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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.)

Debtor

- and -

HOMCO REALTY FUND (61) LIMITED PARTNERSHIP

Mis en cause

- and -

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

Monitor

**FIFTIETH 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 was extended to numerous other debtors and partnerships. As of this date, only Homco 61 is left as an "Applicant Partnership" (together with HII, 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 31, 2018 (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-nine such Monitor's reports (as well as some supplemental reports) prior to this fiftieth report of the Monitor (the "**Fiftieth Report**"). Copies of all of the Monitor's reports are available on the Monitor's website at 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 FIFTIETH REPORT

6. This Fiftieth 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 Debtor's Application for an extension of the Stay Period dated October 25th, 2018 (the "**Debtor's Application**"). This report also outlines the current and projected cash positions of the Debtor and the status of the orderly liquidation initiatives.
7. This Fiftieth Report is structured as follows:
 - I- Updates on the Execution of the Plans and the Distributions;
 - II- Debtor's Cash Flows;
 - III- Activities of the Monitor;
 - IV- Extension of the Stay Period / Funding by Homco 123;
 - V- Position of the Various Cash Reserves; and
 - VI- Conclusions and Recommendations.

TERMS OF REFERENCE

8. In preparing this Fiftieth 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 Fiftieth 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 Fiftieth 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. Since PID, the Monitor continue to diligently monitor the execution of the Plans with the objective to proceed with a last distribution to the Affected Creditors as early as possible. As explained in previous reports, delays regarding the dispositions of non-core assets, for which proceeds will affect the recovery for the Affected creditors, explained mainly why the final distribution has not yet taken place.

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-Ninth Report on June 20, 2018, at the time of the request for the Thirtieth 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 number of additional creditors. These recent distributions reduced to a relatively nominal amount the number of creditors (10) whose distributions were on hold due to incorrect or missing information. An amount of approximately \$24K is reserved as pending payments in regard of these 10 creditors, in accordance with the Plans.
13. For efficiency purposes, it remains the intention of the Monitor, in consultation with the Liquidation Advisory Committee, that the next distribution of the proceeds from the Asset Realization Cash Pool, along with proceeds to be released from the Litigation Reserve and the Directors' Charge reserve, will be the final distribution under the terms of the Plans. This final distribution is currently anticipated to occur following the completion of the realization of any equity over the remaining property (Homco 123). As detailed hereunder, the sale of Homco 123 takes more time than expected, for reasons outside of the control of the HII Group and the Monitor. The equity that is anticipated to be realized out of the sale of this property and ensuing liquidation of Homco 123 remains significant for the Affected Creditors. The sale is now expected to occur at any time within the next 9 months.

RESOLUTION OF DISPUTED CLAIMS

14. Since the Forty-Ninth Report, the situation of the Disputed claims has remained unchanged. 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, and a nominal amount of Geneba shares that were not tendered pursuant to the Frasers Property's one-time offer (415 shares over the 28 million shares initial issued by Geneba), 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.

SALE PROCESS / REALIZATION OF NON-CORE ASSETS

16. Since the beginning of the Thirtieth Extension period, only one (1) property remains to be sold, namely Homco 123. The HII Group, in consultation with the Monitor and the Liquidation Advisory Committee, has continued its efforts and its discussions with Propertize (as successor of SNS, the secured creditor on this property), in order to determine the best course of action to dispose of its interest in the remaining property, in the best interest of the Affected Creditors. The status of the disposition process in respect of this property is the following:
- i. Homco 123: This property continues to be held by HII and while the same sale process of this property, as reported to this Court in the Monitor previous reports, is currently ongoing, all costs in connection with this property continues to be assumed by the individual entity or, in case of a shortfall, by Propertize, with no property costs to be assumed by HII.
 - ii. As explained in the Forty-Ninth Report, the disposition process of Homco 123 continue to be delayed due to some complications related to the safety and environment permits required. With the objective to resolve these outstanding issues, as mentioned to the Court during the last extension hearing held in June 2018, an expert was appointed by the Dutch Court in July 2018. The HII Group is advised that the expert has requested more time to prepare and file his report, which request was granted by the Dutch Court. This expert report could be the key to resolve the litigation around the conditions for the issuance of the safety and environment permits required by the tenant, which is the issue to be resolved in order to allow for realization of the maximum equity over the Homco 123 property for the benefit of the Affected Creditors.
 - iii. As a result of the delay in the issuance of a final and binding decision with regards to the current litigation, there have been delays in the plan of action for the sale process that was put in place by the broker (JLL). According to the parties in The Netherlands, namely the HII Group's consultant, the broker (JLL) and Propertize, the only way to realize the significant equity over the Homco 123 property is by extending the delays prior to an accelerated solicitation and eventual acceptance of a binding offer, in order to allow for the resolution of issue relating to the safety and regulation permits. A letter from the broker issued on October 25, 2018 is attached as Appendix C to this Fiftieth Report.
 - iv. As previously reported to the Court, Homco 123 is a cash flow positive entity and its financial situation allows it to reimburse the monthly principal payments owed to Propertize, in an approximate amount of 50K Euros, hence increasing the equity for the benefit of the Affected Creditors of HII each month that passes.

