Samson Bélair/Deloitte &
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C A N A D A PROVINCE OF QUEBEC DISTRICT OF QUEBEC COURT. No.: 500-11-041305-117	S U P E R I O R C O U R T 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 1060, 1 Place Alexis Nihon, Montreal, Quebec, H3Z 3B8.

Debtors/Petitioners

– and –

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

FOURTEENTH 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.) (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 the Superior Court of Quebec (as amended 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 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 (96) Limited Partnership (following an amendment to the Initial Order on May 31, 2012), 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 “**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 May 31, 2012, the Court last extended the Stay, up until August 31, 2012 (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 thirteen such Monitor’s reports prior to this fourteenth Monitor’s report (the “**Fourteenth 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 FOURTEENTH REPORT

6. This Fourteenth Report is intended to provide a brief update on the progress of the HII Parties’ restructuring and relating steps and confirm the support of the Monitor to the Debtors’ Fifth Motion to Extend the Stay Period, such extension being sought for a short period. This report summarizes certain developments and measures taken by the HII Parties, in collaboration with the Monitor, since the Thirteenth Report, the current activities of the HII Parties and the Monitor and, generally, the restructuring process. The extension being sought is for a short period as several important restructuring steps are dependent upon meetings to be held and decisions to be taken in the coming weeks. It is therefore contemplated that a more extensive Monitor’s report will be filed with the Court in the context of the next extension that will be sought by the HII Parties, in the next few weeks.

7. This Fourteenth Report is structured as follows:

   I- HII Parties’ operations;
   II- Debtors’ cash flows from May 13 to August 4, 2012;
   III- Activities of the Monitor;
   IV- Extension of the Stay Period; and
   V- Conclusion and recommendations.

TERMS OF REFERENCE

8. In preparing this Fourteenth 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

Fourteenth 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 Fourteenth Report are as defined in the previous reports of the Monitor and the Debtors' Motions.

I. HII PARTIES' OPERATIONS

EXTENDED KEY EMPLOYEE RETENTION AGREEMENTS AND SALARY INCREASES

10. The employee retention agreements initially approved by the Court expired on June 30, 2012 and all amounts payable pursuant thereto have been distributed to the respective employees with the exclusion of the termination amounts. On August 9, 2012, extended employee retention agreements (the "**Extended KERP**") were approved by HII's Board of Directors. HII is requesting from this Court the approval of the Extended KERP which provides for the payment of $482K in the aggregate. The Extended KERP has been filed in the court record under seal.

11. HII's Board of Directors has also approved a one-time annual salary increase of $437K in the aggregate for HII's six (6) key employees (the original KERP covered seven (7) key employees, but one has since left).

12. In determining the appropriateness of the salary increases, the Monitor benchmarked the compensation arrangements of six publicly traded REITs with comparable revenues, asset size and capital structures. In its assessment of the proposed salary increases, the Monitor reviewed various attributes such as salary, total cash compensation and total earned compensation for each of the comparable REITs management teams over a five-year period.

13. In addition to the quantitative factors derived from the publicly traded comparable companies, the Monitor considered the knowledge, skills and experience of the various employees. The Monitor also considered the increased work load of the key employees which has significantly increased due to the restructuring process since their current salary was set. It was determined that given the complexity of HII's business and related CCAA proceedings, the intangible benefit of an experienced management team warranted specific consideration in the proposed salary increases.

MEETINGS WITH EUROPEAN MORTGAGE LENDERS

<u>Negotiations and agreements with some of the European mortgage lenders, including HII's decision to cease the funding of negative cash flow investment properties</u>

14. As further described in the Tenth Report, since the month of May, the relevant Homcos (or their subsidiaries, i.e. the entities that are the owners of the properties and the parties to the relevant loan agreements), the property manager and the Monitor have engaged discussions and negotiations with the European mortgage lenders with a view to enhance the value of the relevant real estate properties.

15. In Germany and the Netherlands, these negotiations were initiated with the objectives to discount the loans in order to reach a reasonable and viable loan-to-value ratios or to negotiate the sale of the lender's positions at a discount or, ultimately, to agree on a liquidation or foreclosure process.

16. As mentioned in court, HII has also taken the decision to cease funding most Homcos that, directly or indirectly, own a real estate asset which generate negative cash flows and/or has no equity. These discussions and negotiations are currently on-going.

17. Discussions have also been initiated with other banks, with the objective of improving and/or renewing the current terms and conditions of the loan agreements.

<u>Negotiations and agreements with SEB</u>

18. As further described in the Tenth Report, discussions and negotiations have been ongoing with SEB since September 2011. SEB is the sole mortgage lender and primary lessee of HII in the Baltics which is comprised of 53 real estate properties. These negotiations are difficult as they involved a complete review of HII's portfolio in the Baltics. There are currently important gaps between the respective position of HII and SEB on important issues.

19. HII cannot predict if and when these negotiations will conclude or whether an agreement will be reached with SEB. Important discussions and negotiations are scheduled to take place during the month of September 2012.

<u>Negotiations and agreements with Falcon Private Bank</u>

20. As further described in the Eighth Report, Falcon had extended the term of its loan facility (the "**Falcon Loan**") for an interim period, namely up to August 31, 2012 (the "**August 31 Extension**"). Falcon is a secured lender of Valbonne 5 (the subsidiary of Homco 110 and the indirect owner of the Campeon asset for just above 93%). The August 31 Extension provided for key conditions to be met by the August 31, 2012 deadline, namely that Valbonne acquires the 6.6% CLI minority stake in Moto by Valbonne such that a second rank security on the Campeon asset be granted to Falcon in order to secure the Falcon Loan (the "**August 31 Extension Conditions**").

21. In mid-August, HII advised Falcon that it could not fulfill the key conditions of the August 31 Extension. HII also requested a further extension from Falcon until February 28, 2013 to enable it to find and negotiate alternative sources of financing to replace Falcon. On August 14, 2012, Falcon agreed to extend the term of the Falcon Loan until February 2013 ("**February 28 Extension**"). The current balance of the Falcon Loan is approximately €33M.

22. The February 28 Extension maintained the requirement that Homco 110 used any cash flow surplus (after the payment of all of the operating expenses as well as the required repayment of debt to the secured creditors) to reimburse the outstanding balance of the Falcon Loan (minimum of €3.6M quarterly, including interest).

23. The February 28 Extension also provides for a facility fee of €50K.

24. The August 31 Extension Conditions are no longer requirements under the February 28 Extension. However, the February 28 Extension provides for a modified interest calculation structure that will

increase the interest rate and related interest charge by approximately €270K over six months, compared to the interest payable pursuant to the August 31 Extension.

25. The February 28 Extension does not include any penalty for early reimbursement. Therefore, HII, along with the Monitor, is currently considering all options available to reimburse the Falcon Loan.

