

C A N A D A
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-FOURTH 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. On August 31, 2015, the Court last extended the Stay up to and including February 29, 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-three such Monitor's reports (as well as some supplemental reports) prior to this forty-fourth report of the Monitor (the "**Forty-Fourth 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-FOURTH REPORT

6. This Forty-Fourth 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 February 22, 2016 (the "**Debtors' Motion**"). This report also outlines the current and projected cash positions of the Debtors, the status of the restructuring and orderly liquidation initiatives.
7. This Forty-Fourth 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-Fourth 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-Fourth 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-Fourth 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-Third Report on August 27, 2015 at the time of the request for the Twenty-Third Extension, the Monitor has proceeded with the distributions described in greater detail hereunder. For each distribution, the Monitor sent letters to each individual creditor to inform such creditor of the distribution and its respective entitlement.

DECEMBER 21, 2015: DISTRIBUTION OF THE KAI (HOMCO 88) REMAINING NET PROCEEDS (TO THE BOND 7 CLAIM HOLDERS)

13. As further detailed in the Thirty-Sixth Report, a dispute was pending as to the ranking of the respective claims against Homco 88 of the Bond 7 Claim Holders and of certain lien claimants secured by the “Kai Property” that was sold by Homco 88 as part of the CCAA proceedings (the “**Kai Proceedings**”). An interim distribution of approximately \$16.8M had been made to the Bond 7 Claim Holders in the summer of 2014 pursuant to the order of the CCAA Court authorizing and directing such distribution rendered on June 20, 2014, and the entitlement to the remaining net proceeds (the “**Kai Remaining Proceeds**”) was the object of the Kai Proceedings.
14. On September 9, 2015, the CCAA Court rendered a judgment pertaining in the Kai Proceedings (the “**Kai Judgment**”). The Kai Judgment declared that the rights of the Bond 7 Claim Holders against the Kai Remaining Proceeds rank in priority to the rights of the lien claimants and directed the Monitor to distribute the Kai Remaining Proceeds to the Bond 7 Claim Holders. The contesting lien claimants filed a motion for leave to appeal the Kai Judgment and, on December 4, 2015, the Court of Appeal of Québec dismissed the motion for leave to appeal, such that the Kai Judgment became final and executory.
15. On or about December 21, 2015, the Monitor proceeded with the distribution of approximately \$5.1M, representing the Kai Remaining Proceeds, to the Bond 7 Claim Holders, in conformity with the Kai Judgment.

FEBRUARY 12, 2016: DISTRIBUTION OF THE CASH POOL AND THE ASSET REALIZATION CASH POOL (TO ALL AFFECTED CREDITORS AND HOMCO 61 AFFECTED CREDITORS)

16. On February 12, 2016, the Monitor proceeded with an interim distribution of the Cash Pool and the Asset Realization Cash Pool to all Affected Creditors with Proven Claims and to all Homco 61 Affected Creditors with Proven Claims (“**February 2016 Cash Pool Distribution**”).
17. The February 2016 Cash Pool Distribution represents an interim distribution of the Cash Pool and the Asset Realization Cash Pool following the resolution of certain Disputed Claims (and the

related release of the Disputed Claims' cash reserves in connection thereto) and the realization by the Monitor of certain Non-Core Business Assets Net Proceeds, the whole pursuant to the HII/Shareco Plan.

18. The aggregate amount distributed to Affected Creditors and Homco 61 Affected Creditors in connection with the February 2016 Cash Pool Distribution was approximately \$10.1M.

RESOLUTION OF DISPUTED CLAIMS

19. The Monitor and its counsel are working closely with HII and its counsel in resolving the outstanding Disputed Claims.
20. Appendix B to the Forty-Second Report (Update on Distributions) presented a status update on all the Disputed Claims that were outstanding as at PID, with the only remaining ones at that time being the ones of the Bond 6 Claim Holders and the Bond 7 Claim Holders.
21. As a result of the Kai Judgment and subsequent distribution of the Kai Remaining Proceeds to the Bond 7 Claim Holders, the quantum of the Proven Claim Bond 7 Claim Holders entitling them to a distribution under the HII/Shareco Plan, being the unsecured portion of their Claim following the realization of their security, was crystallized.
22. Hence, as of today, 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 will only be determined at the time of the Final Distribution).
23. 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 PROPERTIES

