

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 –

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-FIFTH 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 February 25, 2016, the Court extended the Stay up to and including November 30, 2016 (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-four such Monitor’s reports (as well as some supplemental reports) prior to this forty-fifth report of the Monitor (the “**Forty-Fifth 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 FORTY-FIFTH REPORT

6. This Forty-Fifth 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’ Motion for an extension of the Stay Period dated November 24, 2016 (the “**Debtors’ Motion**”). 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-Fifth 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-Fifth 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-Fifth 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-Fifth Report are as defined in the previous reports of the Monitor and the HII/Shareco Plan.

I. UPDATES 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-Fourth Report on February 23, 2016 at the time of the request for the Twenty-Fourth 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 to pursue 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, and has proceeded with multiple distributions upon receipt of satisfactory information.
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-Fourth 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. Geneva 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 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

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): On July 29, 2015, a conditional offer to purchase the Points North property was accepted by the Monitor, with the Liquidation Advisory Committee’s approval. The conditional offer initially contemplated a 10-month due diligence period, which had been extended from time to time, the last time until the end of November 2016. At the end of October 2016, the offeror informed the Monitor that, in addition to the situation with the owner of an adjacent piece of land that remains unresolved, there were issues with Rocky View County (pertaining namely to

the water and wastewater levies) that were not settled to its satisfaction and that, accordingly, it did not expect to waive the conditions for closing at the end of November 2016 in order to close the purchase of the property at the expected purchase price. The offeror indicated the possibility to make an all-cash amended and unconditional offer to purchase the Points North at a significantly reduced purchase price, which would be insufficient to repay the HSBC debt including accrued interest and would leave no proceeds to the beneficiary of the builders' lien registered against the property (to the extent it is valid) and to NCLL, the owner of the property (and, ultimately, to HII and its creditors). HSBC was informed of the situation. Given this turn of events, the Monitor, in consultation with the Liquidation Advisory Committee, and HSBC are currently reviewing their options and will need to determine the next steps in the coming weeks.

- ii. Henderson Farms (Homco 121): As previously reported, a receiver was appointed to the assets of Homco 121 on January 29, 2016. The Monitor is informed that the receiver obtained an approval and vesting order and, in October 2016, completed the sale of the Henderson Farms property. As expected, the proceeds are insufficient to repay the HSBC debt in full. The loan was not guaranteed by HII.
- iii. Cash held in trust by Norton Rose Fulbright (Churchill): In the past months, 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 has been enquiring on the nature and entitlement to these funds. Based on available information, the funds represent "holdbacks" for common area work that was identified in 2007 and for which the construction would have been completed on or about 2009. The Monitor is in communications with the Condominium Corporation's counsel in this regard. Norton Rose Fulbright LLP indicated that it will only release the funds pursuant to a Court order and, accordingly, an Application will be filed in this regard in due course.
- iv. European Non-Core Assets: Certain European non-core assets continue to be held by HII, with the operating costs and cash flow deficiencies being assumed by the secured creditor of such properties, Propertize (formerly SNS). The Monitor is kept apprised of the sale process of these properties which were originally not expected to generate equity for HII. In the past year, in light of changes in market conditions and the entering into new lease agreements, 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.

From time to time over the past year, the Monitor, with the approval of the Liquidation Advisory Committee, has approved the sale of properties generating no equity for HII and its creditors (as expected), namely the properties of Homco 117 and Homco 118 in June 2016 and the property of Homco 115 in October 2016. The sales of these properties were approved conditionally to a full and final release from Propertize (SNS' successor) in favour of the Homcos owning the properties, hence facilitating the winding up of the HII Group Entities' structure. Also, in November 2016, the Monitor, with the approval of the Liquidation Advisory Committee, approved the sale of the property held by Homco 116, which is expected to close at the beginning of December 2016 and generate equity of at least €200K for HII (for the benefit of the Affected Creditors). The sale of the property of Homco 123 is also expected to generate significant equity for HII and the Monitor is looking for solutions to accelerate the sale process in order to permit the closing of a sale at the beginning of 2017 to include the net proceeds resulting therefrom in the Asset Realization Cash Pool for distribution.

In addition to the properties mentioned above, the HII Group, in consultation with the Monitor, is currently in discussion with Propertize in order to determine the best course of action to dispose of

its interest in the remaining properties which likely have no or nominal equity for HII (namely Homco 111, Homco 112, Homco 113 and Homco 119).