OTHER RESTRUCTURING STEPS

Closing of the Inverness Transaction

26. At the beginning of June 2012, the closing of the Inverness Transaction providing for the bulk sale of the unsold Inverness condominium and parking units took place. The net proceeds from said transaction allowed for repayment in full of the Romspen loans, namely the loans made to Inverness and to Churchill. Inverness and Churchill continue to reserve their rights and recourses against Romspen in relation to the legal fees reimbursed to it.

Closing of the Second Option Exercise

27. At the beginning of August 2012, the closing of the Second Option Exercise took place. Such option exercise pertained to the Baltics partnerships and represents the second major milestone, after the closing of the First Option Exercise, to resolve the Control Issues and align the HII Group's corporate structure with its underlying economic interests.

II. DEBTORS' CASH FLOWS FOR THE PERIOD FROM MAY 13 TO AUGUST 4, 2012

28. The purpose of this section is as follows:

    i. Provide budget to actual analysis highlights, by Debtor, for the period from May 13 to August 4, 2012 (12 weeks); and

    ii. Provide commentary on the variances, by Debtor.

OVERVIEW

29. 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 May 13 to August 4, 2012:

Cash variation for the period from May 13 to August 4, 2012 (C$000)					
Petitioner	Opening cash balance	Total variation in cash balance	Closing cash balance	Funding by HII	Adjusted closing cash balance
Homburg Invest Inc.	6,356	6,541	12,897	(75)	12,822
Homburg Shareco Inc.	39	-	39	-	39
Churchill Estates Development Ltd.	501	295	796	-	796
Inverness Estates Development Ltd.	(213)	152	(61)	61	-
CP Development Ltd.	(78)	724	646	-	646
North Calgary Land Ltd.	-	(14)	(14)	14	-
Total	6,605	7,698	14,303	-	14,303

30. For the budget to actual cash flow forecast analysis of HII, Shareco, Churchill, Inverness, CP and NCLL for the period from May 13 to August 4, 2012, and commentary in respect of the analysis performed, please refer to Appendix B.

31. There have been no significant transactions, excluding the normal receipts and disbursements arising from operations, which have occurred subsequent to the last day of the budget to actual analysis, for the period from May 13 to August 4, 2012.

32. As of the date of this report, all appropriate and approved post-filing expenses were paid in the normal course out of the respective entity's working capital.

<u>HII</u>

33. Total cash inflows for HII were $20,269K for the period noted, while total cash outflows were $13,727.6K, which resulted in a positive net cash variation of $6,541.4K compared to a budgeted negative net cash variation of $13,323.5K. This significant variance is mainly due to the transfer of $16,200K (cumulative) of restricted funds to HII which were approved by the Court on May 31 and July 18, 2012 as well as a GST/HST receipt of $2,715.7K.

<u>Shareco</u>

34. For the period noted, total cash inflows and total cash outflows for Shareco were nil, as it was budgeted.

<u>Churchill</u>

35. For the period noted, total cash inflows for Churchill were $516.2K and total cash outflows were $221.6K, which resulted in a positive net cash variation of $294.6K compared to a budgeted negative net cash variation of $145.4K.

<u>Inverness</u>

36. For the period noted, total cash inflows for Inverness were $160K and total cash outflows were $7.7K, which resulted in a positive net cash variation of $152.3K compared to a budgeted positive net cash variation of $658.7K.

<u>CP</u>

37. For the period noted, total cash inflows for CP were $819.2K and total cash outflows were $95.7K, which resulted in a positive cash variation of $723.5K compared to a budgeted negative net cash variation of $591K.

<u>NCLL</u>

38. For the period noted, total cash inflows for NCLL were $0.2K and total cash outflows were $13.7K, which resulted in a negative cash variation of $13.5K compared to a budgeted negative net cash variation of $10.1K.

III. ACTIVITIES OF THE MONITOR

39. This section summarizes other activities of the Monitor which are not expressly addressed in the previous sections of this Fourteenth Report.

CASH FLOW MONITORING OF THE HII PARTIES

40. On a weekly basis, the Monitor continues to analyze the Debtors' cash flows. As previously indicated in this Fourteenth Report, a budget to actual cash flow forecast analysis of the Debtors, for the period from May 13 to August 4, 2012, has been prepared together with commentary of cash variances, as presented in Appendix B.

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

42. On or about May 4, 2012, HII opened fifty-four (54) bank accounts with HSBC. HII determined that, in order to improve its cash management process, it was necessary for each of the European Homcos to have its own bank account to allow an efficient tracking of their respective cash inflows and outflows.

43. The Monitor continues to monitor these new Homco General Partner Accounts ("**GP Accounts**") and analyses cash inflows and cash outflows from all GP Accounts.

44. 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

45. 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.

46. In accordance with the Initial Order, the Monitor assisted HII's Management during its analysis of the disbursements to be made by the HII Group.

CLAIMS PROCESS

47. Pursuant to the Claims Process Order rendered by the Court on April 30, 2012, the claims bar date for the vast majority of claims was July 13, 2012. As of the date hereof, the Monitor has received over 230 claims representing a total of over $2 billion, as shown by summarized proof of claim registered filed under Appendix C. One should note that the total amounts of claims filed against the HII Parties include claims with the same source filed against several HII Parties or by several claimants, as well as substantial intercompany claims. The Monitor has been diligently processing the claims in cooperation with HII and respective counsel. It is anticipated that the Monitor will advise most claimants of the acceptance, revision or rejection of their claim during the month of September 2012.

IV. EXTENSION OF THE STAY PERIOD

OVERVIEW

48. Pursuant to the Fourth Extension Order, the Stay Period was extended until August 31, 2012.

49. The HII Parties notified the Monitor of their intention to request a fifth extension of the Stay Period to September 14, 2012 (the "**Fifth Extension Period**").

50. This extension will allow, *inter alia*, the HII Parties to attend upcoming meetings with (i) the Trustees of the Bondholders, which will namely focus on the treatment of the Mortgage Bondholders as secured creditors, (ii) the European Mortgage Lenders, and (iii) the Taberna Noteholders. The HII Parties and the Monitor will have the benefit of those meetings, prior to requesting a further extension period of the Stay in mid-September and providing the Court and the creditors with a more extensive report.

51. It is the Monitor's opinion that it is necessary to provide the HII Parties with a fifth extension of the Stay Period in order to ensure that the HII Parties continue to evaluate the different restructuring options available to them to develop and file their plan(s) of arrangement for the benefit of their stakeholders.

EXTENDED 2-WEEK CASH FLOW FORECASTS

52. Management has provided the Monitor with cash flow forecasts for the Fifth Extension Period and has adjusted the projected cash flows for the period from August 5 to September 1, 2012, as previously presented in the Tenth Report and Eleventh Report.

