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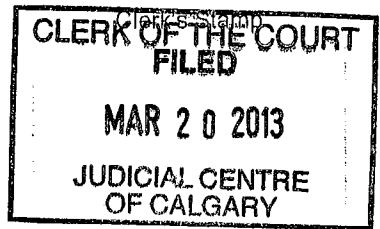
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COURT

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

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

ADDRESS FOR SERVICE
AND CONTACT
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INTRODUCTION

1. On May 9, 2012, the Court of Queen's Bench of Alberta ("Court") issued an order ("Initial Order") granting the UBG Group of Companies ("UBG" or the "Company") protection pursuant to the *Companies' Creditors Arrangement Act* ("CCAA") (the "CCAA Proceedings"). Ernst & Young Inc. ("EY") was appointed monitor ("Monitor") under the Initial Order.
2. Since the date of the Initial Order the Monitor has filed eight 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 December 14, 2012, the stay of proceedings under the Initial Order was extended to March 22, 2013.
4. There were two Court applications since the December 14, 2012 extension of the stay of proceedings in connection with (i) conveying 21 Residential Units owned by Timberline Lodges Limited Partnership to the Bank of Montreal ("BMO") and (ii) the disposition of the Bridges Project. Pursuant to Court Orders made on February 5 and 21, 2013 the conveyance of the Residential Units to BMO and the disposition of the Bridges Project were approved.
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 ninth report are as defined in all Reports and orders previously issued in respect of these CCAA Proceedings.

Purpose of this Report

7. The purpose of this ninth 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 August 31, 2013;
 - d) Support the Company's request for an extension of the CCAA Proceedings to June 14, 2013; and

- e) Respectfully recommend that this Honourable Court make orders:
- i. Approving the amended interim financing arrangements and priority charges in respect of Greenboro Estate Homes Limited Partnership ("Greenboro Estates Projects");
 - ii. Approving the amended interim financing arrangements and priority charges in respect of Greenboro Homes Limited Partnership ("Greenboro Homes Projects");
 - iii. Approving the interim financing arrangements and priority charges in respect of Today's Homes Limited Partnership ("Today's Homes");
 - iv. Approving the sale of the property owned by Edgewater at Greisbach Limited Partnership ("Edgewater at Griesbach") located in Edmonton to Slokker Canada West Inc. ("Slokker") and vesting in Slokker as of closing, title to Edgewater at Griesbach, free and clear of all liens, charges, security interests and encumbrances other than those as set out in the purchase and sale agreement, and directing Alberta Land Titles to register title to Edgewater at Griesbach in the name of Slokker or in that of its nominee;
 - v. Approving the sale of the property owned by Greenboro Communities Limited Partnership ("The Village at Laurels"), located in Edmonton, Alberta to Tamarack Place Two Ltd. ("Tamarack");
 - vi. Approving the sale of 19 condominium units owned by Wilderness Ridge at Stewart Creek Limited Partnership (the "Wilderness Project") to Highfield Stock Farm Inc. ("Highfield") or its nominee; and
 - vii. Extending the stay of proceedings under the Initial Order to June 14, 2013.

Terms of Reference

8. 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

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

BACKGROUND

Overview

10. 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.
11. 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.
12. 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

13. 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 employee layoffs, cancelling certain contracts, and reviewing all areas in respect of its administrative processes and expenses;
 - d) Continuing to market all projects (excluding UBG USA). In that regard, UBG has accepted 215 offers on existing or under-construction Residential Units since the date of the Initial Order;
 - e) Continuing to close Residential Units. UBG has closed 176 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) Substantially negotiated amended protocols with TD and ATB and negotiated new protocols with Sterling Bridge in respect of building out certain of Today's Homes houses;
- m) Accepted an offer in the amount of \$4,165,000 in respect of The Village at Laurels;
- n) Accepted an offer in the amount of \$6,294,000 in respect of 19 condominium units located at the Wilderness Project;
- o) Working with stakeholders to complete the Murals at High Pointe Project;
- p) Quitclaimed 10 condominium units owned by Timberline Lodges Limited Partnership to ICI;
- q) Conveyed 21 condominium units owned by Timberline Lodges Limited Partnership to BMO;
- r) Listed for sale the property of the Mountaineers II Project located in Canmore, Alberta;
- s) Closed the sale to Rose Calgary Bridges Limited Partnership in respect of the property owned by the UBG Bridges Limited Partnership;
- t) Working with the Monitor and its legal counsel to assess the claims filed by creditors in these CCAA Proceedings;
- u) Worked closely with the Monitor to develop and refine financial analyses and cash flows in respect of each of its various projects;
- v) Worked with its advisors regarding the development of emergence strategies and meetings with various potential strategic partners;
- w) Advising stakeholders that the Company is continuing to operate on a business as usual basis in the context of these CCAA Proceedings; and
- x) Dealt with various lienholders in connection with the establishment, maintenance, verification and payment of various lien claims.

CLAIMS PROCESS

14. 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 62 claims subsequent to the Claims Bar Date.
15. 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.
16. A summary of the claims received and progress in respect of the Claims Procedure and Reverse Claims Procedure was included in the Seventh Report.
17. The Monitor's review of lien claims on closed properties is substantially complete and the Monitor anticipates that payments totalling approximately \$2.0 million in respect of undisputed lien amounts will be made over the course of the next 30 days.
18. The Monitor's review of unsecured claims is ongoing.

SINGLE FAMILY PROJECTS

The Toronto-Dominion Bank

19. 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.
20. 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.
21. Sale of 15 Greenboro Estates houses have closed and Fraser Milner Casgrain LLP ("FMC") 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, FMC has made partial distributions of the proceeds held in the amount of approximately \$1.3 million to TD. Additional distributions to TD from the funds held are expected to be made monthly as proceeds become available from closings.
22. 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.

23. 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.
24. There are a number of properties which closed prior to May 9 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.
25. As a result of certain construction delays, sales of homes have not closed on as timely a basis as initially projected. The timing of closings affects the amount of funds required to support ongoing construction and operating costs. As a result, TD has funded from loan advances Greenboro Estates' direct expenses (payroll and direct overhead) with a concurrent reduction in Borrower's costs from 4% to 2%. Moreover, additional funds greater than the amount approved in the TD Protocol are required to continue construction on the Greenboro Estates Projects.
26. An amended protocol (the "Amended TD Protocol") has been developed with TD which will increase the financing provided by TD from \$22.0 million (as described in the Fifth Report) to \$24.5 million. Based on the financial models developed by the Monitor, it is the Monitor's view that the \$2.5 million financing increase from TD will be sufficient to allow construction to continue.
27. The Amended TD Protocol includes a provision that UBG Land Limited Partnership ("UBG Land LP") will provide TD with a \$2.5 million limited guarantee in support of Greenboro Estates obligation to TD and a floating charge on UBG Land LP's interest in the Montreaux JV (defined later in this report) subject to the terms of the Montreaux JV.
28. The Monitor recommends that this Honourable Court make an order approving the Amended TD Protocol for the following reasons:
 - a) Trades will be confident that they will be paid for materials and services provided on an ongoing basis;
 - b) A mechanism has been established to pay amounts owed to Trades pre May 9, 2012 (subject to proven claims pursuant to the Claims Procedure Order);
 - c) Other lenders and stakeholders who have no involvement with Greenboro Estates Projects will not be prejudiced; and
 - d) The terms of the Amended TD Protocol is supported by Greenboro Estates key stakeholders.
29. The terms of the Amended TD Protocol have been substantially negotiated and will be attached to a supplemental affidavit of Robert Friesen to be filed prior to the application date.