BANKRUPTCY AND WINDING-UP OF NON-CORE BUSINESS ENTITIES

17. During the last extension period, despite what was expected, no other HII Group entities filed into bankruptcy. It was decided to postpone the bankruptcy filings as much as possible so that all the remaining HII Group Entities that need a filing will proceed at the same time in the most efficient fashion. As of the date of this report, eight (8) homcos (including Homco 123), meaning 16 entities including their respective general partner, remain to be wound up or filed into bankruptcy in order to end the execution of the Plans and end the CCAA proceedings.

II. DEBTOR'S CASH FLOWS

18. The purpose of this section is as follows:
- i. Provide budget-to-actual analysis highlights for the period from June 16, 2018 to October 19, 2018; and
 - ii. Provide explanations or comments on the variances.

OVERVIEW

19. The following table provides an overview of the opening cash balances, the closing cash balances, and the cash variations of HII for the period from June 16, 2018 to October 19, 2018:

Cash variation for the period from June 16, 2018 to October 19, 2018 (C\$000)							
Petitioner	Opening cash balance	Total variation in cash balance	Exchange rate (gain / loss)	Subtotal	Surplus (funding) between HII and its Non-Petitioners (Note 1)	Funded by Administrative Reserve	Adjusted ending cash balance
1810040 Alberta Ltd.	393	48	(3)	438	4	272	714

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

For the budget to actual cash flow forecast analysis of HII, for the period from June 16, 2018 to October 19, 2018, and commentaries in respect of the analysis performed, please refer to Appendix A of this Fiftieth Report.

20. 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, the funding by Homco 123 (as discussed in the section IV hereunder) or the respective entity's working capital, as the case may be.
21. 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.)

22. Total cash inflows for 1810040 Alberta Ltd., mostly relate to tax refunds and the dissolution of Hinvest REMS BV which were not expected to be received during this period, were \$398.9K for the period noted, while total cash outflows were \$351.1K, which resulted in a positive net cash variation of \$47.8K compared to the amount initially budgeted.

III. ACTIVITIES OF THE MONITOR

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

CASH FLOW MONITORING

24. On a regular basis, the Monitor has continued to analyze the Debtor's cash flows. As explained in the previous section of this Fiftieth Report, a budget-to-actual cash flow

analysis of the Debtor for the period from June 16, 2018 to October 19, 2018 has been prepared together with commentaries of cash variances, as presented in Appendix A of this Fiftieth Report.

25. As part of this process, the Monitor has also analyzed cash inflows and cash outflows from all of the HII Parties' bank accounts not liquidated or being filed into bankruptcy. All disbursements for services rendered to the HII Parties have been presented to the Monitor for review.

NOTIFYING AND REPORTING DUTIES PERFORMED BY THE MONITOR

26. The Monitor has continued to post on its website all public information and documentation related to the HII Parties' restructuring process.

COMMUNICATIONS WITH CREDITORS

27. 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.
28. 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, by sequence, 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.
29. 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 Fiftieth Report, as indicated previously and notwithstanding the Monitor's efforts, only 10 creditors (out of approximately 9000) are yet to provide the relevant information requested for distribution purposes.

