

CANADA  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL  
COURT. No.: 500-11-041305-117

SUPERIOR COURT  
Commercial Division

**IN THE MATTER OF THE PLAN OF  
COMPROMISE OR ARRANGEMENT OF:**

**1810040 ALBERTA LTD. (formerly known as  
HOMBURG INVEST INC. and HOMBURG  
SHARECO INC.)**

– and –

**CHURCHILL ESTATES DEVELOPMENT LTD.**

– and –

**NORTH CALGARY LAND LTD.**

– and –

**HOMBURG MANAGEMENT (CANADA) INC.**

Debtors/Petitioners

– and –

**THE ENTITIES LISTED IN APPENDIX A**

Mis en cause

– and –

**DELOITTE RESTRUCTURING INC. (formerly  
known as SAMSON BÉLAIR/DELOITTE &  
TOUCHE INC.)**

Monitor

**FORTY-SIXTH REPORT TO THE COURT  
SUBMITTED BY DELOITTE RESTRUCTURING INC.  
IN ITS CAPACITY AS MONITOR**  
*(Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended)*

## INTRODUCTION

1. On September 9, 2011, 1810040 Alberta Ltd. (formerly known as Homburg Invest Inc. and Homburg Shareco Inc.) (“**HII**”) and certain related entities (collectively, the “**Debtors**”) filed and obtained protection from their respective creditors under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) pursuant to an Order rendered by the Superior Court of Québec (as amended and extended from time to time, the “**Initial Order**”).
2. Pursuant to the Initial Order (as amended), the Stay extends to the entities listed in Appendix A hereto (collectively, the “**Applicant Partnerships**” and, together with the Debtors, the “**HII Parties**”).
3. Deloitte Restructuring Inc. (formerly known as Samson Bélair/Deloitte & Touche Inc.) was appointed as monitor (the “**Monitor**”) under the CCAA.
4. Pursuant to the Initial Order, an initial stay of proceedings (the “**Stay**”) was granted until October 7, 2011 in favor of the HII Parties, which Stay has been extended from time to time by order of the Court. Most recently, on November 28, 2016, the Court extended the Stay up to and including February 28, 2017 (the “**Stay Period**”).
5. Since the Initial Order, the Monitor has filed reports with the Court and served same to the Service List from time to time. The Monitor filed forty-five such Monitor’s reports (as well as some supplemental reports) prior to this forty-sixth report of the Monitor (the “**Forty-Sixth Report**”). Copies of all of the Monitor’s reports are available on the Monitor’s website at [www.insolvencies.deloitte.ca](http://www.insolvencies.deloitte.ca) under the Homburg Invest Inc. link. The Monitor has also established a toll free number that is referenced on the Monitor’s website so that parties may contact the Monitor if they have questions with respect to the HII Parties’ restructuring under the CCAA.

## PURPOSE OF THE FORTY-SIXTH REPORT

6. This Forty-Sixth Report is intended to provide an update on the progress of the HII Parties’ restructuring process and related steps in connection with the execution of the HII/Shareco Plan and the Homco 61 Plan (collectively, the “**Plans**”) and confirm the support of the Monitor to the Debtors’ Application for an extension of the Stay Period dated February 22, 2017 (the “**Debtors’ Application**”). This report also outlines the current and projected cash positions of the Debtors, the status of the restructuring and the orderly liquidation initiatives.
7. This Forty-Sixth Report is structured as follows:
  - I- Updates on the Execution of the Plans and the Distributions;
  - II- Debtors’ Cash Flows;
  - III- Activities of the Monitor;
  - IV- Extension of the Stay Period;
  - V- Position of the Various Cash Reserves; and
  - VI- Conclusions and Recommendations.

## TERMS OF REFERENCE

8. In preparing this Forty-Sixth Report, the Monitor has relied upon unaudited financial information, the HII Parties’ records, the amended motion for an Initial Order dated September 9, 2011, and all subsequent motions filed with the Court and exhibits in support of same, its discussions with

management of the HII Parties (“**Management**”) and the HII Parties’ and the Monitor’s legal advisors. While the Monitor has analyzed the information, some in draft form, the Monitor has not performed an audit or otherwise verified such information. Forward looking financial information included in this Forty-Sixth Report is based on assumptions of Management regarding future events, and actual results achieved will vary from this information and such variations may be material.

9. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars. Capitalized terms not otherwise defined in this Forty-Sixth Report are as defined in the previous reports of the Monitor and the HII/Shareco Plan.

## **I. UPDATE ON THE EXECUTION OF THE PLANS AND THE DISTRIBUTIONS**

10. On March 27, 2014, in conformity with the Plans, the Monitor issued certificates confirming that the Plan Implementation Date (“**PID**”) took place from March 24, 2014 to March 27, 2014 and that the Homco 61 Plan Implementation Date occurred on March 27, 2014.

### ***DISTRIBUTIONS***

11. Since PID, the Monitor proceeded with several distributions to the Affected Creditors and Homco 61 Affected Creditors under the respective Plans.
12. Since the filing of the Forty-Fifth Report on November 24, 2016 at the time of the request for the Twenty-Fifth Extension, the Monitor has not proceeded with any additional distributions to all Affected Creditors or all Homco 61 Affected Creditors. The Monitor has however continued its efforts to contact those bondholders who had not provided a Letter of Instructions or for whom the banking details provided were incomplete or erroneous, in order to proceed with the distributions to which they are entitled. These efforts have resulted in the receipt of information allowing to proceed with distributions to 52 creditors in December 2016 and January 2017. These recent distributions reduced significantly the number of creditors whose distributions were on hold due to incorrect or missing, such that as of this date it is now down to 48.
13. For efficiency purposes, it is the current intention of the Monitor that the next distribution of the Asset Realization Cash Pool will be the final distribution under the terms of the Plans.

### ***RESOLUTION OF DISPUTED CLAIMS***

14. As indicated in the Forty-Fifth Report, only one category of Disputed Claims remains outstanding, namely the claims of the Bond 6 Claim Holders (i.e. the Bond 6 HII Deficiency Claim that can only be determined at the time of the Final Distribution).
15. Geneba shares and cash are being held in reserve by the Monitor in connection with the remaining Disputed Claims of the Bond 6 Claim Holders, in conformity with the Plans. All Geneba shares that were held in reserve in connection with the Disputed Claims that have been resolved were either distributed or cancelled, as per the Plans.

### ***SALE PROCESS / REALIZATION OF NON-CORE ASSETS***

16. As of the date of this report, there is only one property that is still financed by HSBC, namely the one held by North Calgary Land Ltd. (“**NCLL**”). The loan in connection with this property is not guaranteed by HII.