53. The extended 2-week cash flow forecasts for the Fifth Extension Period for HII, Shareco, Churchill, Inverness, CP and NCLL, as well as additional commentary identifying the primary assumptions, are attached as Appendix D**.**

54. Presented in the table below is a summary of the allocated forecasted cash variations for each of the Debtors:

Extension - 2-week period ending September 15, 2012 (C$000)	September 2, 2012 Forecasted opening cash balance (Appendix C)	Variation for the 2-week period	September 15, 2012 Forecasted closing cash balance
Homburg Invest Inc.	9,782	(5,593)	4,189
Shareco Inc.	39	-	39
Churchill Estates Development Ltd.	1,399	-	1,399
Inverness Estates Development Ltd.	(61)	-	(61)
CP Development Ltd.	635	-	635
NCLL	(14)	-	(14)
Total	11,780	(5,593)	6,187

HII

55. Budgeted cash inflows for the Fifth Extension Period are $70K and budgeted cash outflows are $5,663K, resulting in a budgeted net cash outflow of $5,593K. This net cash outflow is mainly the result of ongoing operating expenses.

56. HII's cash receipts will primarily be composed of receipts from the Holman Grand Hotel.

57. Payroll has been adjusted to reflect the recent salary increases.

58. As mentioned in paragraph 114 of the Ninth Report, Management was expecting ongoing GST and HST refunds; however, considering the issues relating to these refunds exposed in previous reports, GST and HST refunds have been removed from HII's cash flow forecasts.

59. 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 professional fees paid, adjusted to reflect the estimated fees going forward. HII has also received invoices from professionals totaling approximately $3.2M. As illustrated in Appendix B, professional fees for the period from May 13 to August 4, 2012 were $7,343.8K compared to a budgeted amount of $8,088K, resulting in a favorable variance of $744.2K.

60. KERP monies will be held in trust by the Monitor once they will be funded by HII. The cash flow forecasts provide for the funding of the Extended KERP in the first week of September 2012.

61. As indicated in the Ninth Monitor's report, HII, in the context of the negotiation of a renewal and extension of the HSH loan, resolved to fund a portion of the required capital expenditures related to the Coët Properties up to a maximum of €973K, of which $246K has been included in "other expenditures" in September.

62. As mentioned in the Tenth Report, HII has disclaimed its head lease obligations. However, HII will continue, for the moment, to incur costs related to the ground lease pertaining to the Holman Grand Hotel in PEI.

63. As of the date of this Fourteenth Report, all expenses incurred to date have been paid out of HII's working capital.

Shareco

64. The Monitor does not anticipate any cash inflows or outflows pertaining to Shareco for the Fifth Extension Period.

65. At the time of this Fourteenth Report, there is nothing that would lead the Monitor to believe that Shareco will need additional financing to meet current obligations during the Fifth Extension Period.

Churchill

66. The Monitor does not anticipate any cash inflows or outflows pertaining to Churchill for the Fifth Extension Period.

67. At the time of this Fourteenth Report, there is nothing that would lead the Monitor to believe that Churchill will need additional financing to meet current obligations during the Fifth Extension Period.

Inverness

68. The Monitor does not anticipate any cash inflows or outflows pertaining to Inverness for the Fifth Extension Period. This is a result of the completion of the Inverness Transaction in June 2012.

69. Even though the Inverness cash flow does not provide for any inflows or outflows during the period, it is to be noted that an amount of approximately $3.6M is owed by Churchill to Inverness following the Inverness Transaction, which resulted in Inverness paying the full balance of Churchill's cross-collateralized mortgage. The reimbursement to Inverness will be made in due time.

CP

70. The Monitor does not anticipate any cash inflows or outflows pertaining to CP for the Fifth Extension Period. No construction costs are expected to be required during the 2-week period.

71. At the time of this Fourteenth Report, there is nothing that would lead the Monitor to believe that CP will need additional financing to meet current obligations during the Fifth Extension Period.

NCLL

72. The Monitor does not anticipate any cash inflows or outflows pertaining to NCLL for the Fifth Extension Period.

73. At the time of this Fourteenth Report, there is nothing that would lead the Monitor to believe that NCLL will need additional financing to meet current obligations during the Fifth Extension Period.

CASH FUNDING REQUIREMENT AND ACCESS TO RESTRICTED CASH

Restricted Cash

74. Subsequent to the Thirteenth Report, on July 17, 2012, the Court authorized HII to have access to an additional $5.2M of the Restricted Cash for the purposes of funding a cash shortfall. As a result, the amount of the Restricted Cash was reduced by $5.2M from approximately $96.6M to $91.4M plus accrued interest.

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)
Total requests from Restricted Cash			**B**	**(32,200)**
Interest on Restricted Cash	Cumulative interest received		**C**	**560**
Ending balance of Restricted Cash as at August 20, 2012			**=A+B+C**	**91,434**

Note 1: Subject to the Monitor's Motion for Directives in relation to security granted to Canmarc REIT

75. As shown by the cash flow projections, no additional amount of Restricted Cash is expected to be necessary during the Fifth Extension Period.

CASH BUDGETING AND MONITORING

76. The Monitor continues to perform budget to actual analysis for the six Debtors on a weekly basis.

77. As discussed in previous reports of the Monitor, 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 does not equal the actual cash contained in the Debtors' bank accounts.

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

79. The opening cash balance as at August 1, 2012 of $10,036K includes only the bank accounts controlled by the Debtors. Accounts denominated in European euros and American dollars have been converted to Canadian dollars at the foreign exchange rates as at July 31, 2012.

80. Please note that the GP Accounts are not included in the analysis below.

81. The table below provides the estimated cash analysis as at August 31, 2012:

Homburg Invest Inc.
Estimated cash balance as at August 31, 2012

(all amounts stated in CAD)		Amount
ACTUAL OPENING CASH BALANCE AS AT AUGUST 1, 2012	**A**	**10,036,117**
Forecasted cash inflows/(outflows) - August 2012		
Total net cash inflow/(outflow) - Debtors	**B**	(3,314,890)
Net cash inflow/(outflow) - Canadian entities excluding Debtors	**C**	969,523
Less: Total payments in transit	**D**	(712,733)
TOTAL NET CASH INFLOWS/(OUTFLOWS) - AUGUST 2012	**E=B+C+D**	**(3,058,100)**
ESTIMATED ENDING CASH BALANCE AS AT AUGUST 31, 2012, BEFORE OTHER ADJUSTMENTS	**F=A+E**	**6,978,017**
Net adjustment for disbursements/(receipts) not expected to occur in August 2012	**G**	294,565
ESTIMATED ENDING CASH BALANCE AS AT AUGUST 31, 2012, AFTER OTHER ADJUSTMENTS	**=F+G**	**7,272,582**

Note: Based on the analysis submitted to the Court in the Tenth Report and Thirteenth Report, it was forecasted that a nominal cash balance would remain as at August 31, 2012. Please refer to the reconcilation below for an explanation of the positive cash variance estimated to occur as at August 31, 2012.