IV. EXTENSION OF THE STAY PERIOD / FUNDING BY HOMCO 123

OVERVIEW

30. Pursuant to the Thirtieth Extension Order, the Stay Period was extended up to and including October 31, 2018.
31. The Debtor's Application is seeking a thirty-first extension of the Stay Period until July 31, 2019 (the "**Thirty-First Extension Period**"). This extension will allow, among other things, to:
 - i. Complete the realization of the remaining Non-Core Business Asset (namely the Homco 123 property) with the objective to return a significant amount of equity to the Affected Creditors;
 - ii. Proceed with the planning of 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

iii. Continue to keep creditors and other stakeholders informed and answer their queries.

32. It is the Monitor's view that it is in the best interests of the stakeholders to provide the HII Parties with the Thirty-First 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 9-MONTH CASH FLOW FORECASTS

33. The Debtors, with the support of the Monitor, prepared new cash flow forecasts for the Thirty-First Extension Period, adjusting the projected cash flows for the period ending on July 31, 2019, namely the end of the Thirty-First Extension Period.

34. The extended 9-month cash flow forecasts for HII as well as additional comments identifying the primary assumptions are attached as Appendix B.

35. Presented in the table below is a summary of the forecasted cash variations for HII:

Extension - period ending July 31, 2019 (Appendix C)			
(C\$000)	Opening cash balance as of October 19, 2018	Forecasted cash variation for the period	Forecasted closing cash balance as at July 31, 2019
1810040 Alberta Ltd.	714	(143)	571

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

36. Payroll is expected to be reduced during the period to reflect the expected reduced workload of the remaining employees paid based on hourly fees to keep accounting and tax records updated. The sole remaining director and officer of HII is paid on a fixed monthly fee. The cash flow contemplates an agreement with the HII Group's sole remaining director reducing his monthly fee payable, starting in February 2019 (at the end of a three-month notice to which he is entitled), until the final distribution and the end of the CCAA proceedings. As for the consultant assisting HII in the liquidation of the European assets and properties, his remuneration is also a fixed monthly fee, of which is paid 50% by Propertize, and is included in the professional fees.

37. Rent expense is expected to be incurred during all the period as the office is required to support the employee.

38. Professional fees in connection with the restructuring of the HII Group are expected to be higher in the month November 2018 in light namely of the work required to proceed with the extension period.

39. Office and administrative fees are expected to be at \$1K per month.

40. As explained previously in this Fiftieth Report, the extension period is mainly required to allow the sale of the sole property that remains to be sold, namely the one Homco 123. It is expected that the Affected Creditors will benefit significantly from this sale as a significant amount of equity is expected to be generated from the proceeds of the sale. The HII Group's European consultant and the Monitor submitted that waiting for the Dutch Court litigation to be resolved before proceeding with the sale of the property is also to the benefit of Propertize, the secured lender of Homco 123, as it avoids forcing it to take possession and realize the property and/or reduce the value of

same due to the uncertainty. In these circumstances, at the suggestion of the Monitor, the HII Group and Propertize agreed that 50% of the budgeted disbursements related to the Thirty-First Extension Period will be funded directly by Homco 123's cash (which is pledged in favor of Propertize). This is reflected in the cash flow forecast relating to the Thirty-First Extension Period.

41. At the time of this Fiftieth Report, there is nothing that would lead the Monitor to believe that HII will need additional financing to meet its current obligations during the Thirty-First Extension Period.

V. POSITION OF THE VARIOUS CASH RESERVES

42. 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	October 19, 2018
Cash Pool and Asset Realization Cash Pool	2,448
Administrative Reserve	93
Litigation Reserve	518
Disputed Claims Reserves	626
Directors' Charge Reserve	2,058

Cash Reserves Accounts (€000)	
Trust Account	October 19, 2018
Administrative Reserve	57

Note 1: This table excludes the equity anticipated to be generated by the Homco 123 property.

VI. CONCLUSIONS AND RECOMMENDATIONS

43. 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.

44. It is the Monitor's opinion that, for the reasons further elaborated in this Fiftieth Report, the Thirty-First Extension, up to July 31, 2019, 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.
45. The Monitor respectfully submits this Fiftieth Report to the Court.

DATED AT MONTREAL, this 26th day of October 2018.