17. The status of the orderly realization process of the remaining non-core assets of HII can be summarized as follows:
- i. Points North (NCLL): As mentioned in the Forty-Fifth Report, no equity is expected to result from the sale of this property in the short to medium term. The Monitor understands that HSBC is contemplating to appoint a receiver on the property. Given the absence of economic interest (due to market conditions and specificities of this property) for the benefit of HII (hence for the benefit of the Affected Creditors), it is expected that this will not be contested by HII and the Monitor. The appointment of a receiver will simplify the administration of the bankruptcy proceedings.
  - ii. Cash held in trust by Norton Rose Fulbright (Churchill): As mentioned in the Forty-Fifth Report, the Monitor was made aware that a sum of approximately \$110K is being held in a trust account by Norton Rose Fulbright LLP (formerly Macleod Dixon LLP) in Calgary, since 2007. The Monitor enquired on the nature and entitlement to these funds, which represent “holdbacks” for common area work that was identified in 2007 and for which the construction was completed on or about 2009. The Monitor has been in communications with the Condominium Corporation’s counsel in this regard, who confirmed that the Condominium Corporation is not advancing a claim with respect to these funds (other than a claim for its *pro rata* share as an unsecured creditor of Churchill). Norton Rose Fulbright LLP indicated that it will only release the funds pursuant to a Court order and, accordingly, the Monitor filed an Application for the Payment to the Monitor of Churchill of Certain Sums Held In Trust in Respect of Holdbacks (“**Churchill Funds in Trust Application**”). The Monitor understands that Norton Rose Fulbright LLP and the Condominium Corporation will consent to the Churchill Funds in Trust Application.
  - iii. European Non-Core Assets: Certain European Non-Core Assets continue to be held by HII. While a sale process of these properties is currently in process, the operating costs and cash flow deficiencies are being assumed by the secured creditor. As indicated in our previous report, in light of changes in market conditions as well as the entering of new lease agreements for some properties, it has been determined that some of these real estate properties could generate equity for HII, for the benefit of the Affected Creditors under the HII/Shareco Plan. All costs in connection with these properties are being assumed by the individual entities or, in case of a shortfall, by Propertize, the secured creditor on the remaining properties. Since the Forty-Fifth Report, the HII Group, in consultation with the Monitor and with the Liquidation Advisory Committee, has continued its efforts and its discussions with Propertize in order to determine the best course of action to dispose of its interest in the latter in the best interest of the Affected Creditors. The status of the disposition process of the remaining properties is the following:
    - a. Homco 115 and Homco 116: the sale of each of the properties owned by Homco 115 and Homco 116, which was approved by the Liquidation Advisory Committee in November 2016, was completed in December 2016. The sale of the Homco 115 property did not allow the full repayment of the secured lender, which nonetheless issued a release in favour of Homco 115, facilitating the winding up process. The proceeds of the sale of the Homco 116 property allowed to repay the secured debt in full and generated equity of approximately €175K, for the ultimate benefit of the Affected Creditors;
    - b. Homco 111 and Homco 112: these properties are still on the market for sale and no equity is expected to be generated for the benefit of the Affected Creditors;

- c. Homco 113: an offer for the property of Homco 113 has been received, but will not allow the secured lender to be fully repaid. Hence, no equity will be generated for the benefit of the Affected Creditors;
- d. Homco 119: an offer for the property of Homco 119 is expected to be received in the coming weeks, which offer is expected to generate equity for the ultimate benefit of the Affected Creditors; and
- e. Homco 123: as indicated previously, the sale of the property of Homco 123 is expected to generate significant equity for the ultimate benefit of the Affected Creditors. Despite the fact that the Monitor has been trying to accelerate the sale process in order to permit the closing of a sale at the beginning of 2017, several complications have arisen in the sale process, mostly pertaining to the renewal of hazardous waste processing and fire/building safety permits. Complications include notably additional delays caused by new demands that have been made by the local fire authorities following an inspection of the property as minimum fire codes have been strengthened. This situation delays any potential transactions as the potential purchasers are requesting the hazardous waste processing and fire/building safety permits. Without them, a sale generating equity for the Affected Creditors is unlikely. The Monitor is informed that the timing for the issuance of permits and the closing of a sale could take up to six months. As the potential expected equity is estimated to be up to €3M, the Monitor and the Liquidation Advisory Committee consider it to the benefit of the creditors to wait for the closing of the sale. The Monitor is also informed that Homco 123 is projected to generate monthly cash flow surpluses of €40K until the closing of a sale.

### ***BANKRUPTCY AND WINDING-UP OF NON-CORE BUSINESS ENTITIES***

18. The HII Group and the Monitor continue to assess the proper course of action with respect to the remaining Non-Core Business Entities, including bankruptcy filings and/or wind-ups, a number of which were initiated or completed in the previous months. For the Non-Core Business Entities that have assets, the winding-up or bankruptcy is expected to result in additional significant recoveries for HII, for the benefit of the Affected Creditors under the HII/Shareco Plan. As of the date of the Forty-Sixth Report, it is expected that five more HII Group Entities will be filed into bankruptcy imminently, after which there will be ten HII Group Entities that will be left to be wound up or filed into bankruptcy in order to end the execution of the Plans and exit the CCAA proceedings.

## **II. DEBTORS' CASH FLOWS**

19. The purpose of this section is as follows:
  - i. Provide budget-to-actual analysis highlights by Debtor for the period from November 1, 2016 to January 31, 2017; and
  - ii. Provide explanations or comments on the variances by Debtor.

**OVERVIEW**

20. The following table provides an overview of the allocated opening cash balances, the allocated closing cash balances, and the cash variations by Debtor for the period from November 1, 2016 to January 31, 2017:

Cash variation for the period from November 1 to January 31, 2017 (C\$000)						
Petitioner	Opening cash balance	Total variation in cash balance	Subtotal	Surplus (funding) between HII and its Non-Petitioners (Note 1)	Funded by Administrative Reserve	Adjusted ending cash balance
1810040 Alberta Ltd.	522	(497)	25	11	471	507
Churchill Estates Development Ltd.	801	-	801	-	-	801
North Calgary Land Ltd.	-	-	-	-	-	-
HMCI	41	-	41	-	-	41
<b>Total</b>	<b>1,364</b>	<b>(497)</b>	<b>867</b>	<b>11</b>	<b>471</b>	<b>1,349</b>

Note 1: This amount represents an amount paid previously on behalf of a Non-Petitioner and reimbursed to HII.

21. For the budget to actual cash flow forecast analysis of 1810040 Alberta Ltd. (formerly Homburg Invest Inc. and Homburg Shareco Inc.), Churchill, NCLL and HMCI for the period from November 1, 2016 to January 31, 2017, and commentaries in respect of the analysis performed, please refer to Appendix B of this Forty-Sixth Report.
22. As of the date of this report, all appropriate and approved post-filing expenses were paid, and will continue to be paid, in the normal course out of the Administrative Reserve or the respective entity's working capital, as the case may be.
23. As part of the Plan Transactions completed in the context of the implementation of the HII/Shareco Plan, HII transferred most of its available cash into the Monitor's trust accounts. Since PID, HII submits a weekly request to the Monitor which transfers sufficient funds to cover the appropriate and approved post-filing expenses for the following week from the Administrative Reserve as outlined in the Thirty-Fifth Report.

1810040 Alberta Ltd. (formerly Homburg Invest Inc. and Homburg Shareco Inc.)

24. Total cash inflows for 1810040 Alberta Ltd. were \$36.6K for the period noted, while total cash outflows were \$525.3K, which resulted in a negative net cash variation of \$488.7K compared to a budgeted negative net cash variation of \$952.0K. This positive variance of \$463.3K is mainly due to the following:
- i. the receipt of \$10.6K of tax refunds, the receipt of \$13.2K of proceeds from the sale of Cedar Realty's shares and the receipt of \$7.4K related to the transfer of the remaining balance from Homco 120 bank account which were not budgeted;
  - ii. the payment of lower than budgeted payroll by \$32.8K due to lower workload than originally anticipated;
  - iii. the payment of lower than budgeted professional fees by \$408.5K due to timing, which is a timing difference as these fees were mostly paid in February 2017.

Churchill

25. No significant transactions occurred during the period in Churchill, as budgeted.

NCLL

26. No significant transactions occurred during the period in NCLL, as budgeted.

HMCI

27. No significant transactions occurred during the period in HMCI, as budgeted.

Cash budgeting

28. Since the Forty-Fifth Report, the Debtors, with the support of the Monitor, have continued to perform budget to actual analysis on a regular basis.

**III. ACTIVITIES OF THE MONITOR**

29. This section summarizes other activities of the Monitor which are not specifically addressed in the previous sections.