RECONCILIATION OF ESTIMATED ENDING CASH BALANCE AS AT AUGUST 31, 2012

ESTIMATED CASH BALANCE AS AT AUGUST 31, 2012, AFTER OTHER ADJUSTMENTS	**H**	7,272,582
Reconciling items:		
Canada - Total net adjustments for the month of June 2012		(1,156,536)
Canada - Total net adjustments for the month of July 2012		(4,905,000)
Netherlands and Germany - Total net adjustments for the month of June 2012		(633,818)
Adjustment for rounded cash requirement estimates		(368,890)
Amendments to the debtor's cashflows		480,500
Other miscellaneous reconciling items		(688,838)
TOTAL RECONCILING ITEMS	**I**	**(7,272,582)**
UNRECONCILED AMOUNT	**=H-I**	**-**

82. When HII requested additional funding of $5.2M from Restricted Cash to sustain its operations until the end of the current Stay Period, it was expected that HII would have a negligible cash balance remaining as at August 31, 2012. It is now estimated that HII will have approximately $7.3M as of August 31, 2012 based on the analysis performed.

83. The ending cash balance is higher than expected mainly due to the items listed below:

i. In Canada in June and July 2012, certain revenues not budgeted were received and certain budgeted expenditures including capital expenditures were not incurred, and are not expected to be incurred in the current Stay Period. As a result, HII is expected to hold an additional $3.4M in its forecasted ending cash balance as at August 31, 2012;

ii. In the Netherlands and Germany in June 2012, it was expected that certain timing variances, such as budgeted revenues not received and budgeted expenditures not incurred at that time, would reverse before August 31, 2012. Based on the analysis performed, it is estimated that these items will not reverse before August 31, 2012, thus HII is expected to hold an additional $0.6M in its forecasted ending cash balance as at August 31, 2012;

iii. In Canada in July 2012, HII unexpectedly received tax refunds totaling $2.7M from the Canada Revenue Agency. This amount mainly represents a reimbursement of a GST/HST refund regarding a transaction which occurred in 2010 and has recently been claimed by HII. Therefore, HII is expected to hold an additional $2.7M in its forecasted ending cash balance as at August 31, 2012; and

iv. Other miscellaneous items, adjustments to the Debtors' cash flows, and adjustments for rounded cash requirement estimates represent a combined $0.6M in HII's forecasted ending cash balance as at August 31, 2012.

Analysis of HII's cash position and results

84. 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 September 15, 2012.

85. The table below provides an overview of the estimated cash position of HII as at September 15, 2012:

Number of weeks presented: 2 weeks (all amounts stated in CAD)		August 31 to September 15, 2012 (2-week period)
		Forecast
Opening Cash balance as at August 31, 2012 ***(Note 1)***	**A**	**7,272,582**
Net cash flow by Debtor - August 31 to September 15, 2012		
Net cash inflow/(outflow) - HII		(5,592,605)
Net cash inflow/(outflow) - CP		-
Net cash inflow/(outflow) - Churchill		-
Net cash inflow/(outflow) - Inverness		-
Net cash inflow/(outflow) - ShareCo		-
Net cash inflow/(outflow) - NCLL		-
Net cash inflow/(outflow) - Debtors	**B**	**(5,592,605)**
Net cash flow by other Canadian entities - August 31 to September 15, 2012		
Net cash inflow/(outflow) - Others Canada		16,053
Net cash inflow/(outflow) - HII Group excluding Debtors by region	**C**	**16,053**
TOTAL CASH INFLOW/(OUTFLOW) - ALL ENTITIES	**D=B+C**	**(5,576,552)**
ESTIMATED Surplus (Deficit) CASH for August 31 to September 15, 2012	**E=A+D**	**1,696,030**

Note 1 - The forecasted opening cash balance as at August 31, 2012 constitutes the forecasted cash balance for the HII Group, which includes the petitioners and all the other Canadian entities of HII.

86. As of September 15, 2012, it is expected that HII will have an estimated cash surplus of $1.7M and will therefore not require further cash funding from the Restricted Cash to support its ongoing operations during the requested extension period.

87. With regard to the Canadian entities, no cash shortfall is expected to be incurred for the period ending September 15, 2012. For additional information regarding the Debtors' cash inflows and outflows to September 15, 2012, please refer to Appendix D of this Fourteenth Report. Please note that the analysis does not account for the actual cash inflows or cash outflows that were forecasted to

occur prior to the extended period, which may effectively create temporary timing variances. The amount of such variances cannot be estimated as the information to complete the analysis, such as bank statements for the month of August 2012 for the HII Group entities, is not available to Management and the Monitor.

88. To account for payments that have been issued, but have not yet cleared the bank and thus are not reflected in the opening cash balance, total outstanding cheques have been deducted.

V. CONCLUSION AND RECOMMENDATIONS

89. 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.

90. It is the Monitor's opinion that, for the reasons further elaborated in this Fourteenth Report:

    i. An extension of the Stay Period to September 14, 2012 should be granted to ensure that the HII Parties are able to implement certain essential restructuring initiatives and evaluate their options with a view to develop and file a viable plan (or plans) of arrangement (the "**Plan**") with their creditors; and

    ii. The approval of the Extended KERP should be granted to ensure that HII continues to retain its key employees during the ongoing restructuring up and until the Plan is implemented and the HII Parties emerge from CCAA.

91. The Monitor respectfully submits this Fourteenth Report to the Court.

DATED AT MONTREAL, this 22nd day of August, 2012.