Pierre Laporte, FCPA, FCA, CIRP, LIT
Senior Vice-President

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

APPENDIX A

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 4-month period from		
	June 16, 2018 to October 19, 2018		
	Actual	Budget	Variance
Cash inflows			
Other receipts	398.9	-	398.9
Total cash inflows	398.9	-	398.9
Cash outflows			
Payroll	81.6	67.5	(14.1)
Rent expense	8.0	9.0	1.0
Restructuring related professional fees	245.5	132.5	(113.0)
Directors & Officers Insurance	-	-	-
Office & administrative	16.0	4.5	(11.5)
Other expenditures / Refund to Administrative Reserve	-	-	-
Total cash outflows	351.1	213.5	(137.6)
Opening cash balance	392.5	392.5	-
Adjustment to opening balance	-	-	-
Variation in cash balance	47.8	(213.5)	261.3
Exchange rate (Gain / Loss)	(2.9)	-	(2.9)
Ending cash balance	437.4	179.0	258.4
Deficit funded by the Administrative Reserve	272.1	-	272.1
Surplus (funding) between HII and its non-Petitioners	4.3	-	4.3
Adjusted ending cash balance	713.8	179.0	534.8

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 \$272.1K reflects the funding received from the Monitor's trust account. As outlined in previous reports, 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 \$398.9K compared to a budgeted amount of nil, resulting in a favorable variance of \$398.9K. The favorable variance is mainly due to the unbudgeted receipt of \$54.5K of tax refunds, unbudgeted receipt of \$5.0K of refunds related to Stichting Homburg invoices, and \$331.8K of unbudgeted receipts related to the dissolution of the company Hinvest REMS BV which was expected to be received, but not during the current period.

Outflows

- Payroll was \$81.6K compared to a budgeted amount of \$67.5K, resulting in an unfavorable variance of \$14.1K. This unfavorable variance is mainly due to a higher workload than originally anticipated.
- Restructuring related professional fees were \$245.5K compared to a budgeted amount of \$132.5K, resulting in an unfavorable variance of \$113.0K. This relates principally to payments of invoices for services rendered prior to the period which had not been invoiced before.
- Office & Administrative expenses were \$16.0K compared to a budgeted amount of \$4.5K, resulting in an unfavorable variance of \$11.5K. This unfavorable 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 to 25.2012	Dec. 5, 2011 - Dec. 31, 2012	\$ 4,090,960	\$	4,090,960
INVOICE nr 26.2013 to 49.2013	Jan 1, 2013 - Dec. 31, 2013	\$ 4,510,612	\$	4,510,612
INVOICE nr 51.2014 to 68.2014	Jan 1, 2014 - Dec. 31, 2014	\$ 1,738,085	\$	1,738,085
INVOICE nr 69.2015 & 80.2015	Jan 1, 2015 - Dec. 31, 2015	\$ 693,966	\$	693,966
INVOICE nr 81.2016 & 92.2016	Jan 1, 2016 - Dec 31, 2016	\$ 348,951	\$	348,951
INVOICE nr 93.2017 & 104.2017	Jan 1, 2017- Dec 31, 2017	\$ 268,017	\$	268,017
INVOICE nr 105.2018 & 113.2018	Jan 1, 2018- Sep. 30, 2018	\$ 110,494	\$	110,494
CREDIT NOTE C24.2016	invoices 83, 84, 85, 86, 87	€ (4,644)	\$	(6,579)
CREDIT NOTE C26.2017 to C29.2	Invoices 89 to 100	€ (24,656)	\$	(35,791)
CREDIT NOTE C30.2018 to C32.2	Invoices 101 to 109	€ (14,942)	\$	(22,999)
VAT Refund ¹	Invoices 3 to 28	€ (432,506)	\$	(563,776)
VAT Refund ⁵	Invoices 30 to 55	€ (304,581)	\$	(436,744)
VAT Refund ¹⁰	Invoices 57 to 80	€ (146,027)	\$	(208,488)
VAT Refund ¹⁷	Invoices 81 to 92	€ (41,063)	\$	(59,400)
VAT Refund ²¹	Re: Foreign currency effects	€ (100,000)	\$	(146,080)
Total (Converted on date paid)			\$	10,281,228

APPENDIX B
1810040 Alberta Ltd. - Extended 9-month cash flow forecast (\$C)

Updated as of October 19, 2018

1810040 Alberta Ltd. (formerly Homburg Invest Inc. and Shareco)
 Extended cash flow statement from October 20, 2018 to July 31, 2019

