

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., a legal person, duly constituted under the *Business Corporations Act* (Alberta), having its registered office at 3700 Canterra Tower, 400 Third Avenue SW, Calgary, Alberta, T2P 4H2, and having a chief place of business at Suite 1010, 1 Place Alexis Nihon, Montreal, Quebec, H3Z 3B8

– and –

HOMBURG SHARECO INC., a legal person, duly constituted under the *Companies Act* (Nova Scotia), having its head office at 3700 Canterra Tower, 400 Third Avenue SW, Calgary, Alberta, T2P 4H2, and having a chief place of business at Suite 1010, 1 Place Alexis Nihon, Montreal, Quebec, H3Z 3B8

– and –

CHURCHILL ESTATES DEVELOPMENT LTD., a legal person, duly constituted under the *Business Corporations Act* (Alberta), having its head office at Unit 127, 6227-2nd Street SE, Calgary, Alberta, T2H 1J5, and having a chief place of business at Suite 1010, 1 Place Alexis Nihon, Montreal, Quebec, H3Z 3B8

– and –

INVERNESS ESTATES DEVELOPMENT LTD., a legal person, duly constituted under the *Business Corporations Act* (Alberta), having its head office at Unit 127, 6227-2nd Street SE, Calgary, Alberta, T2H 1J5, and having a chief place of business at Suite 1010, 1 Place Alexis Nihon, Montreal, Quebec, H3Z 3B8

– and –

CP DEVELOPMENT LTD., a legal person, duly constituted under the *Business Corporations Act* (Alberta), having its head office at Unit 127, 6227-2nd Street SE, Calgary, Alberta, T2H 1J5, and having a chief place of business at Suite 1010, 1 Place Alexis Nihon, Montreal, Quebec, H3Z 3B8

- and –

NORTH CALGARY LAND LTD., a legal person, duly constituted under the *Business Corporations Act* (Alberta), having its office at Unit 220, 3016-19th Street NE, Calgary, Alberta, T2E 6Y9 and having a chief place of business at Suite 1010, 1 Place Alexis Nihon, Montreal, Quebec, H3Z 3B8.

Debtors/Petitioners

THE ENTITIES LISTED IN APPENDIX A

Mis-en-cause

– and –

SAMSON BÉLAIR/DELOITTE & TOUCHE INC.
(Pierre Laporte, CA, CIRP, person in charge), having a place of business at 1 Place Ville Marie, Suite 3000, Montreal, Quebec, H3B 4T9

Monitor

**ELEVENTH 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. (“**HI**”), Homburg Shareco Inc. (“**Shareco**”), Churchill Estates Development Ltd. (“**Churchill**”), Inverness Estates Development Ltd. (“**Inverness**”) and CP Development Ltd. (“**CP**”) (collectively, the “**Debtors**”) filed and obtained protection from their respective creditors under Sections 4, 5 and 11 of the *Companies' Creditors Arrangement Act* (the “**CCAA**”) pursuant to an Order rendered by this Honorable Court (as amended from time to time, the “**Initial Order**”).
2. Pursuant to the Initial Order, the Stay extend to the following limited partnerships which form an integral part of the business of the Debtors: Homco Realty Fund (52) 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 (following an amendment to the Initial Order on October 7, 2011), Homco Realty Fund (105) Limited Partnership, Homco Realty Fund (121) Limited Partnership, Homco Realty Fund (122) Limited Partnership, Homco Realty Fund (142) Limited Partnership and Homco Realty Fund (199) Limited Partnership (collectively, the “**Applicant Partnerships**” and, together with the Debtors, the “**HI 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 May 31, 2012, the Court last extended the Stay, up until August 31, 2012 (the “**Stay Period**”).
5. In addition, on May 31, 2012, the Court issued an order declaring that North Calgary Land LTD. (“**NCLL**”) is deemed to be a Debtor/Petitioner under the Initial Order and Homco Reality Fund (96) Limited Partnership is deemed to be an Applicant Partnership under the Initial Order.
6. 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 ten such Monitor’s reports prior to this eleventh Monitor’s Report. A copy of all of the Monitor’s reports is 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 ELEVENTH REPORT

7. This eleventh report of the Monitor (“**Eleventh Report**”) is intended to cover the statement of projected cash flow of NCLL as of May 31, 2012 (“**Cash Flow Statement**”), as per paragraph 23(1)(b) of the CCAA.