Pierre Laporte, CPA, CA, CIRP
President

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

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

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 12-week period of May 13, 2012 to August 4, 2012		
	Actual	**Budget**	**Variance**
Cash inflows			
REIT distributions	-	-	-
REIT unit sale proceeds	-	-	-
Jamieson sublease receipts	-	-	-
GST/HST received	2,715.7	-	2,715.7
Intercompany receipts (Petitioners and Mis-en-cause)	-	-	-
Other receipts	17,019.9	965.6	16,054.3
	19,735.6	965.6	18,770.0
Hotel related receipts			
Hotel revenue	533.4	762.6	(229.2)
Hotel construction draw	-	-	-
Total cash inflows	20,269.0	1,728.2	18,540.8
Cash outflows			
Payroll	588.2	465.0	(123.2)
Rent expense	56.6	75.0	18.4
Professional fees	7,343.8	8,088.0	744.2
Insurance	25.9	51.0	25.1
Office & admin	680.4	630.0	(50.4)
Director fees	789.6	913.0	123.4
KERP	-	-	-
PEI obligation	101.8	103.6	1.8
Montreal obligation	69.0	71.4	2.4
CP obligation	(68.4)	65.7	134.1
Corporate bond principal repayment	-	-	-
Corporate bond interest payment	-	-	-
Junior subordinate debt principal repayment	-	-	-
Junior subordinate debt interest payment	-	-	-
HCSA interest payment	-	-	-
GST/HST paid	-	-	-
Intercompany disbursements (Petitioners and Mis-en-cause)	-	-	-
Other expenditures	3,674.6	3,797.0	122.4
	13,261.5	14,259.7	998.2
Hotel disbursements			
Payroll	196.5	200.0	3.5
Management fee	-	12.0	12.0
Property and other taxes	38.1	90.0	51.9
General operating expenses	231.5	490.0	258.5
Construction costs and held cheques	-	-	-
Mortgage principal & interest	-	-	-
Total hotel disbursements	466.1	792.0	325.9
Total cash outflows	**13,727.6**	**15,051.7**	**1,324.1**
Opening cash balance	**6,356.4**	**6,356.4**	**-**
Variation in cash balance	**6,541.4**	**(13,323.5)**	**19,864.9**
Exchange rate (Gain / Loss)	-	-	-
Ending cash balance	**12,897.8**	**(6,967.1)**	**19,864.9**
Funding from HII	**(74.7)**	**435.1**	**(509.8)**
Adjusted cash balance	**12,823.1**	**(6,532.0)**	**19,355.1**

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 $12,897.8K, please note that $1,296.8K are currently held in the Monitor’s trust account as at August 4, 2012. This amount represents funds reserved for the KERP as indicated in paragraphs 94 to 96 of the Fifth Report and amounts received which are related to the Canoxy Place Subtenants.

Inflows

- GST/HST received was $2,715.7K compared to a budgeted amount of nil, which resulted in a favorable variance of $2,715.7K. This amount mainly represents a reimbursement of a GST/HST refund regarding a transaction which occurred in 2010 and has recently been claimed by HII.

- Other receipts were $17,019.9K, compared to a budgeted amount of $965.6K, which resulted in a favorable variance of $16,054.3K. The favorable variance is due to various budgeted and unbudgeted amounts, which are mainly composed of:
    - An unbudgeted transfer of $16.2M in restricted funds approved by the Court (as indicated in the Tenth and Thirteenth Monitor’s Reports);
    - An amount of $721.1K in distributions from HHUS compared to the budgeted amount of $965K;
    - An unbudgeted deposit of $50K from a bank account no longer in use; and
    - Various unbudgeted interest receipts totaling $48.8K.

- Hotel revenues were $533.4K compared to a budgeted amount of $762.6K, resulting in an unfavorable variance of $229.2K. The unfavorable variance is due to lower than expected occupancy during the period noted.

Outflows

- Payroll was $588.2K compared to a budgeted amount of $465K, creating a permanent unfavorable variance of $123.2K. This unfavorable variance of $123.2K is mainly due to payments made to Canadian directors, which are recorded through payroll, thus the offsetting entry is a permanent favorable variance recorded in the Director fees line item.

- Professional fees were $7,343.8K compared to a budgeted amount of $8,088K, resulting in a favorable variance of $744.2K. This favorable variance is due to timing. Professional fees have been incurred as a result of the Company’s and the Monitor’s legal counsel, and professionals spending significant amounts of time on numerous material issues and procedures during the CCAA filing. Examples of this are various CRA issues, discussions and due diligence surrounding the professional services associated to the Cedar and Inverness transactions, the sale process of select Canadian properties, and European bank negotiations. Included in these professional fees are amounts advanced to the Stitching’s Trustees and their advisors.

- 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:

Stichting Homburg invoice list					
Invoice	Date Range		Amount Per Invoice		Amount in $
INVOICE nr 3.2012	Dec. 5, 2011 - Dec. 31, 2011	$	239,128	$	239,128
INVOICE nr 4.2012	Jan 1, 2012 - Jan. 31, 2012	$	265,486	$	265,486
INVOICE nr 5.2012	Feb 1, 2012 - Feb. 29, 2012	$	248,270	$	248,270
INVOICE nr 6.2012	Mar 1, 2012 - Mar 31, 2012	$	235,752	$	235,752
INVOICE nr 7.2012	Mar 1, 2012 - Mar 31, 2012	$	73,088	$	73,088
INVOICE nr 8.2012	Apr 1, 2012 - Apr 31, 2012	$	245,167	$	245,167
INVOICE nr 9.2012	Apr 1, 2012 - Apr 31, 2012	€	285,646	$	369,655
INVOICE nr 10.2012	May 1, 2012- May 31, 2012	$	218,794	$	218,794
INVOICE nr 11.2012	May 1, 2012- May 31, 2012	€	184,914	$	231,641
INVOICE nr 12.2012	June 1, 2012- June 30, 2012	$	261,074	$	261,074
INVOICE nr 13.2012	May 9, 2012 - May 10, 2012	€	70,294	$	86,701
INVOICE nr 14.2012	Mar 1, 2012 - May 31, 2012	$	10,340	$	10,340
VAT Refund	Invoices 3, 4, & 5	€	(70,352)	$	(86,667)
Total $		**$**	**1,797,100**		
Total €		**€**	**470,502**		
Total (Converted on date paid)				**$**	**2,398,430**

A total of approximately $2,398.4K was advanced to the Stitching's Trustees and their advisors since the Court Order and $1,336.7K funded during the period from May 13 to August 4, 2012 (Invoices 8 to 14 and VAT Refund). The advances of these fees will be set off against any distribution made to the Bondholders under any plan of arrangement.

- Insurance was $25.9K compared to a budgeted amount of $51K, which resulted in a permanent favorable variance of $25.1K. The Baltics region reimbursed HII for its portion of the insurance policy. This reimbursement was not originally budgeted.

- Office and administrative expenditures were $680.4K compared to a budgeted amount of $630K, which resulted in an unfavorable variance of $50.4K. This variance is mainly due to unbudgeted property valuations that were commissioned and performed during the period.

- Director fees were $789.6K compared to a budgeted amount of $913K, which resulted in a favorable permanent variance of $123.4K. As previously noted, this favorable permanent variance is offset by the permanent unfavorable variance recorded in Payroll.

- CP obligation was $(68.4K) compared to a budgeted amount of $65.7K, which resulted in a favorable variance of $134.1K. The favorable variance is a result of HII determining that no amounts were owed with respect to the resiliated head lease. HII determined that it had overpaid for March and April 2012 because a tenant was occupying a portion of the head leased space. A portion of the receipts received during the period, which were applied against the head lease obligation, will be remitted in the future to the lessor as it was received for a period after HII had already disclaimed the head lease.

