greenboro Estate Homes	36 Ascot Rise SW	Calgary
	Greenboro Estate Homes	3816 Sarcee Road SW	Calgary
	Greenboro Estate Homes	5 Ascot Park SW	Calgary
	Greenboro Estate Homes	92 Sage Meadows Circle NW	Calgary
	Greenboro Estate Homes	9336 - 14th Avenue SW	Calgary
	Greenboro Estate Homes	9348 - 14th Avenue SW	Calgary
	Greenboro Estate Homes	101 Ascot Crescent SW	Calgary
	Greenboro Estate Homes	12 Ascot Rise SW	Calgary
	Greenboro Estate Homes	622 Marina Drive	Chestermere
	Greenboro Estate Homes	542 Marina Drive	Chestermere
	Greenboro Estate Homes	5 Ascot Rise SW	Calgary
	Greenboro Estate Homes	9342 - 14th Avenue SW	Calgary
	Greenboro Estate Homes	22 Ascot Park SW	Calgary
	Greenboro Estate Homes	244 Aspenmere Close	Chestermere
	Greenboro Estate Homes	136 Aspenmere Drive	Chestermere
	Greenboro Estate Homes	21 Ascot Park SW	Calgary
	Greenboro Estate Homes	154 Ascot Crescent SW	Calgary
	Greenboro Estate Homes	180 Ascot Drive SW	Calgary
	Greenboro Estate Homes	144 Aspenmere Drive	Chestermere
	Greenboro Estate Homes	574 Marina Drive	Calgary
	Greenboro Estate Homes	188 Ascot Drive SW	Calgary
	Greenboro Homes	1008 Watt Promenade SW	Edmonton
	Greenboro Homes	1504 63 Street SW	Edmonton
	Greenboro Homes	1719 60 Street SW	Edmonton
	Greenboro Homes	1724 59 Street SW	Edmonton
	Greenboro Homes	1739 60 Street SW	Edmonton
	Greenboro Homes	1915 33 Street NW	Edmonton
	Greenboro Homes	3320 18B Avenue NW	Edmonton
	Greenboro Homes	3337 18B Avenue NW	Edmonton
	Greenboro Homes	3338 18B Avenue NW	Edmonton
	Greenboro Homes	3343 18B Avenue NW	Edmonton
	Greenboro Homes	3344 18B Avenue NW	Edmonton
	Greenboro Homes	3354 21A Avenue NW	Edmonton
	Greenboro Homes	3355 18B Avenue NW	Edmonton
	Greenboro Homes	3360 19 Avenue NW	Edmonton
	Greenboro Homes	3361 18B Avenue NW	Edmonton
	Greenboro Homes	3374 18B Avenue NW	Edmonton
	Greenboro Homes	48 Dunlop Wynd	Leduc
	Greenboro Homes	489 Watt Boulevard SW	Edmonton
	Greenboro Homes	50 Dunlop Wynd	Leduc
	Greenboro Homes	5047 Dewolf Road	Edmonton
	Greenboro Homes	511 Watt Boulevard SW	Edmonton
	Greenboro Homes	52 Dunlop Wynd	Leduc

UBG Builders Group
Property Closings - Post May 9, 2012
As at March 15, 2013
(\$Cdn, Unaudited)

# of Closings	UBG Entity	Address	City
	Greenboro Homes	54 Dunlop Wynd	Leduc
	Greenboro Homes	5520 Conestoga Street	Edmonton
	Greenboro Homes	58 Dunlop Wynd	Leduc
	Greenboro Homes	6103 18 Avenue SW	Edmonton
	Greenboro Homes	6114 17A Avenue SW	Edmonton
	Greenboro Homes	6119 18 Avenue SW	Edmonton
	Greenboro Homes	6122 17A Avenue SW	Edmonton
	Greenboro Homes	6123 18 Avenue SW	Edmonton
	Greenboro Homes	6127 18 Avenue SW	Edmonton
	Greenboro Homes	6143 18 Avenue SW	Edmonton
	Greenboro Homes	6147 18 Avenue SW	Edmonton
	Greenboro Homes	71 Dunlop Wynd	Leduc
	Greenboro Homes	73 Dunlop Wynd	Leduc
	Greenboro Homes	74 Dunlop Wynd	Leduc
	Greenboro Homes	7825 Ellesmere Link	Sherwood Park
	Greenboro Homes	80 Radcliffe Wynd	Fort Saskatchewan
	Greenboro Homes	82 Radcliffe Wynd	Fort Saskatchewan
	Greenboro Homes	97 Dunlop Wynd	Leduc
	Greenboro Homes	3312 18A Avenue NW	Edmonton
	Greenboro Homes	1016 Watt Promenade SW	Edmonton
	Greenboro Homes	1018 Watt Promenade SW	Edmonton
	Greenboro Homes	79 Radcliffe Wynd	Fort Saskatchewan
	Greenboro Homes	5021 Dewolf Road	Edmonton
	Greenboro Homes	5023 Dewolf Road	Edmonton
	Greenboro Homes	77 Radcliffe Wynd	Fort Saskatchewan
	Greenboro Homes	73 Radcliffe Wynd	Fort Saskatchewan
	Greenboro Homes	6113 17A Avenue SW	Edmonton
	Greenboro Homes	1728 59 Street SW	Edmonton
	Greenboro Homes	5011 Dewolf Road	Edmonton
	Greenboro Homes	5013 Dewolf Road	Edmonton
	Greenboro Homes	1736 59 Street SW	Edmonton
	Greenboro Homes	1014 Watt Promenade SW	Edmonton
	Greenboro Homes	1010 Watt Promenade SW	Edmonton
	Greenboro Homes	76 Radcliffe Wynd	Fort Saskatchewan
	Greenboro Homes	1036 Watt Promenade SW	Edmonton
	Greenboro Homes	1040 Watt Promenade SW	Edmonton
	Greenboro Homes	1042 Watt Promenade SW	Edmonton
	Greenboro Homes	5319 17 Avenue SW	Edmonton
	Greenboro Homes	7764 Ellesmere Lane	Sherwood Park
	Greenboro Homes	7760 Ellesmere Lane	Sherwood Park
	Greenboro Homes	5304 17 Avenue SW	Edmonton
	Greenboro Homes	3718 9 Street NW	Edmonton
	High Pointe	#108, 351 Monteith Drive SE	Calgary
	High Pointe	#110, 351 Monteith Drive SE	Calgary
	High Pointe	#112, 351 Monteith Drive SE	Calgary
	High Pointe	#114, 351 Monteith Drive SE	Calgary
	High Pointe	#116, 351 Monteith Drive SE	Calgary
	High Pointe	#118, 351 Monteith Drive SE	Calgary

UBG Builders Group
 Property Closings - Post May 9, 2012
 As at March 15, 2013
 (\$Cdn, Unaudited)

# of Closings	UBG Entity	Address	City
	Todays Homes	162 Sage Valley Road NW	Calgary
	Todays Homes	166 Sage Valley Road NW	Calgary
	Todays Homes	185 Muirfield Blvd	Calgary
	Todays Homes	36 Cimarron Springs Road	Okotoks
	Todays Homes	39 Cimarron Springs Way	Okotoks
	Todays Homes	4 Muirfield Close	Calgary
	Todays Homes	19 Sage Bank Court NW	Calgary
	Village on the Park	#102, 396 Silver Berry Road NW	Edmonton
	Village on the Park	#103, 396 Silver Berry Road NW	Edmonton
	Village on the Park	#105, 396 Silver Berry Road NW	Edmonton
	Village on the Park	#109, 396 Silver Berry Road NW	Edmonton
	Village on the Park	#114, 396 Silver Berry Road NW	Edmonton
	Village on the Park	#115, 396 Silver Berry Road NW	Edmonton
	Village on the Park	#215, 396 Silver Berry Road NW	Edmonton
	Village on the Park	#302, 396 Silver Berry Road NW	Edmonton
	Village on the Park	#303, 396 Silver Berry Road NW	Edmonton
	Village on the Park	#315, 396 Silver Berry Road NW	Edmonton
	Village on the Park	#319, 396 Silver Berry Road NW	Edmonton
	Village on the Park	#419, 396 Silver Berry Road NW	Edmonton
	Village on the Park	#101, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#102, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#103, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#104, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#105, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#106, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#108, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#109, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#110, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#111, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#112, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#113, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#114, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#115, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#116, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#117, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#118, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#201, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#202, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#203, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#204, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#205, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#206, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#207, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#208, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#209, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#210, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#211, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#212, 400 Silver Berry Road NW	Edmonton

UBG Builders Group
Property Closings - Post May 9, 2012
As at March 15, 2013
(\$Cdn, Unaudited)

# of Closings	UBG Entity	Address	City
	Village on the Park	#213, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#214, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#215, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#216, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#217, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#218, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#219, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#301, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#302, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#303, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#304, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#305, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#306, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#307, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#308, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#309, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#310, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#311, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#312, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#313, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#314, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#315, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#316, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#317, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#318, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#319, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#320, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#321, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#404, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#406, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#407, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#408, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#412, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#413, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#107, 400 Silver Berry Road NW	Edmonton
	Village on the Park	#219, 396 Silver Berry Road NW	Edmonton
	Origins at Cranston	#104, 100 Cranston Way SW	Calgary
	Origins at Cranston	#105, 100 Cranston Way SW	Calgary
	Origins at Cranston	#113, 100 Cranston Way SW	Calgary
	Origins at Cranston	#304, 100 Cranston Way SW	Calgary
	Origins at Cranston	#305, 100 Cranston Way SW	Calgary
	Origins at Cranston	#311, 100 Cranston Way SW	Calgary
	Origins at Cranston	#312, 100 Cranston Way SW	Calgary
	Origins at Cranston	#313, 100 Cranston Way SW	Calgary
	Origins at Cranston	#314, 100 Cranston Way SW	Calgary
	Origins at Cranston	#101, 100 Cranfield Common SE	Calgary
	Origins at Cranston	#107, 100 Cranfield Common SE	Calgary

UBG Builders Group
 Property Closings - Post May 9, 2012
 As at March 15, 2013
 (\$Cdn, Unaudited)

# of Closings	UBG Entity	Address	City
	Origins at Cranston	#108, 100 Cranfield Common SE	Calgary
	Origins at Cranston	#109, 100 Cranfield Common SE	Calgary
	Origins at Cranston	#110, 100 Cranfield Common SE	Calgary
	Origins at Cranston	#111, 100 Cranfield Common SE	Calgary
	Origins at Cranston	#112, 100 Cranfield Common SE	Calgary
	Origins at Cranston	#114, 100 Cranfield Common SE	Calgary
	Origins at Cranston	#115, 100 Cranfield Common SE	Calgary
	Origins at Cranston	#116, 100 Cranfield Common SE	Calgary
	Origins at Cranston	#201, 100 Cranfield Common SE	Calgary
	Origins at Cranston	#202, 100 Cranfield Common SE	Calgary
	Origins at Cranston	#203, 100 Cranfield Common SE	Calgary
	Origins at Cranston	#204, 100 Cranfield Common SE	Calgary
	Origins at Cranston	#205, 100 Cranfield Common SE	Calgary
	Origins at Cranston	#207, 100 Cranfield Common SE	Calgary
	Origins at Cranston	#208, 100 Cranfield Common SE	Calgary
	Origins at Cranston	#209, 100 Cranfield Common SE	Calgary
	Origins at Cranston	#210, 100 Cranfield Common SE	Calgary
	Origins at Cranston	#212, 100 Cranfield Common SE	Calgary
	Origins at Cranston	#213, 100 Cranfield Common SE	Calgary
	Origins at Cranston	#214, 100 Cranfield Common SE	Calgary
	Origins at Cranston	#215, 100 Cranfield Common SE	Calgary
	Origins at Cranston	#216, 100 Cranfield Common SE	Calgary
	Origins at Cranston	#301, 100 Cranfield Common SE	Calgary
	Origins at Cranston	#302, 100 Cranfield Common SE	Calgary
	Origins at Cranston	#303, 100 Cranfield Common SE	Calgary
	Origins at Cranston	#306, 100 Cranfield Common SE	Calgary
	Origins at Cranston	#307, 100 Cranfield Common SE	Calgary
	Origins at Cranston	#308, 100 Cranfield Common SE	Calgary
	Origins at Cranston	#309, 100 Cranfield Common SE	Calgary
	Origins at Cranston	#310, 100 Cranfield Common SE	Calgary
	Origins at Cranston	#315, 100 Cranfield Common SE	Calgary
	Origins at Cranston	#316, 100 Cranfield Common SE	Calgary
	Origins at Cranston	#304 Cranfield Common SE	Calgary
	Origins at Cranston	#308 Cranfield Common SE	Calgary
	Origins at Cranston	#312 Cranfield Common SE	Calgary
	Origins at Cranston	#316 Cranfield Common SE	Calgary
	Origins at Cranston	#320 Cranfield Common SE	Calgary
	Origins at Cranston	#324 Cranfield Common SE	Calgary
	Origins at Cranston	#328 Cranfield Common SE	Calgary
	Origins at Cranston	#332 Cranfield Common SE	Calgary
	Origins at Cranston	#336 Cranfield Common SE	Calgary
	Origins at Cranston	#340 Cranfield Common SE	Calgary

Appendix B

Chris Simard

From: Chris Simard [SimardC@bennettjones.com]
Sent: 01 February 2013 4:03 PM
To: Douglas N. Tkachuk; derek.pontin@fmc-law.com
Cc: Bob.Taylor@ca.ey.com
Subject: RE: UBG Builders Inc., et al [BJ-L.FID2837246]

Doug,

The Monitor is reviewing the status and I will get back to you early next week.

 Chris Simard
Bennett Jones LLP

4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7
P. +1 403 298 4485 | F. +1 403 265 7219
E. simardc@bennettjones.com



Plug in to [Bennett Jones](#)



From: Douglas N. Tkachuk [<mailto:DTkachuk@rmrf.com>]
Sent: 01 February 2013 1:11 PM
To: derek.pontin@fmc-law.com
Cc: Chris Simard
Subject: UBG Builders Inc., et al

I am still dealing with whether our office is in a conflict position concerning the Application that has been brought. Notwithstanding, I need to hear from you concerning the following:

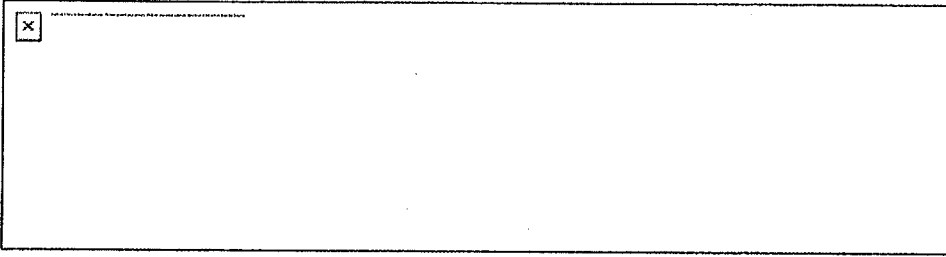
1. The payment to my client on the principal amounts of those Liens set forth in paragraphs 11 and 12 of my client's Affidavit. The two properties in question have been sold, and my client's Liens have been discharged. Please advise as to why the principal amount of my client's Liens have not been paid for the two properties.
2. At the beginning of January Mr. Simard advised that my client would be receiving another payment within the next few weeks relating to properties sold in December 2012. No such payment has been received. Please advise as to what other properties have been sold where my client's Liens have been discharged, and when we can expect payment.

