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Halifax NS B3M 4G2 Canada

District of: Nova Scotia
Division No.: Halifax
Estate No: 51-2808321, 51-2808320, 51-2807835
Court No: 45130



Hfx No
513552

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF:

COCHRAN LANDING LIMITED PARTNERSHIP, COCHRAN LANDING GP INC., and CL DEVELOPMENT LTD.

**First Report of the Proposal Trustee pursuant to sections 50.4(7)(b)(ii) and 50.4(9) of the
Bankruptcy and Insolvency Act ("BIA")**

1. INTRODUCTION AND BACKGROUND

- 1.1 Cochran Landing Limited Partnership ("Cochran LP") is a limited partnership formed under the laws of Nova Scotia on August 8, 2018. EV Resorts Canada Ltd. ("EV Canada") and Terra Firma Development Corporation Limited ("Terra Firma") are the limited partner corporations of Cochran LP, with 90% and 10% limited partnership interest, respectively. As limited partners, EV Canada and Terra Firma have entitlement to the financial profits of Cochran LP, and in the event of liquidation, to any proceeds after the payment of all Cochran LP's creditors, subject to the terms of the Limited Partnership Agreement dated August 8, 2018 in respect of Cochran LP (the "Cochran LP Agreement").
- 1.2 Cochran Landing GP Inc. ("Cochran GP") is a limited company incorporated in Nova Scotia on June 5, 2018. Cochran GP is the sole general partner corporation of Cochran LP, and as such, Cochran GP has power and authority to transact the business of Cochran LP.
- 1.3 Cochran LP was established for the purpose of acquiring and selling the Property (as defined herein) with the view of making a profit. Furthermore, the Cochran LP Agreement provided that the business might also include the construction and management of a planned condominium development referred to as the "Cochran Landing Lakeside Village" (the "Condominium Development") on an 11.5-hectare parcel of land located on Eagle View Drive, Ardoise, East Hants County, Nova Scotia (the "Property"). The Condominium Development was to include two multi-unit buildings with a total of 92 condo-style units. The intention was that the condominium units would be constructed and sold to investors for personal use and or rented as income properties. As general partner, Cochran GP held legal title to the Property for and on behalf of Cochran LP.
- 1.4 CL Development Ltd. ("CL Development") is a limited company incorporated in Nova Scotia on November 20, 2018. CL Development currently holds title to the Property and has assumed the obligations of Cochran GP. The Property was originally sold by Terra Firma to Cochran GP, on behalf of Cochran LP, on August 17, 2018. Subsequently, Cochran GP conveyed title of the Property to CL Development in January 2020 for \$320,000, estimated to be the fair market value at the time of transfer.
- 1.5 Cochran LP, Cochran GP and CL Development (collectively, the "Cochran Group" or the "Companies") are ultimately controlled by Ralph Viereck. Mr. Viereck indirectly owns 90% of Cochran LP and Cochran GP, and indirectly owns 100% of CL Development. Mr. Viereck is the signing officer of Cochran GP, as general partner of Cochran LP, and is the sole director and officer for each of Cochran GP and CL Development.
- 1.6 To finance construction, Cochran GP sought investment capital in the form of advance condominium unit sales. Purchase and Sale Agreements ("Sales Agreements") were entered into with investors for units of the planned Condominium Development, with the purchase price to be paid in installments. The Sales Agreements also

allowed for a credit against the purchase price in consideration for the transfer of certain land units to Cochran GP, or its nominee, on the closing of the transaction.

