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CANADA
PROVINCE OF QUEBEC
DISTRICT OF QUEBEC
COURT. No.: 500-11-041305-117

SUPERIOR COURT
Commercial Division

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

HOMBURG INVEST INC.

– and –

HOMBURG SHARECO INC.

– and –

CHURCHILL ESTATES DEVELOPMENT LTD.

– and –

INVERNESS ESTATES DEVELOPMENT LTD.

– and –

CP DEVELOPMENT LTD.

– and –

NORTH CALGARY LAND LTD.

– and –

HOMBURG MANAGEMENT (CANADA) INC.

Debtors/Petitioners

– and –

THE ENTITIES LISTED IN APPENDIX A

Mis-en-cause

– and –

SAMSON BÉLAIR/DELOITTE & TOUCHE INC.

Monitor

**TWENTY-SECOND REPORT TO THE COURT
SUBMITTED BY SAMSON BÉLAIR/DELOITTE & TOUCHE 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, Homburg Invest Inc. (“**HII**”), Homburg Shareco Inc. (“**Shareco**”), Churchill Estates Development Ltd. (“**Churchill**”), Inverness Estates Development Ltd. (“**Inverness**”) and CP Development Ltd. (“**CP**”) (and, later, North Calgary Land Ltd. (“**NCLL**”) and Homburg Management (Canada) Inc. (“**HMCI**”), following additional amendments to the Initial Order on March 14, 2013) (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, the Stay extends to the following limited partnerships which form an integral part of the business of the Debtors: Homco Realty Fund (52) Limited Partnership (“**Homco 52**”), Homco Realty Fund (61) Limited Partnership (“**Homco 61**”), Homco Realty Fund (88) Limited Partnership (“**Homco 88**”), Homco Realty Fund (89) Limited Partnership (“**Homco 89**”), Homco Realty Fund (92) Limited Partnership (“**Homco 92**”), Homco Realty Fund (94) Limited Partnership (“**Homco 94**”) (following an amendment to the Initial Order on October 7, 2011), Homco Realty Fund (96) Limited Partnership (“**Homco 96**”) (following an amendment to the Initial Order on May 31, 2012), Homco Realty Fund (105) Limited Partnership (“**Homco 105**”), Homco Realty Fund (121) Limited Partnership (“**Homco 121**”), Homco Realty Fund (122) Limited Partnership (“**Homco 122**”), Homco Realty Fund (142) Limited Partnership (“**Homco 142**”), Homco Realty Fund (190) Limited Partnership (“**Homco 190**”) and Homco Realty Fund (191) Limited Partnership (“**Homco 191**”) (following an amendment to the Initial Order on December 14, 2012 in the case of both Homco 190 and Homco 191), Homco Realty Fund (199) Limited Partnership (“**Homco 199**”) and Castello Development LTD (“**Castello**”) (following an additional amendment to the Initial Order on February 6, 2013 in the case of both Homco 61 and Castello (collectively, the “**Applicant Partnerships**” and, together with the Debtors, the “**HII Parties**”).
3. 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 Debtors, which Stay has been extended from time to time by order of the Court. On February 28, 2013, the Court last extended the Stay up until April 26, 2013 (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 twenty-one such Monitor’s reports prior to this Twenty-Second Monitor’s report (the “**Twenty-Second Report**”). Copies of all of the Monitor’s reports are available on the Monitor’s website at www.deloitte.com/ca/homburg-invest. 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 TWENTY-SECOND REPORT

6. This Twenty-Second Report is intended to provide an update on the progress of the HII Parties’ restructuring and related steps and confirm the support of the Monitor to the Debtors’ Motion for amendments to the Initial Order, a vesting order (Homco 83) and extension of the Stay Period, HII and Shareco’s amended motion for an order for the convening, holding and conducting the “**HII/Shareco Creditors’ Meeting**” and other relief (the “**HII/Shareco Meeting Motion**”) and Homco 61’s Motion for an order convening, holding and conducting of a creditors’ meeting in

respect of Homco 61 and other relief (the “**Homco 61 Motion**” and, together with the HII/Shareco Meeting Motion, the “**Meeting Motions**”). This report also addresses HII’s cash position, developments from recent meetings with the mortgage lenders, developments with respect to the sale of non-core assets, the expected ranges of recoveries under the plan of compromise and reorganization (the “**Plan**”) and some of the variables affecting same, the Investment proposal process conducted by HII, the activities of the HII Parties and the Monitor since the Twenty-First Report, and, generally, the restructuring process.

7. This Twenty-Second Report is structured as follows:

- I- Restructuring Initiatives;
- II- Update on the Investment Proposal Process;
- III- HII/Shareco Plan;
- IV- Homco 61 Plan;
- V- Creditors’ Meeting and Sanction Hearing
- VI- Update on Ranges of Recovery;
- VII- Debtors’ Cash Flows;
- VIII- Activities of the Monitor;
- IX- Extension of the Stay Period; and
- X- Conclusion and Recommendations.

TERMS OF REFERENCE

8. In preparing this Twenty-Second Report, the Monitor has relied upon audited and 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 (collectively, the “**Debtors’ Motions**”) 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 Twenty-Second 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 Twenty-Second Report are as defined in the previous reports of the Monitor and the Debtors’ Motions.

I. RESTRUCTURING INITIATIVES

UPDATE OF THE NEGOTIATIONS AND DISCUSSIONS WITH THE MORTGAGE LENDERS AND DECISIONS ON THE COMPOSITION OF THE CORE ASSETS FORMING PART OF THE RESTRUCTURED PORTFOLIO

10. As mentioned in previous reports, the relevant Homcos or their subsidiaries, the property manager and the Monitor have engaged in discussions and negotiations with the mortgage lenders to explore alternative strategies for certain non-profitable properties with a view to possibly enhance the equity value of the HII Group’s real estate portfolio for the benefit of its stakeholders.
11. As of the date hereof, the status of these discussions and negotiations, with respect to the core assets, is as follows:

- i. Bank of Scotland has been informed of the corporate changes that will result from the corporate restructuring in relation to the two properties it finances and, more specifically, of the transfer of HII's Properties it finances to Newco in the context of HII/Shareco's Plan of Arrangement. Bank of Scotland is currently assessing the consequences, if any, and will communicate its position to Management.
 - ii. Documentation of the renegotiated terms of the loan of Falcon Private Bank Ltd ("**Falcon**") to Valbonne Real Estate 5 B.V. in connection with the Campeon Property is in progress. A term sheet with respect to the renewal of the credit facility has been agreed with amended terms and conditions satisfactory to HII. Falcon has temporarily extended the current credit facility to June 28, 2013 to allow for more time to complete the final documentation. As mentioned in the Twentieth Report, the refinancing will provide Newco with access to the net positive cash flows generated by this property. The renegotiated loan is expected to have a five-year term.
 - iii. As mentioned in the Twentieth Report an agreement in principle has been reached between the HII Group and Skandinaviska Enskilda Banken AB ("**SEB**") in respect of, amongst other things, for renegotiated rental terms, payment of a termination fee by SEB, renegotiated terms and conditions of the loan agreement including the termination of the current swap agreement and adjusted amortization schedules in consideration of a cash investment of 15 million Euros by HII Group. On April 24, 2013 HII and SEB have executed a term sheet agreement.
 - iv. The agreement with HSH Nord Bank AG ("**HSH**"), further described in the Twentieth Report, has not yet been documented in final format. The HII Group has pursued its communications, notably in relation to the timing of the 3.5 million Euros of capital repayment to be made by HII, conditional to the implementation of the Plan of Arrangement pursuant to the agreement, with HSH. HII also provided HSH with information about the corporate changes that will result from the corporate restructuring in relation to CCAA emergence as well as any related financial consequences.
 - v. NIB Capital Bank N.V. ("**NIBC**") has been informed of the corporate changes that will result from the corporate restructuring and, more specifically, of the transfer of the HII's Property it finances to Newco in relation to CCAA emergence. NIBC is presently assessing the consequences, if any, and will communicate its position to Management.
12. The status of these discussions and negotiations, for the non-core assets, is as follows:
- i. Management and SNS Property Finance B.V. ("**SNS**") are seeking the best course of action to remove non-core assets from the HII Group's balance sheet.
 - ii. Regarding the properties financed by Frankfurter Hypotheken Bank ("**FHB**"), it is expected that they will be sold and removed from HII's balance sheet prior to emergence. An asset purchase agreement has been signed on April 22, 2013 by FHB with respect to the properties owned by Homco 84 and Homco 120.
 - iii. Regarding the properties financed by FGH Bank N.V ("**FGH**"), the HII Group and FGH are determining the best course of action to remove the assets and liabilities from the HII Group's balance sheet.
 - iv. At the meeting held in March 2013, Hatfield Philips (acting as Agent to the Noteholder) and Management have agreed to jointly determine the best course of action to remove the assets

- and liabilities of Homco 98 from the HII Group's balance sheet, which is currently in the process of being determined.
- v. HSBC is financing four (4) properties in Canada: "**Henderson Farms**" (Homco 121), Kai Mortensen Towers ("**Kai**") (Homco 88), "**Cristal Towers**" (Homco 105), and "**Points North**".
- a. As discussed in the Twentieth Report, the closing of Centron Park was expected shortly after report. The sale of Centron Park closed on March 15, 2013. A portion of the proceeds from the sale were used for the full reimbursement of HSBC's secured loan to CP, which loan was the object of a guarantee from HII in favor of HSBC.
- b. Discussions between HSBC, the HII Group and the Monitor are underway in order to determine the best course of action for Henderson Farms. As mentioned in the Twentieth Report the HII Group and the Monitor anticipate that there is no economic interest in this property for the HII Group and its stakeholders other than HSBC.
- c. Efforts are currently ongoing to market Kai, and two conditional offers have recently been received. The Monitor will update the Court on the upcoming developments.
- d. As noted in the Twentieth Report an execution version of a conditional agreement of purchase and sale for Cristal Towers, has been signed by all the parties on February 26, 2013. The purchaser is currently conducting due diligence on the property.
- e. With respect to Points North, on April 23, 2013, the Monitor received from the buyer who had entered into a conditional offer to purchase on January 23, 2013 a formal letter confirming the termination of the conditional offer to purchase. In these circumstances, this property will need to be remarketed and NCLL and the Monitor are holding discussions with the broker regarding the next steps.

HSBC has been kept informed on a regular basis on the ongoing sale processes of these non-core Canadian properties.

SALE PROCESS OF NON-CORE ASSETS AND FILING OF HOMCO 83

Canadian Properties

13. The HII Group is continuing to actively market its other Canadian properties, and the status of said processes in relation to the four properties financed by HSBC is presented above. As for Homburg Springs East (Homco 52) and Homburg Springs West (Homco 94), HII and the Monitor have renewed the broker agreements and reviewed the listing prices, after having obtained the authorization of Stichting Homburg Bonds in respect of Homburg Springs East, which is secured in favor of the Series 4 Mortgage Bondholders.

Homco 83

Background

14. Homco 83 is governed by the laws of Nova Scotia. Its general partners are HII (83) GP Inc., a wholly-owned subsidiary of HII, and Homburg L.P. Management Inc., an entity now controlled by HII. HII is the sole limited partner of Homco 83.

15. Homco 83 owns eleven units (the “**Units**”) in a completed condominium project known as “**Northumberland**” located in Charlottetown, Prince Edward Island. Homco 83 does not hold any other significant asset.
16. On or about July 12, 2012, in the course of the claims process in relation to HII, the Monitor received a proof of claim from Queens County Corporation #10 (“**QCCC#10**”), in an amount of \$4,500,000 in relation to alleged deficiencies and repairs to the exterior of the Northumberland condominium project. An invoice from QCCC#10 with a summary description was attached to said proof of claim, without further details.
17. QCCC#10’s proof of claim made against HII was disallowed by the Monitor on the basis that HII had no liability in respect to said claim, without admission as to the validity or existence of said claim against Homco 83. No motion in appeal of the Monitor’s Notice of Revision of Disallowance was filed within the prescribed delay, such that the Monitor’s determination has become final.
18. On or about September 11, 2012, the HII Group received a demand letter from QCCC#10, once again alleging significant construction deficiencies and in particular a water ingress problem within the building envelope (the “**Alleged Deficiencies**”). The letter was silent on the amount which will be claimed in connection with the Alleged Deficiencies.
19. Homco 83 has put subcontractors and other potentially responsible parties on notice of the Alleged Deficiencies claim;
20. During the winter of 2013, QCCC#10 issued an assessment in the approximate amount of \$600,000 to fund certain remediation work. In proportion to the Units it holds, Homco 83 paid approximately one quarter of that amount.
21. In a letter dated March 13, 2013 received by the HII Group, counsel for QCCC#10 threatened litigation in relation to the Alleged Deficiencies.

