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

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

**S U P E R I O R C O U R T**  
Commercial Division

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

– and –

**CHURCHILL ESTATES DEVELOPMENT LTD.**

– and –

**NORTH CALGARY LAND LTD.**

– and –

**HOMBURG MANAGEMENT (CANADA) INC.**

Debtors/Petitioners

– and –

**THE ENTITIES LISTED IN APPENDIX A**  
Mises-en-cause

– and –

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

Monitor

**FORTY-THIRD 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 Quebec (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 February 25, 2015, the Court last extended the Stay up to and including August 31, 2015 (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-two such Monitor’s reports (as well as some supplemental reports) prior to this Forty-Third report of the Monitor (the “**Forty-Third Report**”). Copies of all of the Monitor’s reports are available on the Monitor’s website at [www.insolvencies.deloitte.ca](http://www.insolvencies.deloitte.ca) under the Homburg Invest Inc. link. The Monitor has also established a toll free number that is referenced on the Monitor’s website so that parties may contact the Monitor if they have questions with respect to the HII Parties’ restructuring under the CCAA.

## PURPOSE OF THE FORTY-THIRD REPORT

6. This Forty-Third 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 August 27, 2015 (the “**Debtors’ Motion**”). This report also outlines the current and projected cash positions of the Petitioners, the status of the restructuring and orderly liquidation initiatives, and, generally, the restructuring process.
7. This Forty-Third 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-Third 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, submitted in the

limited time available, the Monitor has not performed an audit or otherwise verified such information. Forward looking financial information included in this Forty-Third 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-Third 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. The Monitor’s Forty-Second Report (Update on Distributions), filed on August 27, 2015, contains a detailed description of all the distributions and an outline for the expected next distributions. This report will be translated into Dutch in order to be more accessible to the Dutch bondholders.

### RESOLUTION OF DISPUTED CLAIMS

13. The Monitor and its counsel are working closely with HII and its counsel in resolving the outstanding Disputed Claims.
14. Appendix B to the Forty-Second Report (Update on Distributions) presents a status update on all the Disputed Claims that were outstanding as at PID. As of this date, only two Disputed Claims remain namely, the claim 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) and the claim of the Bond 7 Claim Holders (which is dependent on the outcome of the Bond 7 / Kai Motion).
15. Geneba shares and cash are being held in reserve by the Monitor in connection with the Disputed Claims, in conformity with the Plans. All Geneba shares that were held in reserve in connection with Disputed Claims that have been resolved were either distributed or cancelled.

### SALE PROCESS / REALIZATION OF NON-CORE PROPERTIES

16. 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 NCLL and the Henderson Farms property held by Homco 121. The loans in connection with these properties were not guaranteed by HII.
17. The status of the sale process of the remaining non-core properties in which HII has an economic interest can be summarized as follows:
  - i. Homburg Springs West (Homco 94): The Court issued an Approval and Vesting Order authorizing the sale of the Homburg Springs West Property. The sale closed on May 15, 2015.

- ii. Homburg Springs East (Homco 52): On May 15, 2015, the Court issued an Approval and Vesting Order authorizing the sale of the Homburg Springs East Property. The sale closed on May 19, 2015. As further elaborated in the Forty-Second Report (Update on Distributions), a distribution of the net sale proceeds was made in conformity with the Order authorizing such distribution rendered by the Court on May 28, 2015.
  - iii. Points North (NCLL): On July 29<sup>th</sup>, 2015, after a series of offers and counter offers by an interested party and the Monitor, a conditional offer to purchase the NCLL property was accepted by the Monitor, with the Liquidation Advisory Committee's approval. The conditional offer allows the interested party a 10-month due diligence period. HSBC is being kept informed on a regular basis regarding the ongoing sale process.
18. 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 2007 having a face value of \$50,000 each, for a total of \$250,000, (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 has now sold its main real estate property, allowing the payment of the Halifax Club Debentures. The trustee of the Halifax Club Debentures is holding the proceeds in reimbursement of the 50 HII debentures, totaling approximately \$273K (including accrued interest as at July 29<sup>th</sup>, 2015). The Monitor, after having consulted the trustee, filed a Motion for the Payment to the Monitor of Certain Sums Owed to HII in respect of the Halifax Club Debentures (the "**Halifax Club Debentures Motion**"), which has been circulated on August 27, 2015. The Halifax Club Debentures Motion seeks to order the trustee to pay to the Monitor the sum held in trust in connection with the Halifax Club Debentures. The trustee consents to such motion.
19. There has been no development in respect of the conditional transfer of certain water rights from NCLL to Homco 121. The Monitor has been informed that Citadel Holdings Ltd. (formerly Homburg Canada Inc.) is now in bankruptcy.