Beginning period: Ending period:	49th Report		50th Report									TOTAL 9-Month Period
	October 20 to 31	TOTAL	For the month of November	For the month of December	For the month of January	For the month of February	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	
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Cash inflows												
GST/HST/VAT received	-	-	15,000	-	5,000	-	5,000	-	5,000	-	5,000	35,000
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total cash inflows	-	-	15,000	-	5,000	-	5,000	-	5,000	-	5,000	35,000
Cash outflows												
Payroll	5,800	5,800	15,000	15,000	7,500	7,500	7,500	7,500	7,500	7,500	7,500	82,500
Rent expense	780	780	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	18,000
Restructuring related professional fees	5,400	5,400	80,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	200,000
Directors & Officers Insurance	-	-	-	-	-	-	-	-	-	-	-	-
Office & administrative	400	400	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	9,000
Other expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Total cash outflows	12,380	12,380	98,000	33,000	25,500	25,500	25,500	25,500	25,500	25,500	25,500	309,500
Opening balance	714,000	714,000	707,810	666,310	649,810	639,560	626,810	616,560	603,810	593,560	580,810	707,810
Payments in transit	-	-	-	-	-	-	-	-	-	-	-	-
Variation in cash balance (Petitioners)	(12,380)	(12,380)	(83,000)	(33,000)	(20,500)	(25,500)	(20,500)	(25,500)	(20,500)	(25,500)	(20,500)	(274,500)
Funding Homco 123 (50%)	6,190	6,190	41,500	16,500	10,250	12,750	10,250	12,750	10,250	12,750	10,250	137,250
Exchange rate	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted ending cash balance	707,810	707,810	666,310	649,810	639,560	626,810	616,560	603,810	593,560	580,810	570,560	570,560

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at October 19, 2018.
- 2) Payroll is expected to decrease to \$7.5K per month after the first 2 months to reflect the expected workload and agreement can be replaced with the sole director.
- 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 Thirty-First Extension Period reflects the higher level of work expected during the first month in light of extension request and the expected workload decrease until July 2019 in light namely of the work required to proceed to perform the monitor work and monitor the remaining sale to be completed (Homco 123)
- 5) Office and administrative fees are expected to be at \$1K per month.
- 6) Waiting for the Dutch court litigation to be resolved before proceeding with the sale of Homco 123 is partly to the benefit of Propertize, the secured lender of Homco 123, as it avoids taking possession and realizing the property and/or reduce the value of the same due to the uncertainty. Propertize agreed that the budgeted disbursements related to the Thirty-First Extension period be 50% funded by Homco 123's cash currently pledged in favor of Propertize.

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
<u>Opening cash balance</u>	Based on allocated closing cash balances as at October 19, 2018	X	
<u>Exchange rates</u>	All cash flows are in Canadian dollars		X
<u>Forecast cash receipts</u>			
GST/HST/VAT received	No refunds are forecasted for the period	X	
Other receipts	No receipts are forecasted for the period	X	
<u>Forecast cash disbursements</u>			
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	
<u>Ending cash balance</u>	Based on allocated cash transactions	X	

APPENDIX C

JLL Plan of Action detailing the sale process

Recommend for postponement

Location: Platinawerf 22-28

Date: 25 October 2018



*Achieve
Ambitions*

To: Hinvest REMS BV: Peter van Jaarsveld
From: JLL: Frans Landmeter + Koen der Kinderen

Dear Mr. Van Jaarsveld,

Last January and June we informed/requested you about the restart of the sales process for the property located at Platinawerf 22-28 in Beuningen.

As you know we are waiting for the binding decision of the High Court regarding the environmental permit. Therefore parties appointed an environmental expert / mediator to examine this business case. The expert asked the court for more time to finalize the outcome of his investigation. The court has granted his request and it is unknown when the expert will deliver his final report and when the court will give their binding decision on this report. The outcome hereof is essential for the sales process and we therefore ask for postponement for another 9 months till October 2019.

We suggest to continue assisting us developing the market until permit situation and its investment implications are fully known.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Koen der Kinderen', written over a horizontal line.

Koen der Kinderen
Consultant MidCap Investments Team

A handwritten signature in blue ink, appearing to read 'Frans Landmeter', written over a horizontal line.

Frans Landmeter
National Director