Sale transaction of Homco 83

22. Homco 83 has been marketing the Units with the assistance of Century 21 as broker, but has encountered significant challenges in relation to the sale of same, given *inter alia* (i) the small market for high-end condominium units in Charlottetown, and (ii) the Alleged Deficiencies.
23. After having received a letter of intent from Kangcorp Inc. (“**Kangcorp**”) seeking to purchase the Units in bulk, Homco 83 has had ongoing discussions with Kangcorp on the terms of a potential transaction. Homco 83, in consultation with the Monitor, determined that, in the circumstances, the strategy to sell the Units in Bulk, at a discount compared to the retail listing prices given the nature of the transaction, was in the best interest of the HII Group and its stakeholders.
24. In order to ensure a maximum realization value of the Units, Homco 83, in consultation with the Monitor, caused Century 21 to seek additional bulk purchase offers from potentially interested parties, including Kangcorp. Two credible offers were then received, following which Century 21 requested that the offerors provide their best and final offers.
25. Following the receipt of said offers, Homco 83, HII and the Monitor concluded that Kangcorp’s offer was superior. Also, in light of the situation relating to the Northumberland project and the process which had been conducted, it was unlikely that any superior offer would materialize. Accordingly, on April 2, 2013, with the consent of the Monitor, Homburg L.P. Management Inc. (in its capacity as the general partner of Homco 83 appearing on title) entered into a Letter of Intent

(the “**Letter of Intent**”) with Kangcorp for the sale in bulk, on an *as is where is* basis and with a short due diligence period, of nine of the eleven remaining Units (the “**Homco 83 Bulk Sale**”).

26. The Homco 83 Bulk Sale is in the best interest of Homco 83 and its stakeholders, including HII which holds an important Intercompany Claim against Homco 83 in addition to being its sole limited partner. In the circumstances of the filing of Homco 83 under the CCAA, the HII Group intends to request that it be approved by the Court.
27. The sale, at a lesser discount than the Homco 83 Bulk Sale, of a tenth Unit held by Homco 83, has closed this month.
28. The last remaining Unit is a consideration of the Purchase Agreement entered into with the HCI Group in the course of the CCAA Proceedings, approved by an order of the Court made on January 12, 2012 and is expected to be transferred at emergence (or expiry of the Stay).

Filing of Homco 83

29. The HII Group seeks to add Northumberland as an Applicant Participant pursuant to the Initial Order. Northumberland is insolvent as it is unable to meet its obligations as they become due.
30. The HII Group, in consultation with the Monitor, established that the outstanding claims against Northumberland should be addressed within the CCAA proceedings.

US Properties

31. Homburg Holding (U.S.) Inc. (“**HHUS**”), which is a subsidiary of HII and not a filed party, holds a portfolio of real estate assets in the US, which is being marketed by CBRE. The total listing price of this portfolio is approximately US\$18M.
32. HHUS has received distinct offers for seven (7) separate HHUS properties, and has accepted three (3) of those, namely with respect to properties in Hurst, Texas (the “**Hurst Offer**”), in Sugarland, Texas (the “**Sugarland Offer**”) and in San Antonio, Texas (the “**San Antonio Offer**”).
33. The Hurst Offer was accepted by HHUS, with the consent of the Monitor, and the transaction in relation thereto has since closed, at a sale price of US\$1.375M.
34. HHUS, with the consent of the Monitor, has accepted the Sugarland Offer, and entered into a purchase and sale agreement with the offeror, which is conditional upon a due diligence.
35. HHUS, with the consent of the Monitor, has accepted the San Antonio Offer, and is in the process of negotiating a purchase and sale agreement with the offeror, which will also be conditional upon a due diligence.
36. HHUS, in consultation with the Monitor, is reviewing the four (4) other offers received and will be in discussions with the broker on the next steps in relation thereto.
37. The Monitor will continue to report on material developments to the Court.

II. UPDATE ON INVESTMENT PROPOSAL PROCESS

38. As mentioned in the Twenty First Report, on March 1, 2013, the Court rendered an order (the “**IPP Order**”) approving the Investment Proposal Process designed to determine, on an expedited basis, whether the HII Group could pursue an investment transaction that would be in the best interest of its stakeholders while not delaying the process set forth for a timely approval of the Plan.
39. The HII Group entered into confidentiality agreements with, and granted access to financial and other information to, three qualified investors, all of which submitted an investment proposal to the HII Group and the Monitor before the deadline of March 11, 2013.
40. On March 14, 2013, the Court approved a revised investment proposal process pursuant to which qualified investors who had submitted an investment proposal to the HII Group Entities and the Monitor on March 11, 2013, were invited to submit, by no later than March 17, 2013, a Qualified Investment Proposal which would provide further alternatives to Affected Creditors under the Plan.
41. On March 17, 2013, HII and the Monitor received two revised Qualified Investment Proposals. After careful review and analysis of said revised investment proposals, HII, in consultation with the Monitor, determined that none was to be considered a Selected Superior Offer. Hence, it was decided that HII would not be entering into exclusive negotiations with any qualified investor at that time.
42. On March 20, 2013, the two qualified investors who had submitted revised investment proposals to the HII Group Entities on March 17, 2013 were invited by HII and the Monitor to submit, by no later than March 24, 2013, an unconditional final Qualified Investment Proposal consisting of an offer to acquire all or part of the entitlement of Affected Creditors with Proven Claims to an equity interest in Newco upon the Plan Implementation Date.
43. As of March 24, 2013, two formal binding final Qualified Investment Proposals were received by the HII Group and the Monitor from Qualified Investors in the Investment Proposal Process.
44. On March 27, 2013, HII, in consultation with the Monitor and after careful consideration and deliberation, and review and analysis of the financial terms of each offer, decided to provide exclusivity and enter into exclusive negotiations for a 15 day period with one of the two Qualified Investors, namely the Catalyst Capital Group Inc. (“**Catalyst**”), with a view to negotiating and settling a definitive agreement regarding the final investment proposal received from Catalyst (the “**Catalyst Final Offer**”).
45. The Catalyst Final Offer included several options to the creditors, including in particular an option for creditors to receive cash, at a discounted value when compared to the enterprise value of Newco, instead of shares of Newco. Such options were to be funded by Catalyst, who would in turn receive the shares of such creditors making an election to receive cash.
46. On March 28, 2013, HII began exclusive negotiations with Catalyst in order to enter into a definitive agreement setting forth amendments to the Plan, as filed on such date, intended to provide additional optionality to Affected Creditors with Proven Claims. The Monitor and Stichting Homburg Bonds also participated in the negotiations and discussions between HII and Catalyst.

47. The Catalyst Support Agreement contemplated that the HII/Shareco Plan would include provisions which, among other things, would have allowed Affected Creditors who did not wish to become shareholders of Newco to elect to receive a discounted cash payment instead of the Newco Common Shares which would otherwise be issued to them pursuant to the Plan.
48. The Catalyst Support Agreement contained several conditions including, *inter alia*, the negotiation and filing of several key documents including an amended and restated joint plan of arrangement of HII and Shareco, a plan of arrangement in respect of Homco 61, an information circular, articles of incorporation of Newco, meeting motions and orders in respect of both plans, all of which were required to be in form and substance satisfactory to the parties, in order for the Court to issue the above mentioned meeting orders by no later than April 26, 2013.
49. Since the signing of the Catalyst Support Agreement, very significant time, effort and resources were dedicated by the HII Group Entities, the Monitor, Catalyst and their respective advisors to conclude the terms of, *inter alia*, the documents referred to above, in order to implement the terms of the Catalyst Support Agreement within the agreed upon deadline,
50. Notwithstanding the said efforts which continued until the late afternoon of April 24, 2013, several significant business and legal issues remained outstanding and it became apparent that no agreement would be reached with Catalyst within the deadlines agreed to by the parties and as set forth in the Catalyst Support Agreement.
51. In these circumstances, HII, Shareco and Homco 61, in consultation with the Monitor and Stichting Homburg Bonds, decided to terminate the Support Agreement (the “**Termination**”), and to file an amended Plan (the “**HII/Shareco Plan**”), without the Catalyst option.

III. HII/SHARECO PLAN

52. On February 6, 2013, HII and Shareco had filed the Plan with the Court.
53. In light of ensuing events, principally the conduct of the Investment Proposal Process, the Plan has been the object of a number of amendments, which have led to the HII/Shareco Plan.
54. Up and until the Termination, the Plan was being substantially amended to reflect the terms of the Catalyst Support Agreement and the appropriate corresponding mechanisms.
55. In the evening of April 24, 2013, in the context of the Termination, HII and Shareco proceeded with the removal of the numerous amendments relating to the Catalyst Support Agreement.
56. Further, the HII/Shareco Plan includes a number of amendments relating to, *inter alia*, (i) adjustments to reflect the filing of the Homco 61 Plan and the treatment of the claims of Homco 61 and of the Homco 61 Affected Creditors under the Plan; (ii) the transactions contemplated to occur prior to implementation of the Plan, including their description and sequence, and (iii) specifications and precisions in relation to the treatment of certain creditors under the Plan and to certain mechanisms provided by the Plan.
57. The Information Circular filed by HII contains more detailed explanations regarding the Amended HII/Shareco Plan, and confirms that the Monitor recommends that Affected Creditors vote in favour of the Plan. The Monitor will file a report on the Plan at least seven (7) days prior to the Creditors’ Meeting in conformity with the CCAA.

IV. HOMCO 61 PLAN

58. The decision for Homco 61 to file a plan of arrangement (the “**Homco 61 Plan**”) follows an extensive review and analysis of the various Intercompany Claims between HII and Homco 61 as well as the Claims of the Bond 6 Claim Holders filed against Shareco, HII and Homco 61. Paragraphs 48 to 82 of the HII/Shareco Meeting Motion contain a detailed background of (i) the flow of funds following the issuance of the Series 6 Bonds, (ii) the security and guarantees granted to the Bond 6 Claim Holders, (iii) the contemplated set-off of Intercompany Claims provided by the HII/Shareco Plan, (iv) the treatment of Homco 61 and the Homco 61 Affected Creditors (including the Bond 6 Claim Holders) provided by the HII/Shareco Plan.
59. Homco 61 sole asset is its right in an Intercompany Claim against HII, which is being recognized at a net amount of CDN\$62,396,506 under the HII/Shareco Plan (the “**Homco 61 Net Intercompany Claim**”). The Homco 61 Plan provides that the holders of Homco 61 Proven Claims (including the Bond 6 Claim Holders) will be entitled to their pro rata share of the HII Homco 61 Distribution (being the aggregate value of all non-cash and cash distributions made to Homco 61 on account of the Homco 61 Net Intercompany Claims), the whole subject to the approval of both plans by the required majority of creditors and by the court.
60. Essentially the Homco 61 Plan is a “flow through plan” allowing the Homco 61 Affected Creditors to participate in the HII/Shareco Plan and benefit from the HII Homco 61 Distribution arising from the Homco 61 Net Intercompany Claim.
61. The vast majority of Homco 61 Affected Creditors (representing more than 99% in value of the total Homco 61 Affected Claims) have filed claims against both Homco 61 and HII, pertaining to the same alleged obligation, for example, by guarantee or otherwise (any such claim being a “Homco 61 Affected Creditor HII Claim”). This is the case for the Bond 6 Claim Holders and for DEGI Homburg Harris Limited Partnership (“**DEGI**”), the purchaser of Homco 61’s property as described in the HII/Shareco Meeting Motion (such claims, in the latter case, currently being reviewed and analyzed).
62. In these circumstances, HII, Shareco and Homco 61, in consultation with the Monitor and Stichting Homburg Bonds, and considering the interests of all of their stakeholders, have determined that the fair and equitable treatment of the holders of a “Homco 61 Affected Creditor HII Claim” requires each such Affected Creditor’s Affected Claim to be treated as set forth below under the HII/Shareco Plan.
63. More specifically, the HII/Shareco Plan recognizes the full value of each Homco 61 Affected Creditor HII Claim for voting purposes, to the extent such claims are determined to be Voting Claims pursuant to the HII/Shareco Meeting Order and the Plan.
64. The HII/Shareco Plan, however, provides that the Proven Claim of a holder of a Homco 61 Affected Creditor HII Claim for distribution purposes will be limited to a “deficiency claim” against HII in an amount representing the difference between the Homco 61 Affected Creditor HII Claim and the respective Homco 61 Affected Creditor’s *pro rata* share of the HII Homco 61 Distribution.
65. The set off and the treatment of the Claims (including without limitation any and all Claims of Homco 61 against HII) on the basis described above will only occur if the HII/Shareco Plan and the Homco 61 Plan are implemented and will otherwise be without prejudice to the parties’ rights and entitlements should this not occur.