#### ***BANKRUPTCY OF NON-CORE BUSINESS ENTITIES***

20. On August 20, 2015, as provided in the settlement of the Disputed Claims of Valbonne and Homco 68, which settlement is further detailed in the Thirty-Ninth Report, Homco 68 was petitioned into bankruptcy.
21. The HII Group and the Monitor continue to assess the proper course of action with respect to the remaining Non-Core Business Entities, including potential bankruptcy filings and/or wind-ups.

#### ***OTHER MATTERS***

22. It has come to the Monitor's attention that on or about April 23, 2015, Richard Homburg and other plaintiffs commenced an action before the Supreme Court of Nova Scotia against the following defendants: Stichting Autoriteit Financiële Markten (AFM), De Nederlandsche Bank N.V., Belastingdienst, Theodor Kockelkoren, Marcus E. Wagemakers and the Government of the Kingdom of the Netherlands. The action seeks, notably, the payment of unspecified damages, including punitive damages, as a result of allegedly tortious actions of the AFM and other defendants between 2009 and 2011, which allegedly were the cause of HII's filing for protection under the CCAA and thus financial loss for shareholders and bondholders of HII.

23. The Monitor also understands that the AFM and the other defendants are contesting the Supreme Court of Nova Scotia's jurisdiction to hear this action notably under the *State Immunity Act*. In late July 2015, the plaintiffs filed a motion to examine Mr. James F. Miles, Chief Executive Officer of HII, as a non-party in relation to this contestation. The AFM is contesting this motion and a hearing in respect thereof is planned for September 16, 2015.

## II. DEBTORS' CASH FLOWS

24. The purpose of this section is as follows:
- i. Provide budget to actual analysis highlights by Debtor for the period from February 1, 2015 to July 31, 2015; and
  - ii. Provide explanations or comments on the variances by Debtor.

### OVERVIEW

25. 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, 2015 to July 31, 2015:

Petitioner	Cash variation for the period from February 1, 2015 to July 31, 2015 (C\$000)					
	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)	Adjusted ending cash balance
1810040 Alberta Ltd.	4,722	(6,138)	(1,416)	(165)	2,378	797
Churchill Estates Development Ltd.	790	-	790	-	-	790
North Calgary Land Ltd.	-	(1)	(1)	-	1	-
HMCI	42	(1)	41	-	-	41
Total	5,554	(6,140)	(586)	(165)	2,379	1,628

Note 1: This amount represents an amount paid on behalf of a Non-Petitioner, which should be reimbursed following July 31, 2015.

Note 2: The balance of the Administrative Reserve as at August 7, 2015 was \$1,686K.

26. For the budget to actual cash flow forecast analysis of 1810040 Alberta Ltd. (formerly Homburg Invest Inc. and Shareco), Churchill, NCLL and HMCI for the period from February 1, 2015 to July 31, 2015, and commentary in respect of the analysis performed, please refer to Appendix B of this Forty-Third Report.
27. 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.
28. 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 paragraph 70 of the Thirty-Fifth Report.

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

29. Total cash inflows for 1810040 Alberta Ltd. were \$2,022.7K for the period noted, while total cash outflows were \$8,160.7K, which resulted in a negative net cash variation of \$6,138.0K compared to

a budgeted negative net cash variation of \$2,401K. This negative variance of \$3,737.0K is mainly due to the following:

- i. the payment of higher than budgeted payroll by \$198.5K due to the requirement to maintain existing staff for a longer period of time than anticipated;
  - ii. the payment of higher than budgeted professional fees by \$998.7K, due to increased activities as part of the liquidation/bankruptcy of HII Group entities, resolution of Disputed Claims and various distributions made to the creditors (secured and unsecured);
  - iii. unbudgeted transfers from HII to the Monitor's Cash Pool and Asset Realization Cash Pool, for an eventual distribution to the creditors pursuant to the Plans. The funds transferred to the Monitor relate to the proceeds of sale received by HII, during the period between August 1, 2015 and January 31, 2105, for the four remaining properties of Homburg Holdings (U.S.) Inc. located in Colorado Springs.
30. These expenses were partially offset by the receipt of \$55.2K of VAT reimbursement relating to the Stichting fees and the receipt of \$1,966.2K of HST/GST refunds which were not budgeted.
31. As at July 31, 2015 there are accrued professional fees, relating to the period ending July 31, 2015 but which have not been paid, totaling approximately \$635K. 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

32. 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

33. Total cash inflows for NCLL were \$0.2K for the period noted, while the total cash outflows were \$0.7K, which resulted in a 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 taxes.