24. As described in previous reports, there are two non-core properties that continue to be financed by HSBC, namely the Points North property held by North Calgary Land Ltd. ("NCLL") and the Henderson Farms property held by Homco 121. The loans in connection with these properties were not guaranteed by HII.
25. On January 29, 2016, a motion to lift the stay of proceedings in favor of Homco 121 and for the appointment of a receiver to the assets of Homco 121 was presented by HSBC to the CCAA Court and an order appointing the receiver was rendered on the same day. Therefore, the Henderson Farms property in which HII had no economic interest is now under the responsibility of the newly appointed receiver.
26. 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, after a series of offers and counter offers, by an interested party and the Monitor, 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. In November 2015, the Monitor, with the Liquidation Advisory Committee's approval, consented to a 3-month

extension request of the offeror who indicated needing additional time to meet some of the milestones in the conditional offer to purchase the Points North property. HSBC is being kept informed on a regular basis regarding the ongoing sale process. The price provided by the offeror is sufficient to reimburse the HSBC debt and the lien claim (subject to same being valid) against the property, and to generate equity to HII for the benefit of the Affected Creditors under the HII/Shareco Plan.

- ii. Halifax Club Debentures: In late April 2015, the Monitor was made aware that HII was the beneficiary holder of 50 debentures issued by the Halifax Club, in Nova Scotia, at the end of 2008 having a face value of \$50K each, for a total of \$250K, (the “**Halifax Club Debentures**”). The Halifax Club Debentures bear interest at 6% and were maturing on December 31, 2014, but were not reimbursed as the Halifax Club did not have sufficient liquidity. The Halifax Club had sold its main real estate property, allowing the payment of the Halifax Club Debentures, and the trustee of the Halifax Club Debentures was holding the proceeds in reimbursement of the 50 HII debentures, totaling approximately \$273K (including accrued interest as at July 29, 2015). On August 27, 2015, the Monitor, in consultation with the trustee and with the approval of the Liquidation Advisory Committee, filed a Motion for the Payment to the Monitor of Certain Sums Owed to HII in respect of Debentures Issued by the Halifax Club. On August 31, 2015, the CCAA Court ordered the trustee to pay to the Monitor the sum held in trust in connection with the Halifax Club Debentures. The amount of approximately \$273K was paid to the Monitor by the trustee on September 1, 2015 and was added to the Asset Realization Cash Pool.
- iii. Water Rights: On January 29, 2016, a motion to transfer certain water rights from NCLL in favor of Homco 121 was presented by HSBC to the CCAA Court and an order was granted to order the transfer of 200 capacity units of treated water supply from NCLL to Homco 121, the whole as contemplated by the settlement agreement with HCI approved by the Court on June 4, 2014. NCLL continues to hold 43 capacity units of treated water supply.
- iv. European Non-Core Assets: Certain European non-core assets continue to be held by HII. The Monitor is supervising these assets and, recently, in light of changes in market conditions and the entering into a new lease agreement, it has been determined that the real estate property held by Homco 123 could generate equity for HII, for the benefit of the Affected Creditors under the HII/Shareco Plan. The property has been put up for sale.

BANKRUPTCY AND WINDING-UP OF NON-CORE BUSINESS ENTITIES

27. During the Twenty-Third Extension, no bankruptcy of non-core business entities occurred.
28. 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 will result in additional recoveries for HII, for the benefit of the Affected Creditors under the HII/Shareco Plan.

II. DEBTORS' CASH FLOWS

29. The purpose of this section is as follows:
 - i. Provide budget-to-actual analysis highlights by Debtor for the period from August 1, 2015 to January 31, 2016; and

- ii. Provide explanations or comments on the variances by Debtor.

OVERVIEW

30. 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 August 1, 2015 to January 31, 2016:

Cash variation for the period from August 1, 2015 to January 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 (Note 2)	Adjustment to the allocated cash balance (Note 3)	Adjusted ending cash balance
1810040 Alberta Ltd.	797	(1,605)	(808)	13	1,006	-	211
Churchill Estates Development Ltd.	790	-	790	-	-	16	806
North Calgary Land Ltd.	-	(1)	(1)	-	1	-	-
HMCI	41	-	41	-	-	-	41
Total	1,628	(1,606)	22	13	1,007	16	1,058

Note 1: This amount represents an amount reimbursed related to prior expenses paid on behalf of a Non-Petitioner.

Note 2: The balance of the Administrative Reserve as at February 15, 2016 was \$687.5K.

Note 3: Please note that an adjustment has been applied to the allocated ending cash balance of Churchill to reflect the actual cash balance in the bank account.

31. 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 August 1, 2015 to January 31, 2016, and commentaries in respect of the analysis performed, please refer to Appendix B of this Forty-Fourth Report.
32. 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.
33. 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.)