66. The Information Circular contains more detailed explanations regarding the Homco 61 Plan, and confirms that the Monitor recommends that Homco 61 Plan. The Monitor will file a report on the Homco 61 Plan in conformity with the CCAA.

V. CREDITORS' MEETING AND SANCTION HEARING

67. On February 28, 2013 HII and Shareco had brought a motion for an Order for the convening, holding and conduct of a creditors' meeting and ancillary relief. The presentation of this Motion had been postponed, in light of the initiation of the IPP.
68. HII and Shareco now bring an amended Meeting Motion for the Affected Creditors to vote on the HII/Shareco Plan, and Homco 61 is also bringing a Meeting Motion for the Homco 61 Affected Creditors to vote on the Homco 61 Plan (collectively, the "**Meeting Motions**").
69. The following information provides the contemplated steps leading to the Creditors' Meetings to vote on the Plans, to be held concurrently (with separate voting periods), scheduled on May 23, 2013:
- i. Record date for determining which Affected Creditors are entitled to receive notice of and vote at the Creditors' Meetings is April 17, 2013.
 - ii. On or before May 3, 2013, the Monitor shall publish the Notice of Creditors' Meetings and Sanction Hearings (the "**Notice**") in the Globe and Mail, the Calgary Herald and the Halifax Chronicle Herald (English version) and De Volkskrant, de Telegraaf, the NRC and the Financieel Dagblad (all published in the Netherlands) (Dutch version).
 - iii. On or before May 8, 2013, namely at least 15 days prior to the scheduled Creditors' Meetings, the following documents will be posted on the Monitor's website and sent in English and in Dutch to every Affected Creditors and Homco 61 Affected Creditors:
 - a. the Notice;
 - b. the HII/Shareco Plan and the Homco 61 Plan;
 - c. the Proxy forms;
 - d. the Information Circular;
 - e. the Convenience Class Claim Declaration;
 - f. a copy of the Meeting Orders (English version only); and
 - g. any other materials as the Monitor may consider appropriate or desirable in the circumstances.
 - iv. On or before May 16, 2013, namely at least seven (7) days prior to the scheduled Creditors' Meetings, the Monitor's Report on the Plans will be posted on the Monitor's website and sent to every Affected Creditors and Homco 61 Affected Creditors.
 - v. The Creditors Meetings scheduled to be held concurrently on May 23, 2013 in Montréal, Québec, Canada and in Utrecht, The Netherlands at the following address and times:

Country	Location	Time
Canada	McCarthy Tétrault 1000, De La Gauchetière Street West Suite 2500 Montréal, Québec, Canada H3B 0A2 Room : Lafleur (to be confirmed)	9 a.m. (Eastern Daylight Time)
The Netherlands	Jaarbeursplein 6 3521 AL Utrecht The Netherlands	3 p.m. (Central European Summer Time)

70. Affected Creditors and Homco 61 Affected Creditors with Voting Claims will be entitled to vote on the respective Plans by sending their proxy form prior to the Creditors' Meetings or in person or by proxy during the Creditors' Meetings, at either venue.
71. If the Plans are approved by the required majorities of creditors during the Creditors' Meeting scheduled on May 23, 2013, HII and Shareco, and Homco 61, intend to present motions for the approval of the respective Plans by the Court on June 3, 2013.

VI. UPDATE ON RANGES OF RECOVERIES

72. In the Twenty First Report, the Monitor, based on information then available and a number of hypotheses, analyzed the data and multiple variables which may have an impact on the recovery of the Affected Creditors at emergence and, on that basis, provided estimated ranges of recoveries for the unsecured creditors and each Series of Mortgage Bonds, which were annexed as Appendix C to the Twenty First Report.
73. The Monitor, along with the HII Group, has been updating the estimated ranges of recoveries, based on certain variables which are outlined below in this section. These revised recovery rates are included in Appendix D of this report.
74. The Monitor emphasizes that the assumptions and estimates used in the preparation of the estimated ranges of recoveries are inherently uncertain and, though considered reasonable by the HII Group and the Monitor, are subject to a wide variety of significant business, economic, market, timing and competitive risk and uncertainties.
75. In addition to these inherent risks and variables, the revised estimated ranges of recoveries are based on certain assumptions regarding certain specific issues pending in the context of the claims process which may have a material impact on the ranges of recoveries should these assumptions not be accurate.
76. As explained in a previous Monitor report, the following are some of the specific assumptions which could have an impact on the revised estimated ranges of recoveries:

Assumptions in relation to recovery by Mortgage Bond Claim

Treatment of the "double claims" filed by Stichting Homburg Bonds on behalf of the holders of Mortgage Bond Claim

77. Various Proofs of Claim have been filed by Stichting Homburg Bonds on behalf of the holders of Mortgage Bond Claims against Shareco, HII and various HII Parties (approximately \$150M).

78. The estimated recovery rates presented in Appendix D reflect an Affected Creditor's recovery from all sources of realization including with respect to their secured claim and any deficiency claim. The recovery rates assume that the Proven Claims of the holders of Mortgage Bond Claims entitling them to a dividend from HII will be as provided in the HII/Shareco Plan, namely (i) be limited to the balance of their deficiency Claim following the realization of any guarantees and/or security granted to the holders of the Mortgage Bond Claims by any Homburg Group Members, and (ii) be limited to a single claim against the HII estate and not a "double claim" against both the HII and Shareco estates.
79. Any different treatment of the holders of Mortgage Bond Claims may have a material impact on all of the Affected Creditors' recovery rates.

Intercompany Claims between HII and Homco 61 and Recovery by Bond 6 Claim Holders

80. The updated estimated recovery rates presented in Appendix D assume that the treatment of the Intercompany Claims between HII and Homco 61 and of the holders of Homco 61 Affected Creditor HII Claims (including the Bond 6 Claim Holders) will be as provided in the Plans, and as further described in the HII/Shareco Meeting Motion and hereinabove.
81. Any different treatment may have a material impact on the recovery rates for the Bond 6 Claim Holders and all Affected Creditors.

Valuation of Newco

82. The recovery rates calculation above assumes a value of the Newco Common Shares calculated using the current values of the Core Business Assets and related liabilities, as per HII's financial statements, that will be transferred to and assumed by Newco and shown in Newco's opening balance sheet.
83. Should Newco's financial statements subsequently be prepared using a different assumption to reflect the creation of Newco, Newco's liabilities will be recognized at their estimated fair value in the opening pro forma balance sheet set out in the upcoming Information Circular – which is likely to result in lower liabilities than the ones used in order to calculate the estimated value of the dividend in shares presented in Appendix D. Consequently, the value of the dividend in shares may be higher than estimated.

Post Filing Interest and Fees

84. Some Affected Creditors filed Proofs of Claim that include interest accrued after the Filing Date. The Plan specifically provides that the Affected Creditors are not entitled to receive interest accrued on their Affected Claims after the Filing Date. The estimated ranges of recovery rates presented above assume that Affected Creditors are not entitled to recover post-filing interest and fees and that such claims will be compromised under the Plan.
85. Any different treatment of the post filing interest and fees may have a material impact on all of the Affected Creditors' recovery rates.

Treatment of Subordinated Creditors

Taberna Claims

86. The estimated ranges of recovery rates assume that the Taberna Claim is subordinated to payment in full of the Mortgage Bond Claims and the Corporate Bonds Claims, such that any distribution allocated to the Taberna Claim would be turned over to the holders of the Mortgage Bond Claims and the Corporate Bond Claims.
87. In the event that, pursuant to the Taberna Order, the relevant subordination provisions are determined to be inapplicable or treated differently, the Affected Creditors' recovery rates will differ accordingly.

Capital Securities Claims

88. The estimated ranges of recoveries also assume that the Capital Securities Claims are fully subordinated to payment in full of all unsecured creditors of HII, as provided by the HII/Shareco Plan and the HII/Shareco Meeting Motion.
89. The following tables demonstrates the difference between the estimated dividend for unsecured creditors listed in this Twenty Second Report and the estimated dividend for unsecured creditors presented in the Twenty First Report:

Estimated dividend for unsecured creditors presented in the Twenty First Report (considering emergence as at May 31, 2013)

HII Consolidated Estimated dividend for Unsecured Creditors In Euros (000)	At emergence (May 31, 2013)		Post-Emergence		Total	
	Low	High	Low	High	Low	High
Estimated net realization value for unsecured creditors						
Cash	41,302	42,784	13,005	13,005	54,307	55,789
Net cash available from the sale of Non-Core Assets	8,373	8,373	21,567	38,312	29,940	46,685
Shares	164,077	164,077	-	-	164,077	164,077
	213,752	215,234	34,572	51,317	248,324	266,551
Unsecured creditors	566,845	552,114	-	-	566,845	552,114
Estimated dividend	37.71%	38.98%	6.10%	9.29%	43.81%	48.28%
In cash	8.76%	9.27%	6.10%	9.29%	14.86%	18.56%
In shares	28.95%	29.72%	0.00%	0.00%	28.95%	29.72%

Estimated dividend for unsecured creditors presented in this Twenty Second Report (considering emergence as at June 30, 2013)

HII Consolidated Estimated Recovery Rates of Unsecured Creditors In Euros (000)	At emergence (June 30, 2013)		Post-Emergence		Total	
	Low	High	Low	High	Low	High
Estimated net realization value for unsecured creditors						
Cash	29,331	30,830	13,155	14,654	42,486	45,484
Net cash available from the sale of Non-Core Assets	10,606	11,918	20,033	34,907	30,639	46,825
Shares	162,108	162,108	-	-	162,108	162,108
	202,045	204,856	33,188	49,561	235,233	254,417
Unsecured creditors	568,780	552,130	-	-	568,780	552,130
Estimated dividend	35.52%	37.10%	5.83%	8.98%	41.36%	46.08%
In cash	7.02%	7.74%	5.83%	8.98%	12.86%	16.72%
In shares	28.50%	29.36%	0.00%	0.00%	28.50%	29.36%

90. As demonstrated in the tables above, the total estimated cash dividend has changed compared to the same presented in the Twenty First Report.
91. These changes are mainly attributable to the following:
- i. Sale of Churchill and Northumberland condos: The cash proceeds deriving from the sale of Churchill and Pownal condos were previously forecasted to be received post emergence. However, recent offers suggest imminent sales, such that the cash proceeds will be collected prior to emergence. This impacts solely the projected timing of the sales and does not affect the overall estimated dividend for unsecured creditors.
 - ii. The estimated emergence date has now been forecasted to be the end of June 2013 instead of the end of May 2013. Additional cash is required in order to sustain operations and has been adjusted in the forecast for an additional month. This has impacted the recovery as it reduces the available cash for distribution.
 - iii. The Investment Proposal Process and the postponement of the Plan Implementation Date, along with other significant issues, impact the professional fees incurred, hence reducing the cash available for distribution.
 - iv. The estimated value of the dividend in shares has also been adjusted since Newco's projected pro forma balance sheet equity dated June 2013 has now been set at €162.1M.
92. The following table demonstrates the changes in recovery rates between the Twenty First Report and this Twenty Second Report.