BANKRUPTCY AND WINDING-UP OF NON-CORE BUSINESS ENTITIES

18. During the Twenty-Fourth Extension, the following bankruptcies HII Group Entities were filed into bankruptcy: HII (105) GP Inc., Homco Realty Fund (114) Limited Partnership, HII (114) GP Inc., Homco Realty Fund (120) Limited Partnership, HII (120) GP Inc., Homco Realty Fund (121) Limited Partnership, HII (121) GP Inc., Homco Realty Fund (142) Limited Partnership, and HII (142) GP Inc.
19. On November 24, 2016, the Monitor filed a Motion to Dispense the Proposed Trustee from Sending Notices to Creditors of Certain HII Group Entities (Homco 52, Homco 88 and HLPM). The Motion to Dispense is aimed at reducing the administrative costs of these bankruptcies, which include no assets for the creditors, in the circumstances where the creditors are already informed of the insolvency of the entities. With respect to Homco 52 and Homco 88, and their respective general partners, the dispense sought is pertaining to a mailing to, respectively, the Series 4 Bondholders and the Series 7 Bondholders. Said bondholders hold an unsecured claim against the entities to be bankrupted, in light of the fact that the net proceeds realized from the respective sale of the Homburg Springs East Property (Homco 52) and the Kai Property (Homco 88), which net proceeds were distributed to the respective bondholders pursuant to distribution orders rendered by this Court, were insufficient to reimburse their secured claim in full. As for HLPM, it is or was the general partner of all of the Homcos (limited partnerships) hence, by application of partnership rules, it is liable for all debts and obligations of the Homcos incurred while it was a general partner. The dispense is sought in order to avoid the costs of a mailing to all creditors of the Homcos, who are already advised of the insolvency of the latter.
20. 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 are expected to be initiated or completed in the coming months. For the Non-Core Business Entities that have assets, the winding-up or bankruptcy may result in additional significant recoveries for HII, for the benefit of the Affected Creditors under the HII/Shareco Plan.

II. DEBTORS' CASH FLOWS

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

OVERVIEW

22. 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 to October 31, 2016:

Cash variation for the period from February 1 to October 31, 2016 (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.	211	(1,362)	(1,151)	(40)	1,713	522
Churchill Estates Development Ltd.	806	(5)	801	-	-	801
North Calgary Land Ltd.	-	(1)	(1)	-	1	-
HMCI	41	-	41	-	-	41
Total	1,058	(1,368)	(310)	(40)	1,714	1,364

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

23. 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 to October 31, 2016, and commentaries in respect of the analysis performed, please refer to Appendix B of this Forty-Fifth Report.
24. 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.
25. 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.)

26. Total cash inflows for 1810040 Alberta Ltd. were \$1,597.3K for the period noted, while total cash outflows were \$2,953.4K, which resulted in a negative net cash variation of \$1,356.1K compared to a budgeted negative net cash variation of \$1,687.0K. This positive variance of \$330.9K is mainly due to the following:
- i. the receipt of \$1,338.3K of tax refunds which was initially expected to be \$800K, the receipt of \$213.5K of proceeds from the sale of Cedar Realty's shares and the receipt of \$32.6K of refunds for a deposit held by an energy company that HII funded on behalf of various Homcos which were not budgeted;
 - ii. the payment of lower than budgeted professional fees by \$367.0K due to timing;
 - iii. the non-payment of Directors and Officers Insurance originally budgeted but not required as an agreement has been obtained during the period which put the policy into run-off but still provides continued coverage for the individuals.

27. These items were partially offset by an unbudgeted payment of \$37.0K to the Canadian Revenue Agency, to an unbudgeted transfer of \$800K to the Administrative Reserve, and to the payment of higher than budgeted payroll by \$83.7K due to the requirement to maintain existing staff for a longer period of time than anticipated.
28. As at October 31, 2016 there are accrued professional fees relating to the period ending October 31, 2016 but which have not been paid, totaling approximately \$516K. Given that these amounts were not paid within the period noted, they are reflected as an adjustment to the cash outflow forecast shown in Appendix C.