***CASH FLOW MONITORING***

30. On a regular basis, the Monitor has continued to analyze the Debtors' cash flows. As explained in the previous section of this Forty-Sixth Report, a budget-to-actual cash flow analysis of the Debtors for the period from November 1, 2016 to January 31, 2017 has been prepared together with commentaries of cash variances, as presented in Appendix B of this Forty-Sixth Report.

31. As part of this process, the Monitor has also analyzed cash inflows and cash outflows from all of the HII Parties' bank accounts.

32. Any disbursements for services rendered to the HII Parties have been presented to the Monitor for review.

***NOTIFYING AND REPORTING DUTIES PERFORMED BY THE MONITOR***

33. Within five (5) business days, the Monitor made available on its website all public information and documentation related to the HII Parties' restructuring process.

***COMMUNICATIONS WITH CREDITORS***

34. Since September 2011, the Monitor has made available a toll-free number (related to a call center) and a mailbox in order to assist its communications with Affected Creditors and Homco 61 Affected Creditors.

35. Following PID, the First Distribution and the several subsequent distributions that have been made, the Monitor has received a large number of phone calls and emails from Affected Creditors and Homco 61 Affected Creditors (mostly after each distribution date). The Monitor has responded and continues to respond to each query in a timely manner.

36. As part of each distribution made under the Plans (as further detailed above), each Affected Creditor and Homco 61 Affected Creditor received a personalized letter explaining the distribution to which it is entitled and that it received or should have received.
37. The distributions to most of the creditors, namely all holders of Mortgage Bond Claims and Corporate Bond Claims, are made by way of wire transfers based on the banking information included in the Letters of Instructions submitted to the Monitor. The Monitor is pursuing its efforts to contact the creditors who did not provide a Letter of Instructions or for which the banking details provided were incomplete or erroneous in order to proceed with the distributions to which they are entitled. As of the date of this Forty-Sixth Report, as indicated previously and notwithstanding the Monitor's efforts, 48 creditors are yet to provide the relevant information requested for distribution purposes.
38. In accordance with the Plans, the Monitor will publish a Notice of Final Distribution in the designated newspapers at least 30 days prior to the Final Distribution Date and, to the extent valid information is still missing for some Affected Creditors such that their distributions remain undeliverable or un-cashed, the cash held in escrow in connection with said claims will be remitted to the Cash Pool or Asset Realization Cash Pool in order to form part of the final distribution to the Affected Creditors with Proven Claims having filed valid Letter of Instructions. The Monitor will also ensure that all Geneba shares held in NPEX accounts are properly assigned to the relevant Affected Creditors or, in the case of missing Letters of Instructions or other sources of valid information, returned to Geneba for cancellation without any consideration pursuant to the terms of the HII/Shareco Plan.

#### IV. EXTENSION OF THE STAY PERIOD

##### OVERVIEW

39. Pursuant to the Twenty-Fifth Extension Order, the Stay Period was extended up to and including February 28, 2017.
40. The Debtors' Application is seeking a twenty-sixth extension of the Stay Period until September 29, 2017 (the "**Twenty-Sixth Extension Period**"). This extension will allow, among other things, to:
  - i. Complete the realization of the remaining Non-Core Business Assets (including the Homco 123 property);
  - ii. Complete the winding up and/or bankruptcy of the remaining HII Group Entities;
  - iii. Proceed with the final distribution to the Affected Creditors and Homco 61 Affected Creditors (and obtain any necessary consents and/or orders in order to ensure that all funds are available to form part of the final distribution); and
  - iv. Continue to keep creditors and other stakeholders informed and answer their queries.
41. It is the Monitor's view that it is in the best interests of the stakeholders to provide the HII Parties with the Twenty-Sixth Extension Period in order to ensure that the HII Parties and the Monitor continue their progress towards finalizing the remaining steps provided in the Plans.



**EXTENDED 7-MONTH CASH FLOW FORECASTS**

42. The Debtors, with the support of the Monitor, prepared new cash flow forecasts for the Twenty-Sixth Extension Period, adjusting the projected cash flows for the period ending on September 29, 2017, namely the end of the Twenty-Sixth Extension Period.
43. The extended 7-month cash flow forecasts for 1810040 Alberta Inc., Churchill, NCLL and HMCI, as well as additional commentaries identifying the primary assumptions, are attached as Appendix C.
44. Presented in the table below is a summary of the forecasted cash variations for each of the Debtors:

Extension - 7-month period ending September 30, 2017						
(C\$000)	Opening cash balance as at February 1, 2017 (Appendix C)	Forecasted cash variation for the 1-month period (Appendix C)	Forecasted opening cash balance as at February 28, 2016 (Appendix C)	Forecasted cash variation for the 7-month period (Appendix C)	Forecasted closing cash balance as at September 30, 2017	
1810040 Alberta Ltd.	507	(880)	(373)	(525)	(898)	
Churchill Estates Development Ltd.	801	-	801	110	911	
NCLL	-	-	-	-	-	
HMCI	41	-	41	-	41	
<b>Total</b>	<b>1,349</b>	<b>(880)</b>	<b>469</b>	<b>(415)</b>	<b>54</b>	

1810040 Alberta Ltd. (formerly Homburg Invest Inc. and Homburg Shareco Inc.)

45. Any negative cash balance will be funded by the Administrative Reserve. Based on the projections shown above, at the end of the Twenty-Sixth Extension Period, the Administrative Reserve is expected to be fully depleted. Any additional cash requirements would be funded from the Asset Realization Cash Pool, in conformity with the HII/Shareco Plan.
46. Payroll is expected to be stable during the period to reflect the expected workload. This expense is related to the sole director and officer monthly fixed costs as well as employees' hourly fees to keep accounting and tax records updated.
47. Rent expense is expected to be incurred during all the period as the office is required to support the employees.
48. Professional fees in connection with the restructuring of the HII Group are expected to be higher in the month September 2017 in light namely of the work required to proceed with the remaining distribution(s) and to complete the wind-down of the structure and exit the CCAA proceedings.
49. Office and administrative fees are expected to be at \$5K per month.
50. At the time of this Forty-Sixth Report, there is nothing that would lead the Monitor to believe that HII will need additional financing to meet its current obligations during the Twenty-Sixth Extension Period.

Churchill

51. The Monitor anticipates a cash inflow of approximately \$110K subject to the granting of the Churchill Funds in Trust Application. No Cash outflows pertaining to Churchill are anticipated during the Twenty-Sixth Extension Period.

52. At the time of this Forty-Sixth Report, there is nothing that would lead the Monitor to believe that Churchill will need additional financing to meet its current obligations during the Twenty-Sixth Extension Period.

#### NCLL

53. The Monitor does not anticipate any cash inflows or outflows pertaining to NCLL during the Twenty-Sixth Extension Period.
54. At the time of this Forty-Sixth Report, there is nothing that would lead the Monitor to believe that NCLL will need additional financing to meet its current obligations during the Twenty-Sixth Extension Period.

#### HMCI

55. The Monitor does not anticipate any cash inflows or outflows pertaining to HMCI during the Twenty-Sixth Extension Period.
56. At the time of this Forty-Sixth Report, there is nothing that would lead the Monitor to believe that HMCI will need additional financing to meet its current obligations during the Twenty-Sixth Extension Period.

### V. POSITION OF THE VARIOUS CASH RESERVES

57. The following table presents an overview of the current balances in the Cash Pool and the various Cash Reserve accounts held by the Monitor pursuant to the HII/Shareco Plan:

Cash Reserves Accounts (C\$000)	
<b>Trust Account</b>	February 13, 2017
Cash Pool and Asset Realization Cash Pool (Note 1)	2,899
Administrative Reserve	94
Litigation Reserve	510
Disputed Claims Reserves	138
Directors' Charge Reserve	2,023

Cash Reserves Accounts (€000)	
<b>Trust Account</b>	February 13, 2017
Administrative Reserve	108

Note 1: The Cash Pool Account is mainly composed of \$2,655K, representing amounts to be transferred to HII and HC61 bondholders upon the next cash pool distribution and \$244K for HII and HC61 bondholders with missing banking information and/or wires that have bounced back and for cheques to trade creditors that have not yet cleared the bank.