- 1.7 The Property and associated Condominium Development lies adjacent to other properties being developed by Terra Firma as the “Forest Lake Country Club”, a planned premium, four-season residential resort style community centered around the development of a Nicklaus Design Golf Course (the “Champion Golf Course”). Terra Firma marketed the “Forest Lake Country Club” to foreign investors as an investment vehicle and lifestyle community with walking trails and a marina, in addition to the Champion Golf Course. Similar to the offering from Cochran GP with respect to the Condominium Development, investors of Terra Firma could purchase land units, residential lots, and residences, and place them into rental programs.
- 1.8 Investors who executed Sales Agreements with Cochran GP were also eligible to invest in the VIP Real Estate Golf Rental & Membership Program (the “Golf Membership Program”) with CL Development.
- 1.9 To date, the Cochran Group attracted pledged investments of approximately \$6.6 million through the sale of condo units, of which approximately \$3.5 million of installment payments have been collected. Pledged investment of \$1.2 million was attracted through the Golf Membership Program, of which approximately \$1.0 million of installment payments have been collected.
- 1.10 Management of the Cochran Group (“Management”) informed that each entity has the same creditors and debt, with the liabilities of Cochran GP, incurred on behalf of Cochran LP, being assumed by CL Development. The terms of the Sales Agreements allow Cochran GP to assign its interest under the Sales Agreements to another party at its sole discretion. The assignment of the Sales Agreements by Cochran GP to CL Development does not appear to have been documented by a formal written agreement.
- 1.11 On February 25, 2022, each of the Cochran Group entities filed a Notice of Intention to Make a Proposal (“NOI”) pursuant to section 50.4 of the BIA. BDO Canada Limited (“BDO” or the “Proposal Trustee”) was appointed as the Licensed Insolvency Trustee under each NOI. Attached as **Appendix A** is a copy of the Certificate of Filing of the NOIs as issued by the Office of the Superintendent of Bankruptcy (“OSB”).
- 1.12 The purpose of the Report is to inform this Honourable Court of the status of:
 - i. The financial position of the Companies and the causes of their financial difficulties;
 - ii. The actual results to date against the initial statement of projected cash flows filed on March 4, 2022 (the “Cash Flow Projection”);
 - iii. The legal claim filed against the Cochran Group;
 - iv. The Companies’ preliminary efforts to develop a restructuring plan; and
 - v. The Proposal Trustee’s position on the Company’s application for a 45-day extension to the stay of proceedings.

2. LIMITATION OF THE REPORT AND TERMS OF REFERENCE

- 2.1 In preparing this report (the “Report”), BDO has relied upon financial information of the Cochran Group, and discussions with Management, and its financial and legal advisors.
- 2.2 The financial information of the Cochran Group has not been audited, reviewed, or otherwise verified by the Proposal Trustee as to its accuracy or completeness, nor has it necessarily been prepared in accordance with generally accepted accounting principles and the reader is cautioned that the Report may not disclose all significant matters about the Companies. Additionally, none of our procedures were intended to disclose defalcations or other irregularities. Were we to perform additional procedures or to undertake an audit examination of the financial statements in accordance with generally accepted auditing standards, additional matters may have come to our attention. Accordingly, the Proposal Trustee does not express an opinion or provide any other form of assurance on the financial or other information presented herein. The Proposal Trustee may refine or alter its observations as further information is obtained or brought to its attention after the date of the Report.

- 2.3 The Proposal Trustee assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction, or use of the Report. Any use which any party makes of the Report, or any reliance or decisions to be made on the Report, is the sole responsibility of such party.
- 2.4 All dollar amounts identified in the Report are expressed in or converted to Canadian dollars.

3. FINANCIAL POSITION AND CAUSES OF FINANCIAL DIFFICULTY

- 3.1 From incorporation until March 2020, Cochran GP entered into Sales Agreements with investors for the construction and conveyance of 29 condominium units, with a total sales value of \$6.6 million according to the Companies' financial records. As previously stated, to date, \$3.5 million was collected from investors. Additional sales of \$1.2 million related to the sale of golf memberships under the Golf Membership Program, of which \$1.0 million was collected.
- 3.2 Since the beginning of 2020, the Cochran Group's operations have effectively stalled. Management was unable to attract additional investors through the sale of condominium units, and the Companies effectively ran out of funds to finance further development. A financial summary of the Cochran Group since incorporation according to Management's financial records is provided in the table below. The Proposal Trustee understands financial statements are being compiled for the Companies by their external accountant, however the financial statements were not available for review by the Proposal Trustee as at the date of this Report.

