NO. S148656
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*
R.S.C., 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF PRETTY ESTATES LTD.

MONITOR'S SEVENTH REPORT TO COURT

SEPTEMBER 28, 2015

G-FORCE GROUP

PRETTY ESTATES LTD.

MONITOR'S SEVENTH REPORT TO COURT

SEPTEMBER 28, 2015

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PRETTY ESTATES LTD.

MONITOR'S SEVENTH REPORT TO COURT

SEPTEMBER 28, 2015

BACKGROUND AND PURPOSE OF REPORT

1. On November 10, 2014, Pretty Estates Ltd. (the "**Company**") commenced a proceeding under the *Companies' Creditors Arrangement Act* ("**CCAA**"), and on that same date this Honourable Court granted an Initial CCAA Order (the "**Initial Order**"). G. Powroznik Group Inc. of G-Force Group was appointed as Monitor in the CCAA proceeding (the "**Monitor**").

2. This report represents the Seventh Report ("**Seventh Report**") of the Monitor with respect to the CCAA filing of the Company and should be read in conjunction with the Monitor's Preliminary Report dated November 5, 2014 which included the Company's Cash Flow Statement ("**Original Cash Flow Statement**"), and the Monitor's First Report dated December 5, 2014 ("**First Report**"), the Monitor's Second Report dated January 30, 2015 ("**Second Report**") the Monitor's Third Report ("**Third Report**") dated February 27, 2015, the Monitor's Fourth Report dated March 31, 2015 ("**Fourth Report**"), the Monitor's Fifth Report dated April 23, 2015 ("**Fifth Report**") and the Monitor's Sixth Report dated July 21, 2015 (**Sixth Report**"). The capitalized terms used in this Seventh Report are defined herein or in earlier reports.

3. Copies of all pertinent reports, Court Orders, and other filings related to this proceeding are posted to the Monitor's website at the following URL: **http://www.g-forcegroup.ca/pretty-estates-ltd/**

4. The purposes of this report are to provide this Honourable Court with:

   a) an update on the Monitor's activities since the Sixth Report was issued;

   b) an update on the actual financial performance of the Company during the restructuring period and particularly during the period ending August 31, 2015;

   c) an update on the third party offers to purchase the shares and assets of the Company and the Company's development of a restructuring plan (the "**Restructuring Plan**") under the CCAA;

   d) an overall summary of next steps in the process with estimated timing for key milestones that the Company is working toward; and

e) the Monitor's recommendations relating to the Company's request for an extension of the stay of proceedings and a process to deal with the Company's efforts to complete a transaction with either the Proposed Purchaser or one of its other two key prospects so that it can finalize its Restructuring Plan.

5. In preparing this report, the Monitor has relied upon information received from the Company, its legal counsel, Lawson Lundell LLP ("**Lawson**"), IHM, the Company's first and second mortgagees and their respective counsel and third parties potentially interested in acquiring the Company and/or participating with the Company in its Restructuring Plan. The Monitor was given uninhibited access to information relating to the operations of the Company including financial and operations information.

MONITOR'S ACTIVITIES

6. The following is a summary, without limitation, of the Monitor's activities since the Sixth Report was submitted:

a) maintained regular contact with the Company's first mortgagee, First West Credit Union (formerly known as Envision Credit Union) ("**First West**"), represented by Mr. Mohamed Samman, and the Company's second mortgagee and DIP lender, Mr. James Young, and their respective counsel to update them on the status of CCAA proceedings and respond to their queries. In mid August and September the Monitor provided the secured creditors with two brief operations reports detailing the monthly operations and financial results at the Resort, matters related to the CCAA proceeding and status of the process to complete a sale of the Company;

b) maintained regular contact with the Company and Lawson to review the improved operating results and the detailed elements and timing of a Restructuring Plan;

c) maintained regular contact with IHM to obtain ongoing updates on the Company's operational restructuring activities, current events at the Resort and the status of operations improvements and financial performance, including for July, August and Year to Date results;

d) facilitated and assisted the due diligence process by the Proposed Purchaser, including with the Share Purchase Agreement ("**SPA**") that is close to being finalized by the Proposed Purchaser and the vendors, Betty Anne Faulkner as trustee of the Faulkner Family Trust, Betty Anne Faulkner, and 0700256 B.C. Ltd. (collectively the "**Vendor**");

e) maintained regular communications with the Proposed Purchaser and Vendor and their respective counsel to facilitate the completion of the SPA and related due diligence matters;

f) facilitated the negotiation of the Back-up Offer with a second prospective purchaser (the "**Second Prospect**") and the Vendor which was signed on July 30, 2015;

g) co-ordinated the communications with a third prospective purchaser (the "**Third Prospect**") who also made a substantial offer for the Assets that was initially a strong offer but lower than those made by the Proposed Purchaser or the Second Prospect; and

h) assisted the Company in developing a time-line for key milestones for its Restructuring Plan taking into account the feedback from the first and second mortgagees, including developing and managing the Claims Process.

SUMMARY OF KEY FINDINGS AND ACTIVITES

7. The Monitor summarizes its key findings and activities as follows:

a) We have attached our reports dated August 17, 2015 and September 21, 2015 as **Appendices "A" and "B"** respectively. To summarize the operating results, August 2015 was a strong month at the Resort. Actual EBITDA of $213,800 for the month came in just under targeted levels by $300; also, the performance was approximately $86,900 better that August 2014. IHM reports that overall the Resort's EBITDA for the ten month period ending August 31, 2015 has been improved by $596,700 over the comparative period in fiscal 2014. IHM's preliminary expectation is that it will meet its budgeted EBITDA for September of $79,200, despite unfavourable weather conditions in the Lower Mainland, as well as a recent unexpected bridge closure near Mission, BC which caused a decrease in traffic to the Resort.