TERMS OF REFERENCE

8. In preparing this Eleventh 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, 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 Eleventh 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 Eleventh Report are as defined in the previous reports of the Monitor and the Debtors’ Motions.

NCLL CASH FLOW STATEMENT

10. The Cash Flow Statement for NCLL, attached as Appendix B to this Eleventh Report, has been prepared by Management for the purpose described in the notes to the Cash Flow Statement, using the probable and hypothetical assumptions set out in the notes to the Cash Flow Statement.
11. The Monitor’s review of the Cash Flow Statement consisted of inquiries, analytical procedures and discussions on the information provided to us by Management and employees of the Petitioners. Since these hypothetical assumptions are not being supported, the Monitor’s involvement with respect to them was limited to evaluating whether they were consistent with the purpose of the Cash Flow Statement. We have also reviewed the supporting documentation provided by management of

NCLL for the probable assumptions, and the preparation and presentation of the Cash Flow Statement.

12. Based on our review and the foregoing reserves and limitations, nothing has come to our attention, that causes us to believe that, in all material respects:
 - a) The hypothetical assumptions are not consistent with the purpose of the Cash Flow Statement;
 - b) As at the date of this report, the probable assumptions developed by NCLL are not suitably supported and consistent with the plans of the Petitioners or do not provide a reasonable basis for the Cash Flow Statement, given the hypothetical assumptions; or
 - c) The Cash Flow Statement does not reflect the probable and hypothetical assumptions.
13. Since the Cash Flow Statement is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no opinion as to whether the projections in the Cash Flow Statement will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon by us in preparing this report. Neither do we express any opinion as to the performance of the Petitioners' statutory obligations with regard to projected payments to be made in accordance with the Cash Flow Statement.
14. The Cash Flow Statement has been prepared solely for the purpose described in the notes to the Cash Flow Statement, and readers are cautioned that the Cash Flow Statement may not be appropriate for other purposes.
15. The Petitioners' Cash Flow Statement is for a period of thirteen (13) weeks from June 3 to August 31, 2012. The key assumptions used in the Cash Flow Statement are based on the 2012 fiscal year operating plan.

Summary of the Cash Flow Statement

16. NCLL's only asset is a parcel of land located in North Calgary, Alberta, and some Water Co-op Capacity Units. NCLL's liabilities consist of an intercompany payable to HII, a construction loan and trade accounts payable, which are all affected by the Stay Period. There are no projected cash inflows and the only projected cash outflows relate to property taxes on the parcel of land in NCLL's thirteen (13) week Cash Flow from June 3rd, 2012 to August 31, 2012.
17. The forecasted cash flow shortfall of NCLL will be funded by HII. At this time, there is nothing that would lead us to believe that NCLL will require additional sources of external financing to meet obligations between now and August 31, 2012.

The Monitor respectfully submits to the Court this, its Eleventh Report.

DATED AT MONTREAL, this 8th day of June 2012.

A handwritten signature in black ink, appearing to read 'Pierre Laporte', with a large, stylized initial 'P'.

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 (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 (199) LIMITED PARTNERSHIP

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 NCLL as defined in Section 2(1) of the Act based on probable and hypothetical assumptions that reflect NCLL'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 NCLL's judgment, but are consistent with the purpose of the Cash Flow Statement.

(3) 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.

(4) SUITABLY SUPPORTED

Meaning the 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 cash balances as at June 3, 2012 | 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 | | X |
| <u>Forecast cash disbursements</u> | | | |
| Professional fees | Legal and closing costs for sale of property | | X |
| Property tax | Property tax is paid in one yearly installment. | X | |
| Insurance | Insurance has been pre-paid for the year. | X | |
| Office and administrative | Based on previous office and administrative charges | X | |
| GST/HST paid | Based on previous GST/HST payments | X | |
| <u>Closing cash balance</u> | Based on allocated cash transactions | | X |