Financial Summary (in \$)		
Receipts		Under Contract
Condominium Sales	3,520,769	6,586,794
Golf Membership Packages	1,048,354	1,215,000
Held in Escrow	(68,660)	
	<u>4,500,463</u>	<u>7,801,794</u>
Disbursements		
Golf Memberships	2,400,000	
Project Management	772,500	
Marketing	720,000	
Sales Commission	526,944	
Legal	50,673	
Infrastructure and Landscaping	39,500	
Architect	22,876	
Accounting	20,870	
Master Planning	6,050	
Advertising and Promotion	1,542	
Other	2,704	
	<u>4,563,659</u>	
Surplus (Deficit)		<u>(63,196)</u>

- 3.3 As of the date of the NOI filing, the Cochran Group does not have any other assets other than the Property. Amounts collected from investors have been expended by Management to cover expenses of the planned development including sales commission, marketing, project management, landscaping, architectural, and other development planning expenses. In addition, the Cochran Group invested \$2.4 million in deposits for 120 golf memberships for the Champion Golf Course, to sell golf memberships under the Golf Membership Program.
- 3.4 Cochran Group Management attributes the causes of financial difficulty to:
- i. The negative impact the Covid-19 pandemic had on Management's ability to market the Condominium Development to attract international investors;

- ii. The bankruptcy of Terra Firma, the developer of the “Forest Lakes Country Club”, a planned premium, four-season residential resort style community to be located adjacent to the Condominium Development. Terra Firma was adjudged bankrupt on September 22, 2020 and remains under the administration of a Licensed Insolvency Trustee. The insolvency of Terra Firma increased the uncertainty associated with the entire development, including the Condominium Development; and
 - iii. Each of the above events impacted the ability of Management to attract sufficient investment to finance the completion of the Condominium Development within the planned schedule pursuant to the Sales Agreements.
- 3.5 Certain creditors of Cochran Group, the majority of which are unsecured, began to take steps in attempt to collect upon installment payments made against the condominium units:
- i. On September 8, 2021, the Cochran Group were named as defendants in a statement of claim issued to the Supreme Court of Nova Scotia by Kai-Uwe Witterstein, an investor, pertaining to a claimed breach of a Sales Agreement entered on March 23, 2019 to build and convey a condominium unit by September 30, 2020 (the “Witterstein Claim”).

The Cochran Group filed a Notice of Defense as regards the Witterstein Claim on November 21, 2021 denying any breach of contract; and
 - ii. On November 29, 2021, EV Resorts GmbH, a parent company of Cochran GP and Cochran LP, and a related party of CL Development, received a formal demand for repayment from the legal counsel for a separate investor as regards a separate Sales Agreement. That demand has not been paid, and the investor has not commenced any legal proceeding to date.
- 3.6 As stated above, on February 25, 2022, Cochran GP, Cochran LP and CL Development filed an NOI to allow the Companies sufficient time to present a proposal to creditors. It is the Proposal Trustee’s understanding that the creditors of the Cochran Group would be subject to the stay of proceedings under section 69(1) of the BIA.

4. LEGAL CLAIM AGAINST THE COCHRAN GROUP

- 4.1 The Witterstein Claim was filed with the Supreme Court of Nova Scotia (the “Supreme Court”) against the Companies related to the failure to convey the purchased condominium unit in the planned Condominium Development by the contracted sale date. The Claimant had paid installments of \$150,000 against the condominium unit and \$25,000 for a golf membership under the Golf Membership Program pertaining to the not yet completed Champion Golf Course. The Claim alleges that the Companies are in breach of the Sales Agreement.
- 4.2 The Cochran Group filed a joint Notice of Defense with the Supreme Court on November 21, 2021, within which the Proposal Trustee noted the following:
 - i. CL Development acknowledged that it assumed the rights and obligations of Cochran GP pursuant to the Sale Agreement in question. This is consistent with the Proposal Trustee’s understanding that CL Development assumed all the obligations of Cochran GP pursuant to the Sales Agreements with the Condominium Development investors; and
 - ii. The Companies maintain that the Sales Agreements allow a “period of grace” of 180 days to the closing date if the Condominium Development is delayed due to causes reasonably beyond the ability of Cochran GP to foresee or control, and that the Sales Agreements do not limit the number of such “periods of grace”.
- 4.3 The Witterstein Claim has yet to be heard before the Supreme Court and it is the Proposal Trustee’s understanding the Witterstein Claim is subject to the stay of proceedings initiated under the BIA pursuant to the NOI filing.
- 4.4 The Proposal Trustee is not aware of any additional legal claims filed against the Companies.