- Other expenditures were $3,674.6K compared to a budgeted amount of $3,797K, which resulted in a favorable variance of $122.4K. This favorable variance is due to an unpaid amount of GST totaling $297K related to the sale of a condo to Richard Homburg in accordance with the HCI

Purchase Agreement. This favorable variance is mainly offset by payments which were made to HSBC in the amount of $100.4K for a shortfall following the reimbursement of certain amounts owed under letters of credit and $74K in interest on restricted cash that was transferred to an account designated for restricted cash.

- Management fee at the Hotel was nil compared to a budgeted amount of $12K, which resulted in a temporary favorable variance at the Hotel of $12K.

- Property and other taxes were $38.1K compared to a budgeted amount of $90K, which resulted in a favorable variance of $51.9K. The favorable variance is mainly due to timing.

- General operating expenses at the Hotel were $231.5K compared to a budgeted amount of $490K, which resulted in a favorable variance of $258.5K during the period. The favorable variance of $258.5K is due to stricter expense policies and a lower than expected occupancy rate.

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 12-week period of May 13, 2012 to August 4, 2012		
	Actual	Budget	Variance
Cash inflows			
Mortgage bond issuance	-	-	-
Intercompany transfers (Petitioners)	-	-	-
Total cash inflows	**-**	**-**	**-**
Cash outflows			
Interest payments - mortgage bonds	-	-	-
Repayment of Bonds	-	-	-
Intercompany transfers (Petitioners)	-	-	-
Total cash outflows	**-**	**-**	**-**
Opening cash balance	**39.1**	**39.1**	**-**
Variation in cash balance	**-**	**-**	**-**
Exchange rate (Gain / Loss)	-	-	-
Ending cash balance	**39.1**	**39.1**	**-**

<u>ShareCo budget to actual commentary</u>

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 12-week period of May 13, 2012 to August 4, 2012		
	Actual	Budget	Variance
Cash inflows			
Condo sales proceeds	476.7	400.0	76.7
GST collected	-	20.0	(20.0)
GST ITC refund	-	-	-
Rent	(5.5)	16.5	(22.0)
Other Receipts	45.0	3,071.0	(3,026.0)
Total cash inflows	**516.2**	**3,507.5**	**(2,991.3)**
Cash outflows			
Commissions	-	20.0	20.0
Advertising	-	-	-
R&M	6.7	7.0	0.3
Property tax	10.7	126.2	115.5
Professional fees	-	1.0	1.0
Insurance	-	0.9	0.9
Mortgage principal	-	3,450.0	3,450.0
Mortgage interest	-	-	-
Office & admin	0.3	-	(0.3)
Condo fees	49.0	47.8	(1.2)
GST remitted	154.9	-	(154.9)
Total cash outflows	**221.6**	**3,652.9**	**3,431.3**
Opening cash balance	**500.7**	**500.7**	**-**
Variation in cash balance	**294.6**	**(145.4)**	**440.0**
Exchange rate (Gain / Loss)	-	-	-
Ending cash balance	**795.3**	**355.3**	**440.0**
Funding from HII	**-**	**-**	**-**
Funded ending cash balance	**795.3**	**355.3**	**440.0**

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

- During the period noted, the Inverness bulk sale closed and the excess proceeds from the sale were used to pay the Churchill mortgage which is cross-collateralized with the Inverness mortgage. The funds were applied directly to the outstanding loan obligation. Following this payment, the loan obligation related to the Churchill project was retired; all remaining net proceeds from future sales will flow directly to Churchill. As the funds are received by Churchill, the amount owed back to Inverness of approximately $3,600K will be reimbursed.

- Condo sales were $476.7K during the period compared to a budgeted amount of $400K, which resulted in a favorable variance of $76.7K. The permanent favorable variance of $76.7K resulted from a sale price that was greater than the sale price originally forecasted.

- Rent receipt was $(5.5K) compared to a budgeted amount of $16.5K, which resulted in a permanent unfavorable variance of $22K, which is the result of the lease being terminated and the tenant's security deposit being refunded, resulting in a negative rent receipt balance.

- Other receipts were $45K compared to a budgeted amount of $3,071K, which resulted in an unfavorable variance of $3,026K. The inflow of $45K during the period relates to a holdback on a parking space that was released. The budgeted amount of $3,071K mainly relates to funds that were expected from the Inverness bulk sale to pay the Churchill mortgage. These proceeds were remitted directly to the secured lender.

Outflows

- Commissions were nil compared to a budgeted amount of $20K, which resulted in a favorable variance of $20K. Proceeds from the sale of condo units are collected by legal counsel and related expenses paid. Churchill receives the net proceeds of the sale rather than paying commissions directly.

- Property tax was $10.7K compared to a budgeted amount of $126.4K, which resulted in a favorable variance of $115.5K. The variance is mainly due to GST which was incorrectly budgeted in Property tax rather than GST remitted. The budgeted amount mainly relates to GST collected in April 2012 and payable in this period.

- Mortgage principal was nil compared to a budgeted amount of $3,450K. As previously discussed, the mortgage was retired with the net proceeds from the Inverness bulk sale. The amount remitted was $3,567.8K versus the $3,450K reported in the Tenth Monitor's Report. The difference of $117.8K is a result of professional fees and other fees which were not included in the mortgage balance at the time of the Tenth Monitor's Report as the information was not available to Management at that time.

- GST remitted was $154.9K compared to a budgeted amount of nil, which resulted in an unfavorable variance of $154.9K. The variance is mainly due to the remittance of $126K of GST collected during March and April 2012 and $35.4K remitted for an amendment for the period from September 10 to September 30, 2011. As previously noted, GST was inadvertently budgeted in Property tax which offsets the favorable variance of $115.5K included in the Property tax line item.