Churchill

29. Total cash inflows for Churchill were nil for the period noted, while the total cash outflows were \$5.1K, which resulted in a negative net cash variation of \$5.1K compared to a budgeted negative net cash variation of \$806.4K. This positive variance of \$801.3K is mainly due to a delay in the planned bankruptcy proceedings of Churchill, such that the anticipated transfer of the remaining funds on hand to the trustee has not yet occurred.

NCLL

30. Total cash inflows for NCLL were nil for the period noted, while the total cash outflows were \$0.5K, which resulted in a nominal negative net cash variation of \$0.5K compared to a budgeted net cash variation of nil. The negative variance is mainly due to the unbudgeted payment of utilities and bank fees.

HMCI

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

Cash budgeting

32. Since the Forty-Fourth 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

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

CASH FLOW MONITORING

34. On a regular basis, the Monitor has continued to analyze the Debtors' cash flows. As explained in the previous section of this Forty-Fifth Report, a budget-to-actual cash flow analysis of the Debtors for the period from February 1 to October 31, 2016 has been prepared together with commentaries of cash variances, as presented in Appendix B of this Forty-Fifth Report.
35. As part of this process, the Monitor has also analyzed cash inflows and cash outflows from all of the HII Parties' bank accounts.
36. 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

37. 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

38. As explained previously, 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.
39. 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. The Monitor has responded and continues to respond to each query in a timely manner.
40. 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.
41. 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 bondholders 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.

IV. EXTENSION OF THE STAY PERIOD

OVERVIEW

42. Pursuant to the Twenty-Fourth Extension Order, the Stay Period was extended up to and including November 30, 2016.
43. The Debtors' Motion is seeking a twenty-fifth extension of the Stay Period until February 28, 2017 (the "**Twenty-Fifth Extension Period**"). This extension will allow, among other things, to:
- i. Advance and, to the extent possible, complete the realization of the remaining Non-Core Business Assets and in order to proceed with the final distribution of the Asset Realization Cash Pool;
 - ii. Complete the wind-up or bankruptcy of the non-core entities; and
 - iii. Continue to keep creditors and other stakeholders informed and answer their queries.
44. It is the Monitor's view that it is in the best interests of the stakeholders to provide the HII Parties with the Twenty-Fifth 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 3-MONTH CASH FLOW FORECASTS

45. The Debtors, with the support of the Monitor, prepared new cash flow forecasts for the Twenty-Fifth Extension Period, adjusting the projected cash flows for the period ending on February 28, 2017, namely the end of the Twenty-Fifth Extension Period.
46. The extended 3-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.
47. Presented in the table below is a summary of the forecasted cash variations for each of the Debtors:

Extension - 3-month period ending February 28, 2017						
(C\$000)	Opening cash balance as at November 1, 2016 (Appendix C)	Forecasted cash variation for the 1-month period (Appendix C)	Forecasted opening cash balance as at November 30, 2016 (Appendix C)	Forecasted cash variation for the 3-month period (Appendix C)	Forecasted closing cash balance as at February 29, 2017	
1810040 Alberta Ltd.	211	(668)	(457)	(451)	(908)	
Churchill Estates Development Ltd.	801	-	801	-	801	
NCLL	-	-	-	-	-	
HMCI	41	-	41	-	41	
Total	1,053	(668)	385	(451)	(66)	

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

48. Any negative cash balance will be funded by the Administrative Reserve. Based on the projections shown above, at the end of the Twenty-Fifth 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.
49. Payroll is expected to decrease beginning in December 2016 to reflect the reduction of employee services that will be required due to lower workload.
50. Rent expense is expected to be incurred during all the period as the office is required to support the employees.
51. Professional fees in connection with the restructuring of the HII Group are expected to be higher in the month February 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. The previously noted accrued and unpaid professional fees outstanding as at October 31, 2016, in the amount of \$516K, were added to the estimated professional fees for the month of November 2016, which are \$100K, for a total of \$616K.
52. Office and administrative fees are expected to be at \$5K per month.
53. At the time of this Forty-Fifth 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-Fifth Extension Period.

Churchill

54. The Monitor does not anticipate any cash inflows or outflows pertaining to Churchill during the Twenty-Fifth Extension Period.

55. At the time of this Forty-Fifth 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-Fifth Extension Period.

NCLL

56. The Monitor does not anticipate any cash inflows or outflows pertaining to NCLL during the Twenty-Fifth Extension Period.
57. At the time of this Fifty-Fourth 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-Fifth Extension Period.