30. As noted in the Seventh Report, the Company has been developing CCAA emergence strategies for its single family projects operated by Greenboro Estates and Greenboro Luxury. Barring any unforeseen delays, Greenboro Estates and Greenboro Luxury expect to file a plan for emergence from their CCAA Proceedings prior to the end of the second quarter in 2013.

Alberta Treasury Branches

31. 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.
32. 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.
33. 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.
34. Sales of 63 Greenboro Homes' houses have closed since May 9, 2012. FMC holds the proceeds from those sales in trust 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, FMC has made partial distributions of the proceeds held in the amount of approximately \$11.7 million to ATB. Currently approximately \$4.1 million is outstanding to ATB. Additional distributions to ATB from the funds held are expected to be made monthly as proceeds become available from closings.
35. Greenboro Homes also experienced certain construction delays. As a result, Greenboro Homes' direct expenses (payroll and direct overheads) have been funded from the ATB loan facility with a concurrent reduction in Borrower's costs from 4% to 2%.
36. There are several properties which closed prior to May 9 where certain "seasonal" work remains outstanding prior to the houses being complete. The Company estimates the "seasonal" costs to be approximately \$1.2 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.
37. As a result of the ATB financing expiring on December 31, 2012, it was necessary to enter into negotiations with ATB in respect of an amended protocol (the "Amended ATB Protocol") to provide financing to the Company to continue to build houses. The Amended ATB Protocol has been agreed to subject to some minor adjustments which are expected to be concluded prior to March 22, 2013. The Monitor recommends that this Honourable Court make an order approving the Amended ATB Protocol for the following reasons:

- a) Construction at the various Greenboro Homes Projects will continue;
 - b) Trades will be confident that they will be paid for materials and services provided on an ongoing basis;
 - c) Other lenders and stakeholders who have no involvement with Greenboro Homes Projects will not be prejudiced; and
 - d) The terms of the Amended ATB Protocol is supported by Greenboro Homes key stakeholders.
38. The terms of the Amended ATB Protocol have been substantially negotiated and will be attached to a supplemental affidavit of Robert Friesen to be filed prior to the application date.
39. The Company has been developing CCAA emergence strategies for its single family projects operated by Greenboro Homes. Barring any unforeseen delays, Greenboro Homes expects to file a plan for emergence from its CCAA Proceedings prior to the end of the second quarter in 2013.

Sterling Bridge Mortgage Corporation

40. 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 and 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.
41. A summary of the five areas in which Today's Projects are ongoing was provided in the Second Report.
42. The future development lots on which the homes are to be built are held by the developers and will have to be paid for, or have been purchased by UBG with financing from ABC Capital.
43. There are four pre-sold homes that are currently not financed by Sterling Bridge. Those homes are uneconomic inasmuch as the costs incurred up to May 9, 2012 and costs to complete those homes will exceed the sales proceeds by more than \$75,000 per home. UBG entered into negotiations with Sterling Bridge to obtain financing to complete construction on the four uneconomic pre-sold homes and Sterling Bridge has agreed to provide financing in the amount of \$550,000 (the "Second Sterling Bridge Protocol").
44. As the homes are uneconomic, Sterling Bridge will not provide financing to pay the pre May 9, 2012 amounts owed to Trades. Sterling Bridge will also not provide financing to pay amounts owed to ABC Capital. Any pre May 9, 2012 amounts to be recovered by Trades on the four uneconomic homes will depend on remaining proceeds after repayment of the Sterling Bridge loan, Borrower's Costs and amounts owed to ABC Capital. ABC Capital will be paid from the sales proceeds once sale of a home closes. The Monitor estimates that ABC Capital will recover fully on amounts owed to it on the four uneconomic homes. Trades are estimated to recover between 10% and 30% on pre May 9, 2012 amounts owed to them.

45. Under the Second Sterling Bridge Protocol, Sterling Bridge would be provided with a charge in its favour ranking in priority to ABC Capital and also ranking in priority to the Administration Charge and the Directors' Charge (all defined in the Initial Order) for all future advances in respect of the four lots/homes and related property, being financed for completion under the Second Sterling Bridge Protocol.
46. The Monitor recommends that this Honourable Court make an order approving the Second Sterling Bridge Protocol for the following reasons:
 - a) Construction on the four uneconomic pre-sold homes will recommence;
 - b) Trades will be confident that they will be paid for future materials and services provided on an ongoing basis;
 - c) The purchasers of the four uneconomic homes will receive the homes they agreed to purchase and will not lose their deposits;
 - d) Other lenders and stakeholders who have no involvement with Today's Home will not be prejudiced; and
 - e) The terms of the Second Sterling Bridge Protocol are supported by Today's Homes key stakeholders.
47. A copy of the Second Sterling Bridge Protocol is attached to the affidavit of Robert Friesen dated March 19, 2013 (the "March 19th Friesen Affidavit").
48. Today's Homes' is considering a CCAA emergence strategy; however, the timing of advancing any plan is currently unknown.

Mystic Ridge

49. Mystic Ridge is a single family project located in West Calgary comprising three phases. Phase 1, consisting of 38 homes is more than 95% complete. Phases 2 and 3, comprising approximately 13.5 acres, are currently bare land with plans to construct 39 homes on the two phases.
50. Further detailed background is contained in the Monitor's Seventh Report.
51. UBG entered into negotiations with TD to obtain financing of the Mystic Ridge development. The negotiations are ongoing and it is expected that a finalized term sheet will be agreed to in the next week which will provide for the payout of the Provident Mortgage Corp. and Neufeld Capital Inc. mortgages, the development of the Phase 2 and 3 lands and construction financing for the proposed 38 homes Greenboro Estates intends to develop.

52. In previous reports the Monitor has advised that in February 2006, UBG entered into a joint venture agreement (the "Montreaux JVA") with Caleron Properties Ltd. ("Caleron") and Ronald Slater ("Slater") which governs the development of Mystic Ridge. UBG Land is the assignee of UBG¹.
53. Under the Montreaux JVA, UBG Land has an undivided interest in Mystic Ridge which is an integral component of the Company's long term land investment portfolio and house building business.
54. Once the final term sheet has been agreed to by UBG and TD, it will be presented at a Montreaux JVA meeting.
55. Caleron has filed materials with this Honourable Court in respect of their interest in the Montreaux JVA which is scheduled to be heard on March 27, 2013. The Monitor will be filing a separate report at a later date in respect of this matter.