   Although vastly improved over the prior year, year to date EBITDA is approximately $59,900 behind projected levels. The reasons for the deficiency have been documented in prior reports. IHM has now confirmed that the projected results for the fiscal year ending October 31, 2015 will likely not be achieved at this stage in the season due to the inclement weather at the end of August and in September. IHM is expecting that the operating results are more likely to be in the range of $450,000 EBITDA for the year which is approximately $52,000 lower than the originally-projected EBITDA. However, this would still represent an improvement of $720,000 over the prior fiscal year, or over 93% of the budgeted improvement;

b) IHM reports that actual DIP Financing advanced as at August 31, 2015 was $831,415. As at that date, the Company had unrestricted cash balances of $226,772 and a restricted cash balance of $27,723 to cover deposits made on future bookings. IHM anticipates a further reduction of the DIP Financing once it covers unpaid professional costs and normal operating accounts payable;

c) IHM's contract expires on October 31, 2015 to coincide with the Company's fiscal year-end and the original expected date of the finalization of the Restructuring Plan. Since it is clear now that the Restructuring Plan cannot be finalized until after October 31, 2015, we have recommended that the Company extend IHM's contract until the closing of a sale of the Company. We expect that IHM and the Company will be able to conclude a suitable extension;

d) The SPA between the Vendor and the Proposed Purchaser was to have been completed before September 18, 2015 and all conditions removed by the Proposed Purchaser and a substantial non-refundable deposit made by September 18. However, there have been unexpected complications and delays in completing the SPA, particularly on the side of the Vendor who had significant work to do to prepare the required due diligence material during the busiest time of its fiscal year. This has resulted in a series of extension agreements to meet the terms of the LOI signed by the parties on June 15, 2015. Although the current extension agreement has expired, both parties have been working diligently to complete the SPA. The Vendor's solicitors advised today that the next draft is expected to be delivered to the Proposed Purchaser on September 29, 2015. Recently, an environmental concern was identified by a Phase One report prepared for the Proposed Purchaser. However, the Proposed Purchaser has advised the Vendor that it will assume any resulting liabilities arising from the concerns identified;

e) The Proposed Purchaser has also experienced delays in receiving the cash from a large international transaction in which he is involved that will produce the funds required by him to complete the Purchase (the "**Purchase Proceeds**"). He has no control over the finalization of the transaction and the flow of his portion of the proceeds to him. However, he has been in communications with other stakeholders involved in the transaction almost daily and continues to receive assurance that the remaining hurdles will be met and the monies released any day now;

f) The Vendor is anxious to complete the transaction with the Proposed Purchaser for a variety of reasons including price. The other reasons include the goodwill and relationship between the parties which is important to the Vendor because Mrs. Faulkner will continue to live on the Property and actively participate on a daily basis as a hostess for the Proposed Purchaser. However, since there have been delays in the Proposed Purchaser confirming the receipt of the Purchase Proceeds, and because there are two other serious prospects interested in acquiring the Company or the Assets for comparable prices that would allow the Company to complete its Restructuring Plan, the Company has agreed to pursue the other two prospects immediately. The objective would be to negotiate an acceptable unconditional sale with one of the other prospects should the Proposed Purchaser continue to be unable to confirm receipt of the Purchase Proceeds prior to October 31, 2015;

g) In the meantime, the Proposed Purchaser and the Vendor will continue to finalize the SPA so that the Proposed Purchaser can remove any remaining conditions and increase its non-refundable deposit to $1 million as soon as he receives the Purchase Proceeds provided it is in time before the Vendor concludes a firm deal with one of the other two prospects. The SPA will likely be very useful in the event the Vendor concludes a sale with one of the other two prospects because many of the terms of the offers by them are similar to the terms of the sale to the Proposed Purchaser; and

h) The Monitor has maintained contact with the Second Prospect who has entered into the Backup Offer and as late as last week confirmed their interest in acquiring the

Company. We have also maintained contact with the Third Prospect who again confirmed today its interest in acquiring the Assets. Since the Vendor entered into the LOI with the Proposed Purchaser, both the Second Prospect and the Third Prospect improved their offer more than once on an unsolicited basis. After the Backup Offer was completed, the Third Prospect continued to provide unsolicited improvements to its offer. At this time, it is unclear which of the offers from the two prospects is the better one because the Company did not pursue them as diligently as it would have if they had not already entered into an LOI with the Proposed Purchaser. Accordingly, we believe further discussions will be required with both prospects to determine the basis they will want to conclude a transaction with the Vendor at this time. The Monitor will co-ordinate the process for the Vendor's negotiations with the Second and Third Prospects. We expect that both prospects will be prepared to provide comparable consideration to the Vendor for the Company and/or its Assets that the Proposed Purchaser is providing, although they originally started out much lower.

8. The time required for submission of claims under the Claims Process has now expired. The Monitor is required to provide Notices of Disallowance to any applicable creditor by September 30, 2015. For the most part, the claim amounts received were anticipated by the Company with a few exceptions.

CONCLUSIONS AND RECOMMENDATIONS

9. In the Monitor's opinion, the Proposed Purchaser is very close to finalizing the SPA with the Vendor and removing all its conditions except the financing one, subject to receiving confirmation of the Purchase Proceeds in order to make the $1 million non-refundable deposit;

10. The Monitor recommends that the Company enter into discussions immediately with the Second and Third Prospects to attempt to reach an acceptable, unconditional SPA by October 31, 2015 should one with the Proposed Purchaser not be completed;

11. The Monitor recommends that the Company extend the management contract with IHM until the closing of a sale of the Company or its Assets;

12. The Monitor recommends to the Company that it files its Restructuring Plan forthwith after reaching an acceptable unconditional SPA, including at least a deposit of $1 million, with either the Proposed Purchaser or either of the Second or Third Prospects;

13. The Monitor recommends that the stay of proceedings is extended to October 30, 2015 to allow the Company to continue efforts to confirm an unconditional sale with either the Proposed Purchaser or if that is not possible, then either the Second or Third Prospect.

14. The Company and its principal, Mrs. Faulkner, have been very co-operative with the Monitor and in the Search Process. The Monitor continues to be of the opinion that the Company has acted, and is acting, in good faith and with due diligence during the restructuring process with the intention of preparing and presenting its Restructuring Plan as soon as reasonably possible.

All of which is respectfully submitted this 28th day of September, 2015.

G. Powroznik Group Inc. of G-Force Group
In its capacity as Court Appointed Monitor
of Pretty Estates Ltd.

Per: Mr. Gary D. Powroznik
Managing Director

Appendix A

INNTEGRATED HOSPITALITY MANAGEMENT LTD

Memorandum

To: Betty-Anne Faulkner, Pretty Estates Ltd.
CC: G. Powroznik Group Inc. as Court Appointed Monitor of Pretty Estates Ltd.
Bonita Lewis-Hand, Lawson Lundell LLP
From: Ralph Miller, Inntegrated Hospitality Management Ltd.
Date: August 17, 2015
Re: Pretty Estate Resort – Operations and Cash Flow Report, July 2015

Betty-Anne:

As you are aware, IHM took control of the management of Pretty Estate Resort (the "Resort") on November 10, 2014, with the mandate to implement cost containment, operations efficiency, and revenue enhancement initiatives, which we originally identified in August 2014 and continue to monitor and reinforce these initiatives based on implementation experience. All of the initiatives previously identified have been actioned and as reported in previous months have been integrated into the operation of the Resort.

For the 9 month period ended July 31, 2015 we provide the following summary:

	2015	2014	Improvement
	$	$	$
Total Revenue	1,725,025	1,577,902	147,100
Labour Costs	920,598	1,066,501	145,900
Other Costs	709,090	925,682	216,600
EBITDA (Loss) Before Restructuring Costs	95,337	(414,281)	509,600

Our revenue enhancement, cost control and mitigation, and efficiency programs continue to be focused on each of the Company's operations; during the height of the busy season we work to maintain the management team's attention on the operating principles established and consistently monitor performance. No new initiatives are introduced during this period.