#### HMCI

34. Total cash inflows for HMCI were nil for the period noted, while the total cash outflows were \$0.1K, which resulted in a negative net cash variation of \$0.1K compared to a budgeted net cash variation of nil. The negative variance is mainly due to the unbudgeted payment of taxes.

#### Cash budgeting

35. Since the Thirty-Ninth Report, the Debtors, with the support of the Monitor, have continued to perform budget to actual analysis for the Debtors on a monthly basis.

### **III. ACTIVITIES OF THE MONITOR**

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

#### ***CASH FLOW MONITORING***

37. On a monthly basis the Monitor has continued to analyze the Debtors' cash flows. As explained in the previous section of this Forty-Third Report, a budget to actual cash flow analysis of the Debtors for the period from February 1, 2015 to July 31, 2015 has been prepared together with commentary of cash variances, as presented in Appendix B of this Forty-Third Report.
38. As part of this process, the Monitor has also analyzed cash inflows and cash outflows from all of the HII Parties' bank accounts.
39. In accordance with the Initial Order, any disbursements for services rendered to the HII Parties were presented to the Monitor for review.

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

40. 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***

41. As explained previously, the Monitor has made available a toll free number (related to a call center) and a mail box in order to assist its communications with Affected Creditors and Homco 61 Affected Creditors.
42. Following PID, the First Distribution and the subsequent distributions which 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.
43. 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 was entitled and that it received or should have received.
44. 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. These bondholders represent a nominal number of the total bondholders, both in number and in value.

## IV. EXTENSION OF THE STAY PERIOD

### OVERVIEW

45. Pursuant to the Twenty-Second Extension Order, the Stay Period was extended up to and including August 31, 2015.
46. The Debtors' Motion is seeking a twenty-third extension of the Stay Period until February 29, 2016 (the "Twenty-Third Extension Period"). This extension will allow, amongst other things, to:
  - i. Advance the realization of the remaining Non-Core Business Assets and, as the case may be, proceed with further distributions of the Asset Realization Cash Pool;
  - ii. Advance the resolution of the outstanding Disputed Claims, notably with the judgement to come on the Bond 7 Motion;
  - iii. Advance the wind-up or bankruptcy of the non-core entities; and
  - iv. Continue to keep creditors and other stakeholders informed, and answer to their enquiries.
47. It is the Monitor's view that it is in the best interests of the stakeholders to provide the HII Parties with the Twenty-Third 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 6-MONTH CASH FLOW FORECASTS

48. The Debtors, with the support of the Monitor, prepared new cash flow forecasts for the Twenty-Third Extension Period, adjusting the projected cash flows for the period ending on February 29, 2016, namely the end of the Twenty-Third Extension Period.
49. The extended 6-month cash flow forecasts for 1810040 Alberta Inc., Churchill, NCLL and HMCI, as well as additional commentary identifying the primary assumptions, are attached as Appendix C.
50. Presented in the table below is a summary of the forecasted cash variations for each of the Debtors:

Extension - 6-month period ending February 29, 2016					
	Opening cash balance as at August 1, 2015 (C\$000) (Appendix C)	Forecasted cash variation for the 1-month period (Appendix C)	Forecasted opening cash balance as at September 1, 2015 (Appendix C)	Forecasted cash variation for the 6-month period (Appendix C)	Forecasted closing cash balance as at February 29, 2016
1810040 Alberta Ltd.	797	(1,019)	(222)	(1,252)	(1,474)
Churchill Estates Development Ltd.	790	-	790	(790)	-
NCLL	-	-	-	-	-
HMCI	41	-	41	-	41
Total	1,628	(1,019)	609	(2,042)	(1,433)

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

51. Any negative cash balance will be funded by the Administrative Reserve. Based on the projections shown above, at the end of the Twenty-Third Extension period, the Administrative Reserve will be fully depleted. Any additional cash requirements will be funded from the Asset Realization Cash Pool, in conformity with the Plans.