MULTI-FAMILY PROJECTS

Projects not under construction

56. 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 and The Bridges were approved by this Honourable Court and those sales have closed.

Mountaineers II

57. 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.
58. No offers have been received to date; however, the Monitor is advised by Cushman Wakefield that there are three interested parties and there is an expectation that at least one of the interested parties will be making an offer in the next 60 days after completing due diligence.

Edgewater at Griesbach

59. The Edgewater at Griesbach is a 6.5 acre site. UBG has purchased one half of the site and retains an option to purchase the other half. The payment on the other half is due in March 2013; however, the required 15% deposit to retain this option has not been paid. ICI financed the purchase of the first half of the site and is owed approximately \$1.5 million. There is also a partner on this project.

¹ The title to the Mystic Ridge Lands is currently held by a nominee company, 1199032 Alberta Ltd. ("1199032"), as bare trustee for UBG Land, Caleron and Slater under the Montreaux JVA. UBG Land and Caleron are the owners of 1199032, each with shareholdings proportionate to their interests in the joint venture. 1199032 is not a petitioner in the CCAA.

60. UBG is unable to obtain financing and develop this project. The partner on this project advised the Monitor that there was a party that was interested in purchasing the project.
61. UBG has accepted an offer from Slokker (the "Griesbach Offer") for the one half of the site purchased by UBG. The terms of a purchase and sale agreement in respect of the Griesbach Offer have been substantially negotiated and will be attached to a supplemental affidavit of Robert Friesen to be filed prior to the application date. The relevant particulars of the offer are as follows:
- a) The purchase price is \$2,030,000;
 - b) Slokker will either assume the amounts owed to ICI or will arrange alternative financing such that amounts owed to ICI are paid out in full;
 - c) Slokker will assume the approximately \$193,000 owed to Edgewater at Griesbach trades;
 - d) A Borrower's Cost of \$61,500 will be paid; and
 - e) Slokker has agreed to purchase the remaining half of the site owned by Canada Lands Corporation ("Canada Lands").
62. The Monitor respectfully recommends that this Honourable Court make an order approving the sale of Edgewater at Griesbach to Slokker for the following reasons:
- a) The purchase price being paid by Slokker is substantially consistent with the appraised value of one half of the site;
 - b) Amounts owed to all creditors of Edgewater at Griesbach are being assumed by Slokker in full;
 - c) The partner on this project supports the sale to Slokker;
 - d) Canada Lands supports the sale to Slokker; and
 - e) A Borrower's Costs in favour of UBG is available to assist with UBG's ongoing restructuring efforts.

The Village at Laurels

63. The Village at Laurels is a 4.9 acre site comprising two parcels of undeveloped land. The project is to comprise 247 units. The Company has paid total deposits of \$795,752 to the developer, Lehndorff Land General Partner Inc. ("Lehndorff"). Lehndorff holds title to the two parcels of undeveloped land. The balance of the land purchase price is \$3,180,998. \$1.63 million was due in December 2012 and \$1,550,998 is due in June 2013. The Village at Laurels is owned by Greenboro Communities Limited Partnership ("Greenboro LP").

64. The Company's long term objective was to build on this site and the related plans were in the development stage. The Company was unable to obtain financing to make the December 2012 payment, will be unable to raise financing to pay the amount due in June 2013. Consequently its \$795,752 deposit is at risk.
65. The Company previously accepted a letter of intent ("LOI") for this project from Tamarack. Negotiations continued and an Asset Purchase Agreement (the "Tamarack APA") has been agreed to, a copy of which is attached to the March 19th Friesen Affidavit (the "Village at Laurels Offer"), whereby Lehndorff will consent to Tamarack purchasing the lands in place of UBG for \$4.165 million. The Tamarack APA provides for Lehndorff to be compensated for interest owed in respect of amounts not paid to Lehndorff by UBG and such purchase by Tamarack will preserve approximately \$449,000 of UBG's deposit noted in paragraph 60 above.
66. UBG will not receive a refund of its deposit from Lehndorff but rather the deposit will be credited against amounts owed by UBG to Lehndorff for single family lots owned by Lehndorff in respect of certain Greenboro Homes Projects. Although the preservation of a portion of UBG's deposit in this fashion results in a transfer of value from Greenboro LP to Greenboro Homes Projects, such transfer is beneficial to the Company as otherwise the entire deposit would be forfeited pursuant to the terms of the Village at Laurels' purchase agreement with Lehndorff.
67. UBG will account for the transfer of value by recording an intercompany payable owed from Greenboro Homes to Greenboro LP. The amount will (i) not be subject to any set off against intercompany debt and (ii) be accounted for as 50% of the amount that is ultimately realized by Greenboro Homes. Based on current information available to the Monitor, it appears Greenboro Homes is a profitable entity. It appears likely that the intercompany payable can be repaid in full by Greenboro Homes within 12 to 14 months.
68. The Monitor respectfully recommends that this Honourable Court make an order approving the sale of The Village at Laurels for the following reasons:
 - a) The purchase price is consistent with the appraised value of the two land parcels;
 - b) The sale preserves a portion of UBG's deposit amount previously paid to Lehndorff which would otherwise be lost;
 - c) The Tamarack APA provides for a Borrower's Cost consistent with previous transactions in these CCAA Proceedings; and
 - d) The opportunity for Greenboro Homes to emerge from these CCAA Proceedings is enhanced.

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 Building "D's" parking garage has commenced as the parking garage must be completed in order

to obtain an occupancy permit for Building "C". Costs to complete Building "C" are estimated at \$4.9 million. The costs to complete Building "D's" parking garage are estimated to be \$1.2 million.

70. 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 and the Monitor understands that construction is proceeding as anticipated with an expected completion date on Building "C" and Building "D's" parking garage of June 30, 2013.

South Terwillegar

71. 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.
72. 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 and closings of those 20 units are underway.
73. There are issues with respect to cost overruns. Construction on the remaining 22 units has been suspended pending a review of such overruns and establishing an appropriate course of action to complete construction. The Monitor, UBG and Scotiabank will be assessing next steps in the near future once sales of the 20 units have closed.

Murals

74. The project known as Murals is a three phase 59 town home unit complex located in High River, Alberta. Phase 1 is complete and all units have closed. Phase 2 comprises 16 units. All 16 units are occupied and complete with the exception of some seasonal and common area construction to be completed in the spring of 2013. Phase 3 comprising 25 units has not yet started.
75. Unity Investments is the only secured creditor and is owed approximately \$1.4 million. There is no other financing on the project.
76. The project is being built by Stahl who holds an interest in the project and according to the proof of claim filed with the Monitor, Stahl is owed approximately \$350,000 in respect of Trade debt incurred and \$248,000 in respect of its investment in the project.
77. UBG is assessing alternatives and options in respect of the remainder of this development.