On a comparative basis for the 9 months period ended July 31, revenues have been increased $147,100, labour costs have been reduced $145,900, and other operating costs have been reduced by $216,600, resulting in an increase in operating earnings (decrease in the operating loss) reported for the 9 month period of $509,600.

Labour cost, the single most important expense in any hospitality business, is monitored and managed on a daily and weekly basis. When compared against the same period last year, $145,900 in labour cost savings, approximately 13.7% of the prior year labour cost, has been achieved in the 9 months ended July 31, 2015 without sacrificing guest satisfaction.

Other cost savings have been recorded in and across multiple expense classifications. For example, for the 9 months ended July 31, 2015 the cost of food and beverage was 36.4% of food and beverage revenues, 7.6 percentage points better than the 44.0% cost of food and beverage revenues reported in the 9 months ended July 31, 2014 (measured in absolute dollars, the food and beverage cost reduction is approximately $50,000 over the 9 month period).

Our business and operating philosophy continues to promote changes that improve the business paradigm at the Resort. We operate the business on a go-forward basis making suitable arrangements for the continued operations of the Resort.

Operating Earnings for the Month Ended July 31, 2015

In respect of the financial performance of the Resort, we attach a Summary Operating Statement (Exhibit 1.0) for the period ended July 31, 2015, and provide the following discussion thereon.

Total Operating Revenue recorded for July 2015 was $433,500, ($40,300) less than the projected levels, with rooms revenue $10,200 above expectations, food and beverage revenue ($39,600) below expectations, and golf revenue ($10,000) below expectations; Earnings Before Interest Taxes Depreciation and Amortization ("EBITDA") and Restructuring Costs for the month of July 2015 was $174,200, ($7,700) less than the projected EBITDA and Restructuring Costs of $181,900.

Our cost control / efficiency initiatives are in place and operating; as a result actual to projected cost savings of $32,600 were achieved in relation to the revenue shortfall of ($40,300), representing a cost recovery equal to 80% of the revenue shortfall.

By comparison the Total Operating Revenue and EBITDA reported for the month of July 2014 was $407,200 and $60,600 respectfully.

Rooms' department revenue for July was $55,000, approximately $10,200 more than projected levels. 203 guest rooms were sold, (3) less than the projected guest room sales of 206; the average room rate achieved was $270.39, approximately $53.25 better than the projection of $217.14.

Food & Beverage department revenues for July were $203,900, approximately ($39,600) less than the projected levels.

Golf department revenues for July were $174,600, approximately ($10,000) less than the golf revenues projected; 3,423 green fee paid rounds and 740 membership/golf card rounds of golf were recorded for a total of 4,164 golf rounds, 414 more golf rounds than projected (3,750 green fee paid and 0 membership/golf card rounds); the average green fee realized was $36.74, $1.74 more than $35.00 green fee projected.

Non-Operating Income for July was $2,083; $1,583 more than projected.

Total labour costs for the month of July 2015 were $144,393, ($970) less than the projected labour costs of $145,363, and ($22,700) less than the labour costs incurred in the month of July 2014. For July 2015 labour costs represented 33.3% of total operating revenues, approximately (2.6) percentage points worse than the projected labour costs of 30.7% of total projected revenue; by comparison labour costs reported for July 2014 were 41.0% of total revenue.

Overall, operating earnings, represented by EBITDA before Restructuring Costs, of $174,200 was recorded for the month of July 2015, ($7,700) worse than the projected operating earnings for the month of $181,900.

On a year to date basis (9 months to July 31, 2015):

- EBITDA (Loss) before restructuring costs of $95,300 has been reported; ($59,900) worse than the projected EBITDA (Loss) before restructuring costs of $155,200; but $509,600 better than the EBITDA (Loss) before restructuring costs of ($414,300) reported for 9 months ended July 31, 2014.

- Total operating revenues of $1,725,000 were recorded in the 9 month period, ($123,500) less than the projected operating revenue of $1,848,500, but $147,100 more than the $1,577,900 in total revenue reported for the 9 month period ended July 31 2014.

In our report on the operations for June 2015, dated July 17, 2015, we provided an estimate for the anticipated operating earnings for July 2015 at $160,000 based on the daily revenue and labour cost reporting to July 16, 2015, implemented at the Resort. Actual operating earnings of $174,200 were recorded, approximately $14,200 better than the mid-July estimate.

Statement of Monthly Cash Flow from Operations

In respect of the cash flow for the Resort, we attach a Statement of Monthly Cash Flow from Operations (Exhibit 2.0) for the period ended July 31, 2015, and provide the following discussion thereon.

On April 20, 2015 we issued a revised projection for monthly cash flow for the year ending October 31, 2015. The revised projection for monthly cash flow is based on the actual results of operations for the 5 month period from November 1, 2014 to March 31, 2015 and projected operating results for the period from April 1, 2015 to October 31, 2015. These projections were based on the assumption that the Company will continue operations in the normal course, except where otherwise stated, and will incorporate the initiatives outlined in the Inntegrated Hospitality Management Ltd. report dated August 29, 2014, and revised estimates for debt service requirements (including DIP Financing costs) and restructuring costs.

The Cash Flow from Operations is determined after considering changes in the working capital accounts and before interest, depreciation, and other non-operating items. The EBITDA before Restructuring Costs for July 2015 was $174,190.

The adjusted cash flow surplus (deficiency) from operations for July 2015 was $147,600, and considers all of the changes in the working capital accounts for the Resort. Overall, there is an unfavorable cash flow from operations variance of ($54,200), when compared against the projected operating cash flow requirements, largely as a result of the timing of payments on short term trade credit accounts.

Non-Operating cash flow items generally include the cost of capital replacements and all of the costs related to interest payments required to maintain the secured creditor positions and the payments related to restructuring costs.

- Included in the legal restructuring costs is $14,485 charged by Envision Financial and applied to the outstanding loan balance; these charges for legal fees relate to May 2015, $10,725; June 2015 $3,368; and July 2015, $392.

- No capital replacements were made in July 2015.

The Non-Operating cash flow items totaled $10,300 in respect of charges to debt and debt service and $99,300 in respect of restructuring costs.

Overall a cash flow surplus of $58,600 was recorded for the month, approximately ($25,400) worse than the projected cash flow surplus of $84,000.

On a year to date basis (9 months to July 31, 2015), a cash flow deficiency of ($734,800) has been incurred, approximately $92,900 better than the revised projection for the cash flow deficiency of ($827,700).