34. Total cash inflows for 1810040 Alberta Ltd. were \$123.4K (excluding funds received directly by the Monitor) for the period noted, while total cash outflows were \$1,728.5K, which resulted in a negative net cash variation of \$1,605.1K compared to a budgeted negative net cash variation of \$2,089.0K. This positive variance of \$483.9K is mainly due to the following:
- i. the payment of lower than budgeted professional fees by \$404.7K due to timing;
 - ii. the receipt of \$20.0K of VAT reimbursement relating to the Stichting fees and the receipt of \$100.2K of HST/GST refunds which were not budgeted.
35. These expenses were partially offset by the payment of higher than budgeted payroll by \$64.0K due to the requirement to maintain existing staff for a longer period of time than anticipated.
36. As at January 31, 2016 there are accrued professional fees relating to the period ending January 31, 2016 but which have not been paid, totaling approximately \$725K. 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

37. Total cash inflows and outflows for Churchill were nil for the period noted, which resulted in a positive net cash variation of \$789.6K compared to a budgeted negative net cash variation of \$789.6K. This positive variance of \$789.6K 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

38. 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

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

Cash budgeting

40. Since the Forty-Third Report, the Debtors, with the support of the Monitor, have continued to perform budget to actual analysis on a monthly basis.

III. ACTIVITIES OF THE MONITOR

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

CASH FLOW MONITORING

42. On a monthly basis, the Monitor has continued to analyze the Debtors' cash flows. As explained in the previous section of this Forty-Fourth Report, a budget-to-actual cash flow analysis of the Debtors for the period from August 1, 2015 to January 31, 2016 has been prepared together with commentaries of cash variances, as presented in Appendix B of this Forty-Fourth Report.
43. As part of this process, the Monitor has also analyzed cash inflows and cash outflows from all of the HII Parties' bank accounts.
44. 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

45. 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

46. 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.

47. 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.
48. 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.
49. 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

50. Pursuant to the Twenty-Third Extension Order, the Stay Period was extended up to and including February 29, 2016.
51. The Debtors' Motion is seeking a twenty-fourth extension of the Stay Period until November 30, 2016 (the "**Twenty-Fourth Extension Period**"). This extension will allow, among other things, to:
 - i. Advance the realization of the remaining Non-Core Business Assets and, as the case may be, proceed with the remaining distribution of the Asset Realization Cash Pool;
 - ii. Advance the wind-up or bankruptcy of the non-core entities; and
 - iii. Continue to keep creditors and other stakeholders informed, and answer to their queries.
52. It is the Monitor's view that it is in the best interests of the stakeholders to provide the HII Parties with the Twenty-Fourth 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 9-MONTH CASH FLOW FORECASTS

53. The Debtors, with the support of the Monitor, prepared new cash flow forecasts for the Twenty-Fourth Extension Period, adjusting the projected cash flows for the period ending on November 30, 2016, namely the end of the Twenty-Fourth Extension Period.
54. The extended 9-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.

55. Presented in the table below is a summary of the forecasted cash variations for each of the Debtors:

Extension - 9-month period ending November 30, 2016					
(C\$000)	Opening cash balance as at February 1, 2016 (Appendix C)	Forecasted cash variation for the 1. month period (Appendix C)	Forecasted opening cash balance as at March 31, 2016 (Appendix C)	Forecasted cash variation for the 9-month period (Appendix C)	Forecasted closing cash balance as at November 30, 2016
1810040 Alberta Ltd.	211	(944)	(733)	(912)	(1,645)
Churchill Estates Development Ltd.	806	-	806	(806)	-
NCLL	-	-	-	-	-
HMCI	41	-	41	-	41
Total	1,058	(944)	114	(1,718)	(1,604)

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

56. Any negative cash balance will be funded by the Administrative Reserve. Based on the projections shown above, at the end of the Twenty-Fourth 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.
57. The other receipts reflect the estimated receivable amount relating to the tax settlement.
58. Payroll is expected to decrease beginning in May 2016 to reflect a decrease in the number of employees.
59. Rent expense is expected to be incurred during all the period as the office is required to support the employees.
60. Professional fees in connection with the restructuring of the HII Group are expected to further decrease beginning in May 2016 to follow the amount of work required to complete the remaining steps of the restructuring and proceed with the remaining distribution(s). The previously noted accrued and unpaid professional fees outstanding as at January 31, 2016, in the amount of \$725K, were added to the estimated professional fees for the month of February 2016, which are \$157K, for a total of \$882K.
61. Office and administrative fees are expected to decrease in June 2016 with the decrease of work expected.
62. At the time of this Forty-Fourth 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-Fourth Extension Period.