Origins at Cranston

78. The Origins Project 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 the 24 town homes are currently under construction.

79. 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.
80. 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 AWHWP on the 48 unit building.
81. Construction is ongoing; however, there have been some delays and construction initially expected to be completed by January 31, 2013 will now likely take until June 2013. Recently, the City of Calgary requested that a letter of credit in the amount of \$180,000 be provided to it in respect of landscaping and other obligations to be met by the Origins Project before the City would agree to issue occupancy permits. An arrangement with the City was agreed to on March 14, 2013 (and also agreed to by ICI) whereby \$180,000 from proceeds from the closing of the first unit will be deposited with the City in respect of UBG's development obligations. Closings commenced on Friday March 15, 2013.
82. There is a private investor that holds a 50% interest in the Origins Project having made an initial contribution of approximately \$1.75 million. The private investor is currently owed approximately \$1.75 million.
83. 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.
84. In respect of post-May 9, 2012 amounts owed to Lear, those amounts will be paid from a combination of further draws against the ICI loan facilities and from sales proceeds as units close after payment of priority amounts owed to ICI and Borrower's Costs.
85. Lear has submitted invoices on the Origins Project 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.
86. Lear is of the view that its contract with UBG on the Origins Project 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.
87. Discussions with Lear continue and Court applications may be necessary to resolve outstanding issues.

Valour Park at Currie Barracks

88. 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.
89. Phase 2 comprises 15 town homes. UBG pre-sold eight of the 15 units in Phase 2. Construction on this phase has not commenced.
90. 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.
91. In previous reports the Monitor advised that a detailed review of the project was undertaken in conjunction with trying to obtain new financing which indicated that the project as planned was uneconomic. Costs had previously been significantly underestimated such that the sales prices of the Residential Units sold were less than the costs to build them.
92. UBG developed a new budget for the project. 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. The pre-sales agreements in place with the current purchasers are either being renegotiated or the existing pre-sales contracts rescinded.
93. With respect to the deposits provided under the pre-sales contracts, a significant portion of those deposits were used by UBG. Consequently, if a purchaser is not prepared to renegotiate their contract, there are insufficient funds held to fully refund the deposit. If a pre-sales contract can be renegotiated then there is no need to return the deposit.
94. On or about January 15, 2013, Valour Park at Currie Limited Partnership by its general partner, Valour Park at Currie Inc. ("Valour Park") issued disclaimer notices (the "Disclaimer Notices") to all eight purchasers of units (collectively, the "Disclaimed Purchasers") in Phase I of the Valour Park Condominium Project.
95. The Monitor agreed with Valour Park's determination that the current pricing structure was uneconomic and approved the Disclaimer Notices.
96. Seven of the Disclaimed Purchasers did not object to the Disclaimer Notices. Since their purchase and sale agreements are now terminated, UBG directed its legal counsel to return the remaining unutilized portion of their respective deposits.
97. One of the Disclaimed Purchasers, Garry Luna and Sandra Luna, filed an application objecting to the Disclaimer Notice. Valour Park intends to oppose this application.
98. With respect to these rescinded pre-sales contracts the Monitor understands that ANHWP has denied any deposit coverage claiming Valour Park was not properly enrolled with ANHWP and consequently the deposit insurance does not apply.
99. In order for CWB to advance funds on Valour Park, UBG must meet certain minimum thresholds in respect of renegotiated or new sales. The Monitor understands that UBG has not met its first threshold and consequently no funds have yet been advanced by CWB.

Village at the Hamptons

100. The project known as Village at the Hamptons ("Hamptons") is a seven phase, 458 unit complex located in northwest Edmonton, Alberta comprising 86 town homes and 372 condominiums.
101. 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.
102. 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.
103. BMO is providing the financing on the Hamptons project and is currently owed approximately \$8.0 million (excluding a \$750,000 letter of credit). BMO was not prepared to provide further financing on the Hamptons project.
104. Unity Investments also provided financing, has a second charge on the lands and is owed approximately \$3.55 million.
105. There is a private investor that holds a 50% interest who is currently owed approximately \$3.5 million.
106. UBG has accepted an offer to purchase the Hampton's project. The purchase price noted in the offer is consistent with the appraised value of the Hampton project lands; however, the purchase price amount is insufficient to pay Unity Investments in full. Consequently neither the unsecured creditors nor the private investor will recover any amounts owed to them. The offer contained several conditions precedent which are being addressed in a timely fashion. The sale of the property to the prospective purchaser is supported by BMO.
107. A meeting has been scheduled this week with Unity Investments to gain their support for the sale, which is a condition precedent to the offer. Assuming Unity Investments supports such a sale UBG anticipates making an application for approval of the sale by this Honourable Court in the next few weeks.

COMPLETED PROJECTS

108. 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.

Village on the Park

109. 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. FMC holds approximately \$3.7 million in trust in respect of this project.
110. Scotiabank was providing the financing on this project and the Scotiabank loan was retired in full on July 24, 2012.

111. 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 83 Lear is of the view that its contract is similar to its Origins Project 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.
112. 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.
113. Until such time as the responsibility for and actual costs are known to rectify the deficiencies, the Monitor is of the opinion that no funds can be distributed in respect of this project.

Timberline

114. The Timberline project is a four phase 87 unit development comprising 17 town homes and 70 condominiums. 56 units have sold and closed.
115. BMO and ICI provided financing on the units. BMO held a first secured position on 21 units and ICI held a first charge on 10 units.
116. Unity Investments held a second secured charge over all of the 31 remaining units. Unity Investments was owed approximately \$5.7 million.
117. No viable alternatives were identified to sell the remaining 31 units. Accordingly, the 10 condominium units on which ICI held a first charge and the 21 condominium units on which BMO held a first charge were conveyed to ICI and BMO respectively pursuant to orders of this Honourable Court.

Wilderness

118. The Wilderness project is a six phase 45 unit condominium and town home development. 26 units have sold. 19 units have not sold.
119. Scotiabank provided financing on the Wilderness project and is owed approximately \$4.8 million.
120. Highfield is an investor that holds a 50% interest in the Wilderness project having made an initial contribution of approximately \$5.2 million. Highfield has filed a claim with the Monitor totaling approximately \$10.5 million.
121. Highfield advanced an offer for the Wilderness project on September 4, 2012 for \$1.5 million. The offer was accepted by UBG and Highfield continued with its due diligence. The Highfield offer was for all of UBG's right, title and interest to and in the shares, units and business of the Wilderness Project. Moreover, Highfield was to assume approximately \$850,000 in Trade debt, pay outstanding and ongoing condominium fees and rectify the deficiencies. Unfortunately the offer was subsequently withdrawn in December 2012.