Our cash flow projections anticipated that no changes would be made to the Envision Line of Credit, which was effectively fully drawn down as at November 10, 2014. As at July 31, 2015 cash balances in the Royal Bank accounts totaled $111,417, including $27,023 related to wedding and event customer deposits received since November 10, 2014, which are segregated from regular operating funds and held in trust in anticipation of the booked events.

DIP Financing

As at July 31, 2015 DIP Financing totaling $824,372 had been advanced, approximately ($8,226) less than the $862,598 estimated in the revised projection. Our DIP Funding cycle is estimated semi-monthly in advance and the timing of any specific month-end can indicate potential over/under borrowing or additional short term cash flow deficiencies. As at July 31, 2015, unrestricted cash balances of $91,715 were available in the Royal Bank of Canada accounts, and no amount was available on the Envision Financial Line of Credit.

On July 31, 2015, the Resort made the first DIP Financing repayment in the amount of $50,000.

As at August 16, 2015 the DIP Financing balance remained unchanged at $824,372; allowing for the August 2015 DIP interest, and the three month interest reserve, there is approximately $140,000 in remaining borrowing available under the approved DIP Financing of $1,000,000.

Outlook for August 2015

According to the revenue and labour cost tracking/monitoring systems installed at the Resort, as of August 16, 2015, the Resort is reporting an actual revenue to projection deficiency in the range of ($5,000) month-to-date, and an actual labour cost to projection saving in the range of $5,000 month-to-date.

During the first half of August, weather conditions have remained unseasonably warm and forest fires continue to impact air quality, all of which have had the effect of reducing golf play; however weather conditions are expected to return to seasonal temperatures during the last two weeks of the month.

Bookings and reservation activity indicate very good but not exceptional golf and event related revenues during the last two weeks of the month. For August 2015 we projected EBITDA of $214,100; based on the experience to August 16, 2015 we anticipate achieving the projected monthly EBITDA.

Projected Cash Flow for the Year ending October 31, 2015

For the 9 months ended July 31, 2015, EBITDA before restructuring costs of $95,300 has been reported, ($59,900) worse than the projected EBITDA before restructuring costs of $155,200.

Based on the operating performance achieved since November 10, 2014, and our experience with the financial impacts of the operational changes introduced, we remain cautiously optimistic that the financial projection for annual EBITDA before restructuring costs of $502,700, as presented in November 2014, is still achievable in total over the balance of the year ending October 31, 2015.

Conclusion

The foregoing represents our report on the operations and cash flow for the Resort for July 2015 and the 9 months then ended.

We are pleased to report a $509,600 improvement in the 9 month period EBIDTA (before restructuring costs), when compared to the same 9 month period of 2014. This improvement in EBITDA is more than 3 times the IHM operational restructuring fees recorded in the 9 month period.

We are pleased to review our report with you, the Monitor, or the Resort's legal advisors, at your convenience.

If you have any questions related to this memorandum please do not hesitate to contact me directly by email or at 403.619.9767 (mobile).

Exhibit 1.0

Pretty Estates Ltd.
Summary Operating Statement
For the Period Ended July 31, 2015

	Month End July 31, 2015			9 Months - Ended July 31, 2015		
	Actual	Projection	Variance	Actual	Projection	Variance
Rooms Available:	279	279	0	2457	2457	0
Rooms Sold:	203	206	-3	1299	1489	-190
Occupancy:	73%	74%	(1.1%)	53%	61%	(7.7%)
ADR:	$270.39	$217.14	$53.25	$193.74	$201.84	($8.11)
Rooms RevPAR:	$196.98	$160.32	$36.66	$103.10	$122.32	($19.23)

	Month End July 31, 2015						9 Months - Ended July 31, 2015					
	Actual		Projection		Variance		Actual		Projection		Variance	
	$	%	$	%	$	%	$	%	$	%	$	%
Operating Revenue												
Rooms	54,958	12.7%	44,730	9.4%	10,228	22.9%	253,308	14.7%	300,545	16.3%	(47,237)	(15.7%)
Food and Beverage	203,917	47.0%	243,530	51.4%	(39,613)	(16.3%)	754,881	43.8%	957,701	51.8%	(202,820)	(21.2%)
Golf Course	174,640	40.3%	184,532	38.9%	(9,892)	(5.4%)	711,979	41.3%	581,247	31.4%	130,732	22.5%
Miscellaneous Income		0.0%	1,000	0.2%	(1,000)	(100.0%)	4,857	0.3%	9,000	0.5%	(4,143)	(46.0%)
Total Operating Revenue	**433,516**	100.0%	**473,792**	100.0%	**(40,276)**	(8.5%)	**1,725,025**	100.0%	**1,848,493**	100.0%	**(123,468)**	(6.7%)
Departmental Expenses												
Rooms	11,568	21.0%	10,028	22.4%	1,540	15.4%	108,019	42.6%	80,595	26.8%	27,423	34.0%
Food and Beverage	121,551	59.6%	149,049	61.2%	(27,498)	(18.4%)	618,809	82.0%	706,642	73.8%	(87,833)	(12.4%)
Golf Course	70,608	40.4%	68,213	37.0%	2,395	3.5%	415,375	58.3%	378,566	65.1%	36,810	9.7%
Total Departmental Expenses	**203,727**	47.0%	**227,290**	48.0%	**(23,563)**	(10.4%)	**1,142,202**	66.2%	**1,165,803**	63.1%	**(23,600)**	(2.0%)
Total Departmental Profit	**229,789**	53.0%	**246,502**	52.0%	**(16,713)**	(6.8%)	**582,823**	33.8%	**682,690**	36.9%	**(99,867)**	(14.6%)
Undistributed Operating Expenses												
Administrative and General	26,918	6.2%	32,366	6.8%	(5,448)	(16.8%)	250,644	14.5%	245,025	13.3%	5,619	2.3%
Information and Telecommunications Systems	3,336	0.8%	2,652	0.6%	684	25.8%	28,725	1.7%	23,868	1.3%	4,857	20.4%
Sales and Marketing	6,022	1.4%	9,585	2.0%	(3,563)	(37.2%)	55,254	3.2%	83,765	4.5%	(28,511)	(34.0%)
Property Operation and Maintenance	6,097	1.4%	8,215	1.7%	(2,118)	(25.8%)	61,682	3.6%	70,339	3.8%	(8,656)	(12.3%)
Utilities	5,972	1.4%	5,233	1.1%	739	14.1%	49,257	2.9%	46,098	2.5%	3,159	6.9%
Total Undistributed Expenses	**48,346**	11.2%	**58,051**	12.3%	**(9,705)**	(16.7%)	**445,563**	25.8%	**469,094**	25.4%	**(23,531)**	(5.0%)
Gross Operating Profit	**181,443**	41.9%	**188,451**	39.8%	**(7,008)**	(3.7%)	**137,260**	8.0%	**213,596**	11.6%	**(76,336)**	(35.7%)
Income Before Non-Operating Income and Expenses	**181,443**	41.9%	**188,451**	39.8%	**(7,008)**	(3.7%)	**137,260**	8.0%	**213,596**	11.6%	**(76,336)**	(35.7%)
Non-Operating Income and Expenses												
Income	2,083	0.5%	500	0.1%	1,583	316.6%	20,683	1.2%	4,500	0.2%	16,183	359.6%
Rent	119	0.0%	-	0.0%	119	100.0%	357	0.0%	-	0.0%	357	100.0%
Property and Other Taxes	3,539	0.8%	4,039	0.9%	(500)	(12.4%)	33,725	2.0%	35,966	1.9%	(2,241)	(6.2%)
Insurance	5,700	1.3%	3,028	0.6%	2,672	88.2%	28,557	1.7%	26,918	1.5%	1,639	6.1%
Other	(22)	(0.0%)	-	0.0%	(22)	0.0%	(34)	(0.0%)	-	0.0%	(34)	0.0%
Total Non-Operating Income and Expenses	**(7,252)**	(1.7%)	**(6,567)**	(1.4%)	**(685)**	10.4%	**(41,923)**	(2.4%)	**(58,384)**	(3.2%)	**16,461**	(28.2%)
Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) before Restructuring Costs	**174,190**	40.2%	**181,884**	38.4%	**(7,694)**	(4.2%)	**95,337**	5.5%	**155,211**	8.4%	**(59,875)**	(38.6%)