Churchill

63. The Monitor does not anticipate any cash inflows pertaining to Churchill during the Twenty-Fourth Extension Period. A significant cash outflow is anticipated as Churchill is expected to be assigned into bankruptcy during the Twenty-Fourth Extension Period, at which point the remaining funds within Churchill will be transferred to the trustee.
64. At the time of this Forty-Fourth 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-Fourth Extension Period.

NCLL

65. The Monitor does not anticipate any cash inflows or outflows pertaining to NCLL during the Twenty-Fourth Extension Period.
66. At the time of this Forty-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-Fourth Extension Period.

HMCI

67. The Monitor does not anticipate any cash inflows or outflows pertaining to HMCI during the Twenty-Fourth Extension Period.
68. At the time of this Forty-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-Fourth Extension Period.

V. POSITION OF THE VARIOUS CASH RESERVES

69. 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	February 15, 2016
Cash Pool and Asset Realization Cash Pool (Note 1)	4,780
Administrative Reserve	419
Litigation Reserve	507
Disputed Claims Reserves	137
Directors' Charge Reserve	2,012

Cash Reserves Accounts (€000)	
Trust Account	February 15, 2016
Administrative Reserve	194

Note 1: The Cash Pool Account is mainly composed of \$3,090K, representing amounts to be transferred to HII and HC61 bondholders which were not subject to the February 2016 Interim Distribution, and \$1,690K 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 the amounts in connection with the Cash Out Pool funded by Catalyst.

VI. CONCLUSIONS AND RECOMMENDATIONS

70. 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.
71. It is the Monitor's opinion that, for the reasons further elaborated in this Forty-Fourth Report, the Twenty-Fourth Extension, up to November 30, 2016, 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 subsequent distributions.
72. The Monitor respectfully submits this Forty-Fourth Report to the Court.

DATED AT MONTREAL, this 23rd day of February 2016.



Pierre Laporte, CPA, CA, CIRP
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 (89) LIMITED PARTNERSHIP
HOMCO REALTY FUND (94) LIMITED PARTNERSHIP
HOMCO REALTY FUND (96) LIMITED PARTNERSHIP
HOMCO REALTY FUND (142) 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 6-month period from		
	August 1, 2015 to January 31, 2016		
	Actual	Budget	Variance
Cash inflows			
Other receipts	123.4	-	123.4
Total cash inflows	123.4	-	123.4
Cash outflows			
Payroll	314.0	250.0	(64.0)
Rent expense	12.0	12.0	-
Restructuring related professional fees	1,320.3	1,725.0	404.7
Directors & Officers Insurance	-	-	-
Office & administrative	66.6	30.0	(36.6)
Other expenditures	15.6	72.0	56.4
Total cash outflows	1,728.5	2,089.0	360.5
Opening cash balance	796.7	796.7	-
Adjustment to opening balance	-	-	-
Variation in cash balance	(1,605.1)	(2,089.0)	483.9
Exchange rate (Gain / Loss)	-	-	-
Ending cash balance	(808.4)	(1,292.3)	483.9
Deficit funded by the Administrative Reserve	1,006.3	1,292.3	(286.0)
Surplus (funding) between HII and its non-Petitioners	13.3	-	13.3
Adjusted ending cash balance	211.2	-	211.2

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 \$1,006.3K 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 \$123.4K compared to a budgeted amount of nil, resulting in a favorable variance of \$123.4K. The favorable variance is mainly due to the unbudgeted receipt of \$20.0K of VAT reimbursement from the Stichting fees and \$100.2K of unbudgeted HST/GST refunds.