52. Payroll is expected to decrease beginning in October 2015 to reflect a decrease in the number of employees.
53. Rent expense is expected to be incurred during all the period as the office is required to support the employees.
54. Professional fees in connection with the restructuring of the HII Group are expected to fluctuate throughout the Twenty-Third Extension Period, 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 July 31, 2015, in the amount of \$635K, were added to the estimated professional fees for the month of August 2015, which are \$240K, for a total of \$875K.
55. Office and administrative fees are expected to remain constant during the period.
56. At the time of this Forty-Third 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-Third Extension Period.

Churchill

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

NCLL

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

HMCI

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

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

63. 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)		August 7, 2015
Trust Account		
Cash Pool and Asset Realization Cash Pool (Note 1)	14,771	
Administrative Reserve	1,107	
Litigation Reserve	505	
Disputed Claims Reserves	418	

Cash Reserves Accounts (€000)		August 7, 2015
Trust Account		
Administrative Reserve	383	

Note 1: Cash-Pool Account is composed of \$493K, representing amounts transferred to bondholders who did not provide accurate banking data, \$7,493K mainly representing the intercompany reimbursement by Homco 94 to HII as well as additional monies which were not subject to the February 2015 Interim Distribution, \$912K representing the return of the HMB4 cash reserve, \$325K representing the reduced reserve for HMB6, \$1,847K representing cheques which have not yet cleared the bank, \$3,701K representing the return of the Taberna claims reserve (to be distributed only to Bondholders).

Note 2: This table excludes the amounts in connection with the Cash Out Pool funded by Catalyst.

64. The Monitor also holds funds related to the sale of Homco 88's real estate assets representing an aggregate amount of approximately \$5.2M (the "Kai Remaining Net Proceeds" as detailed in Appendix A of the Monitor's Memorandum of Arguments filed on June 12, 2015 in connection with the Bond 7 / Kai Motion).

## VI. CONCLUSIONS AND RECOMMENDATIONS

65. 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.
66. It is the Monitor's opinion that, for the reasons further elaborated in this Forty-Third Report, the Twenty-Third Extension, up to February 29, 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.

67. The Monitor respectfully submits this Forty-Third Report to the Court.

DATED AT MONTREAL, this 27<sup>th</sup> day of August 2015.



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 (92) LIMITED PARTNERSHIP  
HOMCO REALTY FUND (94) LIMITED PARTNERSHIP  
HOMCO REALTY FUND (96) LIMITED PARTNERSHIP  
HOMCO REALTY FUND (121) LIMITED PARTNERSHIP

## APPENDIX B

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

<b>1810040 Alberta Ltd.</b> <b>Budget to Actual Cash Flow</b> <b>Unaudited - Based on discussions with the company's Management</b> <b>(C\$000)</b>			
	<b>For the 6-month period of</b> <b>February 1, 2015 to July 31, 2015</b>		
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
<b>Cash inflows</b>			
Other receipts	2,022.7	-	2,022.7
<b>Total cash inflows</b>	<b>2,022.7</b>	<b>-</b>	<b>2,022.7</b>
<b>Cash outflows</b>			
Payroll	468.5	270.0	(198.5)
Rent expense	12.0	8.0	(4.0)
Restructuring related professional fees	2,983.7	1,985.0	(998.7)
Directors & Officers Insurance	71.1	50.0	(21.1)
Office & administrative	77.3	16.0	(61.3)
Other expenditures	4,548.1	72.0	(4,476.1)
<b>Total cash outflows</b>	<b>8,160.7</b>	<b>2,401.0</b>	<b>(5,759.7)</b>
<b>Opening cash balance</b>	<b>4,722.3</b>	<b>4,722.3</b>	-
Adjustment to opening balance	-	-	-
Variation in cash balance	(6,138.0)	(2,401.0)	(3,737.0)
Exchange rate (Gain / Loss)	-	-	-
<b>Ending cash balance</b>	<b>(1,415.7)</b>	<b>2,321.3</b>	<b>(3,737.0)</b>
<b>Deficit funded by the Administrative Reserve</b>	<b>2,378.1</b>	<b>(2,321.3)</b>	<b>4,699.4</b>
<b>Surplus (funding) between HII and its non-Petitioners</b>	<b>(165.7)</b>	<b>-</b>	<b>(165.7)</b>
<b>Adjusted ending cash balance</b>	<b>796.7</b>	<b>-</b>	<b>796.7</b>