Note 2: This table excludes any potential equity that could be generated by Homco 116, Homco 119, Homco 123 or other European entities and from ongoing or future bankruptcy or winding up of HII Group Entities.

## VI. CONCLUSIONS AND RECOMMENDATIONS

58. It is the Monitor's view that the HII Parties have acted in good faith and with due diligence in accordance with the CCAA and the Initial Order and the subsequent orders rendered by the Court.
59. It is the Monitor's opinion that, for the reasons further elaborated in this Forty-Sixth Report, the Twenty-Sixth Extension, up to September 29, 2017, should be granted to the HII Parties in order to allow the Monitor and the HII Parties to pursue their efforts towards completing the remaining steps provided by the Plans, proceed with the final distribution and exit the CCAA proceedings.
60. The Monitor respectfully submits this Forty-Fifth Report to the Court.

DATED AT MONTREAL, this 23<sup>rd</sup> day of February 2017.



Pierre Laporte, CPA, CA, CIRP, LIT  
Senior Vice-President

DELOITTE RESTRUCTURING INC.  
In its capacity as Court-Appointed Monitor

## **APPENDIX A**

### **THE ENTITIES Mis-en-Cause**

HOMCO REALTY FUND (52) LIMITED PARTNERSHIP  
HOMCO REALTY FUND (61) LIMITED PARTNERSHIP  
HOMCO REALTY FUND (88) LIMITED PARTNERSHIP  
HOMCO REALTY FUND (96) LIMITED PARTNERSHIP

## APPENDIX B

The following is the budget-to-actual cash flow analysis for 1810040 Alberta Ltd. (formerly Homburg Invest Inc. and Homburg Shareco Inc.) for the period noted:

**1810040 Alberta Ltd.**  
**Budget-to-Actual Cash Flow**  
**Unaudited - Based on discussions with the company's Management**  
**(C\$000)**

	For the 3-month period from		
	November 1, 2016 to January 31, 2017		
	Actual	Budget	Variance
<b>Cash inflows</b>			
Other receipts	36.6	-	36.6
<b>Total cash inflows</b>	<b>36.6</b>	<b>-</b>	<b>36.6</b>
<b>Cash outflows</b>			
Payroll	82.2	115.0	32.8
Rent expense	8.0	6.0	(2.0)
Restructuring related professional fees	407.5	816.0	408.5
Directors & Officers Insurance	-	-	-
Office & administrative	27.6	15.0	(12.6)
Other expenditures / Refund to Administrative Reserve	-	-	-
<b>Total cash outflows</b>	<b>525.3</b>	<b>952.0</b>	<b>426.7</b>
<b>Opening cash balance</b>	<b>521.9</b>	<b>521.9</b>	<b>-</b>
Adjustment to opening balance	-	-	-
Variation in cash balance	(488.7)	(952.0)	463.3
Exchange rate (Gain / Loss)	(8.6)	-	(8.6)
<b>Ending cash balance</b>	<b>24.6</b>	<b>(430.1)</b>	<b>454.7</b>
<b>Deficit funded by the Administrative Reserve</b>	<b>471.1</b>	<b>430.1</b>	<b>41.0</b>
<b>Surplus (funding) between HII and its non-Petitioners</b>	<b>11.1</b>	<b>-</b>	<b>11.1</b>
<b>Adjusted ending cash balance</b>	<b>506.8</b>	<b>-</b>	<b>506.8</b>

### 1810040 Alberta Ltd. budget-to-actual commentaries

The Monitor's comments on HII's total cash inflow and outflow variances during the period noted are as follows:

#### ***Ending cash balance***

- The adjustment to the ending cash balance of \$471.1K reflects the funding received from the Monitor's trust account. As outlined in paragraph 70 of the Thirty-Fifth Report, at PID all HII cash was transferred to trust accounts controlled by the Monitor and accordingly, HII now submits funding requests to the Monitor. These funding requests are reviewed by the Monitor and funds are then transferred to HII to allow for the payment of post-PID expenses.

#### ***Inflows***

- Other receipts were \$36.6K compared to a budgeted amount of nil, resulting in a favorable variance of \$36.6K. The favorable variance is mainly due to the unbudgeted receipt of \$10.6K of tax refunds, the unbudgeted receipt of \$13.2K of proceeds from the sale of Cedar Realty's shares and the unbudgeted receipt of \$7.4K related to the transfer of the remaining balance from Homco 120 bank account.

### *Outflows*

- Payroll was \$82.2K compared to a budgeted amount of \$115.0K, resulting in a favorable variance of \$32.8K. This favorable variance is mainly due to lower workload than originally anticipated.
- Restructuring related professional fees were \$407.5K compared to a budgeted amount of \$816.0K, resulting in a favorable variance of \$408.5K. This favorable variance is mainly due to timing.
- Office & Administrative expenses were \$27.6K compared to a budgeted amount of \$15.0K, resulting in an unfavorable variance of \$12.6K. This unfavorable variance is mainly due to non-recurring IT expenses incurred during the period.
- In accordance with the Court Order dated February 17, 2012 and February 7, 2014, the payment of fees, disbursements and expenses of the Trustees of the Stichting Homburg Bonds and Stichting Homburg Capital Securities A (collectively, "**Stichting**") and their legal and financial advisors incurred since December 3, 2011 are to be advanced by HII. The following table presents a summary of the actual fees advanced to Stichting since the Court Order was implemented, which will be offset against any dividend payable to Stichting from HII (see table on next page):