Outflows

- Payroll was \$314.0K compared to a budgeted amount of \$250.0K, resulting in an unfavorable variance of \$64.0K. 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 \$1,320.3K compared to a budgeted amount of \$1,725.0K, resulting in a favorable variance of \$404.7K. This favorable variance is mainly due to timing.
- Office and administrative expenses were \$66.6K compared to a budgeted amount of \$30.0K, resulting in an unfavorable variance of \$36.6K. This unfavorable variance is due to larger than expected office and administrative expenses, resulting from the need for continued employee services as noted above.
- Other expenditures were \$15.6K compared to a budgeted amount of \$72.0K, resulting in favorable variance of \$56.4K. This favorable variance is due to the fact that the administrative cost related to the August 2015 distribution totaling \$72K was directly paid by the Monitor through the reserve account.
- 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	Amount per		Amount in \$	
		Invoice	Amount in €		
INVOICE # 3.2012	Dec. 5, 2011 - Dec. 31, 2011	\$	239,128	\$	239,128
INVOICE # 4.2012	Jan 1, 2012 - Jan. 31, 2012	\$	265,486	\$	265,486
INVOICE # 5.2012	Feb 1, 2012 - Feb. 29, 2012	\$	248,270	\$	248,270
INVOICE # 6.2012	Mar 1, 2012 - Mar 31, 2012	\$	235,752	\$	235,752
INVOICE # 7.2012	Mar 1, 2012 - Mar 31, 2012	\$	13,612	\$	13,612
INVOICE # 8.2012	Apr 1, 2012 - Apr 30, 2012	\$	245,167	\$	245,167
INVOICE # 9.2012	Apr 1, 2012 - Apr 30, 2012	€	53,536	€	69,281
INVOICE # 10.2012	May 1, 2012 - May 31, 2012	\$	218,794	\$	218,794
INVOICE # 11.2012	May 1, 2012 - May 31, 2012	€	45,058	€	56,445
INVOICE # 12.2012	June 1, 2012 - June 30, 2012	\$	261,074	\$	261,074
INVOICE # 13.2012	June 1, 2012 - June 30, 2012	€	1,712	€	2,112
INVOICE # 15.2012	July 1, 2012 - July 31, 2012	\$	273,252	\$	273,252
INVOICE # 16.2012	July 1, 2012 - July 31, 2012	€	19	€	23
INVOICE # 17.2012	Aug 1, 2012 - Aug 31, 2012	\$	226,459	\$	226,459
INVOICE # 19.2012	Sept 1, 2012 - Sept 30, 2012	\$	296,400	\$	296,400
INVOICE # 21.2012	Oct 1, 2012 - Oct 31, 2012	\$	567,214	\$	567,214
INVOICE # 23.2012	Nov 1, 2012 - Nov 30, 2012	\$	515,486	\$	515,486
INVOICE # 25.2012	Dec 1, 2012 - Dec 31, 2012	\$	357,005	\$	357,005
INVOICE # 26.2013	Jan 1, 2013 - Jan 31, 2013	\$	444,643	\$	444,643
INVOICE # 28.2013	Feb 1, 2013 - Feb 28, 2013	\$	702,612	\$	702,612
INVOICE # 30.2013	Mar 1, 2013 - Mar 31, 2013	\$	538,339	\$	538,339
INVOICE # 32.2013	Apr 1, 2013 - Apr 30, 2013	\$	604,713	\$	604,713
INVOICE # 34.2013	May 1, 2013 - May 31, 2013	\$	593,466	\$	593,466
INVOICE # 36.2013	June 1, 2013 - June 30, 2013	\$	249,762	\$	249,762
INVOICE # 38.2013	July 1, 2013 - July 31, 2013	\$	185,942	\$	185,942
INVOICE # 40.2013	Aug 1, 2013 - Aug 31, 2013	\$	271,064	\$	271,064
INVOICE # 42.2013	Sept 1, 2013 - Sept 30, 2013	\$	279,299	\$	279,299
INVOICE # 44.2013	Oct 1, 2013 - Oct 31, 2013	\$	219,944	\$	219,944
INVOICE # 46.2013	Nov 1, 2013 - Nov 30, 2013	\$	181,046	\$	181,046
INVOICE # 48.2013	July 11, 2013 - Oct 31, 2013	\$	79,326	\$	79,326
INVOICE # 49.2013	Dec 1, 2013 - Dec 31, 2013	\$	160,456	\$	160,456
INVOICE # 51.2014	Jan 1, 2014 - Jan 31, 2014	\$	199,448	\$	199,448
INVOICE # 53.2014	Feb 1, 2014 - Feb 28, 2014	\$	220,613	\$	220,613
INVOICE # 55.2014	Mar 1, 2014 - Mar 14, 2014	\$	87,323	\$	87,323
INVOICE # 57.2014	Mar 15, 2014 - Mar 31, 2014	\$	112,092	\$	112,092
INVOICE # 59.2014	April 1, 2014 - April 30, 2014	\$	164,803	\$	164,803
INVOICE # 61.2014	May 1, 2014 - May 31, 2014	\$	104,369	\$	104,369
INVOICE # 62.2014	June 1, 2014 - June 30, 2014	\$	240,526	\$	240,526
INVOICE # 63.2014	July 1, 2014 - July 31, 2014	\$	191,507	\$	191,507
INVOICE # 64.2014	Aug 1, 2014 - Aug 31, 2014	\$	60,684	\$	60,684
INVOICE # 65.2014	Sept 1, 2014 - Sept 30, 2014	\$	93,436	\$	93,436
INVOICE # 66.2014	Oct 1, 2014 - Oct 31, 2014	\$	54,263	\$	54,263
INVOICE # 67.2014	Nov 1, 2014 - Nov 30, 2014	\$	117,530	\$	117,530