Exhibit 2.0

Pretty Estate Resort Ltd.
Statement of Monthly Cash Flow from Operations
for the Period Ended July 31, 2015

	Month Ended July 31, 2015			9 Months Ended July 31, 2015		
	Actual	Revised Projection	Variance	Actual	Revised Projection	Variance
Rooms Occupied	203	206	(3)	1,299	1,489	(190)
Average Room Rate	$ 270.39	$ 217.14	$ 53.25	$ 193.74	$ 201.84	$ (8.10)
Total Golf Rounds Played	4,164	3,750	414	13,237	9,800	3,437
Golf Average Paid Green Fee	$ 36.74	$ 35.00	$ 1.74	$ 43.29	$ 38.83	$ 4.46
EBITDA before Restructuring Costs	174,190	181,886	(7,696)	95,337	78,220	17,117
(Earnings before Interest, Taxes, Depreciation & Amortization)						
Cash Flow Adjustments						
Change Accounts Receivable	10,100	2,369	7,731	(8,178)	(12,115)	3,937
Change in Inventory	(7,720)	10,891	(18,611)	20,789	43,412	(22,623)
Change in Prepaid Insurance (P, C, BI)	0	2,438	(2,438)	18,576	(8,185)	26,761
Change in Prepaid Insurance (Auto)	0	0	0	856	856	0
Change in Prepaid Property Tax	3,539	4,039	(500)	(10,309)	(24,924)	14,615
Change in Prepaid Other	(694)	0	(694)	(8,553)	(16,288)	7,735
Change in General Accounts Payable	(22,303)	6,777	(29,080)	14,457	16,208	(1,751)
Change in Current Crown Claims	7,918	9,701	(1,783)	(13,612)	(9,726)	(3,886)
Change in Customer Deposits	(17,422)	(16,273)	(1,149)	(9,393)	(16,000)	6,607
Change in DelinquentCrown Claims	0	0	0	(88,056)	(88,000)	(56)
	(26,582)	19,942	(46,524)	(83,423)	(114,762)	31,339
Adjusted Cash Flow from Operations	147,608	201,828	(54,220)	11,914	(36,542)	48,456
Non-Operating Cash Flow items						
Capital Replacements	0	(10,000)	10,000	(24,046)	(67,491)	43,445
Envision Financial LOC Interest	(1,175)	(1,174)	(1)	(10,579)	(10,501)	(78)
Envision Financial LOC Advance (Repayment)	28,453	0	28,453	50,296	37,135	13,161
Envision Financial - Loan Interest	(6,035)	(6,387)	352	(56,039)	(56,898)	859
Envision Financial - Loan Principal Payment	14,485	0	14,485	24,725	10,239	14,486
Equipment Lease Payments	(10,633)	(8,647)	(1,986)	(34,955)	(38,435)	3,480
Car Loan Payments	(976)	(1,208)	232	10,513	10,038	475
2nd Mortgage Interest	(6,431)	(6,116)	(315)	(56,630)	(55,787)	(843)
DIP Commitment Fee	0	0	0	(19,500)	(19,500)	0
DIP Financing Interest	(7,364)	(7,251)	(113)	(41,872)	(41,435)	(437)
Shareholder Loans	0	0	0	0	0	0
	10,324	(40,783)	51,107	(158,087)	(232,635)	74,548
Restructuring Costs						
Restructuring Legal	37,291	25,000	(12,291)	242,264	237,387	(4,877)
Apprasial	0	0	0	0	0	0
Operations Restructuring / Management	19,783	17,000	(2,783)	141,035	137,690	(3,345)
CCAA Monitor	42,219	35,000	(7,219)	205,320	183,425	(21,895)
	99,293	77,000	(22,293)	588,619	558,502	(30,117)
Cash Flow Surplus (Deficiency)	58,639	84,045	(25,406)	(734,793)	(827,679)	92,886
Cash Balance						
Beginning Cash Balance (RBC Accounts)	111,417	33,715	(77,702)	37,841	37,841	0
DIP Financing Advanced (Repaid)	(42,636)	(75,000)	(32,364)	824,372	832,598	8,226
Ending Cash Balance (RBC Accounts)	127,420	42,760	(84,660)	127,420	42,760	(84,660)
Represented by:						
Unrestricted Cash	91,715					
Post November 10, 2014 Event Deposits, in Trust	35,706					
	127,420					

Appendix B

INNTEGRATED HOSPITALITY MANAGEMENT LTD

Memorandum

To: Betty-Anne Faulkner, Pretty Estates Ltd.
CC: G. Powroznik Group Inc. as Court Appointed Monitor of Pretty Estates Ltd.
Bonita Lewis-Hand, Lawson Lundell LLP
From: Ralph Miller, Inntegrated Hospitality Management Ltd.
Date: September 21, 2015
Re: Pretty Estate Resort – Operations and Cash Flow Report, August 2015

Betty-Anne:

As you are aware, IHM took control of the management of Pretty Estate Resort (the "Resort") on November 10, 2014, with the mandate to implement cost containment, operations efficiency, and revenue enhancement initiatives, which we originally identified in August 2014 and continue to monitor and reinforce these initiatives based on implementation experience. All of the initiatives previously identified have been actioned and as reported in previous months have been integrated into the operation of the Resort.