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 12-week period of May 13, 2012 to August 4, 2012		
	Actual	Budget	Variance
Cash inflows			
Condo sales proceeds	-	3,971.6	(3,971.6)
Other receipts	160.0	-	160.0
GST collected	-	198.6	(198.6)
GST ITC refund	-	-	-
Total cash inflows	**160.0**	**4,170.2**	**(4,010.2)**
Cash outflows			
Commissions	-	139.0	139.0
R&M	7.2	3.0	(4.2)
Property tax	-	-	-
Professional fees	-	24.0	24.0
Insurance	-	-	-
Mortgage principal	-	10.5	10.5
Mortgage interest	-	-	-
Office & admin	-	65.8	65.8
Condo fees	-	11.2	11.2
GST remitted	0.5	187.0	186.5
Other expenditures	-	3,071.0	3,071.0
Total cash outflows	**7.7**	**3,511.5**	**3,503.8**
Opening cash balance	(213.5)	(213.5)	**-**
Variation in cash balance	**152.3**	**658.7**	**(506.4)**
Exchange rate (Gain / Loss)	-	-	**-**
Ending cash balance	**(61.2)**	**445.2**	**(506.4)**
Funding from HII	**61.2**	**(445.2)**	**(506.4)**
Funded ending cash balance	**-**	**-**	**-**

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

- During the period noted, the Inverness bulk sale closed. The bulk sale resulted in the sale of twenty-four (24) units. The actual purchase price of the units was $3,840K versus the budgeted amount of $3,971.6K, resulting in an unfavorable variance of $131.6K. The unfavorable variance of $131.6K is a result of an estimate based on information available at the time the budget was created. The proceeds from the sale were remitted directly to legal counsel at closing and used to settle the full amount owed by Churchill to the secured lender and other related closing costs. The Churchill loan was cross-collateralized with the Inverness debt.

- Other receipts during the period were $160K compared to a budgeted amount of nil, resulting in a favorable variance of $160K. This favorable variance is an unbudgeted receipt resulting from the redemption of a term deposit.

- GST collected during the period was nil compared to a budgeted amount of $198.6K, resulting in an unfavorable variance of $198.6K. This unfavorable variance is a result of GST collections being received by Inverness' counsel at the closing of the Inverness bulk sale and funds being remitted directly to the Receiver General.

Outflows

- The Inverness bulk sale transaction was administered by Inverness's legal counsel. Inverness's cash flows were created under the assumption that inflows and outflows associated with the transaction would occur through Inverness' bank account. Variances in cash outflows mainly relate to expenses paid directly by Inverness' legal counsel from the Inverness bulk sale cash inflows.

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 12-week period of May 13, 2012 to August 4, 2012		
	Actual	**Budget**	**Variance**
Cash inflows			
Costs reimbursed from escrow	-	475.0	(475.0)
GST refund from previous months	154.7	150.0	4.7
Other receipts	664.5	-	664.5
Total cash inflows	**819.2**	**625.0**	**194.2**
Cash outflows			
Construction costs (1,2&3)	34.2	1,000.0	965.8
Construction costs (4&5)	38.8	80.0	41.2
Professional fees	22.7	-	(22.7)
Mortgage principal	-	-	-
Mortgage interest	-	-	-
Other expenditures	-	136.0	136.0
Total cash outflows	**95.7**	**1,216.0**	**1,120.3**
Opening cash balance	**(78.1)**	**(78.1)**	**-**
Variation in cash balance	**723.5**	**(591.0)**	**1,314.5**
Exchange rate (Gain / Loss)	-	-	-
Ending cash balance	**645.4**	**(669.1)**	**1,314.5**

CP budget to actual commentary

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

Inflows

- During the period, there were no reimbursements from escrow as the construction work that was projected to occur in Week 41 of the cash flows presented in the Tenth Report was postponed to a later date.

- Other receipts of $664.5K were received compared to a budgeted amount of nil, resulting in a favorable variance of $664.5K. The favorable variance is due to unbudgeted receipts from CP's legal counsel in Alberta, who was holding money in trust for CP regarding the completion of buildings 1, 2 and 3. It was agreed that these funds were no longer needed for the completion of these buildings.

Outflows

- Construction costs for buildings 1, 2 and 3 were $34.2K compared to a budgeted amount of $1,000K, resulting in a favorable timing variance of $965.8K. The favorable timing variance is mainly due to construction costs expected to occur in the current period that did not occur and will be incurred in a future period.

- Construction costs for buildings 4 and 5 were $38.8K compared to a budgeted amount of $80K, resulting in a favorable variance of $41.2K. This favorable variance is mainly due to timing.

- Professional fees were $22.7K compared to a budgeted amount of nil, resulting in an unfavorable permanent variance of $22.7K. These professional fees relate to unbudgeted work performed by CP's legal counsel.

- Other expenditures have been nil compared to a budgeted amount of $136K. This favorable variance is mainly due to timing. This budgeted amount relates to property taxes which are still expected to be paid.

North Calgary Lands

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

Homburg North Calgary Lands
Budget to Actual Cash Flow
Unaudited - Based on discussions with the company's Management
(C$000)

	For the 10-week period of June 3, 2012 to August 4, 2012		
	Actual	Budget	Variance
Cash inflows			
GST/HST received	0.2	-	0.2
Other receipts	-	-	-
Total cash inflows	**0.2**	**-**	**0.2**
Cash outflows			
Professional fees	3.6	-	(3.6)
Property tax	10.1	10.1	-
Insurance	-	-	-
Office & administrative	-	-	-
GST/HST paid	-	-	-
Other expenditures	-	-	-
Total cash outflows	**13.7**	**10.1**	**(3.6)**
Opening cash balance	**-**	**-**	**-**
Variation in cash balance	**(13.5)**	**(10.1)**	**(3.4)**
Exchange rate (Gain / Loss)	-	-	-
Ending cash balance	**(13.5)**	**(10.1)**	**(3.4)**
Funding from HII	**13.5**	**10.1**	**(3.4)**
Funded ending cash balance	**-**	**-**	**-**

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 major variances occurred during the period noted.

Homburg - Proof of Claim Register

Summary

Entities	Claim received #	$	Secured ($)	Unsecured ($)
PETITIONERS				
Inverness Estates Development Ltd.	5	11,209,652.78 $	63,400.00 $	11,146,252.78 $
North Calgary Land Ltd.	2	34,450,639.05 $	7,045,034.45 $	27,405,604.60 $
Homburg Invest Inc.	137	1,418,466,475.52 $	148,433,021.17 $	1,270,033,454.35 $
Homburg Shareco Inc.	4	150,823,196.78 $	- $	150,823,196.78 $
CP Development Ltd.	17	79,666,411.68 $	16,069,622.38 $	63,596,789.30 $
Churchill Estates Development Ltd.	9	19,227,325.10 $	354,865.50 $	18,872,459.60 $
MIS-EN-CAUSE				
Homco 52	3	68,430,540.67 $	24,520,000.62 $	43,910,540.05 $
Homco 88	32	188,720,479.80 $	76,562,118.36 $	112,158,361.44 $
Homco 89	3	56,092.43 $	- $	56,092.43 $
Homco 92	1	4,289,952.54 $	- $	4,289,952.54 $
Homco 94	1	18,037,540.43 $	- $	18,037,540.43 $
Homco 96	2	1,471,352.13 $	1,461,452.13 $	9,900.00 $
Homco 105	2	16,226,112.56 $	4,981,039.65 $	11,245,072.91 $
Homco 121	2	27,140,339.11 $	6,748,685.19 $	20,391,653.92 $
Homco 122	3	2,296,932.59 $	- $	2,296,932.59 $
Homco 142	2	8,976,259.31 $	- $	8,976,259.31 $
Homco 199	6	13,610,832.17 $	13,495,917.14 $	114,915.03 $
	231	**2,063,100,134.65**	**299,735,156.59**	**1,763,364,978.06**