I would ask that you respond to the above as soon as possible.

Yours truly,

Douglas N. Tkachuk
Reynolds Mirth Richards & Farmer LLP
Barristers & Solicitors
3200 - 10180 - 101 Street
Edmonton, AB T5J 3W8

(780) 497-3396
dtkachuk@rmrf.com
www.rmrf.com



Chris Simard

From: Douglas N. Tkachuk [DTkachuk@rmrf.com]
Sent: 11 February 2013 10:28 AM
To: Chris Simard; derek.pontin@fmc-law.com
Cc: kfellowes@davis.ca; Cyndy.Vaughan@igloo.ca
Subject: UBG Builders Inc.

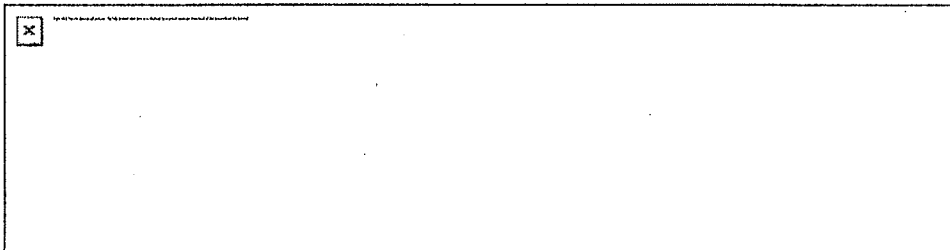
I refer both of you to my February 1, 2013 e-mail. Could you please answer the inquiries set out in my February 1st e-mail.

I also require a Statement of Receipts & Disbursements for those properties which have been sold which are subject to my client's Builder's Lien. I want to see if there have been any distributions to parties other than ATB and the encumbrancers registered against each property. Has there been any payment to the Monitor or to UBG?

I look forward to hearing from you.

Yours truly,

Douglas N. Tkachuk
Reynolds Mirth Richards & Farmer LLP
Barristers & Solicitors
3200 - 10180 - 101 Street
Edmonton, AB T5J 3W8
(780) 497-3396
dtkachuk@rmrf.com
www.rmrf.com



Chris Simard

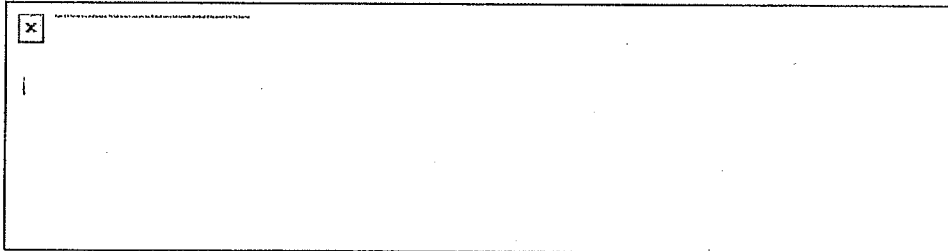
From: Douglas N. Tkachuk [DTkachuk@rmrf.com]
Sent: 14 February 2013 9:03 AM
To: derek.pontin@fmc-law.com; Chris Simard
Subject: UBG Builders Inc.

Please be advised that I will be away from the office from February 16th until March 18, 2013. I would expect that during my absence you will respond to my e-mails of February 1 and 11, 2013. My assistant, Arleen, will handle any payments to my client during my absence.

Trusting the above is satisfactory.

Yours truly,

Douglas N. Tkachuk
Reynolds Mirth Richards & Farmer LLP
Barristers & Solicitors
3200 - 10180 - 101 Street
Edmonton, AB T5J 3W8
(780) 497-3396
dtkachuk@rmrf.com
www.rmrf.com



Chris Simard

From: Pontin, Derek [Derek.Pontin@fmc-law.com]
Sent: 17 February 2013 7:49 AM
To: Douglas N. Tkachuk; Chris Simard
Cc: kfellowes@davis.ca
Subject: RE: UBG Builders Inc.
Attachments: Scanned from a Xerox multifunction device001.pdf

Hi Doug,

Attached are the Statement of Receipts and Disbursements for 2 properties that closed since the beginning of January.

Regards,
Derek

Derek Pontin, Associate
Fraser Milner Casgrain LLP | www.fmc-law.com
T 403 268 6301 | F 403 268 3100
E derek.pontin@fmc-law.com
15th Floor, Bankers Court, 850 - 2nd Street SW, Calgary AB, T2P 0R8
[Bio](#) | [vCard](#)

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From: Douglas N. Tkachuk [<mailto:DTkachuk@rmrf.com>]
Sent: 11-Feb-13 10:28 AM
To: simardc@bennettjones.com; Pontin, Derek
Cc: kfellowes@davis.ca; Cyndy.Vaughan@igloo.ca
Subject: UBG Builders Inc.

I refer both of you to my February 1, 2013 e-mail. Could you please answer the inquiries set out in my February 1st e-mail.

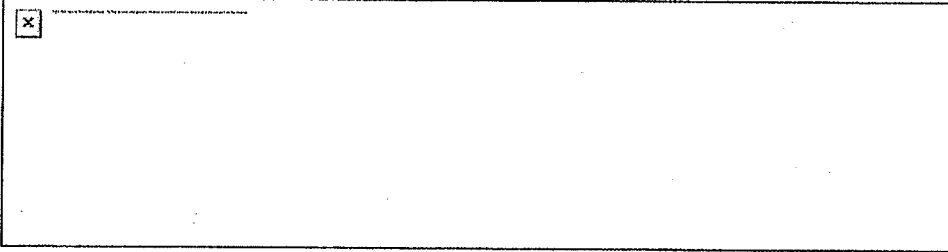
I also require a Statement of Receipts & Disbursements for those properties which have been sold which are subject to my client's Builder's Lien. I want to see if there have been any distributions to parties other than ATB and the encumbrancers registered against each property. Has there been any payment to the Monitor or to UBG?

I look forward to hearing from you.

Yours truly,

Douglas N. Tkachuk
Reynolds Mirth Richards & Farmer LLP
Barristers & Solicitors

3200 - 10180 - 101 Street
Edmonton, AB T5J 3W8
(780) 497-3396
dtkachuk@rmrf.com
www.rmrf.com



STATEMENT OF RECEIPTS AND DISBURSEMENTS

GREENBORO HOMES (2006) LTD. Sale to KALOTHRA

1014 WATT PROMENADE, EDMONTON, ALBERTA

Job #05-1761B PLAN 1120658; BLOCK 17; LOT 61B

	RECEIVED	DISBURSED
RECEIVED FROM:		
TRANSFERRED FROM PURCHASERS' FILE E-24111/lr		
- Cash to close, Interest* and net mortgage proceeds combined	\$295,037.94	
PAID TO:		
ANDERSON HAAK & ENGELS		
- Statement of Account		\$ 1,304.51
CITY OF EDMONTON		
- Pay balance owing on tax account		\$ 1.60
HOLDBACK pending completion of seasonal deficiencies		\$ 1,000.00
HOLDBACK pending completion of detached garage		\$ 25,000.00
GREENBORO HOMES (2006) LTD.		
- pay net GST funds		\$ 9,209.31
FRASER MILNER CASGRAIN LLP		
- net sale proceeds less holdback funds		\$258,522.52
	=====	=====
	\$295,037.94	\$295,037.94
	=====	=====

* Interest calculated at 18% on \$293,020.40 for 14 days=2,017.54

RAE/lr
E. & O. E.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

GREENBORO HOMES (2006) LTD. Sale to DEBATTISTA/TAYLOR

76 Radcliffe Wynd, Fort Saskatchewan, ALBERTA

Job #02-18109

PLAN 1122986; BLOCK 18; LOT 109

	RECEIVED	DISBURSED
RECEIVED FROM:		
Biamonte Cairo & Shortreed		
- Cash to close	\$269,821.41	
PAID TO:		
Transfer to E-23492/lr to Payout Lot		\$ 72,141.45
Account re: lot payout		\$ 473.75
ANDERSON HAAK & ENGELS		
- Statement of Account		\$ 930.05
HOLDBACK pending completion of seasonal deficiencies		\$ 1,000.00
GREENBORO HOMES (2006) LTD.		
- pay net GST funds		\$ 13,226.74
FRASER MILNER CASGRAIN LLP		
- net sale proceeds less holdback funds		\$182,049.47
	=====	=====
	\$269,821.41	\$269,821.41
	=====	=====

RAE/lr
E. & O. E.



BARRISTERS SOLICITORS

Reynolds
Mirth
Richards
& Farmer LLP

WRITER'S E-MAIL dtkachuk@rmrf.com

YOUR FILE

WRITER'S DIRECT PHONE (780) 497-3396

OUR FILE

80637-036-DNT

March 20, 2013

Attention: Derek Pontin
Via e-mail: Derek.Pontin@fmc-law.com
Fraser Milner Casgrain LLP
15th floor, Bankers Court
850 - 2nd Street, S.W.
Calgary AB T2P 0R8

Attention: Chris Simard
Via e-mail: simardc@bennettjones.com
Bennett Jones LLP
4500, 855 - 2 Street, S.W.
Calgary AB T2P 4K7

Dear Sirs:

Re: UBG - Igloo Building Supplies Group Ltd.

I am now back in the office. Notwithstanding being away for one month, you still have not adequately responded to my e-mails of February 1 and February 11, 2013. Firstly, we still have not received payment on the principal amount of those Liens set forth in paragraphs 11 and 12 of my client's Affidavit. Secondly, we still have not received payment for those properties sold in December 2012. At the beginning of January, Mr. Simard advised that my client would be receiving another payment within "the next few weeks" relating to the property sold in December 2012. No such payment has been received, nor have you advised as to what properties were sold in December 2012. Please advise immediately as to the properties sold in December 2012. Thirdly, I asked you to provide the Statements of Receipts and Disbursements for all of the properties which have been sold which were subject to my client's Builders Liens. The only Statements of Receipts and Disbursements I received were for the two properties that you said closed since the beginning of January 2013. What about the sale of those properties subject to my client's Builders Liens that closed prior to January 2013? I require a Statement of Receipts and Disbursements for each of those properties. Also, where are the funds that are to be paid to my client for those properties that were sold subsequent to January 1, 2013?

You have had more than adequate time to provide the information and funds outlined in the preceding paragraphs. If the information and funds are not provided by the end of March 2013, I will be proceeding with a Court Application.

It has also come to my attention that UBG has stopped making payment to my client for the post CCAA purchases. Please explain immediately as to why the payments have stopped.

Page 2
March 20, 2013

I look forward to your immediate response concerning the above.

Yours truly,

REYNOLDS, MIRTH, RICHARDS & FARMER LLP

PER:

DOUGLAS N. TKACHUK
DNT/aaa

cc: Igloo

1052118;March 20, 2013

Chris Simard

From: Douglas N. Tkachuk [DTkachuk@rmrf.com]
Sent: 21 March 2013 9:23 AM
To: derek.pontin@fmc-law.com; Chris Simard
Cc: Cyndy.Vaughan@igloo.ca
Subject: Unity Builders Group of Companies

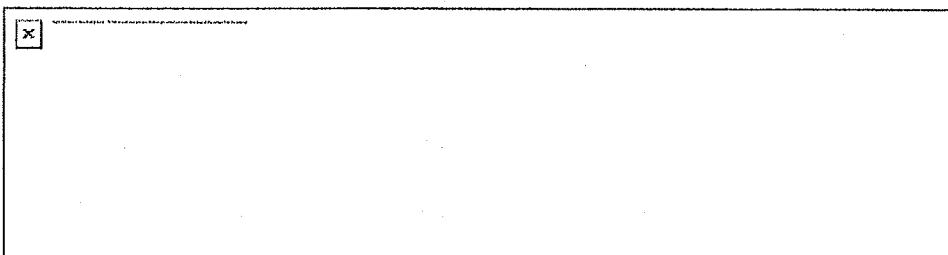
This is further to the e-mail that I sent to the two of you yesterday.

For clarification, I have the Statements of Receipts and Disbursements for those properties identified in those Liens attached as Exhibit "B" to my client's Affidavit sworn January 2, 2013. However, those Statements of Receipts and Disbursements were at the time of the sale, or immediately following the closing. Each of the Statements of Receipts and Disbursements disclose that the net proceeds of sale were being held in trust by FMC. I now need to know what has happened with the net sale proceeds from the sale of each of the properties. In other words, I require an updated Statement of Receipts and Disbursements for each of the properties which discloses the current status of the sale proceeds for each property. Please advise immediately as to whether this information/documentation will be provided. If not, or if I do not hear from you, I will be amending my outstanding Application so as to request an Order compelling that this information/ documentation be provided.

I am still waiting to hear from you as to the properties sold in December 2012, and subsequent to January 1, 2013. I will require the same type of information/documentation referred to above in relation to these properties. I will also require the payment of my client's Liens for such properties.

I look forward to hearing

Douglas N. Tkachuk
Reynolds Mirth Richards & Farmer LLP
Barristers & Solicitors
3200 - 10180 - 101 Street
Edmonton, AB T5J 3W8
(780) 497-3396
dtkachuk@rmrf.com
www.rmrf.com




Chris Simard

From: Chris Simard [SimardC@bennettjones.com]
Sent: 22 March 2013 1:53 PM
To: Douglas N. Tkachuk; derek.pontin@fmc-law.com
Cc: Cyndy.Vaughan@igloo.ca
Subject: RE: Unity Builders Group of Companies [BJ-L.FID2837246]

Doug,

The monitor has been working with the company on the numbers. We expect we will be in a position by mid-April to distribute payments to creditors for all closings up to and including February 28, 2013.

I'll be back to you early next week re: your client's specific situation.

 Chris Simard
Bennett Jones LLP

4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7
P. +1 403 298 4485 | F. +1 403 265 7219
E. simardc@bennettjones.com



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From: Douglas N. Tkachuk [<mailto:DTkachuk@rmrf.com>]
Sent: 21 March 2013 9:23 AM
To: derek.pontin@fmc-law.com; Chris Simard
Cc: Cyndy.Vaughan@igloo.ca
Subject: Unity Builders Group of Companies

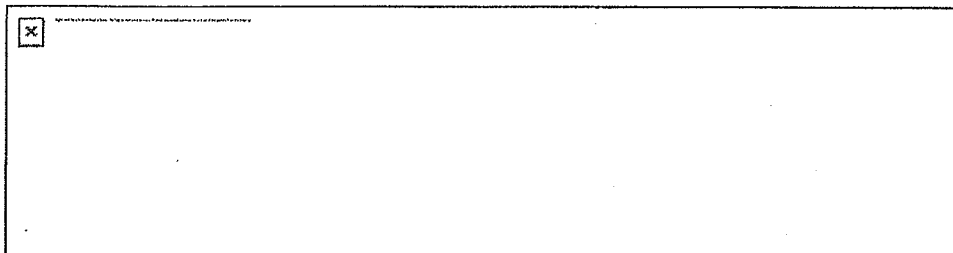
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I am still waiting to hear from you as to the properties sold in December 2012, and subsequent to January 1, 2013. I will require the same type of information/documentation referred to above in relation to these properties. I will also require the payment of my client's Liens for such properties.