For the 10 month period ended August 31, 2015 we provide the following summary:

	2015 $	2014 $	Improvement $
Total Revenue	2,233,921	2,075,286	158,600
Labour Costs	1,064,668	1,237,634	173,000
Other Costs	859,900	1,125,047	265,100
EBITDA (Loss) Before Restructuring Costs	309,353	(287,395)	596,700

Our revenue enhancement, cost control and mitigation, and efficiency programs continue to be focused on each of the Company's operations; during the height of the busy season we work to maintain the management team's attention on the operating principles established and consistently monitor performance. No new initiatives are introduced during this period.

On a comparative basis for the 10 months period ended August 31, revenues have been increased $158,600, labour costs have been reduced $173,000, and other operating costs have been reduced by $265,100, resulting in an increase in operating earnings (decrease in the operating loss) reported for the 10 month period of $596,700.

Labour cost, the single most important expense in any hospitality business, is monitored and managed on a daily and weekly basis. When compared against the same period last year, $173,000 in labour cost savings, approximately 14.0% of the prior year labour cost, has been achieved in the 10 months ended August 31, 2015 without sacrificing guest satisfaction.

Other cost savings have been recorded in and across multiple expense classifications. For example, for the 10 months ended August 31, 2015 the cost of food and beverage was 36.0% of food and beverage revenues, 6.6 percentage points better than the 42.6% cost of food and beverage revenues reported in the 10 months ended August 31, 2014 (measured in absolute dollars, the food and beverage cost reduction is approximately $57,000 over the 10 month period).

Our business and operating philosophy continues to promote changes that improve the business paradigm at the Resort. We operate the business on a go-forward basis making suitable arrangements for the continued operations of the Resort.

Operating Earnings for the Month Ended August 31, 2015

The month of August is traditionally the highest volume month of the year, unfortunately severe wind and rain storms ravaged most of the lower mainland during the last weekend on the month, significantly impacting golf play and recreational food & beverage business volumes. For reference, as a result of the inclement weather, only 80 paid rounds of golf were played over the three day period August 28, 29, and 30; approximately 20% of the expected business volume.

In respect of the financial performance of the Resort for August 2015 we attach a Summary Operating Statement (Exhibit 1.0) for the period ended August 31, 2015, and provide the following discussion thereon.

Total Operating Revenue recorded for August 2015 was $486,000, ($47,000) less than the projected levels, with rooms revenue $11,500 above expectations, food and beverage revenue ($27,900) below expectations, and golf revenue ($30,600) below expectations; Earnings Before Interest Taxes Depreciation and Amortization ("EBITDA") and Restructuring Costs for the month of August 2015 was $213,800, ($300) less than the projected EBITDA and Restructuring Costs of $214,100.

Our cost control / efficiency initiatives are in place and operating; as a result actual to projected cost savings of $46,700 were achieved in relation to the revenue shortfall of ($47,000), representing a cost recovery equal to 99% of the revenue shortfall.

By comparison the Total Operating Revenue and EBITDA reported for the month of August 2014 was $497,400 and $126,900 respectfully.

Rooms' department revenue for August was $56,300, approximately $11,500 more than projected levels. 243 guest rooms were sold, 37 more than the projected guest room sales of 206; the average room rate achieved was $230.66, approximately $13.52 better than the projection of $217.14.

Food & Beverage department revenues for August were $248,100, approximately ($27,900) less than the projected levels.

IHM

Golf department revenues for August were $180,500, approximately ($30,600) less than the golf revenues projected; 3,172 green fee paid rounds and 713 membership/golf card rounds of golf were recorded for a total of 3,885 golf rounds, (415) fewer golf rounds than projected (4,300 green fee paid and 0 membership/golf card rounds); the average green fee realized was $40.50, $5.50 more than $35.00 green fee projected.

Non-Operating Income for August was $2,256; $1,756 more than projected.

Total labour costs for the month of August 2015 were $144,070, ($8,161) less than the projected labour costs of $152,231, and ($27,043) less than the labour costs incurred in the month of August 2014. For August 2015 labour costs represented 29.6% of total operating revenues, approximately (1.0) percentage points worse than the projected labour costs of 28.6% of total projected revenue; by comparison labour costs reported for August 2014 were 34.4% of total revenue.

Overall, operating earnings, represented by EBITDA before Restructuring Costs, of $213,800 was recorded for the month of August 2015, ($300) worse than the projected operating earnings for the month of $214,100.

On a year to date basis (10 months to August 31, 2015):

- EBITDA before restructuring costs of $309,400 has been reported; ($59,900) worse than the projected EBITDA before restructuring costs of $369,300; but $596,700 better than the EBITDA (Loss) before restructuring costs of ($287,400) reported for 10 months ended August 31, 2014.

- Total operating revenues of $2,211,200 were recorded in the 10 month period, ($170,100) less than the projected operating revenue of $2,381,300, but $158,600 more than the $2,052,600 in operating revenue reported for the 10 month period ended August 31 2014.

In our report on the operations for July 2015, dated August 17, 2015, we provided an estimate for the anticipated operating earnings for August 2015 at $214,100 based on the daily revenue and labour cost reporting to August 16, 2015, implemented at the Resort. Actual operating earnings of $213,800 were recorded, approximately ($300) worse than the mid-August estimate.

Statement of Monthly Cash Flow from Operations

In respect of the cash flow for the Resort, we attach a Statement of Monthly Cash Flow from Operations (Exhibit 2.0) for the period ended August 31, 2015, and provide the following discussion thereon.

On April 20, 2015 we issued a revised projection for monthly cash flow for the year ending October 31, 2015. The revised projection for monthly cash flow is based on the actual results of operations for the 5 month period from November 1, 2014 to March 31, 2015 and projected operating results for the period from April 1, 2015 to October 31, 2015. These projections were based on the assumption that the Company will continue operations in the normal course, except where otherwise stated, and will incorporate the initiatives outlined in the Inntegrated Hospitality Management Ltd. report dated August 29, 2014, and revised estimates for debt service requirements (including DIP Financing costs) and restructuring costs.

The Cash Flow from Operations is determined after considering changes in the working capital accounts and before interest, depreciation, and other non-operating items. The EBITDA before Restructuring Costs for August 2015 was $213,800.

The adjusted cash flow surplus (deficiency) from operations for August 2015 was $196,100, and considers all of the changes in the working capital accounts for the Resort. Overall, there is an unfavorable cash flow from operations variance of ($32,800), when compared against the projected operating cash flow requirements, largely as a result of the timing of payments on short term trade credit accounts.

Non-Operating cash flow items generally include the cost of capital replacements and all of the costs related to interest payments required to maintain the secured creditor positions and the payments related to restructuring costs.