### 1810040 Alberta Ltd. budget to actual commentaries

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

#### *Ending cash balance*

- The adjustment to the ending negative cash balance of \$2,378.1K reflects the funding received from the Monitor's trust account. As outlined in paragraph 70 of the Thirty-Fifth Report, at PID all HII cash was transferred to trust accounts controlled by the Monitor and accordingly, HII now submits funding requests to the Monitor. These funding requests are reviewed by the Monitor and funds are then transferred to HII to allow for the payment of post-PID expenses.

### ***Inflows***

- Other receipts were \$2,022.7K compared to a budgeted amount of nil, resulting in a favorable variance of \$2,022.7K. The favorable variance is mainly due to the unbudgeted receipt of \$55.2K of VAT reimbursement from the Stichting fees and \$1,966.2K of unbudgeted HST/GST refunds.

### ***Outflows***

- Payroll was \$468.5K compared to a budgeted amount of \$270.0K, resulting in an unfavorable variance of \$198.5K. This unfavorable variance is mainly due to extended employee services that continued to be required due to a larger workload than originally anticipated.
- Rent expense was \$12.0K compared to a budgeted amount of \$8.0K, resulting in an unfavorable variance of \$4.0K. This unfavorable variance is due to rental space being required longer than anticipated, which is consistent with the need for continued employee services as noted above.
- Restructuring related professional fees were \$2,983.7K compared to a budgeted amount of \$1,985.0K, resulting in an unfavorable variance of \$998.7K. This unfavorable variance is due to timing, as well as, continued professional services in order to complete the steps related to the implementations of the Plans.
- Directors and officers insurance expense was \$71.1K compared to a budgeted amount of \$50.0K, resulting in an unfavorable variance of \$21.1K. This unfavorable variance is mainly due to timing.
- Office and administrative expenses were \$77.3K compared to a budgeted amount of \$16.0K, resulting in an unfavorable variance of \$61.3K. 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 \$4,548.1K compared to a budgeted amount of \$72.0K, resulting in an unfavorable variance of \$4,476.1K. This unfavorable variance is due to the unbudgeted transfer of the proceeds of sale of the remaining four HHUS properties. The funds were transferred from HII to the USD – Homburg Invest Inc. 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	
VAT Refund <sup>1</sup>	Invoices 3, 4 & 5	€ (70,352)	\$ (86,667)	
VAT Refund <sup>1</sup>	Invoices 6, 8 & 10	€ (59,975)	\$ (74,993)	
VAT Refund <sup>2</sup>	Invoices 7, 9 & 11	€ (13,800)	\$ (17,256)	
VAT Refund <sup>1</sup>	Invoices 12, 15 & 17	€ (54,455)	\$ (70,536)	
VAT Refund <sup>2</sup>	Invoices 13 & 16	€ (3)	\$ (4)	
VAT Refund <sup>2</sup>	Invoices 19 & 21	€ (73,072)	\$ (98,969)	
VAT Refund <sup>3</sup>	Invoices 23 & 25	€ (40,046)	\$ (54,238)	
VAT Refund <sup>4</sup>	Invoices 21, 23, 25, 26 & 28	€ (120,803)	\$ (161,115)	
VAT Refund <sup>5</sup>	Invoices 30, 32, 34 & 36	€ (127,837)	\$ (176,338)	
VAT Refund <sup>6</sup>	Invoices 36, 38 & 40	€ (58,686)	\$ (82,583)	
VAT Refund <sup>7</sup>	Invoice 23	€ (6,175)	\$ (9,187)	
VAT Refund <sup>8</sup>	Invoices 42, 44, 46 & 48	€ (57,272)	\$ (85,971)	
VAT Refund <sup>9</sup>	Invoices 49, 51, 53 & 55	€ (54,611)	\$ (82,665)	
VAT Refund <sup>10</sup>	Invoices 57, 59 & 61	€ (32,861)	\$ (48,178)	
VAT Refund <sup>11</sup>	Invoices 62, 63 & 64	€ (29,097)	\$ (41,105)	
