



**Deloitte Restructuring Inc.**  
La Tour Deloitte  
1190 avenue des  
Canadiens-de-Montréal  
Suite 500  
Montreal QC H3B 0M7  
Canada

Tel.: 514-393-7115  
Fax: 514-390-4103  
www.deloitte.ca

C A N A D A  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL  
COURT. No.: 500-11-041305-117

S U P E R I O R C O U R T  
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 –

**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-SEVENTH 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, the Court extended the Stay up to and including October 2, 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-six such Monitor's reports (as well as some supplemental reports) prior to this forty-seventh report of the Monitor (the "**Forty-Seventh 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-SEVENTH REPORT**

6. This Forty-Seventh 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 September 28, 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-Seventh 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-Seventh 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-Seventh 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-Seventh 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-Sixth Report on February 23, 2017 at the time of the request for the Twenty-Sixth 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 a large number of creditors. These recent distributions reduced to a nominal amount the number of creditors whose distributions were on hold due to incorrect or missing information.
13. For efficiency purposes, as described in the Forty-Sixth Report, 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. This final distribution is anticipated to occur during the next extension period, as detailed hereunder.

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

14. As indicated in the Forty-Sixth 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. Cash is 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. As for the Geneva shares held in reserve by the Monitor in connection with the remaining Disputed Claims of Bond 6 Claim Holders, the vast majority was tendered as per the Frasers Property's one-time offer, as per the Order of the Court in this regard rendered on September 6, 2017 (see details hereunder).
16. All other Geneva 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***

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): At the request of the HSBC, the sole secured lender, a Receiver was appointed in May 2017, which took control of the property. As mentioned in the Forty-Sixth Report, there was no equity available on this property for HII, which is why the Monitor and HII did not oppose the receivership brought by the HSBC. All assets of NCLL are under the control of the receiver appointed by the Court pursuant to the receivership order.
- ii. European Non-Core Assets: Certain European Non-Core Assets continue to be held by HII. While a sale process of all of these properties is currently in process, the operating costs and cash flow deficiencies continue to be assumed by the secured creditor. As of the date of this Forty-Seventh Report, two (2) of these properties remain unsold. As indicated in previous Monitor's reports, in light of changes in market conditions, 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 (as successor of SNS), the secured creditor on the remaining properties. Since the Forty-Sixth 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 interests of the Affected Creditors. The Monitor intends to hold a meeting with Propertize in October 2017, in order to discuss the possibility of the monetization of the equity on the property, for the benefit of HII's creditors, prior to the sale of the property, with a view to be in a position to proceed with the final distribution and exit the CCAA proceedings.
- iii. At the date of the Forty-Seventh Report, there is only two (2) properties left, which are those of Homco 119 and Homco 123. The status of the disposition process of the properties that were remaining at the time of the Forty-Sixth Report is the following:
  - a. Homco 111, Homco 112 and 113: the sale of each of the properties owned by these 3 Homcos, which was approved the Liquidation Advisory Committee, was completed during the Twenty-Sixth Extension Period. The sale of these properties did not allow, in each case, the full repayment of the secured lender, and therefore no equity was generated for the ultimate benefit of the Affected Creditors.
  - b. Homco 119: the offer initially anticipated to be received was never received. Based on current information, it is not anticipated than an offer could generate equity for the ultimate benefit of the Affected Creditors. Discussions are to be held with Propertize in October 2017 on how the property and structure will be transferred to it prior to exiting the CCAA proceedings.
  - c. Homco 123: As indicated in the Forty-Sixth Report, the sale of the Homco 123 property has been delayed due to a number of complications mostly related to the renewal of hazardous waste processing and fire/building safety permits. This situation is still not resolved at the date of the Forty-Seventh Report and the Monitor is advised that it could take still several months to be resolved, hence the necessity to attempt to monetize the equity over the property prior to its 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. A few Non-Core Business Entities have assets remaining, such that their winding-up or bankruptcy is expected to result in additional recoveries for HII, for the benefit of the Affected Creditors under the HII/Shareco Plan. As of the date of the Forty-Seventh Report, it is expected that some others 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 February 1, 2017 to September 15, 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 February 1, 2017 to September 15, 2017:

Cash variation for the period from February 1 to September 15, 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.	507	(1 288)	(781)	(23)	1 211	407
Churchill Estates Development Ltd.	801	(801)	-	-	-	-
North Calgary Land Ltd.	-	-	-	-	-	-
HMCI	41	-	41	-	-	41
<b>Total</b>	<b>1 349</b>	<b>(2 089)</b>	<b>(740)</b>	<b>(23)</b>	<b>1 211</b>	<b>448</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 February 1, 2017 to September 15, 2017, and commentaries in respect of the analysis performed, please refer to Appendix B of this Forty-Seventh 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 \$196.4K for the period noted, while total cash outflows were \$1,462.8K, which resulted in a negative net cash variation of \$1,266.4K compared to a budgeted negative net cash variation of \$1,405.0K. This positive variance of \$138.6K is mainly due to the receipt of tax refunds that were not budgeted.