Stichting Homburg invoice list			
Invoice	Date Range	Amt. per Invoice	Amount in \$
INVOICE nr 3.2012	Dec. 5, 2011 - Dec. 31, 2011	\$ 239,128	\$ 239,128
INVOICE nr 4.2012	Jan 1, 2012 - Jan. 31, 2012	\$ 265,486	\$ 265,486
INVOICE nr 5.2012	Feb 1, 2012 - Feb. 29, 2012	\$ 248,270	\$ 248,270
INVOICE nr 6.2012 & 7.2012	Mar 1, 2012 - Mar 31, 2012	\$ 249,364	\$ 249,364
INVOICE nr 8.2012 & 9.2012	Apr 1, 2012 - Apr 30, 2012	\$ 298,703	\$ 314,448
INVOICE nr 10.2012 & 11.2012	May 1, 2012 - May 31, 2012	\$ 263,852	\$ 275,239
INVOICE nr 12.2012 & 13.2012	June 1, 2012 - June 30, 2012	\$ 262,786	\$ 263,186
INVOICE nr 15.2012 & 16.2012	July 1, 2012 - July 31, 2012	\$ 273,271	\$ 273,276
INVOICE nr 17.2012	Aug 1, 2012 - Aug 31, 2012	\$ 226,459	\$ 226,459
INVOICE nr 19.2012	Sept 1, 2012 - Sept 30, 2012	\$ 296,400	\$ 296,400
INVOICE nr 21.2012	Oct 1, 2012 - Oct 31, 2012	\$ 567,214	\$ 567,214
INVOICE nr 23.2012	Nov 1, 2012 - Nov 30, 2012	\$ 515,486	\$ 515,486
INVOICE nr 25.2012	Dec 1, 2012 - Dec 31, 2012	\$ 357,005	\$ 357,005
INVOICE nr 26.2013	Jan 1, 2013 - Jan 31, 2013	\$ 444,643	\$ 444,643
INVOICE nr 28.2013	Feb 1, 2013 - Feb 28, 2013	\$ 702,612	\$ 702,612
INVOICE nr 30.2013	Mar 1, 2013 - Mar 31, 2013	\$ 538,339	\$ 538,339
INVOICE nr 32.2013	Apr 1, 2013 - Apr 30, 2013	\$ 604,713	\$ 604,713
INVOICE nr 34.2013	May 1, 2013 - May 31, 2013	\$ 593,466	\$ 593,466
INVOICE nr 36.2013	June 1, 2013 - June 30, 2013	\$ 249,762	\$ 249,762
INVOICE nr 38.2013	July 1, 2013 - July 31, 2013	\$ 185,942	\$ 185,942
INVOICE nr 40.2013	Aug 1, 2013 - Aug 31, 2013	\$ 271,064	\$ 271,064
INVOICE nr 42.2013	Sept 1, 2013 - Sept 30, 2013	\$ 279,299	\$ 279,299
INVOICE nr 44.2013	Oct 1, 2013 - Oct 31, 2013	\$ 219,944	\$ 219,944
INVOICE nr 46.2013	Nov 1, 2013 - Nov 30, 2013	\$ 181,046	\$ 181,046
INVOICE nr 48.2013	July 11, 2013 - Oct 31, 2013	\$ 79,326	\$ 79,326
INVOICE nr 49.2013	Dec 1, 2013 - Dec 31, 2013	\$ 160,456	\$ 160,456
INVOICE nr 51.2014	Jan 1, 2014 - Jan 31, 2014	\$ 199,448	\$ 199,448
INVOICE nr 53.2014	Feb 1, 2014 - Feb 28, 2014	\$ 220,613	\$ 220,613
INVOICE nr 55.2014	Mar 1, 2014 - Mar 14, 2014	\$ 87,323	\$ 87,323
INVOICE nr 57.2014	Mar 15, 2014 - Mar 31, 2014	\$ 112,092	\$ 112,092
INVOICE nr 59.2014	April 1, 2014 - April 30, 2014	\$ 164,803	\$ 164,803
INVOICE nr 61.2014	May 1, 2014 - May 31, 2014	\$ 104,369	\$ 104,369
INVOICE nr 62.2014	June 1, 2014 - June 30, 2014	\$ 240,526	\$ 240,526
INVOICE nr 63.2014	July 1, 2014 - July 31, 2014	\$ 191,507	\$ 191,507
INVOICE nr 64.2014	Aug 1, 2014 - Aug 31, 2014	\$ 60,684	\$ 60,684
INVOICE nr 65.2014	Sept 1, 2014 - Sept 30, 2014	\$ 93,436	\$ 93,436
INVOICE nr 66.2014	Oct 1, 2014 - Oct 31, 2014	\$ 54,263	\$ 54,263
INVOICE nr 67.2014	Nov 1, 2014 - Nov 30, 2014	\$ 117,530	\$ 117,530
INVOICE nr 68.2014	Dec 1, 2014 - Dec 31, 2014	\$ 91,491	\$ 91,491
INVOICE nr 69.2015	Jan. 1, 2015 - Jan. 31, 2015	\$ 95,993	\$ 95,993
INVOICE nr 70.2015	Feb. 1, 2015 - Feb. 28, 2015	\$ 46,427	\$ 46,427
INVOICE nr 71.2015	Mar 1, 2015 - Mar 31, 2015	\$ 40,810	\$ 40,810
INVOICE nr 72.2015	April 1, 2015 - April 30, 2015	\$ 97,138	\$ 97,138
INVOICE nr 73.2015	May 1, 2015 - May 31, 2015	\$ 83,154	\$ 83,154
INVOICE nr 74.2015	June 1, 2015 - June 30, 2015	\$ 107,050	\$ 107,050
INVOICE nr 75.2015	July 1, 2015 - July 31, 2015	\$ 38,653	\$ 38,653
INVOICE nr 76.2015	August 1, 2015 - August 31, 2015	\$ 30,349	\$ 30,349
INVOICE nr 77.2015	September 1, 2015 - September 30, 2015	\$ 26,787	\$ 26,787
INVOICE nr 78.2015	October 1, 2015 - October 31, 2015	\$ 23,735	\$ 23,735
INVOICE nr 79.2015	November 1, 2015 - November 30, 2015	\$ 44,787	\$ 44,787
INVOICE nr 80.2015	December 1, 2015 - December 31, 2015	\$ 59,084	\$ 59,084
INVOICE nr 81.2016	January 1, 2016 - January 31, 2016	\$ 23,401	\$ 23,401
INVOICE nr 82.2016	February 1, 2016 - February 29, 2016	\$ 39,195	\$ 39,195
INVOICE nr 83.2016	March 1, 2016 - March 30, 2016	\$ 65,717	\$ 65,717
INVOICE nr 84.2016	April 1, 2016 - April 30, 2016	\$ 42,348	\$ 42,348
INVOICE nr 85.2016	May 1, 2016 - May 31, 2016	\$ 26,009	\$ 26,009
INVOICE nr 86.2016	June 1, 2016 - June 30, 2016	\$ 45,248	\$ 45,248
INVOICE nr 87.2016	July 1, 2016 - July 31, 2016	\$ 18,366	\$ 18,366
INVOICE nr 88.2016	August 1, 2016 - August 31, 2016	\$ 14,980	\$ 14,980
INVOICE nr 89.2016	September 1, 2016 - September 30, 2016	\$ 16,907	\$ 16,907
INVOICE nr 90.2016	October 1, 2016 - October 31, 2016	\$ 16,564	\$ 16,564
INVOICE nr 91.2016	November 1, 2016 - November 30, 2016	\$ 16,929	\$ 16,929
INVOICE nr 92.2016	December 1, 2016 - December 31, 2016	\$ 23,286	\$ 23,286
INVOICE nr 93.2017	January 1, 2017 - January 31, 2017	\$ 18,229	\$ 18,229
CREDIT NOTE C24.2016	invoices 83, 84, 85, 86, 87	\$ (4,644)	\$ (6,579)
VAT Refund <sup>1</sup>	Invoices 3, 4 & 5	€ (70,352)	\$ (86,667)
VAT Refund <sup>1</sup>	Invoices 6, 8 & 10	€ (59,975)	\$ (74,993)
VAT Refund <sup>2</sup>	Invoices 7, 9 & 11	€ (13,800)	\$ (17,256)
VAT Refund <sup>1</sup>	Invoices 12, 15 & 17	€ (54,455)	\$ (70,536)
VAT Refund <sup>2</sup>	Invoices 13 & 16	€ (3)	\$ (4)
VAT Refund <sup>2</sup>	Invoices 19 & 21	€ (73,072)	\$ (98,969)
VAT Refund <sup>3</sup>	Invoices 23 & 25	€ (40,046)	\$ (54,238)
VAT Refund <sup>4</sup>	Invoices 21, 23, 25, 26 & 28	€ (120,803)	\$ (161,115)
VAT Refund <sup>5</sup>	Invoices 30, 32, 34 & 36	€ (127,837)	\$ (176,338)
VAT Refund <sup>6</sup>	Invoices 36, 38 & 40	€ (58,686)	\$ (82,583)
VAT Refund <sup>7</sup>	Invoice 23	€ (6,175)	\$ (9,187)
VAT Refund <sup>8</sup>	Invoices 42, 44, 46 & 48	€ (57,272)	\$ (85,971)
VAT Refund <sup>9</sup>	Invoices 49, 51, 53 & 55	€ (54,611)	\$ (82,665)
VAT Refund <sup>10</sup>	Invoices 57, 59 & 61	€ (32,861)	\$ (48,178)
VAT Refund <sup>11</sup>	Invoices 62, 63 & 64	€ (29,097)	\$ (41,105)
VAT Refund <sup>12</sup>	Invoices 65, 66 & 67	€ (19,953)	\$ (28,138)
VAT Refund <sup>13</sup>	Invoices 68, 69 & 70	€ (21,799)	\$ (29,494)
VAT Refund <sup>14</sup>	Invoices 71, 72 & 73	€ (18,216)	\$ (25,652)
VAT Refund <sup>15</sup>	Invoices 74, 75 & 76	€ (13,474)	\$ (19,264)
VAT Refund <sup>16</sup>	Invoices 77, 78, 79 & 80	€ (10,627)	\$ (16,658)
VAT Refund <sup>17</sup>	Invoices 80, 81, 82	€ (10,558)	\$ (15,409)
VAT Refund <sup>18</sup>	Invoices 83, 84, 85	€ (15,461)	\$ (22,551)
VAT Refund <sup>19</sup>	Invoices 86, 87, 88	€ (7,439)	\$ (10,827)
VAT Refund <sup>20</sup>	Invoices, 89, 90, 91, 92	€ (7,605)	\$ (10,611)
VAT Refund <sup>21</sup>	Re: Foreign currency effects	€ (100,000)	\$ (146,080)
<b>Total (Converted on date paid)</b>			<b>\$ 9,979,735</b>