122. UBG and the Monitor subsequently approached Highfield to assess whether Highfield had any remaining interest in the Wilderness Project. Negotiations commenced and UBG has accepted an offer on the remaining 19 unsold Wilderness Residential Units.
123. The terms of a purchase and sale agreement between UBG and Highfield have been substantially negotiated and it is anticipated will be attached to a supplemental affidavit of Robert Friesen to be filed prior to the application date. The sale of the 19 Residential Units is expected to close on April 18, 2013. The material particulars of the sale are as follows:
 - a) It is an asset purchase;
 - b) The purchase price is \$6,294,000 which is net of Highfield's secured claim of approximately \$1,500,000;
 - c) Highfield will complete the work necessary to rectify the common area deficiencies;
 - d) Highfield will either (i) assume the obligations pursuant to the \$500,000 letter of credit or (ii) provide a cash secured replacement letter of credit to the Town of Canmore; and
 - e) Both Scotiabank's loans and unpaid condominium fees will be paid in full.
124. The Monitor respectfully recommends that this Honourable Court approve the sale of the 19 Wilderness Project Residential Units to Highfield as:
 - a) The sale price is generally consistent with sale prices of other condominium units in the Canmore, Alberta area;
 - b) Highfield's secured claim of approximately \$1,500,000 will be extinguished;
 - c) Both outstanding and future condominium fees will be paid which will bring financial certainty and stability to the condominium corporation;
 - d) There will be funds available to make a partial distribution to the Wilderness Project Trade creditors;
 - e) Scotiabank supports the sale;
 - f) Selling the Wilderness Project units en bloc is consistent with UBG's initiative to exit the economically challenged Canmore, Alberta area; and
 - g) The sale of the Wilderness Project is supported by the project's key stakeholders.
125. The balance of funds after payment of amounts owed to Scotiabank, outstanding condominium fees and approximately \$400,000 in Borrower's Costs will be held in trust at FMC for the benefit of the remaining Wilderness creditors. The Monitor will commence its claims review and deal with the claims filed against the Wilderness Project in due course.

COMMERCIAL PROPERTIES

UBG 75 Canmore LP

126. The Monitor outlined the pending sale of the commercial building owned by UBG 75 Canmore LP ("UBG 75") in the Seventh Report.
127. The Monitor understands that final agreement between the purchasers and the lender has not been reached. The parties continue to pursue an agreement and it is anticipated that an agreement for sale of the UBG 75 building will be brought before this Honourable Court for approval in the near future.

INVESTORS

128. The Company attracted investment through its Unity Investments division as described in the Second Report and more fully in the May 8th Friesen Affidavit.
129. There are approximately 200 individual investors invested through Unity Investments, ABC Capital and ABC US Capital.
130. The Company has continued holding a series of conference calls for investors to provide regular information to the investors and calls are now generally scheduled for once per month.
131. 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.
132. Discussion and regular reporting are ongoing with the Investors.

CASH FLOW

133. 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 February 17, 2013 is provided as Appendix "B". The notes to Appendix "B" provide explanation of the operational variances.
134. An updated projected statement of cash flow for the period ending August 31, 2013 ("Projection") is provided as Appendix "C". 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.

135. 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. Up to August 31, 2012 the holdback required was 12%. Commencing September 1, 2012 the holdback was reduced to 6% of Net Proceeds for multi-family projects and single family projects being constructed by Today's Homes. It has subsequently been reduced as at January 1, 2013 to 4%.
136. 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

137. The Monitor supports the Company's request for an extension of the stay of proceedings from March 22, 2013 to June 14, 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 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.
138. The Monitor anticipates that as it, the Company and key stakeholders further assess each of the Projects, the Company and the Monitor will be reporting to the Court before expiration of the proposed stay extension with respect to project-specific relief.
139. There are three applications coming before this Honourable Court shortly: one by ANHWP on March 25, 2013, one by Caleron on March 27, 2013 and one in respect of the objection to the Valour Park Disclaimed Purchasers, the Court date for which has not yet been set. The Monitor will be filing a separate report in respect of these matters.

140. There is also one outstanding application and cross-application in respect of Igloo Building Supplies Group Ltd. ("Igloo"). That application will be brought before this Honourable Court at the next practical opportunity.

MONITOR'S ACTIVITIES

141. In addition to the activities referenced in this Report, the Monitor's activities since the Eighth 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 FMC and Bennett Jones LLP, 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

142. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court make an order granting the relief detailed in Paragraph 7 e) of this Report.

* * *

All of which is respectfully submitted this 19th day of March 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