Recovery Rates presented in the Twenty First Report vs. Twenty Second Report

Estimated Recovery Rates of Affected Creditors	Low scenario			High scenario		
	22nd Monitor's Report	21st Monitor's Report	Variance	22nd Monitor's Report	21st Monitor's Report	Variance
Total cash and shares						
HB4	56.71%	59.68%	-2.97%	67.29%	70.45%	-3.16%
HB5	51.69%	54.10%	-2.41%	56.44%	58.62%	-2.18%
HB6	75.50%	79.47%	-3.97%	80.97%	84.35%	-3.38%
HB7	65.60%	62.87%	2.73%	76.52%	75.24%	1.28%
Non-asset backed bonds	45.68%	48.38%	-2.70%	51.02%	53.46%	-2.44%
Unsecured creditors	41.36%	43.81%	-2.45%	46.08%	48.28%	-2.20%

VII. DEBTORS' CASH FLOWS FROM FEBRUARY 17 TO APRIL 13, 2013

93. The purpose of this section is as follows:
- i. Provide budget to actual analysis highlights by Debtor for the period from February 17 to April 13, 2013; and
 - ii. Provide commentary on the variances by Debtor.

OVERVIEW

94. The following table provides an overview of the allocated opening cash balances, the allocated cash closing balances, and the cash variations by Debtor for the period from February 17 to April 13, 2013:

Cash variation for the period from February 17 to April 13, 2013 (C\$000)						
Petitioner	Opening cash balance	Total variation in cash balance	Closing cash balance	Surplus (funding) between HII and its non-Petitioners	Surplus (funding) between HII and its Petitioners	Adjusted closing cash balance
Homburg Invest Inc.	11,585	9,544	21,129	1,837	(2)	22,964
Homburg Shareco Inc.	39	-	39	-	-	39
Churchill Estates Development Ltd.	2,603	359	2,962	-	-	2,962
Inverness Estates Development Ltd.	488	3	491	-	-	491
CP Development Ltd.	443	106	549	-	-	549
North Calgary Land Ltd.	1	(3)	(2)	-	2	-
HMCI	-	-	-	-	-	-
Total	15,159	10,009	25,168	1,837	-	27,005

95. For the budget to actual cash flow forecast analysis of HII, ShareCo, Churchill, Inverness, CP and NCLL for the period from February 17 to April 13, 2013, and for HMCI for the period from March 4 to April 13, 2013, and commentary in respect of the analysis performed, please refer to Appendix B of this Twenty-Second Report.
96. It is anticipated that surplus identified in the previous table be used by HII in order to pay budgeted expenses already approved by the Court between April 13 and April 26, 2013.
97. 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 respective entity's working capital.

HII

98. Total cash inflows for HII were \$15,970.1K for the period noted, while total cash outflows were \$6,426.4K, which resulted in a positive net cash variation of \$9,543.7K compared to a budgeted positive net cash variation of \$3,838.6K. This positive variance of \$5,705.1K is mainly due to the payment of lower than budgeted professional fees and office and administrative expenses, which is a timing difference.

Shareco

99. For the period noted, total cash inflows and total cash outflows for ShareCo were nil, as was budgeted.

Churchill

100. For the period noted, total cash inflows for Churchill were \$415.8K and total cash outflows were \$57.0K, which resulted in a positive net cash variation of \$358.8K compared to a budgeted positive net cash variation of \$372.3K. The negative variance of \$13.5K is mainly due to the timing difference associated with the GST payment made during the period.

Inverness

101. For the period noted, total cash inflows for Inverness were \$4.5K and total cash outflows were \$0.7K, which resulted in a positive net cash variation of \$3.8K compared to a budgeted net cash variation of nil. The positive variance of \$3.8K is mainly due to the unbudgeted collection of a GST refund.

CP

102. For the period noted, total cash inflows for CP were \$9,581.7K and total cash outflows were \$9,475.8K, which resulted in a positive net cash variation of \$105.9K compared to a budgeted positive net cash variation of \$10,304.0K. The unfavorable variance of \$10,198.1K is mainly due to the fact that only a portion of the proceeds from the sale of CP were sent to the CP operating account. The proceeds sent to the CP operating account were used to pay the mortgage principal, mortgage interest and other expenditures. The remaining net proceeds of the CP sale are held in the Monitor's trust account. Further explanation is provided in Appendix B

NCLL

103. For the period noted, total cash inflows for NCLL were nil and total cash outflows were \$2.3K, which resulted in a negative net cash variation of \$2.3K compared to a budgeted net cash variation of nil. The negative variance of \$2.3K is mainly due to the payment of unbudgeted professional fees.

HMCI

104. By Order dated March 14, 2013, HMCI was added as a Petitioner. From that date to April 13, 2013, no cash inflows or outflows were budgeted or incurred.

Cash budgeting

105. Since the Twentieth Report, the HII Group, with the support of the Monitor, has continued to perform budget to actual analysis for the seven Debtors on a weekly basis.

106. As reported in the past, the cash balance presented in the weekly budget to actual analysis is based on an allocated cash method that is approximate due to timing and which is not equivalent to the actual cash contained in the Debtors' bank accounts.

107. The Monitor will continue to provide Supplemental Reports that reconcile the overall cash inflows, cash outflows, opening and closing bank balances for all bank accounts of the HII Group by geographic location.

108. The table below provides the estimated cash balance analysis as at April 27, 2013:

(all amounts stated in CAD)		Amount
ACTUAL OPENING CASH BALANCE AS AT APRIL 14, 2013	A	27,004,503
<u>Forecasted cash inflows/(outflows) - April 14 to April 27, 2013</u>		
Net cash inflow/(outflow) - Debtors		
Net cash inflow/(outflow) - HII		(6,409,462)
Net cash inflow/(outflow) - ShareCo		-
Net cash inflow/(outflow) - Churchill		-
Net cash inflow/(outflow) - Inverness		-
Net cash inflow/(outflow) - CP		-
Net cash inflow/(outflow) - NCLL		-
Net cash inflow/(outflow) - HMCI		-
Total net cash inflow/(outflow) - Debtors	B	<u>(6,409,462)</u>
Net cash inflow/(outflow) - Canadian entities excluding Debtors	C	<u>(10,799)</u>
<u>Payments in transit</u>		
HII - Wires in transit as at April 14, 2013		-
HII - Estimated outstanding cheques as at April 14, 2013		(3,776,207)
Holman - Estimated outstanding cheques as at April 14, 2013		(500)
Less: Total payments in transit	D	<u>(3,776,707)</u>
TOTAL NET CASH INFLOWS/(OUTFLOWS) - APRIL 14 to APRIL 27, 2013	E=B+C+D	(10,196,968)
ESTIMATED ENDING CASH BALANCE AS AT APRIL 27, 2013, BEFORE OTHER ADJUSTMENTS	F=A+E	16,807,535
Net adjustment for disbursements/(receipts) not expected to occur from April 14 to April 27, 2013	G	-
ESTIMATED ENDING CASH BALANCE AS AT APRIL 27, 2013, AFTER OTHER ADJUSTMENTS	H =F+G	<u>16,807,535</u>

VIII. ACTIVITIES OF THE MONITOR

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

CASH FLOW MONITORING

110. On a weekly basis, the Monitor has continued to analyze the Debtors' cash flows. As previously indicated in this Twenty-Second Report, a budget to actual cash flow forecast analysis of the Debtors, for the period from February 17 to April 13, 2013 has been prepared together with commentary of cash variances, as presented in Appendix B of this Twenty-Second Report.

111. As part of this process, the Monitor, on a daily basis, has also analyzed cash inflows and cash outflows from all of the HII Parties' bank accounts.

112. In accordance with the Initial Order, any disbursements for services rendered to the HII Parties prior or subsequent to the date of the Initial Order were presented to the Monitor for review.

CASH FLOW MONITORING OF THE HII GROUP

113. On a monthly basis, budget to actual cash flow forecast analyses of the HII Group have been prepared. The objective of these analyses is to monitor the cash flows which transact through the HII Group since any excess should ultimately be distributed back to HII.

114. In accordance with the Initial Order, the Monitor has assisted Management in its analysis of disbursements to be made pertaining to the HII Group.

NOTIFYING AND REPORTING DUTIES PERFORMED BY THE MONITOR

115. Within five (5) business days, the Monitor made available on its website all public information and documentation related to the HII Parties' restructuring process.

UPDATE ON CLAIMS PROCESS

116. The Monitors finally received more than 250 claims (excluding claims filed by individual bondholders) representing approximately 2.25 billion dollars, including Intercompany Claims as well as duplicated Claims.

117. The Monitor and HII completed their review of the Intercompany Claims. Some HII Parties, namely HII, Homco 190, Homco 191 and Homco 199, are seeking the permission to file new additional Intercompany Claims, notwithstanding the Claims Bar Date. Those new additional Intercompany Claims that the HII Group is seeking the permission to file will be dealt with in the context of the Plan and will not have any impact on the recoveries by the creditors.

118. Since the Twentieth Monitor Report, three (3) additional Notices of review or disallowance of claims have been issued. As of the date hereof, the Monitor has sent a total of 57 Notices of review or disallowance of claims, of which: (i) 55 are deemed to be finally determined as no appeal was filed within the applicable delay (or, in the case of the Capital Securities Claim, the appeal was ultimately withdrawn), and (ii) two (2) are the object of an appeal ((i) Statoil Canada Ltd and (ii) Stichting Homburg Bonds and Stichting Homburg Capital Securities – respectively more fully described in the Nineteenth Monitor Report and in the Twentieth Monitor Report).

119. The Monitor and HII have completed the analysis of the vast majority of the Claims. Some additional Notices of review or disallowance are expected to be sent in the coming weeks.

STAY NOTICES

120. As noted in previous reports, certain alleged creditors of the HII Parties have instituted proceedings against the latter or their assets. The Monitor has sent and continues to send Stay Notices to the respective creditors as well as file the Stay Notices in the respective Court records. As at the date of this Twenty-Second Report and since the Eighteenth Report, the Monitor has been advised of one additional proceeding filed against HII for which a Stay Notice was served and filed with the respective Court. The following table provides details of the one additional Stay Notice sent by the Monitor:

Plaintiff	Defendant(s)	Date of claim	Amount of claim \$	Court name	Court file number	Date of Stay of Notice
C & T Reinforcing Steel Co. (Alberta) Ltd	HOMBURG L.P. MANAGEMENT INCORPORATE, in its capacity as former general partner of Homburg Realty Fund (88) Limited Partnership and HOMBURG REALTY FUND (88) LIMITED PARTNERSHIP and HII (88) GP INC., in its capacity as current general partner of Homco Realty Fund (88) Limited Partnership and 1028167 ALBERTA LTD.	4/3/2013	1,072,888	Court of Queen's Bench of Alberta	1201-00063	4/15/2013

IX. EXTENSION OF THE STAY PERIOD

OVERVIEW

121. Pursuant to the Tenth Extension Order, the Stay Period was extended until April 26, 2013.
122. The HII Parties notified the Monitor of their intention to request an eleventh extension of the Stay Period until June 7, 2013 (the “**Eleventh Extension Period**”). This extension will allow, amongst other things, to:
- i. Proceed with the steps indicated with respect to the Creditors’ Meeting and hold such Creditors’ Meeting;
 - ii. Participate in the final stages of the claims process conducted by the Monitor;
 - iii. Advance discussions with the numerous mortgage lenders and concluding agreements with certain of them;
 - iv. Advance the sale processes of the non-core assets;
 - v. Communicate frequently with key stakeholders and regulators;
 - vi. Present the Motions for the approval of the Plans by the Court, which presentation will be scheduled on June 3, 2013, if the Plans are approved by the required majorities of creditors during the Creditors’ Meeting on May 23, 2013.
123. It is the Monitor’s opinion that it is necessary to provide the HII Parties with the Eleventh Extension Period in order to ensure that the HII Parties continue their progress towards emergence CCAA in the best interests of their stakeholders. The Monitor considers the HII Parties’ restructuring process to be progressing well; however, more time is required in order to complete said restructuring.