## Churchill

The following is the budget-to-actual cash flow analysis for Churchill for the period noted:

**Churchill Estates Development Ltd.**  
**Budget-to-Actual Cash Flow**  
**Unaudited - Based on discussions with the company's Management**  
**(C\$000)**

	For the 3-month period from		
	November 1, 2016 to January 31, 2017		
	Actual	Budget	Variance
<b>Cash inflows</b>	0.2	-	0.2
<b>Total cash inflows</b>	<u>0.2</u>	<u>-</u>	<u>-</u>
<b>Cash outflows</b>			
Commissions	-	-	-
Advertising	-	-	-
R&M	-	-	-
Property tax	-	-	-
Professional fees	-	-	-
Insurance	-	-	-
Mortgage principal	-	-	-
Mortgage interest	-	-	-
Office & administrative	-	-	-
Condo fees	-	-	-
GST remitted	-	-	-
Other expenditures	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Opening cash balance</b>	<b>801.3</b>	<b>801.3</b>	<b>-</b>
Variation in cash balance	<u>0.2</u>	<u>-</u>	<u>0.2</u>
<b>Ending cash balance</b>	<u><b>801.5</b></u>	<u><b>801.3</b></u>	<u><b>0.2</b></u>

### Churchill budget-to-actual commentaries

The Monitor's comments on Churchill's total cash inflow and outflow variances during the period noted are as follows:

#### *Inflows-Outflows*

- No significant transactions occurred during the period in Churchill, as expected.



## North Calgary Land Ltd.

The following is the budget-to-actual cash flow analysis for North Calgary Land Ltd. (“NCLL”) for the period noted:

**North Calgary Land Ltd.**  
**Budget-to-Actual Cash Flow**  
**Unaudited - Based on discussions with the company's Management**  
**(C\$000)**

	For the 3-month period from November 1, 2016 to January 31, 2017		
	Actual	Budget	Variance
<b>Cash inflows</b>			
Other receipts	-	-	-
<b>Total cash inflows</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash outflows</b>			
Professional fees	-	-	-
Property tax	-	-	-
Insurance	-	-	-
Office & administrative	0.2	-	(0.2)
GST/HST paid	-	-	-
Other expenditures	-	-	-
<b>Total cash outflows</b>	<u>0.2</u>	<u>-</u>	<u>(0.2)</u>
<b>Funded opening cash balance</b>	-	-	-
Variation in cash balance	(0.2)	-	(0.2)
Exchange rate (Gain / Loss)	-	-	-
<b>Ending cash balance</b>	<u>(0.2)</u>	<u>-</u>	<u>(0.2)</u>
<b>Funding from HII</b>	<u>0.2</u>	<u>-</u>	<u>(0.2)</u>
<b>Funded ending cash balance</b>	<u>-</u>	<u>-</u>	<u>-</u>

### NCLL budget-to-actual commentaries

The Monitor's comments on NCLL's total cash inflow and outflow variances during the period noted are as follows:

#### ***Inflows-Outflows***

- No significant transactions occurred during the period in NCLL, as expected.

## HMCI

The following is the budget-to-actual cash flow analysis for HMCI for the period noted:

**HMCI**  
**Budget-to-Actual Cash Flow**  
**Unaudited - Based on discussions with the company's Management**  
**(C\$000)**

	For the 3-month period from November 1, 2016 to January 31, 2017		
	Actual	Budget	Variance
<b>Cash inflows</b>			
Other receipts	-	-	-
<b>Total cash inflows</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash outflows</b>			
Other expenditures	0.2	-	(0.2)
<b>Total cash outflows</b>	<u>0.2</u>	<u>-</u>	<u>(0.2)</u>
<b>Opening cash balance</b>	41.4	41.4	-
Variation in cash balance	(0.2)	-	(0.2)
Exchange rate (Gain / Loss)	-	-	-
<b>Ending cash balance</b>	<u>41.2</u>	<u>41.4</u>	<u>(0.2)</u>

### HMCI budget-to-actual commentaries

The Monitor's comments on HMCI's total cash inflow and outflow variances during the period noted are as follows:

#### *Inflows-Outflows*

- No significant transactions occurred during the period in HMCI, as expected.

## APPENDIX C

### 1810040 Alberta Ltd. - Extended 7-month cash flow forecast (\$C)

Updated as of February 1, 2017

1810040 Alberta Ltd. (formerly Homburg Invest Inc. and Shareco)

Extended cash flow statement from February 1, 2017 to September 30, 2017

	45th Report Amended		46th Report							
Beginning period: Ending period:	For the month of February	TOTAL	For the month of March	For the month of April	For the month of May	For the month of June	For the month of July	For the month of August	For the month of September	TOTAL 7-Month Period
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
<b>Cash inflows</b>										
GST/HST/VAT received	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
<b>Total cash inflows</b>	-	-	-	-	-	-	-	-	-	-
<b>Cash outflows</b>										
Payroll	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	140,000
Rent expense	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	14,000
Restructuring related professional fees	853,000	853,000	110,000	60,000	14,000	14,000	14,000	14,000	110,000	336,000
Directors & Officers Insurance	-	-	-	-	-	-	-	-	-	-
Office & administrative	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	35,000
Other expenditures	-	-	-	-	-	-	-	-	-	-
<b>Total cash outflows</b>	880,000	880,000	137,000	87,000	41,000	41,000	41,000	41,000	137,000	525,000
<b>Opening balance</b>	506,800	506,800	(373,200)	(510,200)	(597,200)	(638,200)	(679,200)	(720,200)	(761,200)	(373,200)
Payments in transit	-	-	-	-	-	-	-	-	-	-
Variation in cash balance (Petitioners)	(880,000)	(880,000)	(137,000)	(87,000)	(41,000)	(41,000)	(41,000)	(41,000)	(137,000)	(525,000)
Variation in cash balance (Non-Petitioners)	-	-	-	-	-	-	-	-	-	-
Exchange rate	-	-	-	-	-	-	-	-	-	-
<b>Adjusted ending cash balance</b>	(373,200)	(373,200)	(510,200)	(597,200)	(638,200)	(679,200)	(720,200)	(761,200)	(898,200)	(898,200)

#### Notes:

- 1) The opening cash balance reflects the allocated cash balance as at February 1, 2017.
- 2) Payroll is expected to be stable during the period to reflect the expected workload.
- 3) Rent expense is expected to be incurred during all the period as the office is required to support the employees.
- 4) Professional fees in the month of February 2017 represent the estimated amount of outstanding professional fees, incurred and not paid, which has been added to the professional fees estimate for the remaining of the month of February 2016 of \$75K. The budgeted amounts for professional fees during the Twenty-Sixth Extension Period reflects the decrease of work expected during the first 6 months and the expected workload increase in September 2017 in light namely of the work required to proceed with the remaining distribution(s) and to complete the wind-down of the structure and exit the CCAA proceedings.
- 5) Office and administrative fees are expected to be at \$5K per month.