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

# of Closings	UBG Entity	Address	City
1	Greenboro Estate Homes	1405 Montrose Terrace SE	Calgary
2	Greenboro Estate Homes	160 Ascot Crescent SW	Calgary
3	Greenboro Estate Homes	176 Skopemerie Close	Chestermere
4	Greenboro Estate Homes	225 Sage Meadows Circle NW	Calgary
5	Greenboro Estate Homes	36 Ascot Rise SW	Calgary
6	Greenboro Estate Homes	3616 Sarcee Road SW	Calgary
7	Greenboro Estate Homes	5 Ascot Park SW	Calgary
8	Greenboro Estate Homes	92 Sage Meadows Circle NW	Calgary
9	Greenboro Estate Homes	9336 - 14th Avenue SW	Calgary
10	Greenboro Estate Homes	9348 - 14th Avenue SW	Calgary
11	Greenboro Estate Homes	101 Ascot Crescent SW	Calgary
12	Greenboro Estate Homes	12 Ascot Rise SW	Calgary
13	Greenboro Estate Homes	622 Marina Drive	Chestermere
14	Greenboro Estate Homes	542 Marina Drive	Chestermere
15	Greenboro Homes	1008 Watt Promenade SW	Edmonton
16	Greenboro Homes	1504 63 Street SW	Edmonton
17	Greenboro Homes	1719 60 Street SW	Edmonton
18	Greenboro Homes	1724 59 Street SW	Edmonton
19	Greenboro Homes	1739 60 Street SW	Edmonton
20	Greenboro Homes	1915 33 Street NW	Edmonton
21	Greenboro Homes	3320 188 Avenue NW	Edmonton
22	Greenboro Homes	3337 188 Avenue NW	Edmonton
23	Greenboro Homes	3338 188 Avenue NW	Edmonton
24	Greenboro Homes	3343 188 Avenue NW	Edmonton
25	Greenboro Homes	3344 188 Avenue NW	Edmonton
26	Greenboro Homes	3354 21A Avenue NW	Edmonton
27	Greenboro Homes	3355 188 Avenue NW	Edmonton
28	Greenboro Homes	3360 19 Avenue NW	Edmonton
29	Greenboro Homes	3361 188 Avenue NW	Edmonton
30	Greenboro Homes	3374 188 Avenue NW	Edmonton
31	Greenboro Homes	48 Dunlop Wynd	Leduc
32	Greenboro Homes	489 Watt Boulevard SW	Edmonton
33	Greenboro Homes	50 Dunlop Wynd	Leduc
34	Greenboro Homes	5047 Dewolf Road	Edmonton
35	Greenboro Homes	511 Watt Boulevard SW	Edmonton
36	Greenboro Homes	52 Dunlop Wynd	Leduc
37	Greenboro Homes	54 Dunlop Wynd	Leduc
38	Greenboro Homes	5629 Conestoga Street	Edmonton
39	Greenboro Homes	58 Dunlop Wynd	Leduc
40	Greenboro Homes	6103 18 Avenue SW	Edmonton
41	Greenboro Homes	6114 17A Avenue SW	Edmonton
42	Greenboro Homes	6119 18 Avenue SW	Edmonton
43	Greenboro Homes	6122 17A Avenue SW	Edmonton
44	Greenboro Homes	6123 18 Avenue SW	Edmonton
45	Greenboro Homes	6127 18 Avenue SW	Edmonton
46	Greenboro Homes	6143 18 Avenue SW	Edmonton
47	Greenboro Homes	6147 18 Avenue SW	Edmonton
48	Greenboro Homes	71 Dunlop Wynd	Leduc
49	Greenboro Homes	73 Dunlop Wynd	Leduc
50	Greenboro Homes	74 Dunlop Wynd	Leduc
51	Greenboro Homes	7625 Ellesmere Link	Sherwood Park
52	Greenboro Homes	80 Radcliffe Wynd	Fort Saskatchewan
53	Greenboro Homes	82 Radcliffe Wynd	Fort Saskatchewan
54	Greenboro Homes	87 Dunlop Wynd	Leduc
55	Greenboro Homes	3312 18A Avenue NW	Edmonton
56	Greenboro Homes	1016 Watt Promenade SW	Edmonton
57	Greenboro Homes	1018 Watt Promenade SW	Edmonton
58	Greenboro Homes	79 Radcliffe Wynd	Fort Saskatchewan
59	Greenboro Homes	5021 Dewolf Road	Edmonton
60	Greenboro Homes	5023 Dewolf Road	Edmonton
61	Greenboro Homes	77 Radcliffe Wynd	Fort Saskatchewan
62	Greenboro Homes	73 Radcliffe Wynd	Fort Saskatchewan
63	Greenboro Homes	6113 17A Avenue SW	Edmonton
64	Greenboro Homes	1728 58 Street SW	Edmonton
65	Greenboro Homes	5011 Dewolf Road	Edmonton
66	Greenboro Homes	5013 Dewolf Road	Edmonton
67	Greenboro Homes	1736 59 Street SW	Edmonton
68	Greenboro Homes	1014 Watt Promenade SW	Edmonton
69	Greenboro Homes	1010 Watt Promenade SW	Edmonton
70	Greenboro Homes	76 Radcliffe Wynd	Fort Saskatchewan
71	Greenboro Homes	1036 Watt Promenade SW	Edmonton
72	Greenboro Homes	1040 Watt Promenade SW	Edmonton
73	Greenboro Homes	1042 Watt Promenade SW	Edmonton
74	Greenboro Homes	5319 17 Avenue SW	Edmonton
75	Greenboro Homes	7764 Ellesmere Lane	Sherwood Park
76	Greenboro Homes	7760 Ellesmere Lane	Sherwood Park
77	Greenboro Homes	5304 17 Avenue SW	Edmonton
78	Greenboro Homes	3718 9 Street NW	Edmonton
79	High Pointe	#108, 351 Monleith Drive SE	Calgary
80	High Pointe	#110, 351 Monleith Drive SE	Calgary
81	High Pointe	#112, 351 Monleith Drive SE	Calgary
82	High Pointe	#114, 351 Monleith Drive SE	Calgary
83	High Pointe	#116, 351 Monleith Drive SE	Calgary
84	High Pointe	#118, 351 Monleith Drive SE	Calgary
85	Today's Homes	162 Sage Valley Road NW	Calgary
86	Today's Homes	166 Sage Valley Road NW	Calgary
87	Today's Homes	165 Muirfield Blvd	Calgary
88	Today's Homes	36 Cimarron Springs Road	Okotoks
89	Today's Homes	39 Cimarron Springs Way	Okotoks
90	Today's Homes	4 Muirfield Close	Calgary
91	Village on the Park	#102, 399 Silver Berry Road NW	Edmonton
92	Village on the Park	#103, 399 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
93	Village on the Park	#105, 396 Silver Berry Road NW	Edmonton
94	Village on the Park	#109, 396 Silver Berry Road NW	Edmonton
95	Village on the Park	#114, 396 Silver Berry Road NW	Edmonton
96	Village on the Park	#115, 396 Silver Berry Road NW	Edmonton
97	Village on the Park	#215, 396 Silver Berry Road NW	Edmonton
98	Village on the Park	#302, 396 Silver Berry Road NW	Edmonton
99	Village on the Park	#303, 396 Silver Berry Road NW	Edmonton
100	Village on the Park	#315, 396 Silver Berry Road NW	Edmonton
101	Village on the Park	#319, 396 Silver Berry Road NW	Edmonton
102	Village on the Park	#419, 396 Silver Berry Road NW	Edmonton
103	Village on the Park	#101, 400 Silver Berry Road NW	Edmonton
104	Village on the Park	#102, 400 Silver Berry Road NW	Edmonton
105	Village on the Park	#103, 400 Silver Berry Road NW	Edmonton
106	Village on the Park	#104, 400 Silver Berry Road NW	Edmonton
107	Village on the Park	#105, 400 Silver Berry Road NW	Edmonton
108	Village on the Park	#106, 400 Silver Berry Road NW	Edmonton
109	Village on the Park	#108, 400 Silver Berry Road NW	Edmonton
110	Village on the Park	#109, 400 Silver Berry Road NW	Edmonton
111	Village on the Park	#110, 400 Silver Berry Road NW	Edmonton
112	Village on the Park	#111, 400 Silver Berry Road NW	Edmonton
113	Village on the Park	#112, 400 Silver Berry Road NW	Edmonton
114	Village on the Park	#113, 400 Silver Berry Road NW	Edmonton
115	Village on the Park	#114, 400 Silver Berry Road NW	Edmonton
116	Village on the Park	#115, 400 Silver Berry Road NW	Edmonton
117	Village on the Park	#116, 400 Silver Berry Road NW	Edmonton
118	Village on the Park	#117, 400 Silver Berry Road NW	Edmonton
119	Village on the Park	#118, 400 Silver Berry Road NW	Edmonton
120	Village on the Park	#201, 400 Silver Berry Road NW	Edmonton
121	Village on the Park	#202, 400 Silver Berry Road NW	Edmonton
122	Village on the Park	#203, 400 Silver Berry Road NW	Edmonton
123	Village on the Park	#204, 400 Silver Berry Road NW	Edmonton
124	Village on the Park	#205, 400 Silver Berry Road NW	Edmonton
125	Village on the Park	#206, 400 Silver Berry Road NW	Edmonton
126	Village on the Park	#207, 400 Silver Berry Road NW	Edmonton
127	Village on the Park	#208, 400 Silver Berry Road NW	Edmonton
128	Village on the Park	#209, 400 Silver Berry Road NW	Edmonton
129	Village on the Park	#210, 400 Silver Berry Road NW	Edmonton
130	Village on the Park	#211, 400 Silver Berry Road NW	Edmonton
131	Village on the Park	#212, 400 Silver Berry Road NW	Edmonton
132	Village on the Park	#213, 400 Silver Berry Road NW	Edmonton
133	Village on the Park	#214, 400 Silver Berry Road NW	Edmonton
134	Village on the Park	#215, 400 Silver Berry Road NW	Edmonton
135	Village on the Park	#216, 400 Silver Berry Road NW	Edmonton
136	Village on the Park	#217, 400 Silver Berry Road NW	Edmonton
137	Village on the Park	#218, 400 Silver Berry Road NW	Edmonton
138	Village on the Park	#219, 400 Silver Berry Road NW	Edmonton
139	Village on the Park	#301, 400 Silver Berry Road NW	Edmonton
140	Village on the Park	#302, 400 Silver Berry Road NW	Edmonton
141	Village on the Park	#303, 400 Silver Berry Road NW	Edmonton
142	Village on the Park	#304, 400 Silver Berry Road NW	Edmonton
143	Village on the Park	#305, 400 Silver Berry Road NW	Edmonton
144	Village on the Park	#306, 400 Silver Berry Road NW	Edmonton
145	Village on the Park	#307, 400 Silver Berry Road NW	Edmonton
146	Village on the Park	#308, 400 Silver Berry Road NW	Edmonton
147	Village on the Park	#309, 400 Silver Berry Road NW	Edmonton
148	Village on the Park	#310, 400 Silver Berry Road NW	Edmonton
149	Village on the Park	#311, 400 Silver Berry Road NW	Edmonton
150	Village on the Park	#312, 400 Silver Berry Road NW	Edmonton
151	Village on the Park	#313, 400 Silver Berry Road NW	Edmonton
152	Village on the Park	#314, 400 Silver Berry Road NW	Edmonton
153	Village on the Park	#315, 400 Silver Berry Road NW	Edmonton
154	Village on the Park	#316, 400 Silver Berry Road NW	Edmonton
155	Village on the Park	#317, 400 Silver Berry Road NW	Edmonton
156	Village on the Park	#318, 400 Silver Berry Road NW	Edmonton
157	Village on the Park	#319, 400 Silver Berry Road NW	Edmonton
158	Village on the Park	#320, 400 Silver Berry Road NW	Edmonton
159	Village on the Park	#321, 400 Silver Berry Road NW	Edmonton
160	Village on the Park	#404, 400 Silver Berry Road NW	Edmonton
161	Village on the Park	#406, 400 Silver Berry Road NW	Edmonton
162	Village on the Park	#407, 400 Silver Berry Road NW	Edmonton
163	Village on the Park	#408, 400 Silver Berry Road NW	Edmonton
164	Village on the Park	#112, 400 Silver Berry Road NW	Edmonton
165	Village on the Park	#113, 400 Silver Berry Road NW	Edmonton
166	Village on the Park	#107, 400 Silver Berry Road NW	Edmonton
167	Village on the Park	#219, 396 Silver Berry Road NW	Edmonton
168	Origins at Cranston	#104, 100 Cranston Way SW	Calgary
169	Origins at Cranston	#105, 100 Cranston Way SW	Calgary
170	Origins at Cranston	#113, 100 Cranston Way SW	Calgary
171	Origins at Cranston	#304, 100 Cranston Way SW	Calgary
172	Origins at Cranston	#305, 100 Cranston Way SW	Calgary
173	Origins at Cranston	#311, 100 Cranston Way SW	Calgary
174	Origins at Cranston	#312, 100 Cranston Way SW	Calgary
175	Origins at Cranston	#313, 100 Cranston Way SW	Calgary
176	Origins at Cranston	#314, 100 Cranston Way SW	Calgary