I look forward to hearing

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3200 - 10180 - 101 Street
Edmonton, AB T5J 3W8
(780) 497-3396
dtkachuk@rmrf.com
www.rmrf.com



Chris Simard

From: Douglas N. Tkachuk [DTkachuk@rmrf.com]
Sent: 22 March 2013 2:00 PM
To: Chris Simard
Subject: RE: Unity Builders Group of Companies [BJ-L.FID2837246]

That is not satisfactory as it relates to Dec. sales. We were told long ago to expect a check for the Dec. sales. I will be recommending to my client to proceed with a court application.

From: Chris Simard [mailto:SimardC@bennettjones.com]
Sent: Friday, March 22, 2013 1:53 PM
To: Douglas N. Tkachuk; derek.pontin@fmc-law.com
Cc: Cyndy.Vaughan@igloo.ca
Subject: RE: Unity Builders Group of Companies [BJ-L.FID2837246]

Doug,

The monitor has been working with the company on the numbers. We expect we will be in a position by mid-April to distribute payments to creditors for all closings up to and including February 28, 2013.

I'll be back to you early next week re: your client's specific situation.

 Chris Simard
Bennett Jones LLP

4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7
P. +1 403 298 4485 | F. +1 403 265 7219
E. simardc@bennettjones.com



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From: Douglas N. Tkachuk [mailto:DTkachuk@rmrf.com]
Sent: 21 March 2013 9:23 AM
To: derek.pontin@fmc-law.com; Chris Simard
Cc: Cyndy.Vaughan@igloo.ca
Subject: Unity Builders Group of Companies

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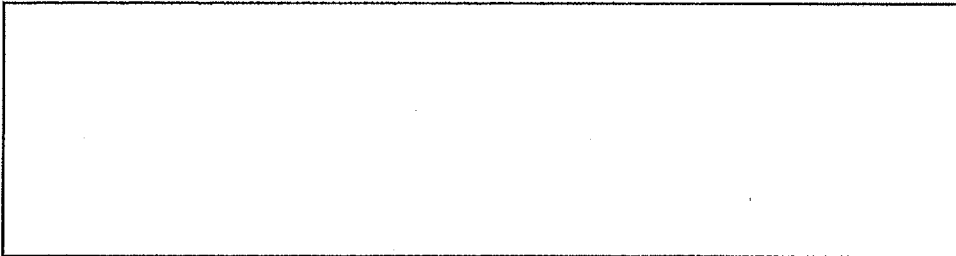
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If not, or if I do not hear from you, I will be amending my outstanding Application so as to request an Order compelling that this information/ documentation be provided.

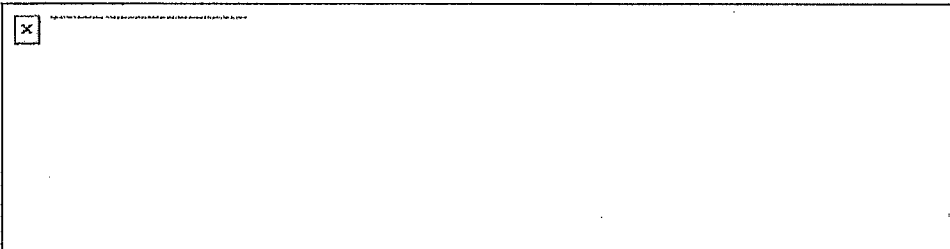
I am still waiting to hear from you as to the properties sold in December 2012, and subsequent to January 1, 2013. I will require the same type of information/documentation referred to above in relation to these properties. I will also require the payment of my client's Liens for such properties.

I look forward to hearing

Douglas N. Tkachuk
Reynolds Mirth Richards & Farmer LLP
Barristers & Solicitors
3200 - 10180 - 101 Street
Edmonton, AB T5J 3W8
(780) 497-3396
dtkachuk@rmrf.com
www.rmrf.com



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Chris Simard


From: Eric Peters [PetersE@bennettjones.com]
Sent: 01 April 2013 12:08 PM
To: dtkachuk@rmrf.com
Cc: Chris Simard; david.mann@fmc-law.com; bob.taylor@ca.ey.com
Subject: Re Igloo Building Supplies Group Ltd. and the UBG Group of Companies [BJ-L.FID2837246]
Attachments: Letter to Douglas Tkachuk - Igloo and the UBG Group of Companies - April 1, 2013.PDF

Message sent on behalf of Chris Simard.

Mr. Tkachuk,

Please find attached to this email correspondence from Mr. Simard for your reference and records.

Best regards,

 Eric Peters
Assistant, Resource Team, Bennett Jones SLP
4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7
P. +1 403 298 3278 | F. +1 403 265 7219
E. peterse@bennettjones.com

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Chris Simard
Direct Line: 403.298.4485
e-mail: csimardo@bennettjones.com
Our File No.: 57529.10

April 1, 2013

Via Email

Mr. Douglas N. Tkachuk
Reynolds, Mirth, Richards & Farmer LLP
3200, 10180 101 St NW
Edmonton AB T5J 3W8

Dear Mr. Tkachuk:

Re: Igloo Building Supplies Group Ltd. ("Igloo") and the UBG Group of Companies ("UBG")

I am writing further to your recent correspondence. As I advised you in my email on Friday, March 22, 2013, the Monitor expects to be in a position to issue payments to lienholders by about mid-April 2013, from the proceeds of closings up to and including February 28, 2013. Assuming that the Monitor's review of your client's liens is satisfactory, your client will receive a payment at that time, along with all other lienholders.

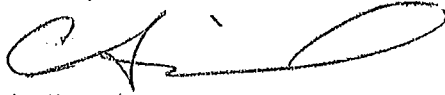
However, your client is also in a unique position as a result of its application filed on December 19, 2012. As you are aware from our written argument in response to that application, the Monitor is of the view that your client's application was unnecessary, entirely without merit, and should not have been brought. The bringing of the application caused the Monitor and UBG to incur substantial costs (approximately \$20,000 to \$25,000), which the Monitor and UBG have claimed against Igloo.

The Monitor has a duty to consider the rights of all stakeholders of UBG. If the Monitor's and UBG's out of pocket costs related to your application are not recovered, UBG's other stakeholders would be forced to bear those costs. You adjourned your application in late January, 2013, and almost two months later, there is no indication that you have any intention to proceed with it. We require confirmation of your client's position in that regard. If your client chooses not to proceed with the application, or if the application will not be heard before the middle of April 2013, the Monitor must consider the issue of how it and UBG will recover their costs. Please advise if your client would be willing to post security for costs in the amount of \$25,000, pending the hearing of its application. If your client is unwilling or unable to do so, the Monitor and UBG will have to consider holding back an equivalent sum from the sales proceeds that will otherwise be distributed to your client in mid-April.

April 1, 2013
Page Two

We look forward to your response.

Yours truly,



Chris Simard

CS/dmk

cc: Client
David Mann



Chris Simard

From: Douglas N. Tkachuk [DTkachuk@rmrf.com]
Sent: 02 April 2013 11:29 AM
To: Chris Simard
Subject: Igloo Building Supplies Group Ltd. ("Igloo") and the UBG Group of Companies ("UBG")

I acknowledge receipt of your April 1, 2013 letter.

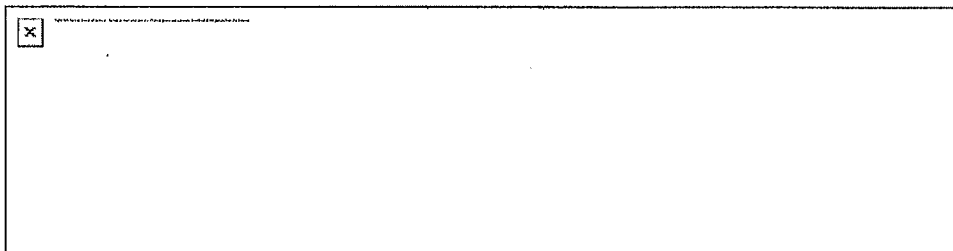
Firstly, I suggest that there is virtually no chance of a Court awarding your client costs in the amount of \$25,000.00. Secondly, you still have not provided me with the information that I have been requesting for several months. Thirdly, my client has not received any type of payment for several months.

Given the above, I will be proceeding with my Application. I will be obtaining a date from Madam Justice Horner. Thereafter I will be filing and serving an amended Application and a supplemental Affidavit. The supplemental Affidavit will disclose my numerous requests for payment and information, and the fact that the requested information has not been provided nor any payment. It will also include reference to your January 9, 2013 e-mail, wherein you advised that a payment would be made to my client "in the next few weeks" relating to properties sold in December.

Trusting the above is satisfactory.

Yours truly,

Douglas N. Tkachuk
Reynolds Mirth Richards & Farmer LLP
Barristers & Solicitors
3200 - 10180 - 101 Street
Edmonton, AB T5J 3W8
(780) 497-3396
dtkachuk@rmrf.com
www.rmrf.com



From: Douglas N. Tkachuk [<mailto:DTkachuk@rmrf.com>]

Sent: 24 April 2013 7:38 AM

To: derek.pontin@fmc-law.com; Chris Simard

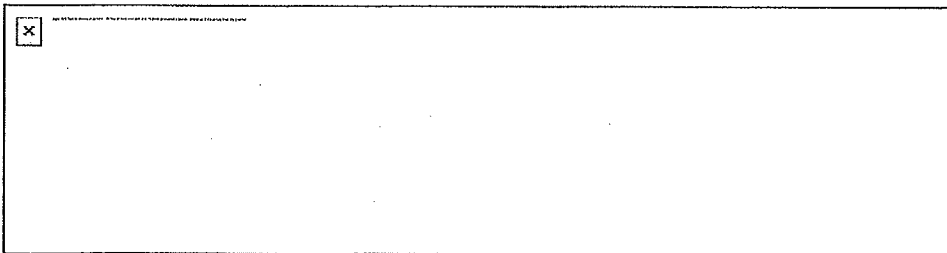
Subject: UBG Builders Inc.

My client made inquiries with Mr. Jonathan Lee at Greenboro concerning the release of payments relative to pre-May 9, 2012 jobs. My client was advised that payments were released, but that one of you directed that payments not be made to Igloo. Please explain why this has been done. Not only is this an abuse of process, it is in breach of the CCAA Orders. You have suggested that costs are payable by my client in relation to the Court Application. Not only has the Court Application not been heard, there has been no award of costs. The withholding of funds payable to my client is in contempt of the existing Court Orders. If immediate payment is not released to my client, I will be bringing this to the immediate attention of the Court by way of a contempt Application.

Please respond to the above immediately.

Yours truly,

Douglas N. Tkachuk
Reynolds Mirth Richards & Farmer LLP
Barristers & Solicitors
3200 - 10180 - 101 Street
Edmonton, AB T5J 3W8
(780) 497-3396
dtkachuk@rmrf.com
www.rmrf.com



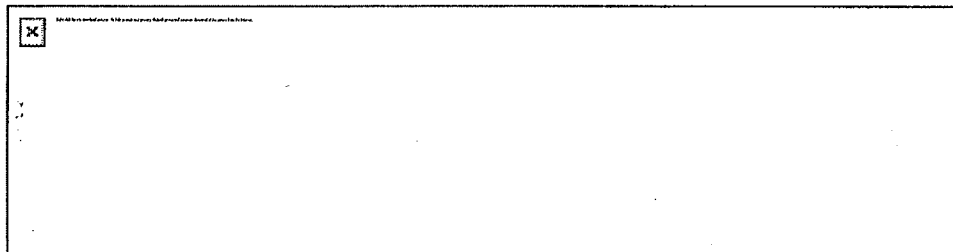
Chris Simard

From: Douglas N. Tkachuk [DTkachuk@rmrf.com]
Sent: 26 April 2013 9:15 AM
To: derek.pontin@fmc-law.com; Chris Simard
Cc: Cyndy.Vaughan@igloo.ca
Subject: UBG Builders Inc.

I refer you both to my April 24, 2013 e-mail. Could you please respond.

Yours truly,

Douglas N. Tkachuk
Reynolds Mirth Richards & Farmer LLP
Barristers & Solicitors
3200 - 10180 - 101 Street
Edmonton, AB T5J 3W8
(780) 497-3396
dtkachuk@rmrf.com
www.rmrf.com




Chris Simard

From: Chris Simard [SimardC@bennettjones.com]
Sent: 26 April 2013 9:24 AM
To: Douglas N. Tkachuk; derek.pontin@fmc-law.com
Cc: Cyndy.Vaughan@igloo.ca; Bob.Taylor@ca.ey.com
Subject: RE: UBG Builders Inc. [BJ-L.FID2837246]

Doug,

I am just back from a court hearing in Denver and the Monitor is out of the country, returning next week. I will be able to speak to the Monitor and get back to you early next week.

 Chris Simard
Bennett Jones LLP

4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7
P. +1 403 298 4485 | F. +1 403 265 7219
E. simardc@bennettjones.com



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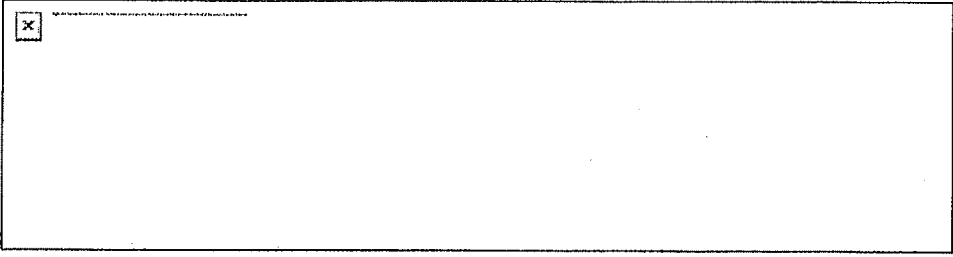


From: Douglas N. Tkachuk [<mailto:DTkachuk@rmrf.com>]
Sent: 26 April 2013 9:15 AM
To: derek.pontin@fmc-law.com; Chris Simard
Cc: Cyndy.Vaughan@igloo.ca
Subject: UBG Builders Inc.