Churchill

25. On April 24, 2017 Churchill filed an assignment in bankruptcy. As a result the bank account was closed and the cash balance of \$801.5K was transferred to the estate trust account administered by the Trustee in bankruptcy.

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-Sixth 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-Seventh Report, a budget-to-actual cash flow analysis of the Debtors for the period from February 1, 2017 to September 15, 2017 has been prepared together with commentaries of cash variances, as presented in Appendix B of this Forty-Seventh 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.

### **FRASERS PROPERTY'S ONE-TIME OFFER**

39. On August 31, 2017, the Monitor requested to the Court to be authorize to tender, as part of the Fraser Property's one-time offer, some or all of the Newco common Shares held in the Disputed Claims Reserve. Following the order rendered on September 6, 2017, the Monitor proceeded with the tender of 68,302 Newco Common Shares Held in the Disputed Claims Reserve, which shares will be converted in cash as per the Fraser offer. As of the date of this Forty-Seventh Report, following the tender of the shares, the Monitor only have 415 Newco Common Shared Held in the Disputed Claims Reserves (the non-tendering portion) to be distributed or cancelled as per the HII/Shareco Plan.

#### IV. EXTENSION OF THE STAY PERIOD

##### **OVERVIEW**

40. Pursuant to the Twenty-Sixth Extension Order, the Stay Period was extended up to and including September 29, 2017.
41. On September 19, 2017, an order was granted to extend the Stay Period to October 2, 2017. ("**Twenty-Seventh Extension Order**")
42. The Debtors' Application is seeking a twenty-eighth extension of the Stay Period until January 30, 2018 (the "**Twenty-Eighth Extension Period**"). This extension will allow, among other things, to:
  - i. Complete the realization or monetization 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. Release all available cash amounts to form part of the final distribution to the Affected Creditors and Homco 61 Affected Creditors under the Plans (by obtaining any consents and/or orders necessary as the case may be), including the cash amount remaining in the Litigation Reserve provided by the HII/Shareco Plan and the cash amount held in trust with the Monitor in connection with the Directors' Charge in order for such amounts;
  - iv. Proceed with the final distribution to the Affected Creditors and Homco 61 Affected Creditors pursuant to the Plans and complete all steps necessary in connection thereto; and
  - v. Continue to keep creditors and other stakeholders informed and answer their queries.
43. It is the Monitor's view that it is in the best interests of the stakeholders to provide the HII Parties with the Twenty-Eighth Extension Period in order to allow the HII Parties and the Monitor to continue their progress towards finalizing the remaining steps provided in the Plans and exit the CCAA proceedings.

##### **EXTENDED 4-MONTH CASH FLOW FORECASTS**

44. The Debtors, with the support of the Monitor, prepared new cash flow forecasts for the Twenty-Eighth Extension Period, adjusting the projected cash flows for the period ending on January 30, 2018, namely the end of the Twenty-Eighth Extension Period.
45. The extended 4-month cash flow forecasts for 1810040 Alberta Inc., and HMCI, as well as additional commentaries identifying the primary assumptions, are attached as Appendix C.
46. Presented in the table below is a summary of the forecasted cash variations for each of the Debtors:

Extension - period ending January 30, 2018 (Appendix C)			
	Opening cash balance as of September 15, 2017	Forecasted cash variation for the period	Forecasted closing cash balance as of January 30, 2018
(C\$000)			
1810040 Alberta Ltd.	407	(281)	126
HMCI	41	-	41
<b>Total</b>	<b>448</b>	<b>(281)</b>	<b>167</b>

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

47. 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.
48. Rent expense is expected to be incurred during all the period as the office is required to support the employees.
49. Professional fees in connection with the restructuring of the HII Group are expected to be higher in the month January 2018 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.
50. Office and administrative fees are expected to be at \$5K per month.
51. At the time of this Forty-Seventh 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-Eighth Extension Period.

HMCI

52. The Monitor does not anticipate any cash inflows or outflows pertaining to HMCI during the Twenty-Eighth Extension Period.
53. At the time of this Forty-Seventh 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-Eighth Extension Period.

**V. POSITION OF THE VARIOUS CASH RESERVES**

54. 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)	
Trust Account	September 15, 2017
Cash Pool and Asset Realization Cash Pool	2 817
Administrative Reserve	270
Litigation Reserve	511
Disputed Claims Reserves	138
Directors' Charge Reserve	2 030

Cash Reserves Accounts (€000)	
Trust Account	September 15, 2017
Administrative Reserve	108

Note: This table excludes any potential equity that could be generated by a European entity.