- Included in the legal restructuring costs is $392 charged by Envision Financial and applied to the outstanding loan balance.

- No capital replacements were made in August 2015.

The Non-Operating cash flow items totaled $55,500 in respect of charges to debt and debt service and $99,300 in respect of restructuring costs.

Overall a cash flow surplus of $96,500 was recorded for the month, approximately ($54,000) worse than the projected cash flow surplus of $150,500.

On a year to date basis (10 months to August 31, 2015), a cash flow deficiency of ($638,300) has been incurred, approximately $38,900 better than the revised projection for the cash flow deficiency of ($677,200).

Our cash flow projections anticipated that no changes would be made to the Envision Line of Credit, which was effectively fully drawn down as at November 10, 2014. As at August 31, 2015 cash balances in the Royal Bank accounts totaled $230,958, including $27,723 related to wedding and event customer deposits received since November 10, 2014, which are segregated from regular operating funds and held in trust in anticipation of the booked events.

DIP Financing

As at August 31, 2015 DIP Financing totaling $831,415 had been advanced, approximately $123,817 more than the $707,598 estimated in the revised projection. Our DIP Funding cycle is estimated semi-monthly in advance and the timing of any specific month-end can indicate potential over/under borrowing or additional short term cash flow deficiencies. As at August 31, 2015, unrestricted cash balances of $203,235 were available in the Royal Bank of Canada accounts, and $23,537 was available on the Envision Financial Line of Credit.

The Resort did not make any DIP repayment during the month of August 2015, reserving the cash balances for the payment of professional fees.

As at September 21, 2015 the DIP Financing balance remained unchanged at $831,415; allowing for the September 2015 DIP interest, and the three month interest reserve, there is approximately $130,000 in remaining borrowing available under the approved DIP Financing of $1,000,000.

Outlook for September 2015

According to the revenue and labour cost tracking/monitoring systems installed at the Resort, as of September 20, 2015, the Resort is reporting an actual revenue to projection surplus in the range of $50,000 month-to-date, and an actual labour cost to projection saving in the range of $2,000 month-to-date.

During the second half of September, weather conditions became dreary, and cooler weather is expected to continue. The Dewdney Slough Bridge was closed through this past weekend, reducing access and traffic to the Resort. The fall aeration program for the golf course is scheduled for Tuesday and Wednesday of this week, reducing golf play. All of these issues will reduce revenues for the last 10 days of the month and will likely absorb the actual to projected revenue surplus reported to September 20, 2015.

Bookings and reservation activity indicate that the busy golf season is over, reduced levels of business activity are anticipated. For September 2015 we projected EBITDA of $79,200; based on the experience to September 20, 2015, we anticipate achieving the projected monthly EBITDA.

Projected Cash Flow for the Year ending October 31, 2015

For the 10 months ended August 31, 2015, EBITDA before restructuring costs of $309,353 has been reported, ($59,948) worse than the projected EBITDA before restructuring costs of $369,301.

It is unlikely that we will be able to recover the EBITDA shortfall of $59,948 over the remaining two months in the fiscal year ending October 31, 2015.

Originally we projected EBITDA before restructuring costs of $502,700, for the year ending October 31, 2015; considering the current shortfall we forecast EBITDA for the year ending October 31, 2015 in the range of $450,000.

Conclusion

The foregoing represents our report on the operations and cash flow for the Resort for August 2015 and the 10 months then ended.

We are pleased to report a $596,800 improvement in the 10 month period EBIDTA (before restructuring costs), when compared to the same 10 month period of 2014. This improvement in EBITDA is more than 3 times the IHM operational restructuring fees recorded in the 10 month period.

We are pleased to review our report with you, the Monitor, or the Resort's legal advisors, at your convenience.

If you have any questions related to this memorandum please do not hesitate to contact me directly by email or at 403.619.9767 (mobile).

Exhibit 1.0

Pretty Estates Ltd.
Summary Operating Statement
For the Period Ended August 31, 2015

	Month End August 31, 2015			10 Months - Ended August 31, 2015		
	Actual	Projection	Variance	Actual	Projection	Variance
Rooms Available:	279	279	0	2736	2736	0
Rooms Sold:	243	206	37	1542	1695	-153
Occupancy:	87%	74%	13.3%	56%	62%	(5.6%)
ADR:	$230.66	$217.14	$13.52	$199.55	$203.70	($4.15)
Rooms RevPAR:	$201.89	$160.32	$41.57	$113.17	$126.20	($13.03)