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Yours truly,

Douglas N. Tkachuk
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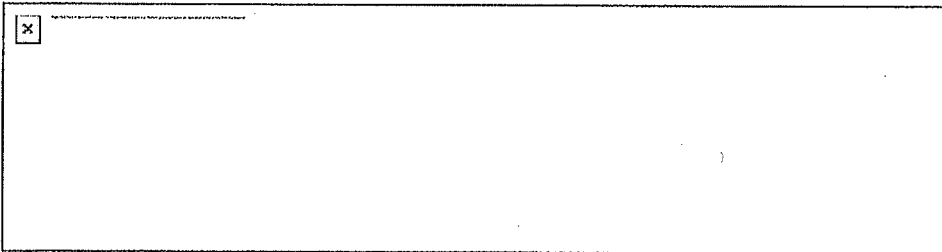
Chris Simard

From: Douglas N. Tkachuk [DTkachuk@rmrf.com]
Sent: 30 April 2013 10:20 AM
To: derek.pontin@fmc-law.com; Chris Simard
Cc: Cyndy.Vaughan@igloo.ca
Subject: UBG Builders Inc.

I still have not received a response to my April 24, 2013 email. I require a response by the close of business today. Otherwise, I will be recommending to my client to cease any and all further supply of goods and services to Greenboro Homes. I will also be recommending that an immediate Court Application be brought to find the Monitor in contempt of Court.

Yours truly,

Douglas N. Tkachuk
Reynolds Mirth Richards & Farmer LLP
Barristers & Solicitors
3200 - 10180 - 101 Street
Edmonton, AB T5J 3W8
(780) 497-3396
dtkachuk@rmrf.com
www.rmrf.com



Chris Simard

From: Douglas N. Tkachuk [DTkachuk@rmrf.com]
Sent: 02 May 2013 1:40 PM
To: Chris Simard
Cc: Cyndy.Vaughan@igloo.ca
Subject: UBG Builders Inc.

This will confirm our telephone conversation moments ago in which you advised that a cheque would be issued shortly to my client. I would ask that this be done ASAP. You further indicated that there would be a holdback of \$25,000.00 for costs that you anticipate being awarded following my June Court Application. Firstly, there is no authority to allow you to do this. In fact, there is authority to the contrary. The Court Orders direct that my client's Liens be paid from the proceeds of sale. The withholding of the \$25,000.00 is contrary to the Court Orders. Secondly, even if you are successful with having costs awarded against my client, there is no need to have a holdback. Not only is my client a large and reputable company in Alberta, there are numerous other Liens on Greenboro properties that will have to be paid out in the future. I cannot identify the properties at this time as your client has refused to provide details as to the properties sold from and including December 2012.

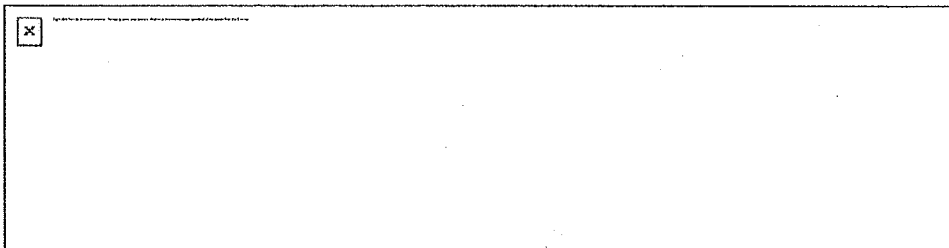
I suggest that the \$25,000.00 be released. There is no need to have "security for costs" for the reasons outlined above (especially since you do not have a security for costs Order).

I would also ask that your client provide the information I have been requesting for the last several months. The information I require is set out in paragraph 2 of the Application filed on April 10, 2013 and in paragraphs 5 and 6 of my client's Supplemental Affidavit (also filed April 10, 2013).

I would request a prompt response to the above.

Yours truly,

Douglas N. Tkachuk
Reynolds Mirth Richards & Farmer LLP
Barristers & Solicitors
3200 - 10180 - 101 Street
Edmonton, AB T5J 3W8
(780) 497-3396
dtkachuk@rmrf.com
www.rmrf.com




Chris Simard

From: Chris Simard [SimardC@bennettjones.com]
Sent: 02 May 2013 1:48 PM
To: Douglas N. Tkachuk
Cc: Cyndy.Vaughan@igloo.ca; Bob.Taylor@ca.ey.com; Pontin, Derek
Subject: RE: UBG Builders Inc. [BJ-L.FID2837246]

Doug,

My client has confirmed that the letter and cheque will be couriered to Igloo this afternoon. I will provide you with a copy. As I said in our call, if the information in the letter is not fully responsive to what you want to know, I will be happy to address that with you, and with the company.

As you know, we disagree with your view on the costs and security for costs issues. Those will be addressed later, at your application.

 Chris Simard
Bennett Jones LLP

4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7
P. +1 403 298 4485 | F. +1 403 265 7219
E. simardc@bennettjones.com



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From: Douglas N. Tkachuk [<mailto:DTkachuk@rmrf.com>]
Sent: 02 May 2013 1:40 PM
To: Chris Simard
Cc: Cyndy.Vaughan@igloo.ca
Subject: UBG Builders Inc.

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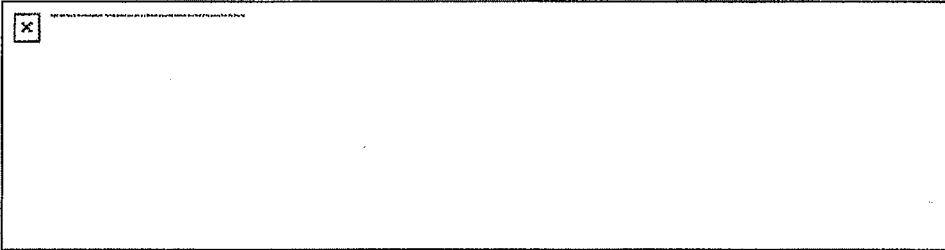
I suggest that the \$25,000.00 be released. There is no need to have "security for costs" for the reasons outlined above (especially since you do not have a security for costs Order).

I would also ask that your client provide the information I have been requesting for the last several months. The information I require is set out in paragraph 2 of the Application filed on April 10, 2013 and in paragraphs 5 and 6 of my client's Supplemental Affidavit (also filed April 10, 2013).

I would request a prompt response to the above.

Yours truly,

Douglas N. Tkachuk
Reynolds Mirth Richards & Farmer LLP
Barristers & Solicitors
3200 - 10180 - 101 Street
Edmonton, AB T5J 3W8
(780) 497-3396
dtkachuk@rmrf.com
www.rmrf.com




Chris Simard

From: Chris Simard [SimardC@bennettjones.com]
Sent: 02 May 2013 3:18 PM
To: Douglas N. Tkachuk
Cc: Pontin, Derek; Bob.Taylor@ca.ey.com
Subject: Igloo Building Supplies Group Ltd. letter [BJ-L.FID2837246]
Attachments: Igloo Building Supplies Group Ltd. letter, May 2, 2013 - FINAL with cheque.pdf

Doug,

This has been couriered to your client so will likely be received tomorrow morning. You will see a summary of the houses sold, and also that the Monitor and company are already working on the next group of closings – those that closed by March 30. As you can appreciate, the process is arduous as there are numerous liens that have to be reviewed individually. Please call if you'd like to discuss.

 Chris Simard
Bennett Jones LLP

4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7
P. +1 403 298 4485 | F. +1 403 265 7219
E. simardc@bennettjones.com



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Ernst & Young Inc.
Ernst & Young Tower
1000, 440 2nd Avenue S.W.
Calgary, Alberta T2P 5E9

Tel: 403 290 4100
Fax: 403 290 4265
ey.com/ca

Igloo Building Supplies Group Ltd.
21421 – 111 Avenue
Edmonton, AB T5S 1Y1
Attn: Ms. Cyndy Vaughan

May 2, 2013

Via Courier

**UBG Builders Inc. ("UBG") Companies' Creditors Arrangement Act
Greenboro Homes Limited Partnership ("GHL" or the "Borrower")**

Dear Sirs,

As you are aware, Ernst & Young Inc. is the Monitor in UBG's *Companies' Creditors Arrangement Act* ("CCAA") proceedings. Pursuant to an order of the Court of Queen's Bench of Alberta (the "Court") dated June 15, 2012 a process was established for creditors to file their claims with the Monitor in respect of each UBG entity (the "Claims Process").

The Monitor received hundreds of claims in the Claims Process and it has taken the Monitor a significant period of time to review and assess the lien claims received from creditors of GHL.

Upon closing the sale of a GHL home, funds are held in trust until such time as the Monitor has reviewed the lien claims and determined the validity thereof. The Monitor has completed its review of the closings from May 9, 2012 to January 31, 2013 and the lien claims received on these closed properties. On December 6, 2012 Igloo was paid \$54,654.13 in payment of certain lien claims related to house closings to approximately November 30, 2012.

In respect of your lien claim(s) in connection with house closings from December 1, 2012 to January 31, 2013, we enclose a cheque for \$47,816.04. The attached schedule details the lien claims you have filed, the amounts allowed, and the amounts disallowed and the reasons for such disallowance. In addition to the deductions noted in the attached schedule deductions have also been made for: i) \$2,643.17, in respect of the December 6, 2012 payment to Igloo as this amount was also paid directly by UBG with cheque #11928 for invoices 6013008302, 6013008306, 6013008303, and 6013008298; and ii) \$25,000 as a hold back in respect of a Court application commenced by your legal counsel which cost the Monitor, its counsel, UBG and its counsel significant fees and costs. The amount withheld and the basis therefore was outlined in the Monitor's Eighth Report to the Court. The hold back is being held because your legal counsel refused the Monitor's April 1, 2013 offer to post security for costs pending the Court's decision. The amount will be withheld pending the Court hearing the application.

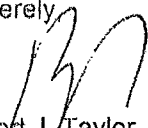
This letter constitutes a Notice of Revision or Disallowance pursuant to the Claims Procedure Order granted by the Court on June 15, 2012. If you disagree with the Monitor's assessment of your lien claim, please complete the enclosed Dispute Notice within 14 days of your receipt of this letter and send it to the Monitor. These objections will be addressed at a later date in the CCAA proceedings in accordance with the Claims Process.

The Monitor has not reviewed liens placed on properties that closed after January 31, 2013 nor those that have not yet closed. The Monitor expects to review and make payment on valid liens on

closings up to March 31, 2013 within the next 30 days and make payment on valid liens on subsequent closings within 45 days of the closing date.

Should you have any questions with respect to the foregoing please contact me directly at 403.233.7112.

Sincerely,



Robert J. Taylor, CA, CIRP
Senior Vice President

Encl.

cc: Chris Simard, Bennett Jones LLP
David Mann, Dentons LLP
Douglas W. Tkachuk, Reynolds Mirth Richards & Farmer LLP

Igloo Building Supplies Group Ltd.	\$2,114.00	\$0.00	\$2,114.00	Paid post CCAA
1008 Watt Promenade, Ed.	\$9,075.00	\$7,355.92	\$1,719.08	
1014 Watt Promenade, Ed.	\$15,901.00	\$15,091.68	\$809.32	
1728 - 59 Street, Ed.	\$20,438.00	\$17,558.99	\$2,879.01	
1736 - 59 Street, Ed.	\$14,773.69	\$14,773.69	\$0.00	
3312 - 18A Avenue, Ed.	\$2,329.00	\$0.00	\$2,329.00	Paid post CCAA
3344-18B Avenue, Ed.	\$18,567.00	\$0.00	\$18,567.00	Paid post CCAA
3360 - 19 Avenue, Ed.	\$2,243.00	\$0.00	\$2,243.00	Paid post CCAA
48 Dunlop Wynd, Leduc	\$3,004.00	\$0.00	\$3,004.00	Paid post CCAA
489 Watt Boulevard, Ed.	\$11,347.00	\$11,347.00	\$0.00	
5011 DeWolf Road, Ed.	\$14,464.00	\$9,331.93	\$5,132.07	
5013 DeWolf Road, Ed.	\$5,811.00	\$0.00	\$5,811.00	Lien filed late
5021 DeWolf Road, Ed.	\$5,870.00	\$0.00	\$5,870.00	Lien filed late
5023 DeWolfs Road, Ed.	\$2,079.00	\$0.00	\$2,079.00	Paid post CCAA
52 Dunlop Wynd, Leduc	\$2,338.00	\$0.00	\$2,338.00	Paid post CCAA
58 Dunlop Wynd, Leduc	\$2,749.00	\$0.00	\$2,749.00	Paid post CCAA
6103 - 18 Ave. Ed.	\$2,725.00	\$0.00	\$2,725.00	Paid post CCAA
6114 - 17A Avenue, Ed.	\$2,168.00	\$0.00	\$2,168.00	Paid post CCAA
6123 - 18 Ave. Edmonton	\$2,536.00	\$0.00	\$2,536.00	Paid post CCAA
6127 - 18 Ave. Ed.	\$2,945.00	\$0.00	\$2,945.00	Paid post CCAA
6147-18 Avenue, Ed.	\$2,401.00	\$0.00	\$2,401.00	Paid post CCAA
73 Dunlop Wynd, Leduc	\$2,410.00	\$0.00	\$2,410.00	Paid post CCAA
74 Dunlop Wynd, Leduc	\$2,374.00	\$0.00	\$2,374.00	Paid post CCAA
80 Radcliffe Wynd, Ft Sask.	\$4,308.00	\$0.00	\$4,308.00	Paid post CCAA
7825 Ellesmere Link, Sherwood Park				

DENTONS CANADA LLP TRUST ACCOUNT

DATE: 02-05-13 PAYEE: Igloo Building Supplies Group Ltd.

CHEQUE # 12740

FILE #	DESCRIPTION	AMOUNT PAID
549362-000004	Payment of Outstanding Lien Amounts	\$47,816.04

THE BACK OF THIS DOCUMENT CONTAINS A SIMULATED WATERMARK. DOCUMENT VOID IF MISSING.

DENTONS CANADA LLP

15th Floor, 850 - 2nd St SW
Calgary AB T2P 0R8
Phone 403-268-7000
Fax 403-268-3100

CANADIAN WESTERN BANK
606 4TH STREET SW
CALGARY AB T2P 1T1

12740

02-05-2013

DATE DD MM YYYY

PAY

\$ 47,816.04

Forty Seven Thousand Eight Hundred Sixteen Dollars and 04/100

TO THE
ORDER
OF

Igloo Building Supplies Group Ltd.

PER

PER

Trust Account Canadian Funds

⑈ 12740⑈ ⑆03039⑆030⑆ 010⑆458475⑆⑈


Chris Simard

From: Chris Simard [SimardC@bennettjones.com]
Sent: 03 May 2013 7:48 AM
To: Douglas N. Tkachuk
Cc: Bob.Taylor@ca.ey.com; Pontin, Derek
Subject: Sale Proceeds [BJ-L.FID2837246]
Attachments: GHL funds held in trust (Igloo) - April 29, 2013.pdf

Doug,

I think this document is responsive to your request for information. It is a summary of the disposition of sale proceeds, for all the houses that have been sold on which Igloo had a lien. It shows the sales proceeds that came in, and then all dispositions of the proceeds (payments to your client would be included in the "Liens" column). The "Estimated funds available to Creditors" have been paid periodically to ATB, the mortgage and DIP lender.

Let me know if you have any questions or would like to discuss.