UBG Builders Group
Cash Flow Variance Analysis
For the Period May 7, 2012 to February 17, 2013
(\$Cdn, Unaudited)

	Notes	Projected	Actual	Variance
Cash inflows				
Actual mortgage advances	1	14,445,373	10,489,759	(3,955,614)
Actual advances				
ATB	1	20,909,291	9,268,986	(11,640,304)
TD Bank	1	23,326,285	23,474,570	148,284
Closings				
Firm	2	40,284,068	40,410,218	126,150
Pending	2	15,098,141	2,320,000	(12,778,141)
A/R collection		26,157	26,157	-
GST		3,139,418	3,211,931	72,513
Other	3	1,941,356	3,360,743	1,419,387
Subtotal - inflows		119,170,089	92,562,363	(26,607,726)
Cash outflows				
Mortgage payment	1	45,011,219	38,996,812	(6,014,407)
Wages, salaries and commissions	4	5,741,873	5,025,471	(716,402)
Rent		405,319	398,478	(6,841)
GST	5	1,249,428	1,145,019	(104,409)
Insurance		407,411	408,648	1,237
Property tax		52,274	139,378	87,104
Payables				
Overheads	5	1,056,557	947,468	(109,089)
Legal/Accounting		69,552	134,898	65,346
Trades	1	31,106,185	23,487,205	(7,618,980)
Restructuring costs	5	1,198,399	1,819,600	621,201
Lot purchases				
Lot deposits		403,037	437,017	33,980
Developer	6	10,437,377	2,826,608	(7,610,769)
ABC	5	1,845,103	1,112,013	(733,090)
Interest				
Construction mortgage	7	1,279,613	1,734,407	454,794
Other mortgage		330,420	243,023	(87,397)
Bank fees		295,741	316,305	20,564
Investor financing		2,123,537	2,123,504	(33)
Other		148,022	157,831	9,809
Contingency		82,440	-	(82,440)
Subtotal outflows		103,243,508	81,453,686	(21,056,732)
Net cash flow				
Period only		15,926,581	11,108,677	(4,817,904)
Opening available cash		740,000	740,000	-
Closing cash balance		16,666,581	11,848,677	(4,817,904)

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 February 17, 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 principally to construction delays.
3. Comprises revenues from joint venture partnerships, sales of lots, and miscellaneous refunds. The variance primarily consists of payments received from Today's Homes LP and Greenboro Homes LP for lot purchases.
4. 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.
5. The variance is primarily a timing difference.
6. 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.
7. Actual payments are higher than projected mainly due to fees associated with new financing for Valour Park at Currie LP.