HMCI

58. The Monitor does not anticipate any cash inflows or outflows pertaining to HMCI during the Twenty-Fifth Extension Period.
59. At the time of this Fifty-Fourth 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-Fifth Extension Period.

V. POSITION OF THE VARIOUS CASH RESERVES

60. 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 31, 2016
Cash Pool and Asset Realization Cash Pool (Note 1)	3,819
Administrative Reserve	74
Litigation Reserve	509
Disputed Claims Reserves	138
Directors' Charge Reserve	2,020

Cash Reserves Accounts (€000)	
Trust Account	October 31, 2016
Administrative Reserve	132

Note 1: The Cash Pool Account is mainly composed of \$3,159K, representing amounts to be transferred to HII and HC61 bondholders upon the next cash pool distribution and \$660K 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 123 or other European entities.

VI. CONCLUSIONS AND RECOMMENDATIONS

61. 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.
62. It is the Monitor's opinion that, for the reasons further elaborated in this Forty-Fifth Report, the Twenty-Fifth Extension, up to February 28, 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 and proceed with the final distributions.

63. The Monitor respectfully submits this Forty-Fifth Report to the Court.

DATED AT MONTREAL, this 24th day of November 2016.

A handwritten signature in black ink, appearing to read "Pierre Laporte". The signature is fluid and cursive, with a large initial "P" and "L".

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 9-month period from February 1, 2016 to October 31, 2016		
	Actual	Budget	Variance
Cash inflows			
Other receipts	1,597.3	800.0	797.3
Total cash inflows	1,597.3	800.0	797.3
Cash outflows			
Payroll	398.7	315.0	(83.7)
Rent expense	16.0	18.0	2.0
Restructuring related professional fees	1,651.0	2,018.0	367.0
Directors & Officers Insurance	-	71.0	71.0
Office & administrative	50.7	65.0	14.3
Other expenditures / Refund to Administrative Reserve	837.0	-	(837.0)
Total cash outflows	2,953.4	2,487.0	(466.4)
Opening cash balance	211.2	211.2	-
Adjustment to opening balance	-	-	-
Variation in cash balance	(1,356.1)	(1,687.0)	330.9
Exchange rate (Gain / Loss)	(5.7)	-	(5.7)
Ending cash balance	(1,150.6)	(1,475.8)	325.2
Deficit funded by the Administrative Reserve	1,713.2	1,475.8	237.4
Surplus (funding) between HII and its non-Petitioners	(40.7)	-	(40.7)
Adjusted ending cash balance	521.9	-	521.9

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 negative cash balance of \$1,713.2K 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 \$1,597.3K compared to a budgeted amount of \$800.0K, resulting in a favorable variance of \$797.3K. The favorable variance is mainly due to the receipt of \$1,338.3K of tax refunds which was higher than the \$800K originally budgeted, the unbudgeted receipt of \$213.5K of proceeds from the sale of Cedar Realty's shares and the unbudgeted receipt of \$32.6K of refunds for a deposit held by an energy company that HII funded on behalf of various Homcos.