EXTENDED 6-WEEK CASH FLOW FORECASTS

124. Management has provided the Monitor with new cash flow forecasts for the Eleventh Extension Period. Management has adjusted the projected cash flows for the Debtors to June 8, 2013, corresponding to the end of the Eleventh Extension Period.
125. The extended 6-week cash flow forecasts for HII, ShareCo, Churchill, Inverness, CP, NCLL and HMCI, as well as additional commentary identifying the primary assumptions, are attached as Appendix C.
126. Presented in the table below is a summary of the forecasted cash variations for each of the Debtors: _

Extension - 6-week period ending June 8, 2013				
(C\$000)	Forecasted opening cash balance (Appendix C) as at April 28, 2013	Forecasted cash variation for the 5-week period (Appendix C)	Funding between HII and its non-Petitioners	Forecasted closing cash balance as at June 8, 2013
Homburg Invest Inc.	12,767	(8,358)	(79)	4,330
ShareCo Inc.	39	-	-	39
Churchill Estates Development Ltd.	2,961	2,380	-	5,341
Inverness Estates Development Ltd.	491	-	-	491
CP Development Ltd.	549	-	-	549
NCLL	-	-	-	-
HMCI	-	-	-	-
Total	16,807	(5,978)	(79)	10,750

HII

127. Forecasted cash inflows for the period are \$529K and forecasted cash outflows for the period are \$8,887K, resulting in a net cash outflow of \$8,358K. This net outflow mainly results from important restructuring outflows, composed primarily of professional fees, payroll, office & administrative and other expenditures (some of which being related to the positive variance of the past cash flow period, caused by a timing difference as mentioned above).
128. GST reimbursement is based on assessments made by Management.
129. The payroll figures included in the cash flow forecast reflect the salaries of HII's employees.
130. Professional fees in conjunction with the restructuring of the HII Group are included in HII's projected cash flow and are based on the historical figures experienced and revised to reflect the estimated fees going forward.
131. As of the date of this Twenty-Second Report, all expenses incurred to date and going forward during the Eleventh Extension Period have been or will be paid out of the funds available to HII.

Shareco

132. The Monitor does not anticipate any cash inflows or outflows pertaining to Shareco for the Eleventh Extension Period.
133. At the time of this Twenty-Second Report, there is nothing that would lead the Monitor to believe that Shareco will need additional financing to meet current obligations during the Eleventh Extension Period.

Churchill

134. Forecasted cash inflows for the period are \$2,646K and forecasted cash outflows for the period are \$266K, resulting in a net cash inflow of \$2,380K. The net inflow mainly results from the sale of four condominium expected to close in week 86 and 87.
135. At the time of this Twenty-Second Report, there is nothing that would lead the Monitor to believe that Churchill will need additional financing to meet current obligations during the Eleventh Extension Period.

Inverness

136. The Monitor does not anticipate any cash inflows or outflows pertaining to Inverness for the Eleventh Extension Period.
137. At the time of this Twenty-Second Report, there is nothing that would lead the Monitor to believe that Inverness will need additional financing to meet current obligations during the Eleventh Extension Period.

CP

138. Recognizing the closure of the sale of CP which occurred during the prior period, the Monitor does not anticipate any cash inflows or outflows pertaining to CP for the Eleventh Extension Period.
139. At the time of this Twenty-Second Report, there is nothing that would lead the Monitor to believe that CP will need additional financing to meet current obligations during the Eleventh Extension Period.

NCLL

140. The Monitor does not anticipate any cash inflows or outflows pertaining to NCLL during the Eleventh Extension Period.
141. At the time of this Twenty-Second Report, nothing would lead the Monitor to believe that NCLL will need additional financing to meet current obligations during the Eleventh Extension Period.

HMCI

142. The Monitor does not anticipate any cash inflows or outflows pertaining to HMCI during the Eleventh Extension Period.
143. At the time of this Twenty-Second Report, nothing would lead the Monitor to believe that HMCI will need additional financing to meet current obligations during the Eleventh Extension Period.

CASH POSITION AND USE OF RESTRICTED CASH

Restricted Cash

144. Pursuant to the Twentieth Report, no additional funding was requested from Restricted Cash during the Tenth Extension Period. For reference purposes, the table presented below provides a breakdown of the Restricted Cash requests since this pool was created following the sale of the Canmarc REIT Units. The restricted cash balance as at April 10, 2013 has increased from the time of the Twentieth Report as a result of interest earned of approximately \$143K.

Summary of Restricted Cash Requests (C\$000)			
Monitor's Report		Date	Amount Requested
Sixth Monitor's Report	Proceeds from Cominar sale	31-Jan-12	145,439
Transfer to Osler Trust Account	Funds sent to Osler's trust account (note 1)	1-Feb-12	(21,450)
RBC Securities	Commission	9-Feb-12	(915)
Net funds available from Cominar sale proceeds			A
			123,074
Seventh Monitor's Report	Request from Restricted Cash	17-Feb-12	(10,000)
Ninth Monitor's Report	Request from Restricted Cash	10-Apr-12	(6,000)
Tenth Monitor's Report	Request from Restricted Cash	29-May-12	(11,000)
Thirteenth Monitor's Report	Request from Restricted Cash	17-Jul-12	(5,200)
Fifteenth Monitor's Report	Request from Restricted Cash	11-Sep-12	(3,000)
Sixteenth Monitor's Report	Request from Restricted Cash	4-Oct-12	(8,100)
Total requests from Restricted Cash			B
			(43,300)
Interest on Restricted Cash	Cumulative interest received		C
			1,162
Ending balance of Restricted Cash as at April 13, 2013			=A+B+C
			80,936

Note 1: The majority of these funds have been released in accordance with the Cominar Global Settlement. As indicated in paragraph 77 of the Twentieth Report an amount of \$2M still remains in Osler's trust account. In light of discussions having occurred between counsel of the Cominar Group and of the HII Group on April 24, 2013 regarding alleged sales taxes that would be owed following the Cominar Global Settlement, this amount will be increased by approximately \$500K.

Analysis of HII's cash funding requirements and results

145. HII, with the assistance of the Monitor, conducted an analysis of the HII Group entities' cash flows to evaluate the cash position of the HII Group for the proposed extension to the Stay Period ending June 8, 2013.

146. The table below provides an overview of the estimated cash position of HII as at June 8, 2013:

Number of weeks presented: 6 weeks		April 28 to June 8, 2013 (6-week period)
(all amounts stated in CAD)		Forecast
Estimated opening cash balance as at April 28, 2013	A	16,807,535
Net cash flow by Debtor - April 28 to June 8, 2013		
Net cash inflow/(outflow) - HII		(8,358,210)
Net cash inflow/(outflow) - ShareCo		-
Net cash inflow/(outflow) - Churchill		2,379,658
Net cash inflow/(outflow) - Inverness		-
Net cash inflow/(outflow) - CP		-
Net cash inflow/(outflow) - NCLL		-
Net cash inflow/(outflow) - Debtors	B	(5,978,552)
Net cash flow by other Canadian entities - April 28 to June 8, 2013		
Net cash inflow/(outflow) - Others Canada		(79,358)
Net cash inflow/(outflow) - HII Group excluding Debtors	C	(79,358)
ESTIMATED TOTAL CASH INFLOW/(OUTFLOW) - ALL ENTITIES	D=B+C	(6,057,910)
ESTIMATED Surplus (Deficit) CASH from April 28 to June 8, 2013	E=A+D	10,749,625

147. The opening forecasted cash balance as at April 28, 2013 only includes the bank accounts controlled by the Debtors. European Euro and American dollar accounts have been converted to Canadian dollars at the foreign exchange rate as at April 13, 2013.
148. For the period ending June 8, 2013, it is forecasted that HII will have a cash surplus of \$10,749.6K. This amount is calculated based on the net cash flow variations as indicated in the table above. For additional information regarding the Debtors forecasted cash inflows and outflows to June 8, 2013, please refer to Appendix C of this Twenty-Second Report. Please note that the analysis does not account for timing variances that may have occurred prior to the proposed Eleventh Extension Period. The amount of those variances cannot be determined as the information to complete the analysis, such as bank statements for the month of April 2013 for the HII Group entities, is not available to Management and the Monitor at this time of this report.
149. Based on the analysis performed, it appears that the HII Group possesses sufficient funds to accomplish the various steps that are required to advance the restructuring of the HII Group until the expiry of the proposed Eleventh Extension Period.

X. CONCLUSIONS AND RECOMMENDATIONS

150. It is the Monitor's view that the HII Parties have acted in good faith and with due diligence in accordance with the Initial Order.
151. It is the Monitor's opinion that, for the reasons further elaborated in this Twenty-Second Report:
- i. the Eleventh Extension (up to June 7, 2013) and the Meeting Motions should be granted to ensure that the HII Parties are able to implement certain essential restructuring initiatives and that the Creditors' Meeting on the Plans be held; and
 - ii. Homco 83 should be added as an Applicant Partnership and the Homco 83 Bulk Sale should be approved.
152. Based on discussions with Management and general supervision of the affairs of the HII Parties, it is the Monitor's opinion that the HII Parties have acted and continue to act in good faith and with due diligence, and that they will likely be able to get the Plan approved by its creditors.

The Monitor respectfully submits this Twenty-Second Report to the Court.

DATED AT MONTREAL, this 25th day of April, 2013.



Pierre Laporte, CPA, CA, CIRP
President

SAMSON BÉLAIR/DELOITTE & TOUCHE INC.
In its capacity as Court-Appointed Monitor

APPENDICES

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 (105) LIMITED PARTNERSHIP
HOMCO REALTY FUND (121) LIMITED PARTNERSHIP
HOMCO REALTY FUND (122) LIMITED PARTNERSHIP
HOMCO REALTY FUND (142) LIMITED PARTNERSHIP
HOMCO REALTY FUND (190) LIMITED PARTNERSHIP
HOMCO REALTY FUND (191) LIMITED PARTNERSHIP
HOMCO REALTY FUND (199) LIMITED PARTNERSHIP
CASTELLO DEVELOPMENT LTD.

APPENDIX B

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

Homburg Invest Inc.
Budget to Actual Cash Flow
Unaudited - Based on discussions with the company's Management
(C\$000)

	For the 8-week period of February 17 to April 13, 2013		
	Actual	Budget	Variance
Cash inflows			
REIT distributions	-	-	-
REIT unit sale proceeds	-	-	-
GST/HST received	1,174.0	-	1,174.0
Intercompany receipts (Petitioners and Mis-en-cause)	-	-	-
Other receipts	14,796.1	21,415.0	(6,618.9)
Total cash inflows	15,970.1	21,415.0	(5,444.9)
Cash outflows			
Payroll	363.2	411.4	48.2
Rent expense	45.7	50.0	4.3
Restructuring related professional fees	5,884.2	9,575.0	3,690.8
Insurance	-	-	-
Office & admin	132.7	400.0	267.3
Director fees	-	-	-
KERP	-	-	-
CP obligation	-	-	-
Corporate bond principal repayment	-	-	-
Corporate bond interest payment	-	-	-
Junior subordinate debt principal repayment	-	-	-
Junior subordinate debt interest payment	-	-	-
HCSA interest payment	-	-	-
GST/HST paid	0.6	-	(0.6)
Intercompany disbursements (Petitioners and Mis-en-cause)	-	-	-
Hotel insurance	-	4.0	4.0
Other expenditures	-	7,136.0	7,136.0
Total cash outflows	6,426.4	17,576.4	11,150.0
Opening cash balance	11,585.5	11,585.5	-
Variation in cash balance	9,543.7	3,838.6	5,705.1
Exchange rate (Gain / Loss)	-	-	-
Ending cash balance	21,129.2	15,424.1	5,705.1
Surplus (funding) between HII and its non-Petitioners	1,836.4	-	1,836.4
Surplus (funding) between HII and its Petitioners	(1.7)	-	(1.7)
Adjusted ending cash balance	22,963.9	15,424.1	7,539.8

HII budget to actual commentary

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

Ending cash balance

- In addition to the ending cash balance presented of \$22,963.9K, please note that \$1,611.5K is currently held in the Monitor's trust accounts as at April 12, 2013. This amount represents funds reserved for the KERP as indicated in paragraphs 10 to 13 of the Fourteenth Report and amounts received which are related to the Canoxy Place Subtenants.