	Month End August 31, 2015						10 Months - Ended August 31, 2015					
	Actual		Projection		Variance		Actual		Projection		Variance	
	$	%	$	%	$	%	$	%	$	%	$	%
Operating Revenue												
Rooms	56,328	11.6%	44,730	8.4%	11,598	25.9%	309,637	14.0%	345,275	14.5%	(35,638)	(10.3%)
Food and Beverage	248,092	51.1%	276,017	51.8%	(27,925)	(10.1%)	1,002,972	45.4%	1,233,717	51.8%	(230,745)	(18.7%)
Golf Course	180,489	37.1%	211,083	39.6%	(30,594)	(14.5%)	892,468	40.4%	792,330	33.3%	100,138	12.6%
Miscellaneous Income	1,048	0.2%	1,000	0.2%	48	4.8%	6,143	0.3%	10,000	0.4%	(3,857)	(38.6%)
Total Operating Revenue	**485,956**	100.0%	**532,830**	100.0%	**(46,874)**	(8.8%)	**2,211,219**	100.0%	**2,381,322**	100.0%	**(170,103)**	(7.1%)
Departmental Expenses												
Rooms	13,610	24.2%	10,028	22.4%	3,582	35.7%	121,628	39.3%	90,623	26.2%	31,005	34.2%
Food and Beverage	137,264	55.3%	166,635	60.4%	(29,371)	(17.6%)	756,073	75.4%	873,276	70.8%	(117,204)	(13.4%)
Golf Course	62,833	34.8%	76,426	36.2%	(13,593)	(17.8%)	478,208	53.6%	454,991	57.4%	23,217	5.1%
Total Departmental Expenses	**213,706**	44.0%	**253,088**	47.5%	**(39,382)**	(15.6%)	**1,355,909**	61.3%	**1,418,891**	59.6%	**(62,982)**	(4.4%)
Total Departmental Profit	**272,250**	56.0%	**279,742**	52.5%	**(7,492)**	(2.7%)	**855,311**	38.7%	**962,431**	40.4%	**(107,121)**	(11.1%)
Undistributed Operating Expenses												
Administrative and General	32,464	6.7%	33,400	6.3%	(936)	(2.8%)	283,108	12.8%	278,425	11.7%	4,684	1.7%
Information and Telecommunications Systems	2,019	0.4%	2,652	0.5%	(633)	(23.9%)	30,744	1.4%	26,520	1.1%	4,224	15.9%
Sales and Marketing	7,291	1.5%	9,585	1.8%	(2,294)	(23.9%)	62,545	2.8%	93,350	3.9%	(30,805)	(33.0%)
Property Operation and Maintenance	6,854	1.4%	8,215	1.5%	(1,361)	(16.6%)	68,536	3.1%	78,554	3.3%	(10,017)	(12.8%)
Utilities	5,090	1.0%	5,233	1.0%	(143)	(2.7%)	54,347	2.5%	51,331	2.2%	3,016	5.9%
Total Undistributed Expenses	**53,718**	11.1%	**59,085**	11.1%	**(5,367)**	(9.1%)	**499,281**	22.6%	**528,179**	22.2%	**(28,898)**	(5.5%)
Gross Operating Profit	**218,532**	45.0%	**220,657**	41.4%	**(2,125)**	(1.0%)	**356,030**	16.1%	**434,252**	18.2%	**(78,222)**	(18.0%)
Income Before Non-Operating Income and Expenses	**218,532**	45.0%	**220,657**	41.4%	**(2,125)**	(1.0%)	**356,030**	16.1%	**434,252**	18.2%	**(78,222)**	(18.0%)
Non-Operating Income and Expenses												
Income	2,256	0.5%	500	0.1%	1,756	351.2%	22,939	1.0%	5,000	0.2%	17,939	358.8%
Rent	119	0.0%	-	0.0%	119	100.0%	476	0.0%	-	0.0%	476	100.0%
Property and Other Taxes	3,539	0.7%	4,039	0.8%	(500)	(12.4%)	37,264	1.7%	40,005	1.7%	(2,741)	(6.9%)
Insurance	3,357	0.7%	3,028	0.6%	329	10.9%	31,914	1.4%	29,946	1.3%	1,968	6.6%
Other	(6)	(0.0%)	-	0.0%	(6)	0.0%	(39)	(0.0%)	-	0.0%	(39)	0.0%
Total Non-Operating Income and Expenses	**(4,753)**	(1.0%)	**(6,567)**	(1.2%)	**1,814**	(27.6%)	**(46,676)**	(2.1%)	**(64,951)**	(2.7%)	**18,275**	(28.1%)
Earnings Before Interest, Taxes, Depreciation, and Amortization	**213,779**	44.0%	**214,090**	40.2%	**(311)**	(0.1%)	**309,353**	14.0%	**369,301**	15.5%	**(59,948)**	(16.2%)

Exhibit 2.0

Pretty Estate Resort Ltd.
Statement of Monthly Cash Flow from Operations
for the Period Ended August 31, 2015

	Month Ended August 31, 2015			10 Months Ended August 31, 2015		
	Actual	Revised Projection	Variance	Actual	Revised Projection	Variance
Rooms Occupied	243	206	37	1,542	1,695	(153)
Average Room Rate	$ 230.66	$ 217.14	$ 13.52	$ 199.55	$ 203.70	$ (4.15)
Total Golf Rounds Played	3,885	4,300	(415)	17,122	14,100	3,022
Golf Average Paid Green Fee	$ 40.50	$ 35.00	$ 5.50	$ 42.61	$ 37.66	$ 4.95
EBITDA before Restructuring Costs	213,779	214,090	(311)	309,353	292,309	17,044
(Earnings before Interest, Taxes, Depreciation & Amortization)						
Cash Flow Adjustments						
Change Accounts Receivable	1,077	5,328	(4,251)	(7,100)	(6,787)	(313)
Change in Inventory	17,356	12,148	5,208	38,145	55,560	(17,415)
Change in Prepaid Insurance (P, C, BI)	0	2,438	(2,438)	18,576	(5,747)	24,323
Change in Prepaid Insurance (Auto)	0	0	0	856	856	0
Change in Prepaid Property Tax	3,539	4,039	(500)	(6,770)	(20,885)	14,115
Change in Prepaid Other	1,675	0	1,675	(6,878)	(16,288)	9,410
Change in General Accounts Payable	(17,313)	9,659	(26,972)	(4,778)	25,868	(30,646)
Change in Current Crown Claims	4,004	4,808	(804)	(9,628)	(4,918)	(4,710)
Change in Customer Deposits	(27,979)	(23,600)	(4,379)	(37,373)	(39,600)	2,227
Change in DelinquentCrown Claims	0	0	0	(88,056)	(88,000)	(56)
	(17,641)	14,820	(32,461)	(103,006)	(99,941)	(3,065)
Adjusted Cash Flow from Operations	196,138	228,910	(32,772)	206,347	192,368	13,979
Non-Operating Cash Flow items						
Capital Replacements	0	0	0	(24,046)	(67,491)	43,445
Envision Financial LOC Interest	(1,175)	(1,174)	(1)	(11,754)	(11,675)	(79)
Envision Financial LOC Advance (Repayment)	(27,363)	0	(27,363)	22,933	37,135	(14,202)
Envision Financial - Loan Interest	(6,151)	(6,387)	236	(62,190)	(63,285)	1,095
Envision Financial - Loan Principal Payment	933	0	933	25,657	10,239	15,418
Equipment Lease Payments	(7,242)	(8,647)	1,405	(42,197)	(47,082)	4,885
Car Loan Payments	(981)	(1,208)	227	9,532	8,830	702
2nd Mortgage Interest	(6,431)	(6,116)	(315)	(63,061)	(61,903)	(1,158)
DIP Commitment Fee	0	0	0	(19,500)	(19,500)	0
DIP Financing Interest	(7,043)	(6,417)	(626)	(48,915)	(47,852)	(1,063)
Shareholder Loans	0	0	0	0	0	0
	(55,454)	(29,949)	(25,505)	(213,541)	(262,584)	49,043
Restructuring Costs						
Restructuring Legal	10,666	9,000	(1,666)	252,422	246,387	(6,035)
Apprasial	0	0	0	0	0	0
Operations Restructuring / Management	10,635	12,000	1,365	151,669	149,690	(1,979)
CCAA Monitor	22,888	27,500	4,612	227,013	210,925	(16,088)
	44,189	48,500	4,311	631,104	607,002	(24,102)
Cash Flow Surplus (Deficiency)	96,496	150,461	(53,965)	(638,297)	(677,218)	38,921
Cash Balance						
Beginning Cash Balance (RBC Accounts)	127,420	42,760	(84,660)	37,841	37,841	0
DIP Financing Advanced (Repaid)	7,043	(125,000)	(132,043)	831,415	707,598	(123,817)
Ending Cash Balance (RBC Accounts)	230,958	68,221	(162,737)	230,958	68,221	(162,737)
Represented by:						
Unrestricted Cash	203,235					
Post November 10, 2014 Event Deposits, in Trust	27,723					
	230,958					