VAT Refund <sup>12</sup>	Invoices 65, 66 & 67	€ (19,953)	\$ (28,138)	
VAT Refund <sup>13</sup>	Invoices 68, 69 & 70	€ (21,799)	\$ (29,494)	
VAT Refund <sup>14</sup>	Invoices 71, 72 & 73	€ (18,216)	\$ (25,652)	
VAT Refund <sup>15</sup>	Re: Foreign currency effects	€ (100,000)	\$ (146,080)	
<b>Total (Converted on date paid)</b>		<b>\$ 9,491,059</b>		
<b>Note 1:</b> VAT refunds were received for Invoices 3, 4, 5, 6, 8, 10, 12, 15 and 17 as no EU VAT was applicable.				
<b>Note 2:</b> 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				
<b>Note 3:</b> A portion of the VAT refunds were received for Invoices 23 & 25.				
<b>Note 4:</b> Additional portions of VAT refunds for Invoices 21, 23 and 25 were received. In addition, VAT refunds were received related to Invoices 26 & 28.				
<b>Note 5:</b> VAT refunds for Invoices 30, 32, 34 and 36 were received.				
<b>Note 6:</b> The remaining VAT refund for Invoice 36 was received, as well as VAT refunds for Invoices 38 and 40.				
<b>Note 7:</b> An additional VAT refund for Invoice 23 was received.				
<b>Note 8:</b> VAT refunds for Invoices 42, 44 and 46 were received, as well as a portion of the VAT refund for Invoice 48.				
<b>Note 9:</b> VAT refunds for Invoices 49, 51, 53 and 55 were received.				
<b>Note 10:</b> VAT refunds for Invoices 57, 59 and 61 were received.				
<b>Note 11:</b> VAT refunds for Invoices 62, 63 and 64 were received.				
<b>Note 12:</b> VAT refunds for Invoices 65, 66 and 67 were received.				
<b>Note 13:</b> VAT refunds for Invoices 68, 69 and 70 were received.				
<b>Note 14:</b> VAT refunds for Invoices 71, 72 and 73 were received.				
<b>Note 15:</b> Refund for positive currency exchange rate effects with respect to the period of 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 of February 1, 2015 to July 31, 2015		
	Actual	Budget	Variance
<b>Cash inflows</b>			
Total cash inflows	-	-	-
<b>Cash outflows</b>			
Commissions	-	-	-
Advertising	-	-	-
R&M	-	-	-
Property tax	-	-	-
Professional fees	-	-	-
Insurance	-	-	-
Mortgage principal	-	-	-
Mortgage interest	-	-	-
Office & administrative	-	-	-
Condo fees	-	5.4	5.4
GST remitted	-	-	-
Other expenditure	-	784.2	784.2
	<b>-</b>	<b>789.6</b>	<b>789.6</b>
<b>Opening cash balance</b>	<b>789.6</b>	<b>789.6</b>	-
Variation in cash balance	-	(789.6)	789.6
Exchange rate (Gain / Loss)	-	-	-
<b>Ending cash balance</b>	<b>789.6</b>	<b>-</b>	<b>789.6</b>

### Churchill budget to actual commentary

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.

## **North Calgary Land Ltd.**

The following is the budget to actual cash flow analysis for North Calgary Land Ltd. for the period noted:

<b>North Calgary Land Ltd. Budget to Actual Cash Flow Unaudited - Based on discussions with the company's Management (C\$000)</b>			
	<b>For the 6-month period of February 1, 2015 to July 31, 2015</b>		
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
<b>Cash inflows</b>			
Other receipts	0.2	-	0.2
<b>Total cash inflows</b>	<b>0.2</b>	<b>-</b>	<b>0.2</b>
<b>Cash outflows</b>			
Professional fees	-	-	-
Property tax	-	-	-
Insurance	-	-	-
Office & administrative	0.7	-	(0.7)
GST/HST paid	-	-	-
Other expenditures	-	-	-
<b>Total cash outflows</b>	<b>0.7</b>	<b>-</b>	<b>(0.7)</b>
<b>Funded opening cash balance</b>			
Variation in cash balance	(0.5)	-	(0.5)
Exchange rate (Gain / Loss)	-	-	-
<b>Ending cash balance</b>	<b>(0.5)</b>	<b>-</b>	<b>(0.5)</b>
<b>Funding from HII</b>			
<b>Funded ending cash balance</b>	<b>0.5</b>	<b>-</b>	<b>(0.5)</b>
	-	-	-