Inflows

- GST/HST received was \$1,174.0K compared to a budgeted amount of nil, resulting in a favorable variance of \$1,174.0K. The favorable variance is due to unbudgeted GST/HST refunds from the CRA previously delayed during the prior months.
- Other receipts were \$14,796.1K compared to a budgeted amount of \$21,415.0K, resulting in an unfavorable variance of \$6,618.9K. This unfavorable variance is mainly related to the Global Cominar Settlement for which HII received funds from the Osler trust account net of the payment to Cominar. The inflow and outflow relating to this transaction were included separately as other receipts and other expenditures in the associated cash flow budget but have been received by HII on a net basis.

Outflows

- Payroll expenses were \$363.2K compared to a budgeted amount of \$411.4K, resulting in a favorable variance of \$48.2K. This favorable variance is mainly due to a timing delay as the budgeted incentive compensation will be paid during the next pay period.
- Restructuring related professional fees were \$5,884.2K compared to a budgeted amount of \$9,575.0K, resulting in a favorable variance of \$3,690.8K. This favorable variance is mainly due to timing as invoices issued during the period remain outstanding.
- Office and administrative expenditures were \$132.7K compared to a budgeted amount of \$400.0K, resulting in a favorable variance of \$267.3K. This variance is mainly due to budgeted IT expenses that have not been incurred during the period, and to asset and management fees which were previously paid by HII to HREMS, but are now paid by each individual homco through their GP accounts.
- Other expenditures were nil compared to a budgeted amount of \$7,136.0K, resulting in a favorable variance of \$7,136.0K. As noted above, the budgeted other expenditures of \$7,136.0K relates to the payment of \$6,636K associated to the Global Cominar Settlement which was netted against the proceeds received and an amount of \$500K that was budgeted as funding for the Baltics which will occur at a further date.
- In accordance with the Court Order dated February 17, 2012, 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:

Stichting Homburg invoice list				
Invoice	Date Range	Amount Per		Amount in \$
		Invoice		
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
VAT Refund ¹	Invoices 3, 4 & 5	€	(70,352)	\$ (86,667)
VAT Refund ¹	Invoices 6, 8 & 10	€	(59,975)	\$ (74,993)
VAT Refund ²	Invoices 7, 9 & 11	€	(13,800)	\$ (17,256)
VAT Refund ¹	Invoices 12, 15 & 17	€	(54,455)	\$ (70,536)
VAT Refund ²	Invoices 13 & 16	€	(3)	\$ (4)
VAT Refund ²	Invoices 19 & 21	€	(73,072)	\$ (98,969)
VAT Refund ³	Invoices 23 & 25	€	(40,046)	\$ (54,238)
Total (Converted on date paid)				\$ 4,835,552
Note 1: VAT refunds were received for Invoices 3, 4, 5, 6, 8, 10, 12, 15 and 17 as no EU VAT was applicable.				
Note 2: Invoices 7, 9, 11, 13, 16, 19 and 21 were revised as some of the fees charged were not related specifically to the settlement agreement. The fees excluded were related to services rendered at the request of HII in relation with bondholders meetings.				
Note 3: A portion of the VAT refunds were received for Invoices 23 & 25, and the remaining portion is due to be received shortly.				

ShareCo Inc.

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

Homburg ShareCo Inc.
Budget to Actual Cash Flow
Unaudited - Based on discussions with the company's Management
(C\$000)

	For the 8-week period of February 17 to April 13, 2013		
	Actual	Budget	Variance
Cash inflows			
Mortgage bond issuance	-	-	-
Intercompany transfers (Petitioners)	-	-	-
Total cash inflows	<u>-</u>	<u>-</u>	<u>-</u>
Cash outflows			
Interest payments - mortgage bonds	-	-	-
Repayment of Bonds	-	-	-
Intercompany transfers (Petitioners)	-	-	-
Total cash outflows	<u>-</u>	<u>-</u>	<u>-</u>
Opening cash balance	39.1	39.1	-
Variation in cash balance	-	-	-
Exchange rate (Gain / Loss)	-	-	-
Ending cash balance	<u>39.1</u>	<u>39.1</u>	<u>-</u>

ShareCo budget to actual commentary

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

Inflows-Outflows

- No transactions occurred during the period in ShareCo.

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 8-week period of February 17 to April 13, 2013		
	Actual	Budget	Variance
Cash inflows			
Condo sales proceeds	395.8	400.0	(4.2)
GST collected	20.0	20.0	-
GST ITC refund	-	-	-
Rent	-	-	-
Other Receipts	-	-	-
Total cash inflows	415.8	420.0	(4.2)
Cash outflows			
Commissions	20.0	20.0	-
Advertising	-	-	-
R&M	0.4	4.0	3.6
Property tax	6.1	7.8	1.7
Professional fees	1.5	1.0	(0.5)
Insurance	-	0.5	0.5
Mortgage principal	-	-	-
Mortgage interest	-	-	-
Office & admin	-	-	-
Condo fees	7.7	14.4	6.7
GST remitted	21.3	-	(21.3)
Total cash outflows	57.0	47.7	(9.3)
Opening cash balance	2,602.6	2,602.6	-
Variation in cash balance	358.8	372.3	(13.5)
Exchange rate (Gain / Loss)	-	-	-
Ending cash balance	2,961.4	2,974.9	(13.5)

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

- GST remitted was \$21.3K compared to a budgeted amount of nil, which resulted in an unfavorable variance of \$21.3K. This variance is due to timing.

Inverness

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

Inverness Estates Development Ltd.
Budget to Actual Cash Flow
Unaudited - Based on discussions with the company's Management
(C\$000)

	For the 8-week period of February 17 to April 13, 2013		
	Actual	Budget	Variance
Cash inflows			
Condo sales proceeds	-	-	-
Other receipts	-	-	-
GST collected	4.5	-	4.5
GST ITC refund	-	-	-
Total cash inflows	4.5	-	4.5
Cash outflows			
Commissions	-	-	-
R&M	-	-	-
Property tax	-	-	-
Professional fees	0.7	-	(0.7)
Insurance	-	-	-
Mortgage principal	-	-	-
Mortgage interest	-	-	-
Office & admin	-	-	-
Condo fees	-	-	-
GST remitted	-	-	-
Other expenditures	-	-	-
Total cash outflows	0.7	-	(0.7)
Funded opening cash balance	487.2	487.2	-
Adjustment for receipt in prior period	-	-	-
Variation in cash balance	3.8	-	3.8
Exchange rate (Gain / Loss)	-	-	-
Ending cash balance	491.0	487.2	3.8

Inverness budget to actual commentary

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

Inflows-Outflows

- No significant transactions occurred during the period in Inverness Estates Development Ltd.

CP

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

CP Development Ltd.
Budget to Actual Cash Flow
Unaudited - Based on discussions with the company's Management
(C\$000)

	For the 8-week period of February 17 to April 13, 2013		
	Actual	Budget	Variance
Cash inflows			
Costs reimbursed from escrow	76.4	152.0	(75.6)
GST refund from previous months	-	-	-
Other receipts	9,505.3	20,500.0	(10,994.7)
Total cash inflows	9,581.7	20,652.0	(11,070.3)
Cash outflows			
Construction costs (1,2&3)	-	-	-
Construction costs (4&5)	1.1	-	(1.1)
Professional fees	8.0	-	(8.0)
Insurance	5.6	-	(5.6)
Mortgage principal	8,900.2	9,095.0	194.8
Mortgage interest	549.6	550.0	0.4
Payment of secured liens	-	703.0	703.0
Property tax	-	-	-
Other expenditures	11.3	-	(11.3)
Total cash outflows	9,475.8	10,348.0	872.2
Opening cash balance	443.2	443.2	-
Variation in cash balance	105.9	10,304.0	(10,198.1)
Exchange rate (Gain / Loss)	-	-	-
Ending cash balance	549.1	10,747.2	(10,198.1)

CP budget to actual commentary

Ending cash balance

- In addition to the ending cash balance presented of \$549.1K, please note that \$10,717.3K is currently held in the Monitor's trust accounts as at April 12, 2013. This amount mainly represents the net proceeds of sale of the CP assets.

Inflows

- Costs reimbursed from escrow were \$76.4K compared to a budgeted amount of \$152.0K, resulting in an unfavorable variance of \$75.6K. This unfavorable variance is mainly due to timing as these costs are expected to be reimbursed in the future.

- Other receipts were \$9,505.3K compared to a budget of \$20,500.0K, resulting in an unfavorable variance of \$10,994.7K. The receipts of the sale of CP were received in the Monitor's trust account (not included in the table above). The Actual other receipts of \$9,505.3K mainly represents monies sent from the Monitor's trust account to the CP operating account in order to cover the mortgage principal et mortgage interest and the other expenditures.
- The unfavorable variance of \$10,994.7 less \$291.7K which was used to fund a Letter of Credit ("LC") for outstanding work that may be required by the City of Calgary mainly represents the net proceeds of the CP sale which is held in the Monitor's trust account.

Outflows

- The mortgage principal was \$8,900.2K compared to a budgeted amount of \$9,095.0K resulting in a favorable variance of \$194.8K. The budgeted mortgage principal of \$9,095.0K is composed of \$8,800.0K for the mortgage and \$295.0K for the LC noted above. However, the actual mortgage payout was \$8,900.2K, resulting in an unfavorable variance of \$100K. Furthermore, the LC amount was \$291.7K and was paid from the CP trust account, and not funded through the CP operating account resulting in a favorable variance of \$295K. Together, these items explain the net favorable variance of approximately \$195K.
- Payments of secured liens were nil compared to a budgeted amount of \$703.0K, resulting in a favorable variance of \$703.0K. The favorable variance is due to timing as the payment of these secured liens has been delayed as they are still under discussion.

North Calgary Land Ltd.

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

	North Calgary Land Ltd. Budget to Actual Cash Flow Unaudited - Based on discussions with the company's Management (C\$000)		
	For the 8-week period of February 17 to April 13, 2013		
	Actual	Budget	Variance
Cash inflows			
GST/HST received	-	-	-
Other receipts	-	-	-
Total cash inflows	<u>-</u>	<u>-</u>	<u>-</u>
Cash outflows			
Professional fees	2.3	-	(2.3)
Property tax	-	-	-
Insurance	-	-	-
Office & administrative	-	-	-
GST/HST paid	-	-	-
Other expenditures	-	-	-
Total cash outflows	<u>2.3</u>	<u>-</u>	<u>(2.3)</u>
Funded opening cash balance	0.6	0.6	-
Variation in cash balance	(2.3)	-	(2.3)
Exchange rate (Gain / Loss)	-	-	-
Ending cash balance	<u>(1.7)</u>	<u>0.6</u>	<u>(2.3)</u>
Funding from HII	<u>1.7</u>	<u>-</u>	<u>(1.7)</u>
Funded ending cash balance	<u>-</u>	<u>0.6</u>	<u>(0.6)</u>

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

- No significant transactions occurred during the period in North Calgary Land.