 Chris Simard
Bennett Jones LLP

4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7
P. +1 403 298 4485 | F. +1 403 265 7219
E. simardc@bennettjones.com



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UBG Builders Inc.
 Greenboro Homes
 Sales Closing - Funds held in trust at Dentons Canada LLP
 Properties with Liens Paid to Igloo Building Supplies
 As at April 28, 2013
 (\$Cdn, Unaudited)

UBG Entity	Address	Dentors Date	Held in Trust at Dentors	Estimated commission (%)	Estimated deficiency holdback (0.5%)	Net Amount before Overhead and Liens	Restructuring/Overhead costs [(U)+(A)+(B)%(12%, 6%, 2%)]	Liens	Let Payables	Estimated funds available to creditors	Check
			[C]	[R]	[S]	[T=(Q+R)(S)]	[U]=(A)+(B)%(12%, 6%, 2%)	[V]	[X]	[W]=[T+U+V]	
Greenboro Homes	6103 18 Avenue SW, Edmonton	27/06/2012	359,630	10,795	1,799	347,256	45,694	50,474		251,068	-
Greenboro Homes	80 Radcliffe Wynd, Fort Saskatchewan	27/06/2012	175,026	5,251	875	168,900	30,698	22,463		115,720	-
Greenboro Homes	6123 18 Avenue SW, Edmonton	27/06/2012	350,792	7,942	1,754	341,095	44,526	25,958		270,612	-
Greenboro Homes	74 Dunlop Wynd, Leduc	27/05/2012	280,993	3,150	1,405	276,438	36,222	26,770		213,446	-
Greenboro Homes	58 Dunlop Wynd, Leduc	27/05/2012	242,058	7,262	1,210	233,586	36,587	21,579		181,441	-
Greenboro Homes	6127 - 18 Avenue SW, Edmonton	10/07/2012	419,041	12,571	2,095	404,374	53,114	21,189		330,071	-
Greenboro Homes	7625 Ellerslie Link, Sherwood Park	24/07/2012	246,997	7,410	1,235	238,352	48,411	17,659		112,942	-
Greenboro Homes	1008 West Promenade, Edmonton	26/07/2012	284,180	9,975	1,421	272,784	36,246	19,286	82,429	134,812	-
Greenboro Homes	6147 - 18 Avenue SW, Edmonton	07/08/2012	381,555	11,447	1,808	368,210	47,969	23,414		297,127	-
Greenboro Homes	6114 - 17A Avenue, Edmonton	05/09/2012	357,800	10,734	1,789	345,277	47,369	24,653		272,555	-
Greenboro Homes	52 Dunlop Wynd, Leduc	06/09/2012	235,641	7,059	1,178	227,394	29,884	21,345		176,165	-
Greenboro Homes	48 Dunlop Wynd, Leduc	06/09/2012	253,179	7,585	1,266	244,318	32,095	26,467		185,796	-
Greenboro Homes	488 West Boulevard SW, Edmonton	21/09/2012	274,220	8,227	1,371	264,632	17,442	5,322		241,869	-
Greenboro Homes	3344 - 18B Avenue NW, Edmonton	01/10/2012	241,874	7,256	1,209	233,409	22,845	28,120		182,443	-
Greenboro Homes	73 Dunlop Wynd, Leduc	03/10/2012	353,984	10,620	1,770	341,595	22,094	34,303		285,199	-
Greenboro Homes	3344 - 18B Avenue NW, Edmonton	12/10/2012	1,085	33	5	1,047				1,047	-
Greenboro Homes	6114 - 17A Avenue, Edmonton	15/10/2012	11,805	354	59	11,392		75,706		11,392	-
Greenboro Homes	3360 - 19 Avenue, Edmonton	31/10/2012	324,337	2,570	1,622	320,146	29,220			215,219	-
Greenboro Homes	3360 - 19 Avenue, Edmonton	13/11/2012	72			72				72	-
Greenboro Homes	Less: Payment to Igloo Building Supplies for Lien Claims	08/12/2012	(64,654)			(64,654)					-
Greenboro Homes	Less: Payment to Igloo Building Supplies for Lien Claims	07/12/2012	(2,643)			(2,643)					-
Greenboro Homes	3312 - 18A Avenue SW, Edmonton	10/12/2012	232,733	6,982	1,164	224,587	7,362	51,026		166,199	-
Greenboro Homes	5011 Densoff Road NW, Edmonton	27/12/2012	319,339	9,579	1,597	308,133	6,853	53,627		247,653	-
Greenboro Homes	1736 - 59 Street SW, Edmonton	27/12/2012	418,464	12,555	2,092	403,817	8,648	48,961	133,876	212,532	-
Greenboro Homes	5013 Dewolf Road, Edmonton	27/12/2012	319,569	9,586	1,588	308,365	6,889	54,201		247,274	-
Greenboro Homes	1728 - 59 Street SW, Edmonton	03/01/2013	364,753	10,943	1,624	351,996	7,708	50,253	134,170	159,655	-
Greenboro Homes	5013 Dewolf Road, Edmonton	07/01/2013	243			243				243	-
Greenboro Homes	1014 West Promenade SW, Edmonton	07/01/2013	258,523	7,756	1,283	249,474	5,756	24,321		219,397	-
			6,650,785	187,651	33,539	6,429,595	617,292	730,090	350,476	4,731,767	-



BARRISTERS SOLICITORS

Reynolds
Mirth
Richards
& Farmer LLP

WRITER'S E-MAIL dtkachuk@rmrf.com

YOUR FILE

WRITER'S DIRECT PHONE 780.497.3396

OUR FILE 80637-036-DNT

May 6, 2013

Attention: Chris Simard
Via email: SimardC@bennettjones.com
Bennett Jones LLP
4500 Bankers Hall East
855 – 2nd Street, SW
Calgary AB T2P 4K7

Dear Sir:

Re: UBG Builders Inc.

There are two properties subject to my client's Liens, which I believe have been sold. These properties are as follows:

1. 54 Dunlop Wynd, Leduc (\$2,351.23) – this property is addressed in my client's January 2, 2013 Affidavit as well as in my Application. My client's Lien has not been paid. Please explain why my client's Lien has not been paid.
2. 76 Radcliffe Wynd, Fort Saskatchewan (\$12,193.19) – my understanding is that this property was sold in January 2013. Please confirm. If so, please explain why my client's Lien has not been paid.

The listing that you recently provided discloses four Liens of my client where your client has disallowed a portion of the Lien. My client takes issue with two of the four properties. Please explain why the sum of \$1,719.08 was disallowed in relation to the property located at 1014 Watt Promenade, Edmonton. In relation to the property located at 5013 Dewolf Road, Edmonton, the correct Lien amount is \$11,898.34, and my client has received the sum of \$9,331.93 leaving a balance owing of \$2,566.41. Please confirm that payment of this amount will be made.

Page 2
May 6, 2013

There are two other Liens where your client states that the Liens were not registered in time. The material for the two Liens was delivered to the sites in question on April 14, 2012, and the Liens were registered on May 25, 2012. The Liens were registered within time. Please explain why your client states that the Liens were not registered in time.

The accounting information you have provided discloses that the sum of \$617,252.00 has been paid on account of "restructuring/overhead costs", and the further sum of \$4,731,767.00 remains available to Creditors. Firstly, have any of the funds available to Creditors been paid out, or does the full amount remain in trust? Secondly, what parties received payment of the restructuring/overhead costs, and what Court Order are you relying upon that allows for the payment of such costs? Also, has ATB received any payments from the sale proceeds, and will ATB receive any of the "estimated funds available to Creditors"?

Your client continues to withhold the sum of \$25,000.00 that is payable to my client even though it does not have a Court Order to do so. My client has 29 Liens totaling the sum of \$185,344.88 where my client has not received any payment. If you are successful in claiming costs, and if my client does not pay the costs so ordered, the costs can be collected by your client from the remaining Liens. You have no evidence that my client will not pay the costs if so ordered, nor do you have any evidence that my client would be unable to pay the costs. The evidence is to the contrary. I once again demand the immediate release of the \$25,000.00. Otherwise, the content of this email will be provided to the Court at the hearing of my Application.

I look forward to hearing from you in relation to the above matters.

Yours truly,

REYNOLDS, MIRTH, RICHARDS & FARMER LLP

PER:

DOUGLAS N. TKACHUK
DNT/aa

cc: Igloo

1069794; May 6, 2013

Chris Simard

From: Douglas N. Tkachuk [DTkachuk@rmrf.com]
Sent: 07 May 2013 10:33 AM
To: Chris Simard; derek.pontin@fmc-law.com
Subject: UBG Builders Inc.

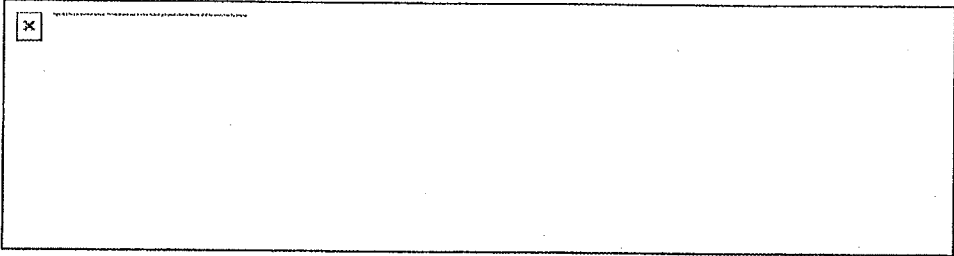
Below are 27 properties where my client has not received payment of any amount on account of its Liens. These 27 properties are in addition to the two properties set out in my May 6, 2013 email to Chris Simard (54 Dunlop Wynd, Leduc; 76 Radcliffe Wynd, Fort Saskatchewan). Please advise as to the status of the 27 properties. Has Greenboro Homes abandoned any of the properties, or have any of the properties been sold without dealing with my client's Lien? Is Greenboro in the process of selling the properties. Please advise as soon as possible.

The 27 properties are:

1. 6113 – 17A Avenue, S.W., Edmonton
2. 1876 – 33 Street, Edmonton
3. 1904 – 33 Street, Edmonton
4. 2032 -33B Street, Edmonton
5. 491 Watt Boulevard, Edmonton
6. 78 Radcliffe Wynd, Fort Saskatchewan
7. 8116 Ellesmere Cove, Sherwood Park
8. 1716 – 60 Street, Edmonton
9. 1882 – 33 Street, Edmonton
10. 1012 Watt Promenade, Edmonton
11. 1708 – 61 Street, Edmonton
12. 56 Dunlop Wynd, Leduc
13. 50 Dunlop Wynd, Leduc
14. 5037 Dewolfe Road, Edmonton
15. 5035 Dewolfe Road, Edmonton
16. 5049 Dewolfe Road, Edmonton
17. 34 Radcliffe Wynd, Fort Saskatchewan
18. 22 Radcliffe Wynd, Fort Saskatchewan
19. 30 Radcliffe Wynd, Fort Saskatchewan
20. 5528 Conestoga Street, Edmonton
21. 68 Dunlop Wynd, Leduc
22. 1040 Watt Promenade, Edmonton
23. 3716 – 9 Street, Edmonton
24. 3718 – 9 Street, Edmonton
25. 3794 – 8 Street, Edmonton
26. 733 – 37A Avenue, Edmonton
27. 1042 Watt Promenade, Edmonton

Yours truly,

Douglas N. Tkachuk
Reynolds Mirth Richards & Farmer LLP
Barristers & Solicitors
3200 - 10180 - 101 Street
Edmonton, AB T5J 3W8
(780) 497-3396
dtkachuk@rmrf.com



Chris Simard

From: Douglas N. Tkachuk [DTkachuk@rmrf.com]
Sent: 07 May 2013 10:55 AM
To: Chris Simard
Cc: Cyndy.Vaughan@igloo.ca
Subject: UBG Builders Inc.
Attachments: dunlop_20130507115207.pdf; radcliffe_20130507115228(1).pdf

I have conducted Land Titles searches in relation to the two properties identified in my email where my client has not received payment on its Builders' Lien. Attached are the two titles. The title for the property located at 54 Dunlop Wynd, Leduc was sold almost a year ago. Your client used the Court Order that discharged my client's Lien, and has not paid out my client's Lien. Please explain.

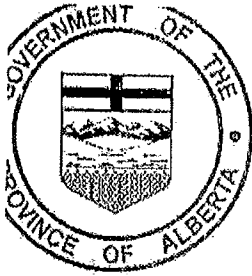
In relation to the other property (76 Radcliffe Wynd, Fort Saskatchewan) the Certificate of Title discloses that this property was transferred on January 23, 2013. Once again, your client used a Court Order to discharge my client's Lien and has not paid my client for the Lien. Please explain.

I look forward to hearing from you in relation to the above.

Yours truly,

Douglas N. Tkachuk
Reynolds Mirth Richards & Farmer LLP
Barristers & Solicitors
3200 - 10180 - 101 Street
Edmonton, AB T5J 3W8
(780) 497-3396
dtkachuk@rmrf.com
www.rmrf.com





LAND TITLE CERTIFICATE

S
LINC SHORT LEGAL TITLE NUMBER
0032 890 691 0740285;3;98 122 163 228

LEGAL DESCRIPTION
PLAN 0740285
BLOCK 3
LOT 98
EXCEPTING THEREOUT ALL MINES AND MINERALS

ESTATE: FEE SIMPLE
ATS REFERENCE: 4;25;49;24;SW

MUNICIPALITY: CITY OF LEDUC

REFERENCE NUMBER: 102 388 385

REGISTERED OWNER(S)				
REGISTRATION	DATE(DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
122 163 228	28/05/2012	TRANSFER OF LAND	\$251,792	\$251,792

OWNERS

BRIAN L TURCOTTE
OF 54 DUNLOP WYND
LEDUC
ALBERTA T9E 0N2

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION	DATE (D/M/Y)	PARTICULARS
072 697 236	28/11/2007	UTILITY RIGHT OF WAY GRANTEE - THE CITY OF LEDUC. AS TO PORTION OR PLAN:0740286 AS TO AREA 'A'

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2
122 163 228

REGISTRATION

NUMBER	DATE (D/M/Y)	PARTICULARS
072 697 237	28/11/2007	UTILITY RIGHT OF WAY GRANTEE - THE CITY OF LEDUC. AS TO PORTION OR PLAN:0740286 AS TO AREA 'B'
072 697 238	28/11/2007	CAVEAT RE : RESTRICTIVE COVENANT PURSUANT TO MUNICIPAL GOVERNMENT ACT CAVEATOR - THE CITY OF LEDUC. #1 ALEXANDRA PARK LEDUC ALBERTA T9E4C4
072 697 239	28/11/2007	RESTRICTIVE COVENANT
072 697 240	28/11/2007	CAVEAT RE : DEVELOPMENT AGREEMENT PURSUANT TO MUNICIPAL GOVERNMENT ACT CAVEATOR - THE CITY OF LEDUC. #1 ALEXANDRA PARK LEDUC ALBERTA T9E4C4
082 222 781	28/05/2008	PARTY WALL AGREEMENT SEE INSTRUMENT
122 163 229	28/05/2012	MORTGAGE MORTGAGEE - CIBC MORTGAGES INC.. 33 YONGE ST, SUITE 700 TORONTO ONTARIO M5E1G4 ORIGINAL PRINCIPAL AMOUNT: \$254,139

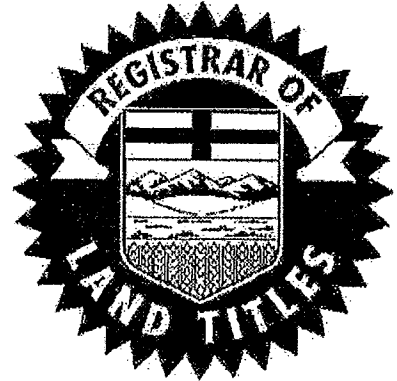
(CONTINUED)

TOTAL INSTRUMENTS: 007

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE
REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED
HEREIN THIS 7 DAY OF MAY, 2013 AT 09:17 A.M.