INVOICE # 68.2014	Dec 1, 2014 - Dec 31, 2014	\$	91,491	\$	91,491
INVOICE # 69.2015	Jan. 1, 2015 - Jan. 31, 2015	\$	95,993	\$	95,993
INVOICE # 70.2015	Feb. 1, 2015 - Feb. 28, 2015	\$	46,427	\$	46,427
INVOICE # 71.2015	Mar 1, 2015 - Mar 31, 2015	\$	40,810	\$	40,810
INVOICE # 72.2015	April 1, 2015 - April 30, 2015	\$	97,138	\$	97,138
INVOICE # 73.2015	May 1, 2015 - May 31, 2015	\$	83,154	\$	83,154
INVOICE # 74.2015	June 1, 2015 - June 30, 2015	\$	107,050	\$	107,050
INVOICE # 75.2015	July 1, 2015 - July 31, 2015	\$	38,653	\$	38,653
INVOICE # 76.2015	August 1, 2015 - August 31, 2015	\$	30,349	\$	30,349
INVOICE # 77.2015	September 1, 2015 - September 30, 2015	\$	26,787	\$	26,787
INVOICE # 78.2015	October 1, 2015 - October 31, 2015	\$	23,735	\$	23,735
INVOICE # 79.2015	November 1, 2015 - November 30, 2015	\$	44,787	\$	44,787
INVOICE # 80.2015	December 1, 2015 - December 31, 2015	\$	59,084	\$	59,084
INVOICE # 81.2016	Januray 1, 2016- January 31, 2016	\$	23,401	\$	23,401
VAT Refund ¹	Invoices 3, 4 & 5	€	(70,352)	€	(86,667)
VAT Refund ¹	Invoices 6, 8 & 10	€	(59,975)	€	(74,993)
VAT Refund ²	Invoices 7, 9 & 11	€	(13,800)	€	(17,256)
VAT Refund ¹	Invoices 12, 15 & 17	€	(54,455)	€	(70,536)
VAT Refund ²	Invoices 13 & 16	€	(3)	€	(4)
VAT Refund ²	Invoices 19 & 21	€	(73,072)	€	(98,969)
VAT Refund ³	Invoices 23 & 25	€	(40,046)	€	(54,238)
VAT Refund ⁴	Invoices 21, 23, 25, 26 & 28	€	(120,803)	€	(161,115)
VAT Refund ⁵	Invoices 30, 32, 34 & 36	€	(127,837)	€	(176,338)
VAT Refund ⁶	Invoices 36, 38 & 40	€	(58,686)	€	(82,583)
VAT Refund ⁷	Invoice 23	€	(6,175)	€	(9,187)
VAT Refund ⁸	Invoices 42, 44, 46 & 48	€	(57,272)	€	(85,971)
VAT Refund ⁹	Invoices 49, 51, 53 & 55	€	(54,611)	€	(82,665)
VAT Refund ¹⁰	Invoices 57, 59 & 61	€	(32,861)	€	(48,178)
VAT Refund ¹¹	Invoices 62, 63 & 64	€	(29,097)	€	(41,105)
VAT Refund ¹²	Invoices 65, 66 & 67	€	(19,953)	€	(28,138)
VAT Refund ¹³	Invoices 68, 69 & 70	€	(21,799)	€	(29,494)
VAT Refund ¹⁴	Invoices 71, 72 & 73	€	(18,216)	€	(25,652)
VAT Refund ¹⁵	Invoices 74, 75 & 76	€	(13,474)	€	(19,264)
VAT Refund ¹⁶	Invoices 77, 78, 79 & 80	€	(10,627)	€	(16,658)
VAT Refund ¹⁷	Re: Foreign currency effects	€	(100,000)	€	(146,080)
Total (Converted on date paid)		\$		\$	9,701,933
Note 1: VAT refunds were received for Invoices 3, 4, 5, 6, 8, 10, 12, 15 and 17 as no EU VAT was applicable.					
Note 2: Invoices 7, 9, 11, 13, 16, 19 and 21 were revised as some of the fees charged were not related specifically to the settlement agreement. The fees excluded were related to services rendered at the request of HII in relation with bondholders meetings.					
Note 3: A portion of the VAT refunds were received for Invoices 23 and 25.					
Note 4: Additional portions of VAT refunds for Invoices 21, 23 and 25 were received. In addition, VAT refunds were received related to Invoices 26 and 28.					
Note 5: VAT refunds for Invoices 30, 32, 34 and 36 were received.					
Note 6: The remaining VAT refund for Invoice 36 was received, as well as VAT refunds for Invoices 38 and 40.					
Note 7: An additional VAT refund for Invoice 23 was received.					
Note 8: VAT refunds for Invoices 42, 44 and 46 were received, as well as a portion of the VAT refund for Invoice 48.					
Note 9: VAT refunds for Invoices 49, 51, 53 and 55 were received.					
Note 10: VAT refunds for Invoices 57, 59 and 61 were received.					
Note 11: VAT refunds for Invoices 62, 63 and 64 were received.					
Note 12: VAT refunds for Invoices 65, 66 and 67 were received.					
Note 13: VAT refunds for Invoices 68, 69 and 70 were received.					
Note 14: VAT refunds for Invoices 71, 72 and 73 were received.					
Note 15: VAT refunds for Invoices 74, 75 and 76 were received.					
Note 16: VAT refunds for Invoices 77, 78, 79 and 80 were received.					
Note 17: Refund for positive currency exchange rate effects with respect to the period from December 5, 2011 to June 30, 2014.					