Outflows

- Payroll was \$398.7K compared to a budgeted amount of \$315.0K, resulting in an unfavorable variance of \$83.7K. This unfavorable variance is mainly due to extended employee services that continued to be required due to a larger workload than originally anticipated, mainly related to tax filing purposes and management of the bankruptcies as per the Plans.
- Restructuring related professional fees were \$1,651.0K compared to a budgeted amount of \$2,018.0K, resulting in a favorable variance of \$367.0K. This favorable variance is mainly due to timing.
- Directors and Officers Insurance expenses were nil compared to a budgeted amount of \$71.0K, resulting in a favorable variance of \$71.0K. This favorable variance is due to the non-payment of Directors and Officers Insurance originally budgeted but not required as an agreement has been obtained during the period which put the policy into run-off but still provides continued coverage for the individuals.
- Other expenditures / Refund to Administrative Reserve were \$837.0K compared to a budgeted amount of nil, resulting in an unfavorable variance of \$837.0K. This unfavorable variance is due to an unbudgeted payment of \$37.0K to the Canadian Revenue Agency and to an unbudgeted transfer of tax refunds of \$800K. The funds were transferred from HII to the General Cash Pool Flow-Through Reserve Account, controlled by the Monitor.
- 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	Mar 1, 2012 - Mar 31, 2012	\$ 235,752	\$	235,752
INVOICE nr 7.2012	Mar 1, 2012 - Mar 31, 2012	\$ 13,612	\$	13,612
INVOICE nr 8.2012	Apr 1, 2012 - Apr 30, 2012	\$ 245,167	\$	245,167
INVOICE nr 9.2012	Apr 1, 2012 - Apr 30, 2012	€ 53,536	\$	69,281
INVOICE nr 10.2012	May 1, 2012 - May 31, 2012	\$ 218,794	\$	218,794
INVOICE nr 11.2012	May 1, 2012 - May 31, 2012	€ 45,058	\$	56,445
INVOICE nr 12.2012	June 1, 2012 - June 30, 2012	\$ 261,074	\$	261,074
INVOICE nr 13.2012	June 1, 2012 - June 30, 2012	€ 1,712	\$	2,112
INVOICE nr 15.2012	July 1, 2012 - July 31, 2012	\$ 273,252	\$	273,252
INVOICE nr 16.2012	July 1, 2012 - July 31, 2012	€ 19	\$	23
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	Januray 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
VAT Refund	Invoices 3, 4 & 5	€ (70,352)	\$	(86,667)
VAT Refund	Invoices 6, 8 & 10	€ (59,975)	\$	(74,993)
VAT Refund	Invoices 7, 9 & 11	€ (13,800)	\$	(17,256)
VAT Refund	Invoices 12, 15 & 17	€ (54,455)	\$	(70,536)
VAT Refund	Invoices 13 & 16	€ (3)	\$	(4)
VAT Refund	Invoices 19 & 21	€ (73,072)	\$	(98,969)
VAT Refund	Invoices 23 & 25	€ (40,046)	\$	(54,238)
VAT Refund	Invoices 21, 23, 25, 26 & 28	€ (120,803)	\$	(161,115)
VAT Refund	Invoices 30, 32, 34 & 36	€ (127,837)	\$	(176,338)
VAT Refund	Invoices 36, 38 & 40	€ (58,686)	\$	(82,583)
VAT Refund	Invoice 23	€ (6,175)	\$	(9,187)
VAT Refund	Invoices 42, 44, 46 & 48	€ (57,272)	\$	(85,971)
VAT Refund	Invoices 49, 51, 53 & 55	€ (54,611)	\$	(82,665)
VAT Refund ¹	Invoices 57, 59 & 61	€ (32,861)	\$	(48,178)
VAT Refund	Invoices 62, 63 & 64	€ (29,097)	\$	(41,105)
VAT Refund	Invoices 65, 66 & 67	€ (19,953)	\$	(28,138)
VAT Refund	Invoices 68, 69 & 70	€ (21,799)	\$	(29,494)
VAT Refund	Invoices 71, 72 & 73	€ (18,216)	\$	(25,652)
VAT Refund	Invoices 74, 75 & 76	€ (13,474)	\$	(19,264)
VAT Refund	Invoices 77, 78, 79 & 80	€ (10,627)	\$	(16,658)
VAT Refund	Invoices 80, 81, 82	€ (10,558)	\$	(15,409)
VAT Refund	Invoices 83, 84, 85	€ (15,461)	\$	(22,551)
VAT Refund	Invoices 86, 87, 88	€ (7,439)	\$	(10,827)
VAT Refund	Re: Foreign currency effects	€ (100,000)	\$	(146,080)
Total (Converted on date paid)			\$	9,921,917

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 9-month period from February 1 to October 31, 2016		
	Actual	Budget	Variance
Cash inflows	-	-	-
Total cash inflows	-	-	-
Cash outflows			
Commissions	-	-	-
Advertising	-	-	-
R&M	-	-	-
Property tax	-	-	-
Professional fees	5.1	-	(5.1)
Insurance	-	-	-
Mortgage principal	-	-	-
Mortgage interest	-	-	-
Office & administrative	-	-	-
Condo fees	-	-	-
GST remitted	-	-	-
Other expenditures	-	806.4	806.4
	<u>5.1</u>	<u>806.4</u>	<u>801.3</u>
Opening cash balance	806.4	806.4	-
Variation in cash balance	<u>(5.1)</u>	<u>(806.4)</u>	<u>801.3</u>
Ending cash balance	<u>801.3</u>	<u>-</u>	<u>801.3</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 inflows occurred during the period in Churchill as budgeted.
- Total cash outflows for the period were \$5.1K compared to a budgeted amount of \$806.4K, resulting in a favorable variance of \$801.3K. This favorable variance is mainly due to a delay in the planned bankruptcy proceedings of Churchill, such that the anticipated transfer of the remaining funds on hand to the Monitor has not yet occurred.