5. CASH FLOW PROJECTION AND PRELIMINARY RESULTS

- 5.1 The Cash Flow Projection was prepared by the Companies for a 13-week period from February 28, 2022 to May 27, 2022 and was filed with the OSB on March 4, 2022. A copy of the Cash Flow Projection is attached to this Report as **Appendix B**.
- 5.2 The Cash Flow Projection was prepared based on the following assumptions:
- i. Cochran LP, Cochran GP, and CL Development, being related parties ultimately controlled by Mr. Viereck, and with each filing entity having the same creditors and debt with the liabilities of Cochran GP, incurred on behalf of Cochran LP, being assumed by CL Development, intend to file a joint proposal to its creditors;
 - ii. The Cash Flow Projection is intended to cover the period from the date of the NOI Filing to the ratification of an accepted joint proposal by Cochran Group's creditors and the Supreme Court of Nova Scotia;
 - iii. The restructuring process for the Cochran Group will be funded by Resort Invest International GmbH, a related entity; and
 - iv. Professional fees contained within the Cash Flow Projection are based on Management estimates.
- 5.3 The Proposal Trustee has monitored the actual cash flows since the NOI Filing date. The Proposal Trustee understands that actual cash flows of the Companies do not materially differ from the Cash Flow Projection. Further, as Resort Invest International GmbH is funding the restructuring costs of the Companies, consisting of professional fees of advisors of the Cochran Group and the Proposal Trustee, a cash flow shortfall is not expected during the restructuring process. The Proposal Trustee is also of the view the Cash Flow Projection still portrays an accurate projection of anticipated cash flows of the Cochran Group during the restructuring process.

6. PRELIMINARY RESTRUCTURING PLAN

- 6.1 The ability of the Cochran Group to file a viable proposal will largely depend on the following:
- i. The successful resolution of the Terra Firma bankrupt estate. The assets of Terra Firma are subject to the claims of multiple secured lenders, corresponding litigation, and land unit holding companies. This has made it difficult for the bankrupt estate's Trustee, and or a singular party, to address all the matters and allow for the "Forest Lake Country Club" development to continue;
 - ii. The successful completion of the Champion Golf Course, a significant element of the "Forest Lake Country Club" development. The Cochran Group marketed the Condominium Development to investors with guaranteed membership in the Champion Golf Course, along with other amenities of the broader development; and
 - iii. Time to allow the Cochran Group to attract further investment in the Condominium Development.
- 6.2 Management have taken the following steps to date with respect to its restructuring efforts:
- i. A related company, Forest Lakes Golf Club Inc., also under the ownership of Mr. Viereck, has continued the development of the Champion Golf Course, reflecting the belief of Management that the broader development, including the Condominium Development, can be successfully completed over time;
 - ii. The Companies have engaged PwC, in particular Mr. David Boyd, Senior Vice President, to assist them in their restructuring plan. Mr. Boyd is an experienced restructuring professional; and
 - iii. The Companies and their agents have prepared the Cash Flow Projection, have responded to the Proposal Trustee's inquires and information requests, and worked with the Proposal Trustee to assess options and strategies with respect to the goal of formulating a viable proposal to creditors.
- 6.3 As previously stated, Cochran GP, Cochran LP and CL Development are related parties with the same creditors and debt. As such, it is the intent of Management to file joint proposal for Cochran GP, Cochran LP and CL

Development for the consideration of its creditors. A summary of the Cochran Group creditor profile as at the date of the NOI filing is provided below.