### NCLL budget to actual commentary

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

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

- Total cash inflows for the period were \$0.2K compared to a budgeted amount of nil, resulting in a favorable variance of \$0.2K. This favorable variance is mainly due to the unbudgeted receipt of GST refunds.
- Total cash outflows for the period were \$0.7K compared to a budgeted amount of nil, resulting in an unfavorable variance of \$0.7K. This unfavorable variance is mainly due to the unbudgeted payment of utilities and taxes.

## HMCI

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

<b>HMCI</b> <b>Budget to Actual Cash Flow</b> <b>Unaudited - Based on discussions with the company's Management</b> <b>(C\$000)</b>			
<b>For the 6-month period of</b> <b>February 1, 2015 to July 31, 2015</b>			
	Actual	Budget	Variance
<b>Cash inflows</b>			
Other receipts	-	-	-
<b>Total cash inflows</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash outflows</b>			
Other expenditures	0.1	-	(0.1)
<b>Total cash outflows</b>	<b>0.1</b>	<b>-</b>	<b>(0.1)</b>
<b>Opening cash balance</b>	<b>41.5</b>	<b>41.5</b>	<b>-</b>
Variation in cash balance	(0.1)	-	(0.1)
Exchange rate (Gain / Loss)	-	-	-
<b>Ending cash balance</b>	<b>41.4</b>	<b>41.5</b>	<b>(0.1)</b>

### HMCI budget to actual commentary

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 6-month cash flow forecast (\$C)

Updated as of August 1, 2015

1810040 Alberta Ltd. (formerly Homburg Invest Inc. and Shareco)  
Extended cash flow statement from September 1, 2015 to February 29, 2016

	39th Report Amended		43rd Report								
Beginning period: Ending period:	For the month of August	TOTAL	For the month of September	For the month of October	For the month of November	For the month of December	For the month of January	For the month of February	TOTAL 6-Month Period		
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast		Forecast	
<b>Cash inflows</b>											
GST/HST/VAT received	-	-	-	-	-	-	-	-	-	-	
Other receipts	-	-	-	-	-	-	-	-	-	-	
<b>Total cash inflows</b>	-	-	-	-	-	-	-	-	-	-	
<b>Cash outflows</b>											
Payroll	65,000	65,000	65,000	45,000	25,000	25,000	25,000	25,000	210,000		
Rent expense	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	12,000		
Restructuring related professional fees	875,000	875,000	230,000	170,000	150,000	150,000	150,000	150,000	1,000,000		
Directors & Officers Insurance	-	-	-	-	-	-	-	-	-		
Office & administrative	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	30,000		
Other expenditure	72,000	72,000	-	-	-	-	-	-	-		
<b>Total cash outflows</b>	1,019,000	1,019,000	302,000	222,000	182,000	182,000	182,000	182,000	1,252,000		
<b>Opening balance</b>	796,700	796,700	(222,300)	(524,300)	(746,300)	(928,300)	(1,110,300)	(1,292,300)	(222,300)		
Payments in transit	-	-	-	-	-	-	-	-	-		
Variation in cash balance (Petitioners)	(1,019,000)	(1,019,000)	(302,000)	(222,000)	(182,000)	(182,000)	(182,000)	(182,000)	(1,252,000)		
Variation in cash balance (Non-Petitioners)	-	-	-	-	-	-	-	-	-		
Exchange rate	-	-	-	-	-	-	-	-	-		
<b>Adjusted ending cash balance</b>	(222,300)	(222,300)	(524,300)	(746,300)	(928,300)	(1,110,300)	(1,292,300)	(1,474,300)	(1,474,300)		

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at August 1, 2015.
- 2) Payroll is expected to decrease beginning in October 2015 to reflect a reduction in the number of employees needed for the 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 August 2015 represent the estimated amount of outstanding professional fees, incurred and not paid, as at August 1, 2015 of \$635K, which has been added to the professional fee estimate for the month of August 2015, of \$240K. The budgeted amounts for professional fees during the Twenty-Third Extension period reflects the decrease of work expected following the August 2015 cash-out/shares distribution.
- 5) Office and administrative fees are expected to be at \$5K per month to reflect the average expenses incurred during prior months.
- 6) Other expenditures represent administrative costs related to the August 2015 cash-out/shares distribution.