ORDER NUMBER:23453187

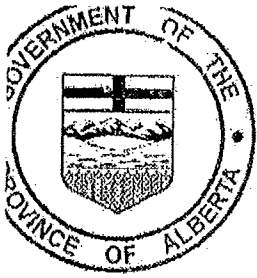
CUSTOMER FILE NUMBER: 80637-036



END OF CERTIFICATE

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED FOR THE
SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER, SUBJECT TO WHAT IS
SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM
INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION, APPRAISAL OR
OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS PART OF THE ORIGINAL
PURCHASER APPLYING PROFESSIONAL, CONSULTING OR TECHNICAL EXPERTISE FOR
THE BENEFIT OF CLIENT(S).



LAND TITLE CERTIFICATE

S
LINC SHORT LEGAL TITLE NUMBER
0034 817 924 1122986;18;109 132 022 730

LEGAL DESCRIPTION
PLAN 1122986
BLOCK 18
LOT 109
EXCEPTING THEREOUT ALL MINES AND MINERALS

ESTATE: FEE SIMPLE
ATS REFERENCE: 4;22;54;19;SW

MUNICIPALITY: CITY OF FORT SASKATCHEWAN

REFERENCE NUMBER: 112 159 329 +29

REGISTERED OWNER(S)				
REGISTRATION	DATE(DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
132 022 730	23/01/2013	TRANSFER OF LAND	\$264,534	SEE INSTRUMENT

OWNERS

KEVIN DEBATTISTA

AND

TYLA TAYLOR

BOTH OF:

76 RADCLIFFE WYND

FORT SASKATCHEWAN

ALBERTA T8L 0M6

AS JOINT TENANTS

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION	DATE (D/M/Y)	PARTICULARS
NUMBER		

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2
132 022 730

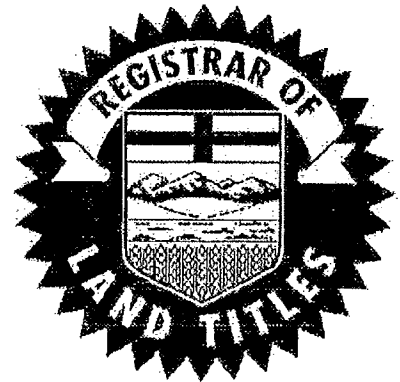
REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
112 159 331	31/05/2011	UTILITY RIGHT OF WAY GRANTEE - THE CITY OF FORT SASKATCHEWAN. AS TO PORTION OR PLAN:1122987 AS TO AREA "A"
112 159 332	31/05/2011	AGREEMENT RE EASEMENT AND RESTRICTIVE COVENANT
132 022 731	23/01/2013	MORTGAGE MORTGAGEE - FIRST NATIONAL FINANCIAL GP CORPORATION. 100 UNIVERSITY AVE, SUITE 700 NORTH TOWER TORONTO ONTARIO M5J1V6 ORIGINAL PRINCIPAL AMOUNT: \$266,870

TOTAL INSTRUMENTS: 003

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED HEREIN THIS 7 DAY OF MAY, 2013 AT 09:17 A.M.

ORDER NUMBER:23453187

CUSTOMER FILE NUMBER: 80637-036



END OF CERTIFICATE

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER, SUBJECT TO WHAT IS SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION, APPRAISAL OR OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).



Bennett Jones LLP
4500 Bankers Hall East, 855 - 2nd Street SW
Calgary, Alberta, Canada T2P 4K7
Tel: 403.298.3100 Fax: 403.265.7219

Chris Simard
Direct Line: 403.298.4485
e-mail: simardo@bennettjones.com
Our File No.: 37529.10

May 16, 2013

Via Email

Mr. Douglas N. Tkachuk
Reynolds, Mirth, Richards & Farmer LLP
3200, 10180 101 St NW
Edmonton AB T5J 3W8

Dear Mr. Tkachuk:

Re: In the Matter of the UBG Group of Companies ("UBG")

Thank you for your letter dated May 6, 2013. I have gathered the information necessary to answer your inquiries from my client and from Greenboro and can advise as follows:

54 Dunlop Wynd

Greenboro sold this property on May 28, 2012. It appears that Igloo only registered its lien against the property on June 1, 2012. Therefore, Igloo's lien was invalid.

76 Radcliffe Wynd

Greenboro sold this property on January 23, 2013. This property was not included in the last tranche of lien payments (which included all sales up to and including January 31, 2013) because of the ordinary-course delay in notice of the sale being given to the Monitor. Igloo's lien on this property is being assessed by the Monitor and Greenboro and if accepted, Igloo will be paid in the next tranche of lien payments.

1014 Watt Promenade

While Igloo liened for \$9,075.00, the invoices issued to Greenboro only totaled \$7,355.92. That amount was paid in full, without deduction.

5013 DeWolf Road

While Igloo liened for \$11,898.34, the invoices issued to Greenboro only totaled \$9,331.93. That amount was paid in full, without deduction.

Liens Registered Out of Time

Greenboro's records indicate that the last date that Igloo worked at 5023 DeWolf Road was April 3, 2012. Therefore, Igloo's lien, registered on May 25, 2012, was invalid.

With respect to 5021 DeWolf Road, Greenboro advised the Monitor of the date on which work last took place, on the basis of which the Monitor disallowed the claim. Greenboro has advised the Monitor that its information regarding that date was incorrect, and that in fact the last date on which Igloo worked was April 16, 2012 (and Igloo registered its lien on May 25, 2012, less than 45 days later). Payment will be made to Igloo on this lien in the next tranche of lien payments.

Restructuring/Overhead Costs (\$617,252)

The amounts listed in this column of the summary we provided to you on May 3, 2013 have been paid to Greenboro pursuant to the authority granted in the July 10, 2012 Order approving the July 5, 2012 ATB Protocol Agreement (in which those amounts are described as "Borrower's Costs").

"Estimated Funds Available to Creditors"

The amounts in this column have been or will be paid to ATB, the DIP lender and first secured creditor. To date, payments totalling approximately \$10 Million have been made to pay down the secured ATB debt. It is anticipated by Greenboro that after payment in full of ATB from the "Estimated Funds Available to Creditors", there should be sufficient funds to pay all the unsecured creditors in full as well. Of course, this is dependent on Greenboro and its subtrades being able to continue to build, complete and sell homes.

\$25,000 Holdback

You and I have already debated the Monitor's and Greenboro's position that they are entitled to costs as a result of having to respond to your client's application. You have also seen the rationale for that position in the written Briefs of Argument filed by the Monitor and Greenboro, as well as in Monitor's Reports. The \$25,000 is being held back because your client declined the opportunity to provide some other form of security, which was extended in my letter of April 1, 2013, but rejected by you. The problem with your current suggestion (Greenboro releasing the \$25,000 now and relying on future lien amounts that may become payable to Igloo to pay the anticipated costs) is that the validity and quantum of those liens is unknown at this time.

We remain willing to consider any suggestion from your client to provide reasonable alternative security to a cash holdback. However, you should understand that the Monitor and the Debtor remain firmly of the view that your client's application was completely unnecessary and unmeritorious, and we therefore have a duty to recoup the costs incurred in responding to it, for the benefit of UBG's other stakeholders.

May 16, 2013
Page Three

We trust the foregoing responds to your question satisfactorily, but should you have any questions or should you wish to discuss these matters, please do not hesitate to contact me.

Yours truly,

U. Kottler
for
Chris Simard

CS/dmk

cc: Client
Derek Pontin





BARRISTERS SOLICITORS

Reynolds
Mirth
Richards
& Farmer LLP

WRITER'S E-MAIL dtkachuk@rmrf.com

YOUR FILE

WRITER'S DIRECT PHONE 780.497.3396

OUR FILE 80637-036-DNT

May 21, 2013

Attention: Chris Simard
Via email: SimardC@bennettjones.com
Bennett Jones LLP
4500 Bankers Hall East
855 – 2nd Street, SW
Calgary AB T2P 4K7

Dear Sir:

Re: UBG Builders Inc.

I acknowledge receipt of your May 16th letter. My comments in relation to your letter are as follows:

1. **54 Dunlop Wynd**

My client's Lien was registered within the required 45 days. The fact that the property was transferred in the interim does not invalidate the Lien. I will be proceeding with my Application for payment of this Lien by the Monitor.

2. **76 Radcliffe Wynd**

It has been four months since this property was sold. This is more than sufficient time for the payment of my client's Lien. I will be proceeding with my Application for payment of this Lien by the Monitor.

3. **5021 DeWolf Road**

Once again, your client has had more than sufficient time to payout this Lien. I will be proceeding with my Application for payment of this Lien by the Monitor.

4. **1014 Watt Promenade**

My client's invoices total the sum of \$9,075.00. Attached is the invoice for the portion of my client's Lien that the Monitor has not paid. I will be proceeding with my Application to have the balance of this Lien paid by the Monitor.

5. **5013 DeWolf Road**

My client's invoices total the sum of \$11,898.34 and not \$9,331.93. We will be proceeding with my Application to have the balance of my client's Lien paid by the Monitor.

6. **5023 DeWolf Road**

The last work done by my client was on April 16, 2012, which is supported by the attached invoice. We will be proceeding with my Application to have this Lien paid by the Monitor.

You have not responded to my May 7th email concerning the property transferred to the Lechelts. As indicated in my May 7th email, there are a number of other properties that were transferred immediately prior to the registration of my client's Liens. These properties are as follows:

1. 5528 Conestoga Street
2. 5049 DeWolf Road
3. 50 Dunlop Wynd
4. 56 Dunlop Wynd
5. 1708 - 61 Street
6. 1882 - 33 Street
7. 1716 - 60 Street
8. 491 Watt Boulevard
9. 2032 - 33B Street
10. 1904 - 33 Street
11. 1876 - 33 Street

I will be amending my Application to request an Order that the Monitor provide the information requested in my May 7th email concerning the above properties. I will also be asking for declaration that the sale proceeds received are subject to a trust in favour of my client in accordance with section 22 of the *Builders' Lien Act*.

Page 3
May 21, 2013

Trusting the above is satisfactory.

Yours truly,

REYNOLDS, MIRTH, RICHARDS & FARMER LLP

PER:

DOUGLAS N. TKACHUK
DNT/aa

cc: Igloo/Attn.: C. Vaughan
D. Pontin

1075371;May 21, 2013



BUILDING SUPPLIES GROUP LTD.

21421 - 111 AVENUE N.W.
 EDMONTON, AB T6S 1Y1
 PHONE:(780) 451-0600 FAX:(780) 455-6358

INVOICE NO: 7013001432
 Reprint

SOLD TO
GREENBORO HOMES LTD.
 10714 - 176 STREET
 EDMONTON, AB
 CANADA T5S 1G7

SHIP TO
 1012/1014 Watt Promenade SW
 EDMONTON, AB

ACCOUNT NUMBER 608612	SALESMAN Jason Maheden	CUSTOMER JOB R11980	INVOICE DATE (MMY) 03/26/2012
ORDER NUMBER 94268	ORDER NAME #05-1761A/B Roof	PURCHASE ORDER NUMBER 311021_004516/4585	

LINE	PRODUCT CODE	DESCRIPTION OF GOODS	SHIPPING SLIP#	QUANTITY	UNIT OF ISSUE	UNIT OF PRICE	NET AMOUNT
1	Package	TRUSS PACKAGE R11980	79782	1.00	Each	3,275.00	3,275.00

1012 - 1719.37
1014 - 1719.38 Didn't pay

Page: 1 of 1

Customer Copy

TERMS:

NET 30 DAYS. PLEASE PAY TOTAL FROM THIS INVOICE
 OVERDUE ACCOUNTS ARE SUBJECT TO A SERVICE CHARGE OF
 2% PER MONTH (24.62% PER ANNUM) ON THE UNPAID BALANCE.
 CLAIMS MUST BE MADE WITHIN 30 DAYS OF RECEIPT OF GOODS. GOODS MAY BE RETURNED
 ONLY WITH OUR PERMISSION AND WILL BE SUBJECT TO 15%-25% RESTOCKING CHARGE.