North Calgary Land Ltd.

The following is the budget-to-actual cash flow analysis for North Calgary Land Ltd. 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 9-month period from February 1 to October 31, 2016		
	Actual	Budget	Variance
Cash inflows			
Other receipts	-	-	-
Total cash inflows	<u>-</u>	<u>-</u>	<u>-</u>
Cash outflows			
Professional fees	-	-	-
Property tax	-	-	-
Insurance	-	-	-
Office & administrative	0.5	-	(0.5)
GST/HST paid	-	-	-
Other expenditures	-	-	-
Total cash outflows	<u>0.5</u>	<u>-</u>	<u>(0.5)</u>
Funded opening cash balance	-	-	-
Variation in cash balance	(0.5)	-	(0.5)
Exchange rate (Gain / Loss)	-	-	-
Ending cash balance	<u>(0.5)</u>	<u>-</u>	<u>(0.5)</u>
Funding from HII	<u>0.5</u>	<u>-</u>	<u>(0.5)</u>
Funded ending cash balance	<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 inflows occurred during the period in NCLL as budgeted.
- Total cash outflows for the period were \$0.5K compared to a budgeted amount of nil, resulting in an unfavorable variance of \$0.5K. This unfavorable variance is mainly due to the unbudgeted payment of utilities and bank fees.

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 9-month period from February 1 to October 31, 2016		
	Actual	Budget	Variance
Cash inflows			
Other receipts	-	-	-
Total cash inflows	<u>-</u>	<u>-</u>	<u>-</u>
Cash outflows			
Other expenditures	-	-	-
Total cash outflows	<u>-</u>	<u>-</u>	<u>-</u>
Opening cash balance	41.4	41.4	-
Variation in cash balance	-	-	-
Exchange rate (Gain / Loss)	-	-	-
Ending cash balance	<u>41.4</u>	<u>41.4</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 3-month cash flow forecast (\$C)

Updated as of November 1, 2016

1810040 Alberta Ltd. (formerly Homburg Invest Inc. and Shareco)
Extended cash flow statement from November 1, 2016 to February 28, 2017

	44th Report Amended		45th Report			
Beginning period: Ending period:	For the month of November	TOTAL	For the month of December	For the month of January	For the month of February	TOTAL 3-Month Period
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Cash inflows						
GST/HST/VAT received	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total cash inflows	-	-	-	-	-	-
Cash outflows						
Payroll	45,000	45,000	35,000	35,000	35,000	105,000
Rent expense	2,000	2,000	2,000	2,000	2,000	6,000
Restructuring related professional fees	616,000	616,000	100,000	100,000	125,000	325,000
Directors & Officers Insurance	-	-	-	-	-	-
Office & administrative	5,000	5,000	5,000	5,000	5,000	15,000
Other expenditures	-	-	-	-	-	-
Total cash outflows	668,000	668,000	142,000	142,000	167,000	451,000
Opening balance	211,200	211,200	(456,800)	(598,800)	(740,800)	(456,800)
Payments in transit	-	-	-	-	-	-
Variation in cash balance (Petitioners)	(668,000)	(668,000)	(142,000)	(142,000)	(167,000)	(451,000)
Variation in cash balance (Non-Petitioners)	-	-	-	-	-	-
Exchange rate	-	-	-	-	-	-
Adjusted ending cash balance	(456,800)	(456,800)	(598,800)	(740,800)	(907,800)	(907,800)

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at November 1, 2016.
- 2) Payroll is expected to decrease beginning in December 2016 to reflect the reduction of employee services that will be required due to lower 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 November 2016 represent the estimated amount of outstanding professional fees, incurred and not paid, as at November 1, 2016 of \$516K, which has been added to the professional fees estimate for the month of November 2016 of \$100K. The budgeted amounts for professional fees during the Twenty-Fifth Extension Period reflects the increase of work expected in February 2016.
- 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
<u>Opening cash balance</u>	Based on allocated closing cash balances as at November 1, 2016	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 miscellaneous costs	X	
Other expenditures	No disbursements are forecasted for the period	X	
<u>Ending cash balance</u>	Based on allocated cash transactions	X	

Churchill Extended 3-month cash flow forecast (\$C)

Updated as of November 1, 2016

Churchill Estates Development Ltd.