HMCI

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

	HMCI Budget to Actual Cash Flow Unaudited - Based on discussions with the company's Management (C\$000)		
	For the 4-week period of March 14 to April 13, 2013		
	Actual	Budget	Variance
Cash inflows			
Other receipts	-	-	-
Total cash inflows	-	-	-
Cash outflows			
Other expenditures	-	-	-
Total cash outflows	-	-	-
Opening cash balance	-	-	-
Variation in cash balance	-	-	-
Exchange rate (Gain / Loss)	-	-	-
Ending cash balance	-	-	-

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 transactions occurred during the period in HMCI.

APPENDIX C

HII Extended 6-week cash flow forecast (\$C)

Updated as of April 14, 2013

Homburg Invest Inc.

Extended cash flow statement from April 14 to June 8, 2013

	20th report AMENDED			22nd report						
Number of weeks:	84	85		86	87	88	89	90	91	
Beginning period:	14-Apr-13	21-Apr-13	TOTAL	28-Apr-13	5-May-13	12-May-13	19-May-13	26-May-13	2-Jun-13	TOTAL
Ending period:	20-Apr-13	27-Apr-13	2-Week Period	4-May-13	11-May-13	18-May-13	25-May-13	1-Jun-13	8-Jun-13	6-Week Period
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Cash inflows										
GST/HST/VAT received	-	-	-	529,176	-	-	-	-	-	529,176
Other receipts	-	-	-	-	-	-	-	-	-	-
Total cash inflows	-	-	-	529,176	-	-	-	-	-	529,176
Cash outflows										
Payroll	94,462	-	94,462	94,462	-	94,462	-	94,462	-	283,386
Rent expense	-	-	-	25,000	-	-	-	25,000	-	50,000
Restructuring related professional fees	1,262,500	4,952,500	6,215,000	1,262,500	1,262,500	1,262,500	1,262,500	1,262,500	1,262,500	7,575,000
Insurance	-	-	-	-	-	-	-	-	-	-
Office & administrative	50,000	50,000	100,000	50,000	50,000	50,000	50,000	50,000	50,000	300,000
Director fees	-	-	-	175,000	-	-	-	-	-	175,000
KERP	-	-	-	-	-	-	-	-	-	-
Hotel insurance	-	-	-	2,000	-	-	-	2,000	-	4,000
Other expenditures	-	-	-	-	-	-	-	-	500,000	500,000
Total cash outflows	1,406,962	5,002,500	6,409,462	1,608,962	1,312,500	1,406,962	1,312,500	1,433,962	1,812,500	8,887,386
Opening balance	22,963,903	17,780,234	22,963,903	12,766,935	11,687,149	10,374,649	8,967,687	7,655,187	6,221,225	12,766,935
Payments in transit	(3,776,707)	-	(3,776,707)	-	-	-	-	-	-	-
Variation in cash balance (Petitioners)	(1,406,962)	(5,002,500)	(6,409,462)	(1,079,786)	(1,312,500)	(1,406,962)	(1,312,500)	(1,433,962)	(1,812,500)	(8,358,210)
Variation in cash balance (Non-Petitioners)	-	(10,799)	(10,799)	-	-	-	-	-	(79,358)	(79,358)
Exchange rate	-	-	-	-	-	-	-	-	-	-
Adjusted ending cash balance	17,780,234	12,766,935	12,766,935	11,687,149	10,374,649	8,967,687	7,655,187	6,221,225	4,329,367	4,329,367

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at April 14, 2013.
- 2) Professional fees in week 85 are composed of the weekly budget of \$1,262K plus the favorable variance of \$3,691K presented in the budget to actual at Appendix B which is being carried forward.
- 3) The other expenditures of \$500K, which were presented in the Monitor's Twentieth Report for the Baltics restructuring expenses, have been moved to week 91 to better reflect the revised projected payments.

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

(1) CASH FLOW STATEMENT

A statement indicating, on a weekly basis, the projected cash flow of HII, as defined in Subsection 2(1) of the Act, based on probable and hypothetical assumptions that reflect HII's planned course of action for the period covered.

(2) HYPOTHETICAL ASSUMPTIONS

Meaning assumptions with respect to a set of economic conditions or courses of action which are not necessarily the most probable in HII's judgment, but are consistent with the purpose of the Cash Flow Statement.

(3) PROBABLE ASSUMPTIONS

Meaning assumptions that:

- (i) HII'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 HII; and
- (ii) Provide a reasonable basis for the Cash Flow Statement.

(4) SUITABLY SUPPORTED

Meaning that the assumptions are based on either one or more of the following factors:

- (i) The past performance of HII;

- (ii) The performance of other industry/market participants engaged in similar activities as HII;
- (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 April 13, 2013	X	
<u>Exchange rates</u>	All cash flows are in Canadian dollars		X
<u>Forecast cash receipts</u>			
GST/HST/VAT received	GST/HST/VAT refunds: based on management assessments.		X
Other receipts	Other receipts; no other receipts are expected during the period.	X	
<u>Forecast cash disbursements</u>			
Payroll	Based on previous payroll expenses and salary increases as noted in the Eighteenth Report	X	
Rent expense	Rent at the Akerley Blvd. and Montreal locations	X	
Restructuring related professional fees	Represents fees of Deloitte, McCarthy Tétrault, Osler, Cohn & Wolfe, Allen & Overy, Clifford Chance, Coady Filliter, National, The Baltics HII lawyers and the Trustees fees	X	
Insurance	Directors and Officers insurance	X	
Office & administrative	Bank fees, travel, telephone, non-CCAA professional fees and other miscellaneous costs	X	
Director fees	Fees payable to Directors and Officers of HII	X	
KERP	Updated KERP amount presented under seal	X	
Hotel insurance	Insurance expenses to protect the furniture and other assets located in the Hotel		X
Other expenditures	Other expenditures incurred related to the Baltics restructuring expenses.	X	
<u>Ending cash balance</u>	Based on allocated cash transactions		X

ShareCo Extended 6-week cash flow forecast (\$C)

Updated as of April 14, 2013

Homburg ShareCo Inc.

Extended cash flow statement from April 14 to June 8, 2013

	20th report PUBLISHED			22nd report						
Number of weeks:	84	85		86	87	88	89	90	91	
Beginning period:	14-Apr-13	21-Apr-13	TOTAL	28-Apr-13	5-May-13	12-May-13	19-May-13	26-May-13	2-Jun-13	TOTAL
Ending period:	20-Apr-13	27-Apr-13	2-Week Period	4-May-13	11-May-13	18-May-13	25-May-13	1-Jun-13	8-Jun-13	6-Week Period
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Cash inflows										
Mortgage bond issuance	-	-	-	-	-	-	-	-	-	-
Total cash inflows	-	-	-	-	-	-	-	-	-	-
Cash outflows										
Interest payments - mortgage bonds	-	-	-	-	-	-	-	-	-	-
Repayment of Bonds	-	-	-	-	-	-	-	-	-	-
Total cash outflows	-	-	-	-	-	-	-	-	-	-
Opening cash balance	39,100	39,100	39,100	39,100	39,100	39,100	39,100	39,100	39,100	39,100
Variation in cash balance	-	-	-	-	-	-	-	-	-	-
Exchange rate	-	-	-	-	-	-	-	-	-	-
Ending cash balance	39,100	39,100	39,100	39,100	39,100	39,100	39,100	39,100	39,100	39,100

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at April 14, 2013.

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 weekly basis, the projected cash flow of ShareCo, as defined in Subsection 2(1) of the Act, based on probable and hypothetical assumptions that reflect ShareCo'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 ShareCo's judgment, but are consistent with the purpose of the Cash Flow Statement.

PROBABLE ASSUMPTIONS

Meaning assumptions that:

- (i) ShareCo'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 ShareCo; 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 ShareCo;

- (ii) The performance of other industry/market participants engaged in similar activities as ShareCo;
- (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>General cash flow assumptions</u>	<p>This entity holds four series of asset-backed mortgage bonds. The Mortgage Bonds are 7-year bonds issued in series and secured by a first or second charge over specific assets and a corporate guarantee.</p> <p>As the debt is entirely affected by the Stay Period, there will not be any cash inflows or outflows relating to the debt in ShareCo for the period noted. Occasionally, certain funds are transferred between HII and ShareCo.</p>	X	
<u>Opening cash balance</u>	Based on allocated closing cash balances as at April 13, 2013	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

Churchill Extended 6-week cash flow forecast (\$C)

Updated as of April 14, 2013

Churchill Estates Development Ltd.

Extended cash flow statement from April 14 to June 8, 2013

	20th report PUBLISHED			22nd report						
Number of weeks	84	85		86	87	88	89	90	91	
Beginning period:	14-Apr-13	21-Apr-13	TOTAL	28-Apr-13	5-May-13	12-May-13	19-May-13	26-May-13	2-Jun-13	TOTAL
Ending period:	20-Apr-13	27-Apr-13	2-Week Period	4-May-13	11-May-13	18-May-13	25-May-13	1-Jun-13	8-Jun-13	6-Week Period
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast		Forecast
Cash inflows										
Condo sales proceeds	-	-	-	1,261,905	1,256,810	-	-	-	-	2,518,715
GST collected	-	-	-	63,095	64,191	-	-	-	-	127,286
GST ITC refund	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total cash inflows	-	-	-	1,325,000	1,321,001	-	-	-	-	2,646,001
Cash outflows										
Commissions	-	-	-	63,095	62,841	-	-	-	-	125,936
R&M	-	-	-	-	-	-	-	-	-	-
Property tax	-	-	-	3,570	-	-	-	-	-	3,570
Professional fees	-	-	-	2,000	2,000	-	-	-	-	4,000
Insurance	-	-	-	250	-	-	-	-	-	250
Office & administrative	-	-	-	-	-	-	-	-	-	-
Condo fees	-	-	-	3,976	-	-	-	1,325	-	5,301
GST remitted	-	-	-	-	-	-	-	127,286	-	127,286
Total cash outflows	-	-	-	72,891	64,841	-	-	128,611	-	266,343
Opening cash balance	2,961,400	2,961,400	2,961,400	2,961,400	4,213,509	5,469,669	5,469,669	5,469,669	5,341,058	2,961,400
Variation in cash balance	-	-	-	1,252,109	1,256,160	-	-	(128,611)	-	2,379,658
Exchange rate	-	-	-	-	-	-	-	-	-	-
Ending cash balance	2,961,400	2,961,400	2,961,400	4,213,509	5,469,669	5,469,669	5,469,669	5,341,058	5,341,058	5,341,058

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at April 14, 2013.

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 weekly basis, the projected cash flow of Churchill, as defined in Subsection 2(1) of the Act, 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 April 13, 2013	X	
<u>Exchange rates</u>	All cash flows are in Canadian dollars		X
<u>Forecast cash receipts</u>			
Condo sales proceeds	Four condominium sales are projected to close in the period noted.		X
GST collected	Based on applicable taxes on forecasted condo sales		X
GST ITC refund	Based on the previous months' taxable disbursements and the applicable tax rates. Refund is received approximately six weeks after it is submitted. No activity has been forecasted during the period.	X	
Other receipts	No activity has been forecasted during the period	X	
<u>Forecast cash disbursements</u>			
Commissions	Commissions are based on 5% of the projected sales		X
R&M	Repairs and maintenance expenses are based on historical amounts	X	
Property tax	Property tax is paid in monthly installments	X	
Professional fees	Legal and closing costs for sale of a condominium		X
Insurance	Insurance expense for unsold condominiums	X	
Office & administrative	Bank fees and other miscellaneous costs. No activity has been forecasted during the period		
Condo fees	Condominium fees based on previous expenses	X	
GST remitted	GST paid based on applicable taxes on forecasted condo sales	X	
<u>Ending cash balance</u>	Based on allocated cash transactions		X

Inverness Extended 6-week cash flow forecast (\$C)

Updated as of April 14, 2013

Inverness Estates Development Ltd.