## **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 August 1, 2015	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 other receipts are forecasted for this 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	Represents fees of Deloitte, McCarthy Tétrault, Osler, Clifford Chance 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 6-month cash flow forecast (\$C)

Updated as of August 1, 2015

Churchill Estates Development Ltd.

Extended cash flow statement from September 1, 2015 to February 29, 2016

	<u><b>39th Report Published</b></u>		<u><b>43rd Report</b></u>								
Beginning period: Ending period:	For the month of August	TOTAL	For the month of September	For the month of October	For the month of November	For the month of December	For the month of January	For the month of February	TOTAL 6-Month Period		
Cash inflows	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast			
Total cash inflows	-	-	-	-	-	-	-	-	-		
Cash outflows											
Condo fees	-	-	-	-	-	-	-	-	-		
GST remitted	-	-	-	-	-	-	-	-	-		
Other expenditure	-	-	-	789,600	-	-	-	-	789,600		
Total cash outflows	-	-	-	789,600	-	-	-	-	789,600		
Opening cash balance	789,600	789,600	789,600	789,600	-	-	-	-	789,600		
Variation in cash balance	-	-	-	(789,600)	-	-	-	-	(789,600)		
Exchange rate	-	-	-	-	-	-	-	-	-		
Ending cash balance	<b>789,600</b>	<b>789,600</b>	<b>789,600</b>	-	-	-	-	-	-		

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at August 1, 2015.
- 2) Churchill is expected to be assigned into bankruptcy during the month of October 2015 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 August 1, 2015	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	Represents funds transferred to the Trustee	X	
<u>Closing cash balance</u>	Based on allocated cash transactions	X	

## NCLL Extended 6-month cash flow forecast (\$C)

Updated as of August 1, 2015

NCLL

Extended cash flow statement from September 1, 2015 to February 29, 2016

<u>39th Report Published</u>			<u>43rd Report</u>						
Beginning period: Ending period:	For the month of August	TOTAL	For the month of September	For the month of October	For the month of November	For the month of December	For the month of January	For the month of February	TOTAL 6-Month Period
<b>Cash inflows</b>									
GST/HST received	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
<b>Total cash inflows</b>	-	-	-	-	-	-	-	-	-
<b>Cash outflows</b>									
Professional fees	-	-	-	-	-	-	-	-	-
Property tax	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-
Other expenditures	-	-	-	-	-	-	-	-	-
<b>Total cash outflows</b>	-	-	-	-	-	-	-	-	-
<b>Opening cash balance</b>	-	-	-	-	-	-	-	-	-
<b>Funding from HII</b>									
Variation in cash balance	-	-	-	-	-	-	-	-	-
Exchange rate	-	-	-	-	-	-	-	-	-
<b>Adjust ending cash balance</b>	-	-	-	-	-	-	-	-	-

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at August 1, 2015.

## **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 August 1, 2015	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 6-month cash flow forecast (\$C)

Updated as of August 1, 2015

Homburg Management Canada Inc.

Extended cash flow statement from September 1, 2015 to February 29, 2016

	<u>39th Report Published</u>		<u>43rd Report</u>								
Beginning period: Ending period:	For the month of August	TOTAL	For the month of September	For the month of October	For the month of November	For the month of December	For the month of January	For the month of February	TOTAL 6-Month Period		
<b>Cash inflows</b>	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast		
Other Receipts	-	-	-	-	-	-	-	-	-		
<b>Total cash inflows</b>	-	-	-	-	-	-	-	-	-		
<b>Cash outflows</b>											
Other Disbursements	-	-	-	-	-	-	-	-	-		
<b>Total cash outflows</b>	-	-	-	-	-	-	-	-	-		
<b>Opening cash balance</b>	41,400	41,400	41,400	41,400	41,400	41,400	41,400	41,400	41,400		
Variation in cash balance	-	-	-	-	-	-	-	-	-		
Exchange rate	-	-	-	-	-	-	-	-	-		
<b>Ending cash balance</b>	41,400	41,400	41,400	41,400	41,400	41,400	41,400	41,400	41,400		

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at August 1, 2015.

## **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 August 1, 2015	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	