Category	No. of Creditors	Balance (in \$)
Secured Creditors	1	8,418
Preferred Creditors	-	-
Unsecured Creditors	24	4,500,463

The creditor balances have been provided by Management and may be subject to adjustment once reconciled to creditor claims. The Proposal Trustee has been contacted by creditors who have advised that the amount listed in the NOI filing is different than their respective books and records.

6.4 Given that the conditions required for Management to successfully market, sell, and construct the Condominium Development include the successful resolution of the Terra Firma bankruptcy matter and the successful completion of the Champion Golf Course, the proposal to be filed with the Companies' creditors is likely to take the form of a holding proposal. If the proposal is ratified, existing creditors would maintain their investment in the Condominium Development, and Management would be allowed further time to attract investment to finance its completion.

7. REMUNERATION OF THE PROPOSAL TRUSTEE

7.1 The professional fees of the Proposal Trustee are being funded by Resort Invest International GmbH, a related entity to the Cochran Group and under the ultimate ownership of Mr. Viereck.

8. STAY EXTENSION APPLICATION

8.1 In the Proposal Trustee's view, the Cochran Group has acted and continues to act in good faith and with due diligence. The Cochran Group has taken the following initiatives to position itself to present a proposal to its creditors:

- i. Initiated the development of a preliminary restructuring plan with its financial advisor and the Proposal Trustee; and
- ii. Through a related company, construction continues with respect to the Champion Golf Course, reflecting the belief of Management that the broader development, including Condominium Development, can be successfully completed over time.

8.2 In the event that this Honourable Court does not grant an extension, the Cochran Group will become bankrupt effective March 25, 2022. The Proposal Trustee is of the view that more time is required to allow the Cochran Group to assess its options in drafting a proposal which the Proposal Trustee believes will result in a higher return to unsecured creditors as compared to a liquidation scenario in the event the Cochran Group is deemed bankrupt.

8.3 Based on the foregoing, the Proposal Trustee supports the Cochran Group's application for an Order extending the amount of time for the Company to file a joint Proposal to its creditors.

All of which is submitted to this Honourable Court on this 22nd day of March 2022.

BDO CANADA LIMITED

Acting in its capacity as
Licensed Insolvency Trustee under the
Notice of Intention to Make a Proposal of the Cochran Group
and not in its personal capacity

Per:

Neil Jones, CA, CPA, CIRP, LIT
Senior Vice-President

APPENDIX A

CERTIFICATES OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Nova Scotia
Division No. 01 - Halifax
Court No. 45130
Estate No. 51-2808321

In the Matter of the Notice of Intention to make a proposal of:

Cochran Landing Limited Partnership

Insolvent Person

BDO CANADA LIMITED / BDO CANADA LIMITÉE

Licensed Insolvency Trustee

Date of the Notice of Intention:

February 25, 2022

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: March 18, 2022, 11:09

E-File/Dépôt Electronique

Official Receiver

Maritime Centre , 1505 Barrington Street, 16th Floor, Halifax, Nova Scotia, Canada, B3J3K5, (877)376-9902

Canada



Industry Canada

Office of the Superintendent
of Bankruptcy Canada

Industrie Canada

Bureau du surintendant
des faillites Canada

District of Nova Scotia

Division No. 01 - Halifax

Court No. 45130

Estate No. 51-2808320

In the Matter of the Notice of Intention to make a proposal of:

Cochran Landing GP Inc.

Insolvent Person

BDO CANADA LIMITED / BDO CANADA LIMITÉE

Licensed Insolvency Trustee

Date of the Notice of Intention:

February 25, 2022

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL

Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: March 18, 2022, 11:14

E-File/Dépôt Electronique

Official Receiver

Maritime Centre , 1505 Barrington Street, 16th Floor, Halifax, Nova Scotia, Canada, B3J3K5, (877)376-9902

Canada



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Nova Scotia
Division No. 01 - Halifax
Court No. 45130
Estate No. 51-2807835

In the Matter of the Notice of Intention to make a proposal of:

CL Development Ltd.