Extended cash flow statement from November 1, 2016 to February 28, 2017

	44th Report Amended		45th Report			
Beginning period: Ending period:	For the month of November	TOTAL	For the month of December	For the month of January	For the month of February	TOTAL 4-Month Period
	Forecast	Forecast	Forecast	Forecast	Forecast	
Cash inflows	-	-	-	-	-	-
Total cash inflows	-	-	-	-	-	-
Cash outflows						
Condo fees	-	-	-	-	-	-
GST remitted	-	-	-	-	-	-
Other expenditures	-	-	-	-	-	-
Total cash outflows	-	-	-	-	-	-
Opening cash balance	801,300	801,300	801,300	801,300	801,300	801,300
Variation in cash balance	-	-	-	-	-	-
Exchange rate	-	-	-	-	-	-
Ending cash balance	801,300	801,300	801,300	801,300	801,300	801,300

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at November 1, 2016

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
<u>Opening cash balance</u>	Based on allocated closing cash balances as at November 1, 2016	X	
<u>Exchange rates</u>	All cash flows are in Canadian dollars		X
<u>Forecast cash receipts</u>	No activity has been forecasted during the period	X	
<u>Forecast cash disbursements</u>	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	
<u>Closing cash balance</u>	Based on allocated cash transactions	X	

NCLL Extended 3-month cash flow forecast (\$C)

Updated as of November 1, 2016

NCLL

Extended cash flow statement from November 1, 2016 to February 28, 2017

	44th Report		45th Report			
Beginning period:	For the month of	TOTAL	For the month of	For the month of	For the month of	TOTAL
Ending period:	November		December	January	February	4-Month Period
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Cash inflows						
GST/HST received	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total cash inflows	-	-	-	-	-	-
Cash outflows						
Professional fees	-	-	-	-	-	-
Property tax	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Other expenditures	-	-	-	-	-	-
Total cash outflows	-	-	-	-	-	-
Opening cash balance	-	-	-	-	-	-
Funding from HII						
Variation in cash balance	-	-	-	-	-	-
Exchange rate	-	-	-	-	-	-
Adjust ending cash balance	-	-	-	-	-	-

Note:

- 1) The opening cash balance reflects the allocated cash balance as at November 1, 2016.

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
<u>Opening cash balance</u>	Based on allocated closing cash balances as at November 1, 2016	X	
<u>Exchange rates</u>	All cash flows are in Canadian dollars		X
<u>Forecast cash receipts</u>			
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	
<u>Forecast cash disbursements</u>			
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	
<u>Ending cash balance</u>	Based on allocated cash transactions	X	

HMCI Extended 3-month cash flow forecast (\$C)

Updated as of November 1, 2016

Homburg Management Canada Inc.

Extended cash flow statement from November 1, 2016 to February 28, 2017

	44th Report		45th Report			
Beginning period: Ending period:	For the month of November	TOTAL	For the month of December	For the month of January	For the month of February	TOTAL 4-Month Period
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Cash inflows						
Other Receipts	-	-	-	-	-	-
Total cash inflows	-	-	-	-	-	-
Cash outflows						
Other Disbursements	-	-	-	-	-	-
Total cash outflows	-	-	-	-	-	-
Opening cash balance	41,400	41,400	41,400	41,400	41,400	41,400
Variation in cash balance	-	-	-	-	-	-
Exchange rate	-	-	-	-	-	-
Ending cash balance	41,400	41,400	41,400	41,400	41,400	41,400

Note:

- 1) The opening cash balance reflects the allocated cash balance as at November 1, 2016.

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

Assumptions	Source	Probable Assumption	Hypothetical Assumption
<u>Opening cash balance</u>	Based on allocated closing cash balances as at November 1, 2016	X	
<u>Forecast cash receipts</u>	No cash inflows are projected for this period	X	
<u>Forecast cash disbursements</u>	No cash outflows are projected for this period	X	
<u>Ending cash balance</u>	Based on allocated cash transactions	X	