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

UBC Builders Group
 Projected Statement of Cash Flow
 February 18, 2013 to August 31, 2013
 (\$Cdn, Unaudited)

Notes	Cumulative	Month												Total				
		May 7 - Feb 17	Feb 18 - Feb 24	Feb 25 - Mar 3	Mar 4 - Mar 10	Mar 11 - Mar 17	Mar 18 - Mar 24	Mar 25 - Mar 31	Apr 1 - Apr 7	Apr 8 - Apr 14	Apr 15 - Apr 21	Apr 22 - Apr 28	May		June	July	August	
INFLOWS																		
Mortgage advances	1	10,489,739	232,877	745,104	792,977	197,805	405,144	498,805	1,391,905	197,805	197,805	197,805	197,805	4,763,149	1,242,174	4,787,599	3,167,995	28,284,707
Operating line advances	2	9,868,686	-	-	-	1,037,492	55,160	8,811,042	-	57,478	-	-	-	4,526,517	4,570,029	2,428,529	2,366,638	49,511,169
TD Bank	3	23,674,570	-	-	-	45,586	-	5,108,674	-	43,703	-	-	-	5,511,607	4,825,815	2,386,917	2,623,125	43,820,187
Closing	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Firm	4	40,410,218	-	1,647,864	1,031,907	1,821,142	3,233,236	8,386,737	2,702,724	779,351	559,842	4,636,175	26,745,507	11,930,531	6,155,774	13,205,733	43,069,869	84,638,752
AR Collection	4	3,211,831	3,518	10,911	34,196	-	-	306,459	-	8,000	-	-	570,459	646,015	603,317	1,005,781	-	26,157
GST	5	3,300,743	-	22,456	8,000	-	-	-	-	-	-	-	-	-	-	-	-	3,363,557
Other	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,638,160
Subtotal - inflows		92,562,363	236,395	2,519,335	1,867,080	3,232,004	3,701,540	23,184,714	4,084,629	1,042,634	801,349	13,604,481	42,725,967	23,714,874	18,337,619	20,340,863	253,363,946	253,363,946
OUTFLOWS																		
Mortgage / Operating line repayments	6	38,996,812	87,745	-	6,335	178,652	203,843	12,728,881	6,335	-	-	3,882,189	10,103,709	8,315,571	16,775,826	15,622,852	18,775,826	186,866,384
Wages, salaries and commissions	7	5,084,711	352,111	246,752	5,000	33,000	14,646	49,416	3,000	-	-	43,703	438,210	615,674	481,132	488,008	457,432	8,644,442
Real estate	7	3,688,718	-	-	-	-	-	11,000	-	-	-	11,000	11,000	11,000	11,000	11,000	11,000	47,432
GST	7	1,451,018	14,646	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,539,665
Insurance	7	408,648	7,351	-	-	-	-	7,351	-	-	-	-	-	-	-	-	-	423,550
Property Tax	7	139,378	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	139,378
Payables	7	947,468	-	2,000	-	-	-	193,226	-	-	-	88,086	128,133	100,838	142,825	89,064	-	1,726,367
Overheads	7	134,688	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	134,688
Legal/Accounting	7	23,487,205	198,250	745,104	924,688	1,138,846	1,966,013	9,234,516	1,321,155	197,805	197,805	6,151,989	12,121,884	7,482,268	6,866,895	8,263,874	62,101,775	
Travel	7	1,619,600	-	-	-	-	-	490,000	-	-	-	-	-	-	-	-	-	2,314,965
Restructuring costs	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lot purchases	8	437,017	27,180	-	-	-	58,160	321,870	-	-	-	2,251,019	2,650,273	3,311,565	597,481	655,531	841,337	
Lot disposal (profit)	8	2,826,688	(87,745)	-	-	-	-	3,575,286	-	-	-	343,834	-	-	-	-	-	16,178,599
Developer ABC	8	1,142,013	-	-	-	-	-	881,549	-	-	-	-	-	-	-	-	-	3,615,552
Interest	8	1,734,407	25,489	18,282	-	-	48,437	47,826	50,000	-	-	-	253,702	76,742	145,361	223,589	2,623,945	
Construction mortgage	8	243,023	31,233	-	8,200	-	48,586	48,586	108,044	-	-	-	108,044	8,200	128,108	80,389	657,795	
Other mortgage	8	316,395	20,548	-	35	-	73	14,054	100,020	20	128	1,123	45,071	13,087	33,087	24,260	571,389	
Bank fees	8	2,123,594	-	-	-	-	-	381,754	-	-	-	-	-	-	-	-	-	5,459,120
Investor financing	8	157,831	-	-	15,720	-	-	151,750	-	-	-	220	31,500	-	31,500	15,750	268,081	
Other	8	-	-	669	-	-	220	680	-	-	-	-	-	-	-	-	-	
Contingency	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subtotal outflows		81,453,656	360,027	1,016,284	960,008	1,365,505	2,275,746	28,309,936	1,540,144	330,302	241,620	13,188,873	26,467,180	20,773,030	27,270,656	16,988,050	232,729,449	
Net cash flow																		
Period only		11,108,677	(24,532)	1,503,071	907,072	1,846,499	1,425,793	(5,206,226)	2,547,781	712,331	599,722	433,822	15,857,887	2,841,844	(9,033,037)	(4,647,889)	20,634,498	
Opening available cash		740,000	11,848,677	11,724,145	13,227,216	14,134,288	15,960,787	17,465,580	12,200,356	14,748,137	15,460,468	16,020,190	16,655,992	32,113,879	35,055,523	26,022,466	740,000	
Closing cash balance		11,848,677	11,724,145	13,227,216	14,134,288	15,960,787	17,465,580	12,200,356	14,748,137	15,460,468	16,020,190	16,655,992	32,113,879	35,055,523	26,022,466	21,374,688	21,374,688	

UBG Builders Group
Notes to Projected Statement of Cash Flow
February 18, 2013 to August 31, 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. The ATB Protocol for funding has been in place since July 2012. TD's Protocol has been in place since September 2012.
3. During the period of the forecasted cash flow, UBG expects to close sales totalling approximately \$85.0 million:

	<u># of Units</u>	<u>Amount (\$)</u>
Greenboro Homes LP	58	24,284,060
South Terwillegar Village LP	42	11,517,401
Origins at Cranston LP	72	14,262,903
Wilderness Ridge at Stewart Creek LP	19	6,294,000
Greenboro Estate Homes LP	33	21,422,280
Today's Homes LP	14	5,697,949
Greenboro Luxury Homes LP	1	1,519,930
	<u>239</u>	<u>84,998,523</u>

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 "C".