Insolvent Person

BDO CANADA LIMITED / BDO CANADA LIMITÉE

Licensed Insolvency Trustee

Date of the Notice of Intention:

February 25, 2022

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: March 18, 2022, 11:11

E-File/Dépôt Electronique

Official Receiver

Maritime Centre , 1505 Barrington Street, 16th Floor, Halifax, Nova Scotia, Canada, B3J3K5, (877)376-9902

Canada

APPENDIX B

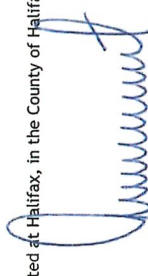
NOI CASH FLOW STATEMENT - FILED MARCH 4, 2022

Cash Flow Statement
Cochran Landing Limited Partnership, Cochran Landing GP Inc., and CL Development Ltd. (collectively, the "Cochran Landing Group")

Week	1	2	3	4	5	6	7	8	9	10	11	12	13	Total
Week Ending	4-Mar-22	11-Mar-22	18-Mar-22	25-Mar-22	1-Apr-22	8-Apr-22	15-Apr-22	22-Apr-22	29-Apr-22	6-May-22	13-May-22	20-May-22	27-May-22	
Related Party Funding	10,000	-	20,000	-	-	-	10,000	-	-	20,000	-	17,500	-	77,500
Total Receipts	10,000	-	20,000	-	-	-	10,000	-	-	20,000	-	17,500	-	77,500
Disbursements														
Financial Advisory	-	-	-	-	5,000	-	-	-	-	5,000	-	-	-	7,500
Legal	-	-	-	-	5,000	-	-	-	-	5,000	-	-	-	10,000
Licensed Insolvency Trustee	-	5,000	-	5,000	-	7,500	-	12,500	-	5,000	-	-	-	40,000
Total Disbursements	-	5,000	-	5,000	10,000	7,500	-	12,500	-	15,000	-	-	-	77,500
Weekly Net Cash Surplus (Deficit)	10,000	(5,000)	20,000	(5,000)	(10,000)	(7,500)	10,000	(12,500)	-	5,000	-	17,500	(22,500)	-
Weekly Opening Cash Balance	-	10,000	5,000	25,000	20,000	10,000	2,500	12,500	-	-	5,000	5,000	22,500	-
Weekly Ending Cash Balance	10,000	5,000	25,000	20,000	10,000	2,500	12,500	-	-	5,000	5,000	22,500	-	-

Dated at Halifax, in the County of Halifax, Province of Nova Scotia, this 4th day of March, 2022.

Ralph Vireck, Officer and Director of Cochran Landing GP Inc. and CL Development Ltd. and signing officer of Cochran Landing Limited Partnership



Witness



BDO Canada Limited
 Trustee under the Notice of Intention to file a Proposal for
 Cochran Landing Limited Partnership, Cochran Landing GP Inc., and CL Development Ltd.
 and not in its personal capacity.

DISTRICT OF NOVA SCOTIA
DIVISION No. 01 - Halifax
COURT Nos. 51-2808321, 51-2808320, 51-2807835
ESTATE Nos. 51-2808321, 51-2808320, 51-2807835

IN THE MATTER OF THE PROPOSAL OF
COCHRAN LANDING LIMITED PARTNERSHIP, COCHRAN LANDING GP INC.,
and CL DEVELOPMENT LTD. ("COCHRAN LANDING GROUP")

EACH, AN INSOLVENT

NOTES TO STATEMENT OF CASH FLOW

Note A: The statement of projected cash flow is being filed pursuant to the Bankruptcy and Insolvency Act s.50.4(2) in association with the Notice of Intention to file a Proposal for the Cochran Landing Group. (the "insolvent persons").