## NOTES AND REPRESENTATIONS TO THE CASH FLOW STATEMENT

### NOTE A – PURPOSE AND WARNINGS

The cash flow projections have been prepared solely for the purpose of the CCAA proceedings. Consequently, readers are cautioned that they may not be appropriate for other purposes.

Since the cash flow projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

### NOTE B – DEFINITIONS

#### CASH FLOW STATEMENT

A statement indicating, on a monthly basis, the projected cash flow of 1810040 Alberta Ltd., based on probable and hypothetical assumptions that reflect 1810040 Alberta Ltd.'s planned course of action for the period covered.

#### HYPOTHETICAL ASSUMPTIONS

Meaning assumptions with respect to a set of economic conditions or courses of action which are not necessarily the most probable in 1810040 Alberta Ltd.'s judgment, but are consistent with the purpose of the Cash Flow Statement.

#### PROBABLE ASSUMPTIONS

Meaning assumptions that:

- (i) 1810040 Alberta Ltd.'s cash flow reflects the most probable set of economic conditions and planned courses of action, **Suitably Supported**, that are consistent with the plans of 1810040 Alberta Ltd.; and
- (ii) Provide a reasonable basis for the Cash Flow Statement.

#### SUITABLY SUPPORTED

Meaning that the assumptions are based on either one or more of the following factors:

- (i) The past performance of 1810040 Alberta Ltd.;
- (ii) The performance of other industry/market participants engaged in similar activities as 1810040 Alberta Ltd.;
- (iii) Feasibility studies;
- (iv) Marketing studies; or
- (v) Any other reliable source of information that provides objective corroboration of the reasonableness of the Assumptions.

The extent of detailed information supporting each assumption, and an assessment as to the reasonableness of each assumption, will vary according to circumstances and will be influenced by

factors such as the significance of the assumption and the availability and quality of the supporting information.

### ASSUMPTIONS

Assumptions	Source	Probable Assumption	Hypothetical Assumption
<b><u>Opening cash balance</u></b>	Based on allocated closing cash balances as at February 1, 2017	X	
<b><u>Exchange rates</u></b>	All cash flows are in Canadian dollars		X
<b><u>Forecast cash receipts</u></b>			
GST/HST/VAT received	No refunds are forecasted for the period	X	
Other receipts	No receipts are forecasted for the period	X	
<b><u>Forecast cash disbursements</u></b>			
Payroll	Based on updated salaries and payment of applicable severances	X	
Rent expense	Office space in Halifax	X	
Restructuring related professional fees	Represent fees of Deloitte, McCarthy Tétrault, Osler, Clifford Chance, Loyens & Loeff, Terrealis and others	X	
Director and Officers Insurance	No Directors and Officers insurance fees are forecasted for the period	X	
Office & administrative	Bank fees, travel, telephone, non-CCAA professional fees and other miscellaneous costs	X	
Other expenditures	No disbursements are forecasted for the period	X	
<b><u>Ending cash balance</u></b>	Based on allocated cash transactions	X	

## Churchill Extended 7-month cash flow forecast (\$C)

Updated as of February 1, 2017

Churchill Estates Development Ltd.  
Extended cash flow statement from February 1, 2017 to September 30, 2017

Beginning period: Ending period:	<b>45th Report</b>		<b>46th Report</b>							TOTAL 7-Month Period
	For the month of February	TOTAL	For the month of March	For the month of April	For the month of May	For the month of June	For the month of July	For the month of August	For the month of September	
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
<b>Cash inflows</b>	-	-	<b>110,000</b>	-	-	-	-	-	-	<b>110,000</b>
<b>Total cash inflows</b>	-	-	<b>110,000</b>	-	-	-	-	-	-	<b>110,000</b>
<b>Cash outflows</b>										
Condo fees	-	-	-	-	-	-	-	-	-	-
GST remitted	-	-	-	-	-	-	-	-	-	-
Other expenditures	-	-	-	-	-	-	-	-	-	-
<b>Total cash outflows</b>	-	-	-	-	-	-	-	-	-	-
<b>Opening cash balance</b>	801,500	801,500	<b>801,500</b>	<b>911,500</b>	<b>911,500</b>	<b>911,500</b>	<b>911,500</b>	<b>911,500</b>	<b>911,500</b>	<b>801,500</b>
Variation in cash balance	-	-	<b>110,000</b>	-	-	-	-	-	-	<b>110,000</b>
Exchange rate	-	-	-	-	-	-	-	-	-	-
<b>Ending cash balance</b>	<b>801,500</b>	<b>801,500</b>	<b>911,500</b>	<b>911,500</b>	<b>911,500</b>	<b>911,500</b>	<b>911,500</b>	<b>911,500</b>	<b>911,500</b>	<b>911,500</b>

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at February 1, 2017
- 2) A cash inflow of approximately \$110K is expected in March subject to the granting of the Churchill Funds in Trust Application.

## NOTES AND REPRESENTATIONS TO THE CASH FLOW STATEMENT

### NOTE A – PURPOSE AND WARNINGS

The cash flow projections have been prepared solely for the purpose of the CCAA proceedings. Consequently, readers are cautioned that they may not be appropriate for other purposes.

Since the cash flow projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

### NOTE B – DEFINITIONS

#### CASH FLOW STATEMENT

A statement indicating, on a monthly basis, the projected cash flow of Churchill, based on probable and hypothetical assumptions that reflect Churchill's planned course of action for the period covered.

#### HYPOTHETICAL ASSUMPTIONS

Meaning assumptions with respect to a set of economic conditions or courses of action which are not necessarily the most probable in Churchill's judgment, but are consistent with the purpose of the Cash Flow Statement.

#### PROBABLE ASSUMPTIONS

Meaning assumptions that:

- (i) Churchill's cash flow reflects the most probable set of economic conditions and planned courses of action, **Suitably Supported**, that are consistent with the plans of Churchill; and
- (ii) Provide a reasonable basis for the Cash Flow Statement.

#### SUITABLY SUPPORTED

Meaning that the assumptions are based on either one or more of the following factors:

- (i) The past performance of Churchill;
- (ii) The performance of other industry/market participants engaged in similar activities as Churchill;
- (iii) Feasibility studies;
- (iv) Marketing studies; or
- (v) Any other reliable source of information that provides objective corroboration of the reasonableness of the Assumptions.

The extent of detailed information supporting each assumption, and an assessment as to the reasonableness of each assumption, will vary according to circumstances and will be influenced by factors such as the significance of the assumption and the availability and quality of the supporting information.