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 6-month period from		
	August 1, 2015 to January 31, 2016		
	Actual	Budget	Variance
Cash inflows	-	-	-
Total cash inflows	-	-	-
Cash outflows			
Commissions	-	-	-
Advertising	-	-	-
R&M	-	-	-
Property tax	-	-	-
Professional fees	-	-	-
Insurance	-	-	-
Mortgage principal	-	-	-
Mortgage interest	-	-	-
Office & administrative	-	-	-
Condo fees	-	-	-
GST remitted	-	-	-
Other expenditures	-	789.6	789.6
	-	789.6	789.6
Opening cash balance	789.6	-	789.6
Variation in cash balance	-	(789.6)	789.6
Adjustment to the allocated cash balance	16.8	-	16.8
Ending cash balance	806.4	(789.6)	1,596.0

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 nil compared to a budgeted amount of \$789.6K, resulting in a favorable variance of \$789.6K. 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.
- Please note that an adjustment has been applied to the allocated ending cash balance to reflect the actual cash balance in the bank account.

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 6-month period from		
	August 1, 2015 to January 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 NCCL 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 6-month period from		
	August 1, 2015 to January 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 9-month cash flow forecast (\$C)

Updated as of February 1, 2016

1810040 Alberta Ltd. (formerly Homburg Invest Inc. and Shareco)
Extended cash flow statement from February 1 to November 30, 2016

	43rd Report Amended		44th Report									
Beginning period:	For the month of	TOTAL	For the month of	For the month of	For the month of	For the month of	For the month of	For the month of	For the month of	For the month of	For the month of	TOTAL
Ending period:	February		March	April	May	June	July	August	September	October	November	9-Month Period
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Cash inflows												
GST/HST/VAT received	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	800,000	-	-	800,000
Total cash inflows	-	-	-	-	-	-	-	-	800,000	-	-	800,000
Cash outflows												
Payroll	50,000	50,000	50,000	50,000	40,000	25,000	25,000	25,000	25,000	25,000	25,000	290,000
Rent expense	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	18,000
Restructuring related professional fees	882,000	882,000	157,000	157,000	137,000	137,000	137,000	137,000	137,000	137,000	137,000	1,273,000
Directors & Officers Insurance	-	-	-	-	-	71,000	-	-	-	-	-	71,000
Office & administrative	10,000	10,000	10,000	10,000	10,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Other expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Total cash outflows	944,000	944,000	219,000	219,000	189,000	240,000	169,000	169,000	169,000	169,000	169,000	1,712,000
Opening balance	211,200	211,200	(732,800)	(951,800)	(1,170,800)	(1,359,800)	(1,599,800)	(1,768,800)	(1,937,800)	(1,306,800)	(1,475,800)	(732,800)
Payments in transit	-	-	-	-	-	-	-	-	-	-	-	-
Variation in cash balance (Petitioners)	(944,000)	(944,000)	(219,000)	(219,000)	(189,000)	(240,000)	(169,000)	(169,000)	631,000	(169,000)	(169,000)	(912,000)
Variation in cash balance (Non-Petitioners)	-	-	-	-	-	-	-	-	-	-	-	-
Exchange rate	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted ending cash balance	(732,800)	(732,800)	(951,800)	(1,170,800)	(1,359,800)	(1,599,800)	(1,768,800)	(1,937,800)	(1,306,800)	(1,475,800)	(1,644,800)	(1,644,800)