Note B: The following assumptions were used by management of the Cochran Landing Group in the preparation of the projected cash flow statement of the Insolvent Persons:

General

- Cochran Landing Limited Partnership, Cochran Landing GP Inc. and CL Development Ltd. are related parties and ultimately controlled by Ralph Viereck, the sole Director and Officer of each insolvent. The Cochran Landing Group intends to file a joint proposal to its creditors. Each insolvent has the same creditors and debt, with the liabilities of Cochran Landing GP Inc., incurred on behalf of Cochran Landing Limited Partnership, being assumed by CL Development Ltd.
- The cash flow statement is intended to cover the period from the date of the filing of a Notice of Intention to file a Proposal, to the ratification of an accepted joint Proposal of the Cochran Landing Group by the Supreme Court of Nova Scotia.

Receipts

- The restructuring process for the Cochran Landing Group will be funded by Resort Invest International GmbH, a related entity.

Disbursements

- Professional fees contained within the cash flow statement are based on management estimates.

DISTRICT OF NOVA SCOTIA
DIVISION No. 01 - Halifax
COURT Nos. 51-2808321, 51-2808320, 51-2807835
ESTATE Nos. 51-2808321, 51-2808320, 51-2807835

IN THE MATTER OF THE PROPOSAL OF
COCHRAN LANDING LIMITED PARTNERSHIP, COCHRAN LANDING GP INC.,
and CL DEVELOPMENT LTD.

EACH, AN INSOLVENT

INSOLVENT PERSON'S REPORT ON CASH-FLOW STATEMENT
(Section 50(6)(c) and 50.4(2)(c))

I, Ralph Viereck, Officer and Director of Cochran Landing GP Inc. and CL Development Ltd. and signing officer of Cochran Landing Limited Partnership, each an insolvent, have developed the assumptions and reviewed the attached statement of projected cash-flow of the insolvent persons as of the week ending March 4, 2022, consisting of the cash-flow statement and cash-flow assumptions.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in Note A, and the probable assumptions are suitably supported and consistent with the plans of the insolvent and provide a reasonable basis for the projection. All such assumptions have been disclosed in Note B.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material.

The projection has been prepared solely for the purpose described in Note A, using the probable and hypothetical assumptions set out in Note B. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Halifax, Nova Scotia, this 4th day of March, 2022.



Ralph Viereck, Officer and Director of Cochran
Landing GP Inc. and CL Development Ltd. and signing
officer of Cochran Landing Limited Partnership

DISTRICT OF NOVA SCOTIA
DIVISION No. 01 - Halifax
COURT Nos. 51-2808321, 51-2808320, 51-2807835
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IN THE MATTER OF THE PROPOSAL OF
COCHRAN LANDING LIMITED PARTNERSHIP, COCHRAN LANDING GP INC.,
and CL DEVELOPMENT LTD. ("COCHRAN LANDING GROUP")

EACH, AN INSOLVENT

TRUSTEE'S REPORT ON CASH-FLOW STATEMENT
(Section 50(6)(b) and 50.4(2)(b))

The attached statement of projected cash-flow of the Cochran Landing Limited Partnership, Cochran Landing GP Inc., and CL Development, each an insolvent, as of the week ending March 4, 2022, consisting of the cash-flow statement and cash-flow assumptions, has been prepared by the Trustee from information provided by the insolvents for the purpose described in Note A, using probable and hypothetical assumptions as set out in Note B.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the insolvents. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by the insolvents for the probable assumptions and the preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- (a) the hypothetical assumptions are not consistent with the purpose of the projection.
- (b) as at the date of this report, the probable assumptions developed by the insolvents are not suitably supported and consistent with the plans of the insolvents or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in Note A and readers are cautioned that it may not be appropriate for other purposes.

Dated at Halifax, Nova Scotia this 4th day of March, 2022.

BDO CANADA LIMITED

Acting in its capacity as

Trustee under the Notice of Intention to Make a Proposal for

Cochran Landing Limited Partnership, Cochran Landing GP Inc. and CL Development Ltd.

and not in its personal capacity.

Per:



Neil Jones, CA, CPA, CIRP, LIT
Senior Vice-President