SUBTOTAL	3,275.00
GST - 121386122	163.75
INVOICE TOTAL	<u>3,438.75</u>



21421 - 111 AVENUE N.W.
 EDMONTON, AB T6S 1Y1
 PHONE:(780) 451-0800 FAX:(780) 455-6358

INVOICE NO: 6013006346
 Reprint

SOLD TO
GREENBORO HOMES LTD.
 10714 - 176 STREET
 EDMONTON, AB
 CANADA T5S 1G7

SHIP TO
 5021/5023 DeWolfe Road
 EDMONTON, AB

LINE	PRODUCT CODE	DESCRIPTION OF GOODS	SHIPPING SLIP#	QUANTITY	UNIT OF ISSUE	UNIT OF PRICE	NET AMOUNT
ACCOUNT NUMBER		SALESMAN		CUSTOMER JOB		INVOICE DATE (MDY)	
606812		Jason Maheden		10-25010/11		04/18/2012	
ORDER NUMBER		ORDER NAME		PURCHASE ORDER NUMBER			
104900		replacement posts		87			
1	Package	posts	81268	1.00	Each	275.59	275.69
	72108TP	(72108TP) TELEPOST #6090 (72 - 108) C/W 4 X 6 PLATE & 4 X 4 PLATE	81268	2.00	EACH		
	WMD85	#WMD 8.5, WESURE COLUMN W/FLAT HEAD WMDCH86 (21,600 LBS.)	81268	1.00	EACH		

5021 - 144.68
 5023 - 144.69

Page: 1 of 1	Customer Copy		SUBTOTAL	275.59
			GST - 121386122	13.78
			INVOICE TOTAL	289.37

TERMS: NET 30 DAYS, PLEASE PAY TOTAL FROM THIS INVOICE
 OVERDUE ACCOUNTS ARE SUBJECT TO A SERVICE CHARGE OF 2% PER MONTH (26.02% PER ANNUM) ON THE UNPAID BALANCE.
 CLAIMS MUST BE MADE WITHIN 30 DAYS OF RECEIPT OF GOODS, GOODS MAY BE RETURNED ONLY WITH OUR PERMISSION AND WILL BE SUBJECT TO 15%-25% RESTOCKING CHARGE

Appendix C

UBG - Greenboro Homes Limited
Igloo Building Supplies Group Ltd.
As at June 12, 2013

Property	April 2013 Lien Tranche		May 2013 Lien Tranche		Comments
	Amount Liened	Amount Disallowed	Amount Allowed	Amount Disallowed	
1736 - 59 Street, Ed.	\$ 20,438.00	\$ 2,879.01	\$ -	\$ -	
1728 - 59 Street, Ed.	15,901.00	15,091.68	809.32	-	Lien - Invoices. No dispute raised
3312 - 18A Avenue, Ed.	14,773.69	14,773.69	-	-	Lien - Invoices. No dispute raised
5011 DeWolf Road, Ed.	11,347.00	-	-	-	Approved
5013 DeWolf Road, Ed.	14,464.00	9,331.93	-	-	Invoices missing. Igloo claims total \$11,898.34
1014 Watt Promenade, Ed.	9,075.00	7,955.92	5,132.07	-	Invoice missing
5021 DeWolf Road, Ed.	5,811.00	1,719.08	1,719.08	-	Invoice provided in letter to C. Simard
5023 DeWolf Road, Ed.	5,870.00	5,811.00	-	-	
3360 - 19 Avenue, Ed.	18,567.00	-	5,870.00	-	Work completion date confirmed by Greenboro
3344-18B Avenue, Ed.	2,329.00	-	-	-	
48 Dunlop Wynd, Leduc	2,243.00	-	-	-	
489 Watt Boulevard, Ed.	3,004.00	-	-	-	
52 Dunlop Wynd, Leduc	2,079.00	-	-	-	
58 Dunlop Wynd, Leduc	2,338.00	-	-	-	
6103 - 18 Ave. Ed.	2,749.00	-	-	-	
6114 - 17A Avenue, Ed.	2,725.00	-	-	-	
6123 - 18 Ave. Ed.	2,168.00	-	-	-	
6127 - 18 Ave. Ed.	2,536.00	-	-	-	
6147-18 Avenue, Ed.	2,945.00	-	-	-	
73 Dunlop Wynd, Leduc	2,401.00	-	-	-	
74 Dunlop Wynd, Leduc	2,410.00	-	-	-	
80 Radcliffe Wynd, Ft Sask	2,374.00	-	-	-	
7825 Ellesmere Link, Sherwood Park	4,308.00	-	-	-	
1008 Watt Promenade, Ed.	2,114.00	-	-	-	
1042 Watt Promenade, Ed.	2,025.00	-	-	-	
3794 - 8 Street NW, Ed.	8,509.00	-	-	-	
1040 Watt Promenade, Ed.	2,114.22	-	-	-	
3716 - 9 Street, Ed.	11,602.86	-	-	-	
3718 - 9 Street, Ed.	11,613.64	-	-	-	
76 Radcliffe Wynd, Ft Sask	12,193.19	-	-	-	
78 Radcliffe Wynd, Ft Sask	12,193.20	-	-	-	
50 Dunlop Wynd, Leduc	2,448.00	-	-	-	Property sold to third party prior to lien registration
5528 Conestoga Street NW, Edmonton	2,939.00	-	-	-	Property sold to third party prior to lien registration
1904 33 Street Edmonton	2,569.00	-	-	-	Property sold to third party prior to lien registration
481 Watt Boulevard SW, Edmonton	3,654.00	-	-	-	Property sold to third party prior to lien registration
2032 338 Street, Edmonton	2,700.00	-	-	-	Property sold to third party prior to lien registration
1716 60 Street SW, Edmonton	3,768.00	-	-	-	Property sold to third party prior to lien registration
5049 DeWolf Road NW, Edmonton	2,820.00	-	-	-	Property sold to third party prior to lien registration
1876 33 Street NW, Edmonton	2,460.00	-	-	-	Property sold to third party prior to lien registration
1882 33 Street NW, Edmonton	2,359.00	-	-	-	Property sold to third party prior to lien registration
56 Dunlop Wynd, Leduc	3,558.00	-	-	-	Property sold to third party prior to lien registration
1708 61 Street SW, Edmonton	2,770.00	-	-	-	Property sold to third party prior to lien registration
8116 Ellesmere Cove, Sherwood Park	3,641.00	-	-	-	Property sold to third party prior to lien registration
Totals	\$250,906.80	\$75,459.21	\$57,906.48	\$61,418.31	

Property	Amount Liened	Amount Disallowed	Amount Allowed	Amount Disallowed	Comments
1736 - 59 Street, Ed.	\$ 20,438.00	\$ 2,879.01	\$ -	\$ -	
1728 - 59 Street, Ed.	15,901.00	15,091.68	809.32	-	Lien - Invoices. No dispute raised
3312 - 18A Avenue, Ed.	14,773.69	14,773.69	-	-	Lien - Invoices. No dispute raised
5011 DeWolf Road, Ed.	11,347.00	-	-	-	Approved
5013 DeWolf Road, Ed.	14,464.00	9,331.93	-	-	Invoices missing. Igloo claims total \$11,898.34
1014 Watt Promenade, Ed.	9,075.00	7,955.92	5,132.07	-	Invoice missing
5021 DeWolf Road, Ed.	5,811.00	1,719.08	1,719.08	-	Invoice provided in letter to C. Simard
5023 DeWolf Road, Ed.	5,870.00	5,811.00	-	-	
3360 - 19 Avenue, Ed.	18,567.00	-	5,870.00	-	Work completion date confirmed by Greenboro
3344-18B Avenue, Ed.	2,329.00	-	-	-	
48 Dunlop Wynd, Leduc	2,243.00	-	-	-	
489 Watt Boulevard, Ed.	3,004.00	-	-	-	
52 Dunlop Wynd, Leduc	2,079.00	-	-	-	
58 Dunlop Wynd, Leduc	2,338.00	-	-	-	
6103 - 18 Ave. Ed.	2,749.00	-	-	-	
6114 - 17A Avenue, Ed.	2,725.00	-	-	-	
6123 - 18 Ave. Ed.	2,168.00	-	-	-	
6127 - 18 Ave. Ed.	2,536.00	-	-	-	
6147-18 Avenue, Ed.	2,945.00	-	-	-	
73 Dunlop Wynd, Leduc	2,401.00	-	-	-	
74 Dunlop Wynd, Leduc	2,410.00	-	-	-	
80 Radcliffe Wynd, Ft Sask	2,374.00	-	-	-	
7825 Ellesmere Link, Sherwood Park	4,308.00	-	-	-	
1008 Watt Promenade, Ed.	2,114.00	-	-	-	
1042 Watt Promenade, Ed.	2,025.00	-	-	-	
3794 - 8 Street NW, Ed.	8,509.00	-	-	-	
1040 Watt Promenade, Ed.	2,114.22	-	-	-	
3716 - 9 Street, Ed.	11,602.86	-	-	-	
3718 - 9 Street, Ed.	11,613.64	-	-	-	
76 Radcliffe Wynd, Ft Sask	12,193.19	-	-	-	
78 Radcliffe Wynd, Ft Sask	12,193.20	-	-	-	
50 Dunlop Wynd, Leduc	2,448.00	-	-	-	Property sold to third party prior to lien registration
5528 Conestoga Street NW, Edmonton	2,939.00	-	-	-	Property sold to third party prior to lien registration
1904 33 Street Edmonton	2,569.00	-	-	-	Property sold to third party prior to lien registration
481 Watt Boulevard SW, Edmonton	3,654.00	-	-	-	Property sold to third party prior to lien registration
2032 338 Street, Edmonton	2,700.00	-	-	-	Property sold to third party prior to lien registration
1716 60 Street SW, Edmonton	3,768.00	-	-	-	Property sold to third party prior to lien registration
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1708 61 Street SW, Edmonton	2,770.00	-	-	-	Property sold to third party prior to lien registration
8116 Ellesmere Cove, Sherwood Park	3,641.00	-	-	-	Property sold to third party prior to lien registration
Totals	\$250,906.80	\$75,459.21	\$57,906.48	\$61,418.31	

Summary	Amount	Amount	Amount	Amount
Total Amount Liened	\$ 114,170.49	\$ 250,906.80	\$ -	\$ -
less lien amounts paid	61,418.91	-	-	-
less amounts paid post CCAA	25,000.00	200,589.40	-	-
less hold-back amount	50,317.40	-	-	-
Less lien amounts registered post sale to third party	35,686.00	-	-	-
Total Amount Disallowed	\$ 14,631.40	\$ -	\$ -	\$ -

Notes:
1. Amounts indicated have been disallowed by the Monitor based on information provided by UBG. Disputes raised by Igloo are being reviewed with UBG.
2. \$25,000 was held back in respect of a Court application commenced by Igloo's counsel which cost the Monitor. Its counsel, UBG and its counsel, significant fees and costs. The amount withheld and the basis therefore was outlined in the Monitor's Eighth Report to the Court. The amount will be withheld pending the Court hearing the application.



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Ernst & Young Tower
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Calgary, Alberta T2P 5E9
Tel: 403 290 4100
Fax: 403 290 4265
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Igloo Building Supplies Group Ltd.
21421 – 111 Avenue
Edmonton, AB T5S 1Y1
Attn: Ms. Cyndy Vaughan

May 2, 2013

Via Courier

**UBG Builders Inc. (“UBG”) Companies’ Creditors Arrangement Act
Greenboro Homes Limited Partnership (“GHL” or the “Borrower”)**

Dear Sirs,

As you are aware, Ernst & Young Inc. is the Monitor in UBG’s *Companies’ Creditors Arrangement Act* (“CCAA”) proceedings. Pursuant to an order of the Court of Queen’s Bench of Alberta (the “Court”) dated June 15, 2012 a process was established for creditors to file their claims with the Monitor in respect of each UBG entity (the “Claims Process”).

The Monitor received hundreds of claims in the Claims Process and it has taken the Monitor a significant period of time to review and assess the lien claims received from creditors of GHL.

Upon closing the sale of a GHL home, funds are held in trust until such time as the Monitor has reviewed the lien claims and determined the validity thereof. The Monitor has completed its review of the closings from May 9, 2012 to January 31, 2013 and the lien claims received on these closed properties. On December 6, 2012 Igloo was paid \$54,654.13 in payment of certain lien claims related to house closings to approximately November 30, 2012.

In respect of your lien claim(s) in connection with house closings from December 1, 2012 to January 31, 2013, we enclose a cheque for \$47,816.04. The attached schedule details the lien claims you have filed, the amounts allowed, and the amounts disallowed and the reasons for such disallowance. In addition to the deductions noted in the attached schedule deductions have also been made for: i) \$2,643.17, in respect of the December 6, 2012 payment to Igloo as this amount was also paid directly by UBG with cheque #11928 for invoices 6013008302, 6013008306, 6013008303, and 6013008298; and ii) \$25,000 as a hold back in respect of a Court application commenced by your legal counsel which cost the Monitor, its counsel, UBG and its counsel significant fees and costs. The amount withheld and the basis therefore was outlined in the Monitor’s Eighth Report to the Court. The hold back is being held because your legal counsel refused the Monitor’s April 1, 2013 offer to post security for costs pending the Court’s decision. The amount will be withheld pending the Court hearing the application.

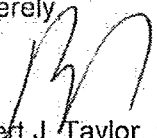
This letter constitutes a Notice of Revision or Disallowance pursuant to the Claims Procedure Order granted by the Court on June 15, 2012. If you disagree with the Monitor’s assessment of your lien claim, please complete the enclosed Dispute Notice within 14 days of your receipt of this letter and send it to the Monitor. These objections will be addressed at a later date in the CCAA proceedings in accordance with the Claims Process.

The Monitor has not reviewed liens placed on properties that closed after January 31, 2013 nor those that have not yet closed. The Monitor expects to review and make payment on valid liens on

closings up to March 31, 2013 within the next 30 days and make payment on valid liens on subsequent closings within 45 days of the closing date.

Should you have any questions with respect to the foregoing please contact me directly at 403.233.7112.

Sincerely,

A handwritten signature in black ink, appearing to be 'RJ Taylor'.

Robert J. Taylor, CA, CIRP
Senior Vice President

Encl.

cc: Chris Simard, Bennett Jones LLP
David Mann, Dentons LLP
Douglas W. Tkachuk, Reynolds Mirth Richards & Farmer LLP

Igloo Building Supplies Group Ltd.

1008 Watt Promenade, Ed.	\$2,114.00	\$0.00	\$2,114.00	Paid post CCAA
1014 Watt Promenade, Ed.	\$9,075.00	\$7,355.92	\$1,719.08	
1728 - 59 Street, Ed.	\$15,901.00	\$15,091.68	\$809.32	
1736 - 59 Street, Ed.	\$20,438.00	\$17,558.99	\$2,879.01	
3312 - 18A Avenue, Ed	\$14,773.69	\$14,773.69	\$0.00	
3344-18B Avenue, Ed.	\$2,329.00	\$0.00	\$2,329.00	Paid post CCAA
3360 - 19 Avenue, Ed.	\$18,567.00	\$0.00	\$18,567.00	Paid post CCAA
48 Dunlop Wynd, Leduc	\$2,243.00	\$0.00	\$2,243.00	Paid post CCAA
489 Watt Boulevard, Ed.	\$3,004.00	\$0.00	\$3,004.00	Paid post CCAA
5011 DeWolf Road, Ed.	\$11,347.00	\$11,347.00	\$0.00	
5013 DeWolf Road, Ed.	\$14,464.00	\$9,331.93	\$5,132.07	
5021 DeWolf Road, Ed.	\$5,811.00	\$0.00	\$5,811.00	Lien filed late
5023 DeWolfe Road, Ed.	\$5,870.00	\$0.00	\$5,870.00	Lien filed late
52 Dunlop Wynd, Leduc	\$2,079.00	\$0.00	\$2,079.00	Paid post CCAA
58 Dunlop Wynd, Leduc	\$2,338.00	\$0.00	\$2,338.00	Paid post CCAA
6103 - 18 Ave. Ed.	\$2,749.00	\$0.00	\$2,749.00	Paid post CCAA
6114 - 17A Avenue, Ed.	\$2,725.00	\$0.00	\$2,725.00	Paid post CCAA
6123 - 18 Ave. Edmonton	\$2,168.00	\$0.00	\$2,168.00	Paid post CCAA
6127 - 18 Ave. Ed.	\$2,536.00	\$0.00	\$2,536.00	Paid post CCAA
6147-18 Avenue, Ed.	\$2,945.00	\$0.00	\$2,945.00	Paid post CCAA
73 Dunlop Wynd, Leduc	\$2,401.00	\$0.00	\$2,401.00	Paid post CCAA
74 Dunlop Wynd, Leduc	\$2,410.00	\$0.00	\$2,410.00	Paid post CCAA
80 Radcliffe Wynd, Ft Sask	\$2,374.00	\$0.00	\$2,374.00	Paid post CCAA
7825 Ellesmere Link, Sherwood Park	\$4,308.00	\$0.00	\$4,308.00	Paid post CCAA

DENTONS CANADA LLP TRUST ACCOUNT

DATE: 02-05-13 PAYEE: Igloo Building Supplies Group Ltd.