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at February 1, 2016.
- 2) The other receipts reflect the estimated receivable amount relating to the tax settlement.
- 3) Payroll is expected to decrease beginning in May 2016 to reflect a reduction in the number of employees needed for the workload.
- 4) Rent expense is expected to be incurred during all the period as the office is required to support the employees.
- 5) Professional fees in the month of February 2016 represent the estimated amount of outstanding professional fees, incurred and not paid, as at February 1, 2016 of \$725K, which has been added to the professional fees estimate for the month of February 2016 of \$157K. The budgeted amounts for professional fees during the Twenty-Fourth Extension Period reflects the decrease of work expected in May 2016.
- 6) Office and administrative fees are expected to be at \$10K per month and decrease to \$5K in June 2016 to reflect the average expenses incurred during prior months.

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 February 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	Estimated receivable amount relating to the tax settlement	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	Represent miscellaneous costs	X	
<u>Ending cash balance</u>	Based on allocated cash transactions	X	

Churchill Extended 9-month cash flow forecast (\$C)

Updated as of February 1, 2016

Churchill Estates Development Ltd.
Extended cash flow statement from February 1 to November 30, 2016

	43rd Report Amended		44th Report									
Beginning period: Ending period:	For the month of February	TOTAL	For the month of March	For the month of April	For the month of May	For the month of June	For the month of July	For the month of August	For the month of September	For the month of October	For the month of November	TOTAL 9-Month Period
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
Cash inflows	-	-	-	-	-	-	-	-	-	-	-	-
Total cash inflows	-	-	-	-	-	-	-	-	-	-	-	-
Cash outflows												
Condo fees	-	-	-	-	-	-	-	-	-	-	-	-
GST remitted	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditures	-	-	-	-	-	-	-	-	806,400	-	-	806,400
Total cash outflows	-	-	-	-	-	-	-	-	806,400	-	-	806,400
Opening cash balance	806,400	806,400	806,400	806,400	806,400	806,400	806,400	806,400	806,400	-	-	806,400
Variation in cash balance	-	-	-	-	-	-	-	-	(806,400)	-	-	(806,400)
Exchange rate	-	-	-	-	-	-	-	-	-	-	-	-
Ending cash balance	806,400	806,400	806,400	806,400	806,400	806,400	806,400	806,400	-	-	-	-

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at February 1, 2016
- 2) Churchill is now expected to be assigned into bankruptcy during the month of September 2016 and pursuant to the planned bankruptcy, all remaining funds will be transferred to the trustee.

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 February 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	Represent funds transferred to the Trustee	X	
<u>Closing cash balance</u>	Based on allocated cash transactions	X	

NCLL Extended 9-month cash flow forecast (\$C)

Updated as of February 1, 2016

NCLL

Extended cash flow statement from February 1 to November 30, 2016

	43rd Report		44th Report									
Beginning period:	For the month of	TOTAL	For the month of	For the month of	For the month of	For the month of	For the month of	For the month of	For the month of	For the month of	For the month of	TOTAL
Ending period:	February	Forecast	March	April	May	June	July	August	September	October	November	9-Month Period
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	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 Hill												
Variation in cash balance	-	-	-	-	-	-	-	-	-	-	-	-
Exchange rate	-	-	-	-	-	-	-	-	-	-	-	-
Adjust ending cash balance	-	-	-	-	-	-	-	-	-	-	-	-

Note:

- 1) The opening cash balance reflects the allocated cash balance as at February 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 February 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 9-month cash flow forecast (\$C)

Updated as of February 1, 2016

Homburg Management Canada Inc.

Extended cash flow statement from February 1 to November 30, 2016

	43rd Report		44th Report										
Beginning period:	For the month of	TOTAL	For the month	For the month	For the month	For the month	For the month	For the month	For the month	For the month	For the month	For the month	TOTAL
Ending period:	February		of March	of April	of May	of June	of July	of August	of September	of October	of November	9-Month Period	
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	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	41,400	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	41,400	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 February 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 February 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	