Extended cash flow statement from April 14 to June 8, 2013

	20th report PUBLISHED			22nd report						
Number of weeks:	84	85		86	87	88	89	90	91	
Beginning period:	14-Apr-13	21-Apr-13	TOTAL	28-Apr-13	5-May-13	12-May-13	19-May-13	26-May-13	2-Jun-13	TOTAL
Ending period:	20-Apr-13	27-Apr-13	2-Week Period	4-May-13	11-May-13	18-May-13	25-May-13	1-Jun-13	8-Jun-13	6-Week Period
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Cash inflows	-	-	-	-	-	-	-	-	-	-
Total cash inflows	-	-	-	-	-	-	-	-	-	-
Cash outflows	-	-	-	-	-	-	-	-	-	-
Total cash outflows	-	-	-	-	-	-	-	-	-	-
Opening cash balance	491,000	491,000	491,000	491,000	491,000	491,000	491,000	491,000	491,000	491,000
Variation in cash balance	-	-	-	-	-	-	-	-	-	-
Exchange rate	-	-	-	-	-	-	-	-	-	-
Adjusted Ending cash balance	491,000	491,000	491,000	491,000	491,000	491,000	491,000	491,000	491,000	491,000

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at April 14, 2013.

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 weekly basis, the projected cash flow of Inverness, as defined in Subsection 2(1) of the Act, based on probable and hypothetical assumptions that reflect Inverness' 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 Inverness' judgment, but are consistent with the purpose of the Cash Flow Statement.

PROBABLE ASSUMPTIONS

Meaning assumptions that:

- (i) Inverness'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 Inverness; 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 Inverness;
- (ii) The performance of other industry/market participants engaged in similar activities as Inverness;

- (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 April 13, 2013	X	
<u>Exchange rates</u>	All cash flows are in Canadian dollars		X
<u>Forecast cash receipts</u>	Inverness was sold and no cash inflows are projected for this period	X	
<u>Forecast cash disbursements</u>	Inverness was sold and no cash outflows are projected for this period	X	
<u>Closing cash balance</u>	Based on allocated cash transactions		X

CP Extended 6-week cash flow forecast (\$C)

Updated as of April 14, 2013

CP Development Ltd.

Extended cash flow statement from April 14 to June 8, 2013

	20th report PUBLISHED			22nd report						
Number of weeks:	84	85		86	87	88	89	90	91	
Beginning period:	14-Apr-13	21-Apr-13	TOTAL	28-Apr-13	5-May-13	12-May-13	19-May-13	26-May-13	2-Jun-13	TOTAL
Ending period:	20-Apr-13	27-Apr-13	2-Week Period	4-May-13	11-May-13	18-May-13	25-May-13	1-Jun-13	8-Jun-13	6-Week Period
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Cash inflows	-	-	-	-	-	-	-	-	-	-
Total cash inflows	-	-	-	-	-	-	-	-	-	-
Cash outflow	-	-	-	-	-	-	-	-	-	-
Total cash outflows	-	-	-	-	-	-	-	-	-	-
Opening cash balance	549,100	549,100	549,100	549,100	549,100	549,100	549,100	549,100	549,100	549,100
Variation in cash balance	-	-	-	-	-	-	-	-	-	-
Exchange rate	-	-	-	-	-	-	-	-	-	-
Ending cash balance	549,100	549,100	549,100	549,100	549,100	549,100	549,100	549,100	549,100	549,100

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at April 14, 2013.

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 weekly basis, the projected cash flow of CP, as defined in Subsection 2(1) of the Act, based on probable and hypothetical assumptions that reflect CP'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 CP's judgment, but are consistent with the purpose of the Cash Flow Statement.

PROBABLE ASSUMPTIONS

Meaning assumptions that:

- (i) CP'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 CP; 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 CP;

- (ii) The performance of other industry/market participants engaged in similar activities as CP;
- (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 April 13, 2013	X	
<u>Exchange rates</u>	All cash flows are in Canadian dollars		X
<u>Forecast cash receipts</u>	CP was sold and no cash inflows are projected for this period	X	
<u>Forecast cash disbursements</u>	CP was sold and no cash outflows are projected for this period	X	
<u>Closing cash balance</u>	Based on allocated cash transactions		X

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

Updated as of April 14, 2013

NCLL

Extended cash flow statement from April 14 to June 8, 2013

	20th report PUBLISHED			22nd report						
Number of weeks:	46	47		48	49	50	51	52	53	
Beginning period:	14-Apr-13	21-Apr-13	TOTAL	28-Apr-13	5-May-13	12-May-13	19-May-13	26-May-13	2-Jun-13	TOTAL
Ending period:	20-Apr-13	27-Apr-13	2-Week Period	4-May-13	11-May-13	18-May-13	25-May-13	1-Jun-13	8-Jun-13	6-Week Period
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast		Forecast
Cash inflows										
GST/HST received	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total cash inflows	-	-	-	-	-	-	-	-	-	-
Cash outflows										
Professional fees	-	-	-	-	-	-	-	-	-	-
Property tax	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-
Mortgage principal	-	-	-	-	-	-	-	-	-	-
Mortgage interest	-	-	-	-	-	-	-	-	-	-
GST/HST paid	-	-	-	-	-	-	-	-	-	-
Other expenditures	-	-	-	-	-	-	-	-	-	-
Total cash outflows	-	-	-	-	-	-	-	-	-	-
Opening cash balance	-	-	-	-	-	-	-	-	-	-
Funding from HII										
Variation in cash balance	-	-	-	-	-	-	-	-	-	-
Exchange rate	-	-	-	-	-	-	-	-	-	-
Adjust ending cash balance	-	-	-	-	-	-	-	-	-	-

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at April 14, 2013.

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 weekly basis, the projected cash flow of NCLL, as defined in Subsection 2(1) of the Act, 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 April 13, 2013	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, and no activity has been forecasted during the period	X	
Insurance	Insurance has been pre-paid for the year, and no activity has been forecasted during the period	X	
Mortgage principal	Amount stayed by proceedings	X	
Mortgage interest	Amount stayed by proceedings	X	
GST/HST paid	Based on previous GST/HST payments, and no activity has been forecasted during the period	X	
Other expenditures	Other expenditures incurred, and no activity has been forecasted during the period	X	
<u>Ending cash balance</u>	Based on allocated cash transactions		X

HMCI Extended 6-week cash flow forecast (\$C)

Updated as of April 14, 2013

Homburg Management Canada Inc.

Extended cash flow statement from April 14 to June 8, 2013

	22nd report									
Number of weeks:	6	7		8	9	10	11	12	13	
Beginning period:	14-Apr-13	21-Apr-13	TOTAL	28-Apr-13	5-May-13	12-May-13	19-May-13	26-May-13	2-Jun-13	TOTAL
Ending period:	20-Apr-13	27-Apr-13	2-Week Period	4-May-13	11-May-13	18-May-13	25-May-13	1-Jun-13	8-Jun-13	6-Week Period
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Cash inflows										
Other Receipts	-	-	-	-	-	-	-	-	-	-
Total cash inflows	-	-	-	-	-	-	-	-	-	-
Cash outflows										
Other Disbursements	-	-	-	-	-	-	-	-	-	-
Total cash outflows	-	-	-	-	-	-	-	-	-	-
Opening cash balance	-	-	-	-	-	-	-	-	-	-
Variation in cash balance	-	-	-	-	-	-	-	-	-	-
Exchange rate	-	-	-	-	-	-	-	-	-	-
Ending cash balance	-	-	-	-	-	-	-	-	-	-

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at April 14, 2013.
- 2) No activity occurred during the period between the filing date of HMCI (March 14, 2013) and April 14, 2013.

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 weekly basis, the projected cash flow of HMCI, as defined in Subsection 2(1) of the Act, 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 April 13, 2013	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

APPENDIX D

Homburg Invest Inc. Revised Estimated dividend per Proposed Restructuring Plan Draft for discussion purposes only

Disclaimer

The revised estimated dividend presented in this document is based on prospective financial information. This information is not fact and should not be relied upon as being necessarily indicative of future results.

The underlying assumptions and estimates used in these calculations are inherently uncertain and, though considered reasonable by the HII Group as at date of its preparation, are subject to a wide variety of significant business, economic, market, timing, financial and competitive uncertainties and contingencies. These statements are based upon the HII Group's current assumptions in respect of, inter alia, the implementation of the Plan, asset valuations, the treatment of various claims filed against the HII parties, the aggregate value of proven claims, cash flow forecasts, and timing. There is significant risk that predictions or conclusions expressed in or implied by these calculations may not prove to be accurate, that the assumptions or estimates may not be correct and that actual events may differ materially from such predictions or conclusions.

The revised estimated dividend presented in these tables should be read in conjunction with paragraphs 35 to 49 of the Twenty First Report elaborating on certain assumptions made.

No representation whatsoever expressed or implied, is made with regard to the accuracy or completeness of the assumptions and estimates used in the preparation of these estimated recovery rates, which may materially impact the information contained in this Appendix. While the information contained in these tables is believed to be accurate or derived from information that is believed to be accurate as at the date hereof, no person shall have any liability whatsoever arising from statements or representations, expressed or implied, contained in, or for omissions from, this Appendix or any information used to prepare this Appendix or any other written or oral communication provided or related thereto.

These tables speak as of the date of this Twenty First Report. The presentation of these tables does not create any obligation to update any of the information contained herein.

The revised estimated dividend presented in these tables assume that secured creditor have valid and enforceable security. In the event that certain security is determined invalid or unenforceable or to rank behind certain other alleged debts, the estimated net realization values will differ, and consequently, the respective creditors' recovery will differ.

The claims process, which has not yet been completed, shall confirm the amounts owing to creditors. Following confirmation of all Claims, the respective creditors' recovery may materially differ.

APPENDIX D (continued)

Subject to previous page disclaimer

HII Consolidated Estimated Recovery Rates of Unsecured Creditors In Euros (000)	At emergence (June 30, 2013)		Post-Emergence		Total	
	Low	High	Low	High	Low	High
	Estimated net realization value for unsecured creditors					
Cash	29,331	30,830	13,155	14,654	42,486	45,484
Net cash available from the sale of Non-Core Assets	10,606	11,918	20,033	34,907	30,639	46,825
Shares	162,108	162,108	-	-	162,108	162,108
	202,045	204,856	33,188	49,561	235,233	254,417
Unsecured creditors	568,780	552,130	-	-	568,780	552,130
Estimated dividend	35.52%	37.10%	5.83%	8.98%	41.36%	46.08%
In cash	7.02%	7.74%	5.83%	8.98%	12.86%	16.72%
In shares	28.50%	29.36%	0.00%	0.00%	28.50%	29.36%

Estimated Recovery Rates of Affected Creditors	At emergence		Post-Emergence		Total	
	Low	High	Low	High	Low	High
Cash						
HB4	6.18%	5.72%	25.44%	39.86%	31.62%	45.59%
HB5	17.98%	18.70%	5.73%	8.84%	23.71%	27.54%
HB6	20.56%	25.51%	2.91%	3.86%	23.47%	29.38%
HB7	4.91%	4.11%	40.76%	56.84%	45.67%	60.94%
Non-asset backed bonds	7.76%	8.57%	6.44%	9.94%	14.20%	18.51%
Unsecured creditors	7.02%	7.74%	5.84%	8.98%	12.86%	16.72%
Shares						
HB4	25.09%	21.70%	0.00%	0.00%	25.09%	21.70%
HB5	27.99%	28.90%	0.00%	0.00%	27.99%	28.90%
HB6	52.03%	51.59%	0.00%	0.00%	52.03%	51.59%
HB7	19.93%	15.58%	0.00%	0.00%	19.93%	15.58%
Non-asset backed bonds	31.48%	32.51%	0.00%	0.00%	31.48%	32.51%
Unsecured creditors	28.50%	29.36%	0.00%	0.00%	28.50%	29.36%
Total cash and shares						
HB4	31.27%	27.43%	25.44%	39.86%	56.71%	67.29%
HB5	45.96%	47.61%	5.73%	8.84%	51.69%	56.44%
HB6	72.59%	77.10%	2.91%	3.86%	75.50%	80.97%
HB7	24.84%	19.69%	40.76%	56.84%	65.60%	76.52%
Non-asset backed bonds	39.23%	41.08%	6.44%	9.94%	45.68%	51.02%
Unsecured creditors	35.52%	37.10%	5.84%	8.98%	41.36%	46.08%