

**IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY**

**IN THE MATTER OF THE *COMPANIES CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

AND IN THE MATTER OF BUDGET WASTE INC.

**TWELFTH REPORT OF THE MONITOR
HARDIE & KELLY INC.
JULY 21, 2010**

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INTRODUCTION

1. On March 4, 2009, Budget Waste Inc. ("**BWI**" or the "**Company**") made application, for and obtained protection from its creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36 as amended (the "**CCAA**") pursuant to an order (the "**Initial Order**") of the Court of Queen's Bench of Alberta (the "**Court**").
2. Pursuant to the Initial Order, Hardie & Kelly Inc. was appointed as monitor (the "**Monitor**") of BWI and in that capacity prepared ten monitor reports for the Court.
3. On February 8, 2010, the Final Sanction Order ("**Final Order**") was approved and the Monitor continued in a modified role under the Amended Plan of Arrangement ("**Plan**") as approved by the Order.
4. Pursuant to its modified role, after February 8, 2010, the Monitor was no longer involved in overseeing the day-to-day operations of the Company. Rather its role was to ensure that the payments as required by the Plan were made in the time-frame contemplated in the Plan, and to provide assurances to all Creditors of the Company of the Company's continuing ability to perform the Plan.
5. On July 16, 2010, the Monitor prepared the Eleventh Report of the Monitor (the "**Eleventh Report**") which Eleventh Report was filed with the Court on July 19, 2010.
6. The purpose of this twelfth report (the "**Twelfth Report**") is to provide an update to the Eleventh Report and to this Honourable Court with respect to the following:
 - (a) Funds from Mr. Hanley;
 - (b) The City of Calgary's requirement to pay a \$40,000 deposit on July 21, 2010; and
 - (c) Balance of unallocated funds.

FUNDS FROM MR. HANLEY

7. In the Eleventh Report of the Monitor it was reported that the Monitor was awaiting receipt of \$177,500 from Mr. James Hanley. Those funds were received by the Monitor on Tuesday, afternoon, July 20, 2010.

CITY OF CALGARY LANDFILL DEPOSIT

8. On Wednesday, July 21, 2010, at approximately 11:07 a.m., the Monitor was advised by the Company that the City of Calgary would lock out the Company from all City landfills if a deposit of \$40,000 was not delivered to the City by noon on that day. As a result of that ultimatum and to ensure that the operations of the Company were not prejudiced, and upon direction from the Company and the Company's solicitor, on July 21, 2010, the Monitor paid the City of Calgary \$40,000.

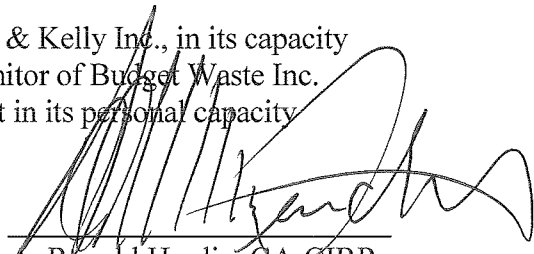
UNALLOCATED FUNDS

9. As a result of the above, the Monitor presently has \$151,103.87 in unallocated funds in its trust account, which funds can be allocated towards the June Capital Payment.

All of which is respectfully submitted this 21st day of July, 2010.

Hardie & Kelly Inc., in its capacity
as Monitor of Budget Waste Inc.
and not in its personal capacity

Per:


A. Ronald Hardie, CA-CIRP
President

Action No.: 0901-03296

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