## ASSUMPTIONS

Assumptions	Source	Probable Assumption	Hypothetical Assumption
<b><u>Opening cash balance</u></b>	Based on allocated closing cash balances as at February 1, 2017	X	
<b><u>Exchange rates</u></b>	All cash flows are in Canadian dollars		X
<b><u>Forecast cash receipts</u></b>	Based on the expected granting of the Churchill Funds in Trust Application	X	
<b><u>Forecast cash disbursements</u></b>	No activity has been forecasted during the period	X	
Condo fees	No activity has been forecasted during the period	X	
GST remitted	No activity has been forecasted during the period	X	
Other expenditures	No activity has been forecasted during the period	X	
<b><u>Closing cash balance</u></b>	Based on allocated cash transactions	X	



## NCLL Extended 7-month cash flow forecast (\$C)

Updated as of February 1, 2017

NCLL

Extended cash flow statement from February 1, 2017 to September 30, 2017

Beginning period: Ending period:	45th Report		46th Report							
	For the month of February Forecast	TOTAL Forecast	For the month of March Forecast	For the month of April Forecast	For the month of May Forecast	For the month of June Forecast	For the month of July Forecast	For the month of August Forecast	For the month of September Forecast	TOTAL 7-Month Period Forecast
<b>Cash inflows</b>										
GST/HST received	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
<b>Total cash inflows</b>	-	-	-	-	-	-	-	-	-	-
<b>Cash outflows</b>										
Professional fees	-	-	-	-	-	-	-	-	-	-
Property tax	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-
Other expenditures	-	-	-	-	-	-	-	-	-	-
<b>Total cash outflows</b>	-	-	-	-	-	-	-	-	-	-
<b>Opening cash balance</b>	-	-	-	-	-	-	-	-	-	-
<b>Funding from HII</b>										
Variation in cash balance	-	-	-	-	-	-	-	-	-	-
Exchange rate	-	-	-	-	-	-	-	-	-	-
<b>Adjust ending cash balance</b>	-	-	-	-	-	-	-	-	-	-

Note:

- 1) The opening cash balance reflects the allocated cash balance as at February 1, 2017.

## NOTES AND REPRESENTATIONS TO THE CASH FLOW STATEMENT

### NOTE A – PURPOSE AND WARNINGS

The cash flow projections have been prepared solely for the purpose of the CCAA proceedings. Consequently, readers are cautioned that they may not be appropriate for other purposes.

Since the cash flow projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

### NOTE B – DEFINITIONS

#### CASH FLOW STATEMENT

A statement indicating, on a monthly basis, the projected cash flow of NCLL, based on probable and hypothetical assumptions that reflect NCLL's planned course of action for the period covered.

#### HYPOTHETICAL ASSUMPTIONS

Meaning assumptions with respect to a set of economic conditions or courses of action which are not necessarily the most probable in NCLL's judgment, but are consistent with the purpose of the Cash Flow Statement.

#### PROBABLE ASSUMPTIONS

Meaning assumptions that:

- (i) NCLL's cash flow reflects the most probable set of economic conditions and planned courses of action, **Suitably Supported**, that are consistent with the plans of NCLL; and
- (ii) Provide a reasonable basis for the Cash Flow Statement.

#### SUITABLY SUPPORTED

Meaning assumptions are based on either one or more of the following factors:

- (i) The past performance of NCLL;
- (ii) The performance of other industry/market participants engaged in similar activities as NCLL;
- (iii) Feasibility studies;
- (iv) Marketing studies; or
- (v) Any other reliable source of information that provides objective corroboration of the reasonableness of the Assumptions.

The extent of detailed information supporting each assumption, and an assessment as to the reasonableness of each assumption, will vary according to circumstances and will be influenced by factors such as the significance of the assumption and the availability and quality of the supporting information.

## ASSUMPTIONS

Assumptions	Source	Probable Assumption	Hypothetical Assumption
<b><u>Opening cash balance</u></b>	Based on allocated closing cash balances as at February 1, 2017	X	
<b><u>Exchange rates</u></b>	All cash flows are in Canadian dollars		X
<b><u>Forecast cash receipts</u></b>			
GST/HST received	Based on previous GST/HST reimbursements; no activity has been forecasted during the period		X
Other receipts	Other receipts; no activity has been forecasted during the period	X	
<b><u>Forecast cash disbursements</u></b>			
Professional fees	Legal and closing costs for sale of property; no activity has been forecasted during the period	X	
Property tax	Property tax is paid in one annual installment; no activity has been forecasted during the period	X	
Insurance	Insurance has been pre-paid; no activity has been forecasted during the period	X	
Other expenditures	Other expenditures incurred; no activity has been forecasted during the period	X	
<b><u>Ending cash balance</u></b>	Based on allocated cash transactions	X	

## HMCI Extended 7-month cash flow forecast (\$C)

Updated as of February 1, 2017

Homburg Management Canada Inc.

Extended cash flow statement from February 1, 2017 to September 30, 2017

	<b>45th Report</b>		<b>46th Report</b>							
Beginning period: Ending period:	For the month of February	TOTAL	For the month of March	For the month of April	For the month of May	For the month of June	For the month of July	For the month of August	For the month of September	TOTAL 7-Month Period
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
<b>Cash inflows</b>										
Other Receipts	-	-	-	-	-	-	-	-	-	-
<b>Total cash inflows</b>	-	-	-	-	-	-	-	-	-	-
<b>Cash outflows</b>										
Other Disbursements	-	-	-	-	-	-	-	-	-	-
<b>Total cash outflows</b>	-	-	-	-	-	-	-	-	-	-
<b>Opening cash balance</b>	41,200	41,200	41,200	41,200	41,200	41,200	41,200	41,200	41,200	41,200
Variation in cash balance	-	-	-	-	-	-	-	-	-	-
Exchange rate	-	-	-	-	-	-	-	-	-	-
<b>Ending cash balance</b>	<b>41,200</b>	<b>41,200</b>	<b>41,200</b>	<b>41,200</b>	<b>41,200</b>	<b>41,200</b>	<b>41,200</b>	<b>41,200</b>	<b>41,200</b>	<b>41,200</b>

Note:

- 1) The opening cash balance reflects the allocated cash balance as at February 1, 2017.

## NOTES AND REPRESENTATIONS TO THE CASH FLOW STATEMENT

### NOTE A – PURPOSE AND WARNINGS

The cash flow projections have been prepared solely for the purpose of the CCAA proceedings. Consequently, readers are cautioned that they may not be appropriate for other purposes.

Since the cash flow projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

### NOTE B – DEFINITIONS

#### CASH FLOW STATEMENT

A statement indicating, on a monthly basis, the projected cash flow of HMCI, based on probable and hypothetical assumptions that reflect HMCI's planned course of action for the period covered.

#### HYPOTHETICAL ASSUMPTIONS

Meaning assumptions with respect to a set of economic conditions or courses of action which are not necessarily the most probable in HMCI's judgment, but are consistent with the purpose of the Cash Flow Statement.

#### PROBABLE ASSUMPTIONS

Meaning assumptions that:

- (i) HMCI's cash flow reflects the most probable set of economic conditions and planned courses of action, **Suitably Supported**, that are consistent with the plans of HMCI; and
- (ii) Provide a reasonable basis for the Cash Flow Statement.

#### SUITABLY SUPPORTED

Meaning that the assumptions are based on either one or more of the following factors:

- (i) The past performance of HMCI;
- (ii) The performance of other industry/market participants engaged in similar activities as HMCI;
- (iii) Feasibility studies;
- (iv) Marketing studies; or
- (v) Any other reliable source of information that provides objective corroboration of the reasonableness of the Assumptions.

The extent of detailed information supporting each assumption, and an assessment as to the reasonableness of each assumption, will vary according to circumstances and will be influenced by factors such as the significance of the assumption and the availability and quality of the supporting information.

## ASSUMPTIONS

<b>Assumptions</b>	<b>Source</b>	<b>Probable Assumption</b>	<b>Hypothetical Assumption</b>
<b><u>Opening cash balance</u></b>	Based on allocated closing cash balances as at February 1, 2017	X	
<b><u>Forecast cash receipts</u></b>	No cash inflows are projected for this period	X	
<b><u>Forecast cash disbursements</u></b>	No cash outflows are projected for this period	X	
<b><u>Ending cash balance</u></b>	Based on allocated cash transactions	X	