## VI. CONCLUSIONS AND RECOMMENDATIONS

55. 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.
56. It is the Monitor's opinion that, for the reasons further elaborated in this Forty-Seventh Report, the Twenty-Eighth Extension, up to January 30, 2018, 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.
57. The Monitor respectfully submits this Forty-Seventh Report to the Court.

DATED AT MONTREAL, this 29<sup>th</sup> day of September 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 (61) 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 8-month period from		
	February 1, 2017 to September 15, 2017		
	Actual	Budget	Variance
<b>Cash inflows</b>			
Other receipts	196.4	-	196.4
<b>Total cash inflows</b>	<b>196.4</b>	<b>-</b>	<b>196.4</b>
<b>Cash outflows</b>			
Payroll	185.2	160.0	(25.2)
Rent expense	14.0	16.0	2.0
Restructuring related professional fees	1,231.4	1,189.0	(42.4)
Directors & Officers Insurance	-	-	-
Office & administrative	32.2	40.0	7.8
Other expenditures / Refund to Administrative Reserve	-	-	-
<b>Total cash outflows</b>	<b>1,462.8</b>	<b>1,405.0</b>	<b>(57.8)</b>
<b>Opening cash balance</b>	<b>506.8</b>	<b>506.8</b>	<b>-</b>
Adjustment to opening balance	-	-	-
Variation in cash balance	(1,266.4)	(1,405.0)	138.6
Exchange rate (Gain / Loss)	(22.3)	-	(22.3)
<b>Ending cash balance</b>	<b>(781.9)</b>	<b>(898.2)</b>	<b>116.3</b>
<b>Deficit funded by the Administrative Reserve</b>	<b>1,211.8</b>	<b>898.2</b>	<b>313.6</b>
<b>Surplus (funding) between HII and its non-Petitioners</b>	<b>(22.6)</b>	<b>-</b>	<b>(22.6)</b>
<b>Adjusted ending cash balance</b>	<b>407.3</b>	<b>-</b>	<b>407.3</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 \$1,211.8K 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 \$196.4K compared to a budgeted amount of nil, resulting in a favorable variance of \$196.4K. The favorable variance is mainly due to the unbudgeted receipt of \$173.5K of tax refunds and the unbudgeted receipt of \$22.9K of refunds related to Stichting Homburg invoices.

### ***Outflows***

- Payroll was \$185.2K compared to a budgeted amount of \$160.0K, resulting in an unfavorable variance of \$25.2K. This unfavorable variance is mainly due to higher workload than originally anticipated.
- Restructuring related professional fees were \$1,231.4K compared to a budgeted amount of \$1,189.0K, resulting in an unfavorable variance of \$42.4K. This unfavorable variance is mainly due to timing.
- Office & Administrative expenses were \$32.2K compared to a budgeted amount of \$40.0K, resulting in a favorable variance of \$7.8K. This favorable variance is mainly due to timing.
- 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	\$ 112,032	\$	112,032
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
INVOICE nr 94.2017	February 1, 2017 - February 28, 2017	\$ 20,141	\$	20,141
INVOICE nr 95.2017	March 1, 2017 - March 31, 2017	\$ 25,937	\$	25,937
INVOICE nr 96.2017	April 1, 2017 - April 30, 2017	\$ 17,225	\$	17,225
INVOICE nr 97.2017	May 1, 2017 - May 31, 2017	\$ 25,251	\$	25,251
INVOICE nr 98.2017	June 1, 2017 - June 30, 2017	\$ 23,271	\$	23,271
INVOICE nr 99.2017	July 1, 2017 - July 31, 2017	\$ 31,729	\$	31,729
INVOICE nr. 100.2017	August 1, 2017 - August 31, 2017	\$ 34,919	\$	34,919
CREDIT NOTE C24.2016	Invoices 83, 84, 85, 86, 87	\$ (4,644)	\$	(6,579)
CREDIT NOTE C26.2017	Invoices 92,93,94	\$ (7,419)	\$	(10,135)
CREDIT NOTE C27.2017	Invoices 89,90,91,92	\$ (819)	\$	(1,203.31)
CREDIT NOTE C28.2017	Invoices 95,96,97	\$ (7,930)	\$	(11,804.60)
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>\$</b>	<b>10,135,066</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 8-month period from		
	February 1, 2017 to September 15, 2017		
	Actual	Budget	Variance
<b>Cash inflows</b>	-	110.0	(110.0)
<b>Total cash inflows</b>	<u>-</u>	<u>110.0</u>	<u>(110.0)</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	801.5	-	(801.5)
	<u>801.5</u>	<u>-</u>	<u>(801.5)</u>
<b>Opening cash balance</b>	<b>801.5</b>	<b>801.5</b>	<b>-</b>
Variation in cash balance	<u>(801.5)</u>	<u>110.0</u>	<u>(911.5)</u>
<b>Ending cash balance</b>	<u>-</u>	<u>911.5</u>	<u>(911.5)</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***

- On April 24, 2017 Churchill filed an assignment in bankruptcy. As a result the bank account was closed and the cash balance of \$801.5K was transferred to the estate trust account administered by the Trustee in bankruptcy.

