



November 14, 2017

**In the Matter of the Receivership of
1679775 Alberta Ltd., Reid-Built Homes Ltd.,
Reid Worldwide Corporation, Builder's Direct Supply Ltd.,
Reid Built Homes Calgary Ltd., Reid Investments Ltd.,
Reid Capital Corp., and Emilie Reid
(collectively, "Reid-Built")**

To Home Purchasers and Building Trade Creditors of Reid-Built:

As you may now be aware, on November 2, 2017 (the "**Date of Receivership**") the Court of Queen's Bench of Alberta (the "**Court**") appointed Alvarez & Marsal Canada Inc. (the "**Receiver**") as Receiver and Manager of the assets, undertakings, and properties of Reid-Built. A copy of the Court's order appointing the Receiver and other relevant material is posted on the Receiver's website at www.alvarezandmarsal.com/reidbuilt.

A further Court date has been reserved for November 29, 2017, where the Receiver might receive further direction concerning home purchases and issues affecting creditors, including mortgagees and lien holders.

A. Purchasers of Reid-Built Homes

In order to try and address some of the pressing questions and concerns of those who have purchased homes from Reid-Built and/or have deposits outstanding on purchases that have not closed, the Receiver writes to provide an update in respect of the following select circumstances that might impact individual home purchasers:

- (1) The sale and purchase of homes that had not closed as at the Date of Receivership;
- (2) Uncompleted homes where contracts for purchase and sale have been executed and deposits have been paid to Reid-Built;
- (3) Completed home purchases where liens have been registered on title by creditors of Reid-Built;
- (4) Completed home purchases where deficiencies or defects may exist and have not been remedied by Reid-Built; and
- (5) Completed home purchases that are subject to new home warranty coverage provided by the Alberta branch of The New Home Warranty Insurance (Canada) Corporation ("**NHWIC**").

Home Purchases Not Completed as at the Date of Receivership

With a view to reducing the inconvenience and possible expense to individual purchasers dealing with Reid-Built, the Receiver sought and obtained from the Court an order that allows for third party, ordinary course sales transactions to be completed by the Receiver after the Date of the Receivership. That order permits the Receiver to convey title to each purchaser free and clear of any and all registered charges against the subject property. The net sales proceeds from these transactions will be held in trust until such time as the Court determines entitlements to the proceeds and the priority of competing claims against these proceeds, including claims filed pursuant to the *Builders' Lien Act* (Alberta) and other registered security interests, including various mortgagees.

The Receiver is attempting to complete a number of home sales transactions that were scheduled to close after the Date of Receivership. The Receiver asks that any home purchaser not already in contact with the Receiver's legal counsel (Norton Rose Fulbright Canada LLP), contact the Receiver's representative, Ms. Vicki Chan, on telephone **604.639.0847** or via email at vchan@alvarezandmarsal.com.

Uncompleted Homes with Customer Deposits Paid to Reid-Built

The Receiver has commenced a review of the Reid-Built portfolio of homes under construction as at the Date of Receivership and is assessing the feasibility of completing a number of the homes under construction and/or having another qualified builder complete the construction of these homes. This process is on-going and remains at a preliminary stage. The Receiver will contact the individual home purchasers as and when it has developed a definitive plan to deal with the homes under construction. This is expected to take 30 to 60 days.

The Receiver has held an introductory meeting with representatives of NHWIC in respect of issues surrounding warranty coverage generally on Reid-Built homes and optional insurance coverage in respect of deposits that may have been paid to Reid-Built by home purchasers. The Receiver has committed to provide NHWIC with relevant information respecting home purchasers covered by NHWIC and to confirm the deposit amounts that are recorded in the books and records of Reid-Built.

The Receiver understands that NHWIC has already established a process to open claim investigation files for insured home purchasers to address questions and concerns regarding coverage under the NHWIC program. For further enquiries regarding new home warranty coverage and deposit protection, please contact NHWIC at www.anhwp.com or NHWIC representative, Ms. Leah Argao, on telephone **403.444.5243**.

Completed Reid-Built Home Purchasers with Liens Registered on Title

It is the Receiver's intention in the next 30 to 60 days to seek approval from the Court of a process to address the validity and priority of builders' liens registered against title, including liens that may have been registered against titles to homes purchased from Reid-Built prior to the Date of Receivership. In the meantime, if a purchaser has one or more liens registered against title to a home purchased from Reid-Built before the Date of Receivership that are related to Reid-Built, please contact the Receiver's representative, Ms. Vicki Chan at vchan@alvarezandmarsal.com or telephone **604.639.0847**.

Completed Home Purchases with Deficiencies or Defects and NHWIC Coverage

As noted above, the Receiver and NHWIC are working collaboratively to try and address questions and concerns surrounding warranty coverage on a timely basis. For further enquiries regarding deficiencies or defects and new home warranty coverage, please contact NHWIC at www.anhwp.com regarding your coverage and next steps.

B. Building Trade Creditors of Reid-Built

The Receiver is aware and acknowledges that numerous building trades in both Edmonton and Calgary have been severely impacted by the insolvency of Reid-Built. A number of building trades have registered liens under the *Builders' Lien Act* (Alberta). It is the Receiver's intention to seek approval from the Court in the next 60 to 90 days of an expedited process to determine the quantum, validity, and priority of such builders' liens claims. In the meantime, we ask that any building trades with questions or concerns regarding this matter refer to updates that the Receiver will post on its website at www.alvarezandmarsal.com/reidbuilt.

The Receiver **is not** calling for proofs of claim from any creditors at this time. Further information in that regard will be made available to affected creditors in due course.

The Receiver appreciates that there has been financial hardship and inconvenience to many home purchasers and creditors as a result of the insolvency and receivership of Reid-Built. With a view to addressing the many concerns of affected parties, the Receiver will be providing periodic updates on our website to keep home purchasers and the creditors of Reid-Built as informed as possible.

Yours very truly,

**Alvarez & Marsal Canada Inc.,
in its capacity as Receiver and Manager
of Reid-Built Homes Ltd., et al. and not
in its personal capacity**



Per: _____
Todd M. Martin
Senior Vice President