CHEQUE # 12740

FILE #	DESCRIPTION	AMOUNT PAID
549362-000004	Payment of Outstanding Lien Amounts	\$47,816.04

THE BACK OF THIS DOCUMENT CONTAINS A SIMULATED WATERMARK - DOCUMENT VOID IF MISSING

DENTONS CANADA LLP

15th Floor, 850 - 2nd St SW
Calgary AB T2P 0R8
Phone 403-268-7000
Fax 403-268-3100

CANADIAN WESTERN BANK
606 4TH STREET SW
CALGARY AB T2P 1T1

12740

02-05-2013

DATE DD MM YYYY

PAY

\$ 47,816.04

Forty Seven Thousand Eight Hundred Sixteen Dollars and 04/100

TO THE
ORDER
OF

Igloo Building Supplies Group Ltd.

PER

PER

Trust Account Canadian Funds

⑈ 12740⑈ ⑆03039⑆030⑆ 010⑈4584751⑈

DENTONS CANADA LLP TRUST ACCOUNT

DATE: 12-06-13 PAYEE: Igloo Building Supplies Group Ltd.

CHEQUE # 12845

FILE #	DESCRIPTION	AMOUNT PAID
549362-000004	Payment of Allowances of Previously Disputed Amounts	\$7,589.08

THE BACK OF THIS DOCUMENT CONTAINS A SIMULATED WATERMARK - DOCUMENT VOID IF MISSING

DENTONS CANADA LLP

15th Floor, 850 - 2nd St SW
Calgary AB T2P 0R8
Phone 403-268-7000
Fax 403-268-3100

CANADIAN WESTERN BANK
608 4TH STREET SW
CALGARY AB T2P 1T1

12845

12-06-2013

DATE DD MM YYYY

PAY

\$ 7,589.08

Seven Thousand Five Hundred Eighty Nine Dollars and 08/100

TO THE
ORDER
OF

Igloo Building Supplies Group Ltd.

PER

PER

Trust Account Canadian Funds

⑈ 12845⑈ ⑆03039⑈030⑆ 010⑈4584751⑈

DENTONS CANADA LLP TRUST ACCOUNT

DATE: 12-06-13 PAYEE: Igloo Building Supplies Group Ltd.

CHEQUE # 12852

FILE #	DESCRIPTION	AMOUNT PAID
549362-000004	Payment of Builders Lien re: 1040 Watt Promenade, Edmonton, 3716 - 9 Street, Edmonton, 3718 - 9 Street, Edmonton, 3794 - 8 Street NW, Edmonton, 76 Radcliffe Wynd, Fort Saskatchewan and 78 Radcliffe Wynd, Fort Saskatchewan	\$56,122.20

THE BACK OF THIS DOCUMENT CONTAINS A SIMULATED WATERMARK - DOCUMENT VOID IF MISSING

DENTONS CANADA LLP

15th Floor, 850 - 2nd St SW
Calgary AB T2P 0R8
Phone 403-268-7000
Fax 403-268-3100

CANADIAN WESTERN BANK
608 4TH STREET SW
CALGARY AB T2P 1T1

12852

12-06-2013

DATE DD MM YYYY

PAY

\$ 56,122.20

Fifty Six Thousand One Hundred Twenty Two Dollars and 20/100

TO THE
ORDER
OF

Igloo Building Supplies Group Ltd.

PER

PER

Trust Account Canadian Funds

⑈ 12852⑈ ⑆03039⑈030⑆ 010⑈4584751⑈



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Igloo Building Supplies Group Ltd.
c/o Reynolds Mirth Richards & Farmer LLP
3200, 10180 – 101 Street NW
Edmonton, AB T5J 3W8

13 June 2013

Via Mail

**UBG Builders Inc. (“UBG”) Companies’ Creditors Arrangement Act
Greenboro Homes Limited Partnership (“GHL”)**

Dear Sirs

As you are aware, Ernst & Young Inc. is the Monitor in UBG’s *Companies’ Creditors Arrangement Act* (“CCAA”) proceedings. Pursuant to an order of the Court of Queen’s Bench of Alberta (the “Court”) dated June 15, 2012 a process was established for creditors to file their claims with the Monitor in respect of each UBG entity (the “Claims Process”). Upon closing the sale of a GHL home, funds are held in trust until such time as the Monitor has reviewed the lien claims and determined the validity thereof. The Monitor has completed its review of the closings from January 31 to April 30, 2013 and the lien claims received on these closed properties.

In respect of your lien claim(s), we enclose a cheque for \$63,711.28. The attached schedule details the lien claims you have filed, the amounts allowed, and the amounts disallowed and the reasons for such disallowance. This payment includes \$7,589.08 in respect of amounts previously disallowed on two properties in Edmonton, 1014 Watt Promenade (\$1,719.08) and 5023 DeWolf Road (\$5,870.00). UBG provided the Monitor with additional information in respect of these two amounts.

This letter constitutes a Notice of Revision or Disallowance pursuant to the Claims Procedure Order granted by the Court on June 15, 2012. If you disagree with the Monitor’s assessment of your lien claim, please complete the enclosed Dispute Notice within 14 days of your receipt of this letter and send it to the Monitor. These objections will be addressed at a later date in the CCAA proceedings in accordance with the Claims Process.

The Monitor has not reviewed liens placed on properties that closed after April 30, 2013 nor those that have not yet closed. The Monitor expects to review and make payment on valid liens on closings up to May 31, 2013 within 45 days.



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1000, 440 2nd Avenue S.W.
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Should you have any questions with respect to the foregoing please contact Greg Stevenson at 403.206.5069.

Sincerely,

A handwritten signature in black ink, appearing to be 'RJ Taylor', written over a faint, larger version of the signature.

Robert J. Taylor, CA, CIRP
Senior Vice President

Encl.

Cc: Chris Simard, Bennett Jones LLP

Creditor	Property	Amount		Amount		Comments
		Leased	Allowed	Disallowed	Amount	
Igloo Building Supplies Group Ltd.	1040 Watt Promenade, Ed.	\$2,114.22	\$2,114.22	\$0.00	\$0.00	
	1042 Watt Promenade, Ed.	\$2,025.00	\$0.00	\$2,025.00	\$2,025.00	Paid Post-CCAA.
	3716 - 9 Street, Ed.	\$11,602.86	\$11,602.86	\$0.00	\$0.00	
	3718 - 9 Street, Ed.	\$11,613.64	\$11,613.64	\$0.00	\$0.00	
	3794 - 8 Street NW, Ed.	\$8,509.00	\$6,405.09	\$2,103.91	\$2,103.91	Paid Invoice 6013008294 post CCAA
	76 Radcliffe Wynd, Ft Sask	\$12,193.19	\$12,193.19	\$0.00	\$0.00	
	78 Radcliffe Wynd, Ft Sask	\$12,193.20	\$12,193.20	\$0.00	\$0.00	
		\$60,931.11	\$58,722.30		\$2,208.81	

Appendix D

UBG Builders Group
Cash Flow Variance Analysis
For the Period May 7, 2012 to May 19, 2013
(\$Cdn, Unaudited)

	Notes	Projected	Actual	Variance
Cash inflows				
Actual mortgage advances	1	17,644,879	13,740,672	(3,904,207)
Actual advances				
ATB	1	28,035,643	13,317,892	(14,717,751)
TD Bank	1	31,724,144	25,866,969	(5,857,175)
Closings				
House sales	2	81,065,321	65,585,610	(15,479,711)
Sale of office building	3		15,378,185	15,378,185
A/R collection		26,157	29,957	3,800
GST		3,353,557	4,371,036	1,017,479
Other	4	3,417,244	4,029,834	612,590
Subtotal - inflows		165,266,945	142,320,155	(22,946,790)
Cash outflows				
Mortgage payment	1	57,561,289	65,524,931	7,963,642
Wages, salaries and commissions	5	7,057,494	6,352,637	(704,856)
Rent		453,478	398,478	(55,000)
GST	6	1,159,665	1,438,801	279,137
Insurance		423,350	562,158	138,808
Property tax		139,378	170,262	30,884
Payables				
Overheads	5	1,292,724	1,228,248	(64,475)
Legal/Accounting		134,898	151,944	17,046
Trades	1	50,583,203	34,234,196	(16,349,007)
Restructuring costs	5	2,309,600	1,819,600	(490,000)
Lot purchases				
Lot deposits		841,327	732,781	(108,546)
Developer	7	8,682,685	2,828,382	(5,854,302)
ABC	5	2,347,396	1,993,786	(353,610)
Interest				
Construction mortgage	8	2,038,043	2,849,530	811,487
Other mortgage		383,180	904,242	521,062
Bank fees		477,828	410,518	(67,310)
Investor financing		3,000,258	2,467,504	(532,754)
Other		205,081	219,996	14,915
Contingency		2,860	660	(2,200)
Subtotal outflows		139,093,736	124,288,657	(14,451,469)
Net cash flow				
Period only		27,108,075	18,031,499	(9,076,576)
Opening available cash		740,000	740,000	-
Closing cash balance		27,848,075	18,771,499	(9,076,576)

This schedule should be read in conjunction with the accompanying notes.

UBG Builders Group
Notes to Cash Flow Variance Analysis
For the Period May 7, 2012 to September 30, 2013

1. Actual advances from lenders and payments to trades are lower than projected due to delays in construction, resulting in a difference in the timing of funding.
2. Actual closings are lower than projected due to delays in construction schedule delaying completion and closing of properties. Closings include both "Firm" and "Pending" closings; there has been an increase in firm closings and a reduction in pending closings from previous forecasts as more closing dates have been confirmed during the period.
3. The sale of the Calgary office building for \$15 million closed in Feb 2013.
4. Comprises revenues from joint venture partnerships and miscellaneous refunds. The variance primarily consists of payments received from Greenboro Homes LP for lot purchases.
5. Wages, salaries and commissions are less than projected as sales were lower than projected. Additionally, salaries projections were overstated in comparison to actual salaries paid.
6. The variance is primarily a timing difference due to delays in construction.
7. Developer lot payables for Greenboro Estate Homes and Greenboro Homes LP have not been paid on their due dates as projected due to delays in closings. Payments for developer lot payables prior to closings are subject to the lenders' approval.
8. Actual payments are higher than projected mainly due to delays in closing properties leading to extended periods of interest payments.

These notes should be read in conjunction with Appendix "D".

Appendix E

USBC Finance Group
 Proposed Statement of Cash Flow
 May 7, 2012 to September 30, 2013
 (\$'s, Unaudited)

Notes	Cumulative May 7, 2012	Month												Total				
		May 2012	May 2013	Jun 2012	Jun 2013	Jul 2012	Jul 2013	Aug 2012	Aug 2013	Sep 2012	Sep 2013	Oct 2012	Oct 2013					
1	13,740,872	550,414	313,858	849,805	897,805	547,805	197,805	197,805	197,805	197,805	197,805	197,805	197,805	197,805	197,805	197,805	1,978,050	22,869,920
2	13,147,415	918,546	309	140,345	700	2,823,700	200	4,450	500	4,450	500	3,883,107	200	3,883,107	200	3,883,107	1,941,606	22,871,526
3	25,662,909	116,290	1,381,607	43,346	1,461,000	1,521,000	1,521,000	1,521,000	1,521,000	1,521,000	1,521,000	1,521,000	1,521,000	1,521,000	1,521,000	1,521,000	1,521,000	23,202,909
4	78,643,326	885,141	4,282,722	1,540,000	1,540,000	7,263,590	316,558	316,558	316,558	316,558	316,558	316,558	316,558	316,558	316,558	316,558	316,558	79,939,518
5	4,297,897	58,230	341,437	8,000	22,625	2,912,444	8,000	382,477	8,000	382,477	8,000	382,477	8,000	382,477	8,000	382,477	382,477	5,129,857
6	142,320,135	1,573,242	7,088,534	1,953,149	5,815,515	12,221,153	18,582,711	18,582,711	3,484,205	247,021	13,109,526	786,025	282,550	208,025	12,151,544	20,842,672	14,118,142	23,592,377
7	6,124,521	53,700	7,914,644	1,250,335	4,811,116	1,291,000	3,750,771	1,580,000	1,580,000	1,580,000	2,186,122	1,580,000	1,580,000	1,580,000	1,580,000	1,580,000	1,580,000	1,580,000
8	2,652,330	121,148	8,900	288,843	4,811,116	1,291,000	3,750,771	1,580,000	1,580,000	1,580,000	2,186,122	1,580,000	1,580,000	1,580,000	1,580,000	1,580,000	1,580,000	1,580,000
9	18,071,409	18,171,408	18,174,862	18,174,862	18,174,862	18,174,862	18,174,862	18,174,862	18,174,862	18,174,862	18,174,862	18,174,862	18,174,862	18,174,862	18,174,862	18,174,862	18,174,862	18,174,862

USBC Finance Group
 Proposed Statement of Cash Flow
 May 7, 2012 to September 30, 2013
 (\$'s, Unaudited)

UBG Builders Group
Notes to Projected Statement of Cash Flow
May 19, 2013 to September 30, 2013

1. Protocols have been established with lenders (The Bank of Nova Scotia, Canadian Western Bank, Canada ICI Ltd. and Sterling Bridge Mortgage Corporation) on several projects and it is assumed that lenders will continue to provide the necessary advances, pursuant to the credit facilities in place for each respective project.
2. Alberta Treasury Branches ("ATB") finances Greenboro Homes LP in Edmonton and The Toronto-Dominion Bank ("TD") finances Greenboro Estate Homes LP and Greenboro Luxury Homes LP in Calgary through amended protocols.
3. During the period of the forecasted cash flow, UBG expects to close sales totalling approximately \$85.0 million

	# of Units	Amount (\$)
Greenboro Homes LP	41	16,237,100
South Terwillegar Village LP	8	2,174,656
Origins at Cranston LP	18	3,926,920
Greenboro Estate Homes LP	21	12,792,024
Today's Homes LP	12	5,697,949
Greenboro Luxury Homes LP	1	1,519,930
	101	42,348,579

4. Consists of GST refunds and GST received on sales closings which are paid to Canada Revenue Agency ("CRA"). Projected GST excludes GST received on sales closings as receipts are expected to be equal to disbursements and have been offset for purposes of the cash flow.
5. Comprises revenues from joint venture partnerships, sales of lots, and miscellaneous refunds.
6. Represents repayments in connection with sales closings as in note 3 above. The amount is net of certain holdbacks and restructuring costs.
7. Overheads comprise general expenses including utilities, licenses, office supplies, advertising, and telephones.
8. Estimated restructuring costs to be paid over the cash flow period presented.
9. The closing cash balance accumulates as a result of holding funds until such times as they are distributed. This is essentially a timing difference and funds are typically distributed every 45 to 60 days.

These notes should be read in conjunction with the Appendix "E".