## 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 8-month period from		
	February 1, 2017 to September 15, 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	0.3	-	(0.3)
GST/HST paid	-	-	-
Other expenditures	-	-	-
<b>Total cash outflows</b>	<u>0.3</u>	<u>-</u>	<u>(0.3)</u>
<b>Funded opening cash balance</b>	-	-	-
Variation in cash balance	(0.3)	-	(0.3)
Exchange rate (Gain / Loss)	-	-	-
<b>Ending cash balance</b>	<u>(0.3)</u>	<u>-</u>	<u>(0.3)</u>
<b>Funding from HII</b>	<u>0.3</u>	<u>-</u>	<u>(0.3)</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.
- On May 23, 2017 PricewaterhouseCoopers Inc. was appointed Receiver of NCLL. All transactions following the appointment are reviewed and monitored by the Receiver.

## 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 8-month period from		
	February 1, 2017 to September 15, 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	-	-	-
<b>Total cash outflows</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Opening cash balance</b>	<b>41.2</b>	<b>41.2</b>	-
Variation in cash balance	-	-	-
Exchange rate (Gain / Loss)	-	-	-
<b>Ending cash balance</b>	<u><b>41.2</b></u>	<u><b>41.2</b></u>	<u>-</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 4-month cash flow forecast (\$C)**

**Updated as of September 15, 2017**

1810040 Alberta Ltd. (formerly Homburg Invest Inc. and Shareco)  
 Extended cash flow statement from September 16, 2017 to January 31, 2018

Beginning period: Ending period:	<b>46th Report</b>		<b>47th Report</b>				TOTAL 4-Month Period
	September 16 to 30	TOTAL	For the month of October	For the month of November	For the month of December	For the month of January	
	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	10 000	<b>10 000</b>	20 000	20 000	20 000	20 000	<b>80 000</b>
Rent expense	2 000	<b>2 000</b>	2 000	2 000	2 000	2 000	<b>8 000</b>
Restructuring related professional fees	7 000	<b>7 000</b>	14 000	14 000	14 000	110 000	<b>152 000</b>
Directors & Officers Insurance	-	-	-	-	-	-	-
Office & administrative	2 500	<b>2 500</b>	5 000	5 000	5 000	5 000	<b>20 000</b>
Other expenditures	-	-	-	-	-	-	-
<b>Total cash outflows</b>	<b>21 500</b>	<b>21 500</b>	<b>41 000</b>	<b>41 000</b>	<b>41 000</b>	<b>137 000</b>	<b>260 000</b>
<b>Opening balance</b>	<b>407 300</b>	<b>407 300</b>	<b>385 800</b>	<b>344 800</b>	<b>303 800</b>	<b>262 800</b>	<b>385 800</b>
Payments in transit	-	-	-	-	-	-	-
Variation in cash balance (Petitioners)	(21 500)	<b>(21 500)</b>	<b>(41 000)</b>	<b>(41 000)</b>	<b>(41 000)</b>	<b>(137 000)</b>	<b>(260 000)</b>
Variation in cash balance (Non-Petitioners)	-	-	-	-	-	-	-
Exchange rate	-	-	-	-	-	-	-
<b>Adjusted ending cash balance</b>	<b>385 800</b>	<b>385 800</b>	<b>344 800</b>	<b>303 800</b>	<b>262 800</b>	<b>125 800</b>	<b>125 800</b>

**Notes:**

- 1) The opening cash balance reflects the allocated cash balance as at September 15, 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) Budgeted amounts for professional fees during the Twenty-Eighth Extension Period reflects the lower level of work expected during the first 3 months and the expected workload increase in January 2018 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 September 15, 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	X	

Assumptions	Source	Probable Assumption	Hypothetical Assumption
	miscellaneous costs		
Other expenditures	No disbursements are forecasted for the period	X	
<b><u>Ending cash balance</u></b>	Based on allocated cash transactions	X	

## HMCI Extended 4-month cash flow forecast (\$C)

Updated as of September 15, 2017

Homburg Management Canada Inc.

Extended cash flow statement from September 16, 2017 to January 31, 2018

	<b>46th Report</b>		<b>47th Report</b>				
Beginning period: Ending period:	September 16 to 30	TOTAL	For the month of October	For the month of November	For the month of December	For the month of January	TOTAL 4-Month Period
	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>	<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>
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>

Note:

- 1) The opening cash balance reflects the allocated cash balance as at September 15, 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 September 15, 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	