APPENDIX D

HII Extended 2-week cash flow forecast ($C)

Updated as of August 5, 2012

		10th report AMENDED					14th report		
Number of weeks:	**6**	48	49	50	51		52	53	
Beginning period:	**5-Aug-12**	**5-Aug-12**	**12-Aug-12**	**19-Aug-12**	**26-Aug-12**	**TOTAL**	**2-Sep-12**	**9-Sep-12**	**TOTAL**
Ending period:		**11-Aug-12**	**18-Aug-12**	**25-Aug-12**	**1-Sep-12**	**4-Week period**	**8-Sep-12**	**15-Sep-12**	**2-Week period**
		Forecast	Forecast	Forecast	Forecast		Forecast	Forecast	
Cash inflows									
GST/HST received		-	-	-	-	**-**	-	-	**-**
Other receipts		-	-	-	-	**-**	-	-	**-**
Hotel related receipts									
Hotel revenue		70,000	70,000	70,000	70,000	**280,000**	35,000	35,000	**70,000**
Total cash inflows		70,000	70,000	70,000	70,000	**280,000**	35,000	35,000	**70,000**
Cash outflows									
Payroll		75,000	-	75,000	-	**150,000**	123,236	-	**123,236**
Rent expense		-	-	-	-	**-**	25,000	-	**25,000**
Restructuring related professional fees		674,000	674,000	674,000	674,000	**2,696,000**	2,274,000	2,274,000	**4,548,000**
Insurance		-	-	-	-	**-**	17,000	-	**17,000**
Office & admin		52,500	52,500	52,500	52,500	**210,000**	62,500	62,500	**125,000**
Director fees		-	-	-	-	**-**	-	-	**-**
KERP		-	-	-	-	**-**	438,350	-	**438,350**
Other expenditures		-	-	-	-	**-**	-	245,719	**245,719**
Hotel disbursements									
Payroll		35,000	-	35,000	-	**70,000**	30,000	-	**30,000**
Management fee		-	-	-	-	**-**	4,000	-	**4,000**
PEI obligation		-	-	-	-	**-**	16,300	-	**16,300**
Property and other taxes		-	-	-	90,000	**90,000**	-	-	**-**
General operating expenses		45,000	45,000	45,000	45,000	**180,000**	45,000	45,000	**90,000**
Construction costs		-	-	-	-	**-**	-	-	**-**
Mortgage principal & interest		-	-	-	-	**-**	-	-	-
Total hotel disbursements		80,000	45,000	80,000	135,000	**340,000**	95,300	45,000	**140,300**
Total cash outflows		881,500	771,500	881,500	861,500	**3,396,000**	3,035,386	2,627,219	**5,662,605**
						-			
Opening cash balance		**12,897,800**	**12,086,300**	**11,384,800**	**10,573,300**	12,897,800	**9,781,800**	**6,781,414**	9,781,800
Variation in cash balance		(811,500)	(701,500)	(811,500)	(791,500)	**(3,116,000)**	(3,000,386)	(2,592,219)	**(5,592,605)**
Exchange rate		-	-	-	-	**-**	-	-	**-**
Ending cash balance		**12,086,300**	**11,384,800**	**10,573,300**	**9,781,800**	**9,781,800**	**6,781,414**	**4,189,195**	**4,189,195**
Funding from HII		**(74,700)**	**(74,700)**	**(74,700)**	**(74,700)**	**(74,700)**	**(74,700)**	**(74,700)**	**(74,700)**
Adjusted cash balance		**12,011,600**	**11,310,100**	**10,498,600**	**9,707,100**	**9,707,100**	**6,706,714**	**4,114,495**	**4,114,495**

Notes:

1) The cash flow forecast for weeks 48, 49, 50 and 51, which was previously presented in the Tenth Report, has been amended by Management.
2) Funding from HII was adjusted following changes in the Tenth Report cash flows for CP and Inverness for rescheduled payments impacting future cash flows.
3) The amount for KERP listed in week 52 is less than what is requested from this Court since an amount of $43,650 is already in the Monitor's trust account and is available for use.

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;

(i) The performance of other industry/market participants engaged in similar activities as HII;

(ii) Feasibility studies;

(iii) Marketing studies; or

(iv) 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
Opening cash balance	Based on allocated cash balances as at August 5, 2012	X	
Exchange rates	All cash flows are in Canadian dollars		X
Forecast cash receipts			
GST/HST received	GST refunds are not expected to be received during the weeks 48 to 53		X
Other receipts	Forecasted distribution from HHUS	X	
Hotel revenue	Based on forecasts provided by Management established on the number of room bookings		X
Forecast cash disbursements			
Payroll	Based on previous payroll expenses plus incentive compensation and salary increases	X	
Rent expense	Rent at the Akerley Blvd. and Montreal location	X	
Restructuring-related professional fees	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	
Other expenditures	Funding of Coët Properties in order to pay for a portion of the required CAPEX investment as presented in the Ninth Monitor's Report		X
Hotel disbursements			
Payroll	Based on Management's assumptions related to occupancy and required staff	X	

Assumptions	Source	Probable Assumption	Hypothetical Assumption
Management fee	The Hotel management fee	X	
PEI Obligation	Lease obligations relate to the ground lease of the Holman Grand Hotel	X	
Property and other taxes	Based on previous property and other tax expenses	X	
General operating expenses	Based on previous G&A expenses		X
Construction costs	Remaining construction has currently been halted	X	
Mortgage principal & interest	Amount stayed by proceedings	X	
Closing cash balance	Based on allocated cash transactions		X

ShareCo Extended 2-week cash flow forecast ($C)

Updated as of August 5, 2012

		10th report PUBLISHED					14th report		
Number of weeks:	**6**	48	49	50	51		52	53	
Beginning period:	**5-Aug-12**	**5-Aug-12**	**12-Aug-12**	**19-Aug-12**	**26-Aug-12**	**TOTAL**	**2-Sep-12**	**9-Sep-12**	**TOTAL**
Ending period:		**11-Aug-12**	**18-Aug-12**	**25-Aug-12**	**1-Sep-12**	**4-Week period**	**8-Sep-12**	**15-Sep-12**	**2-Week period**
		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**
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**

Notes:

1) The opening cash balance reflects the allocated cash balance as at August 5, 2012.

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 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.

(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 ShareCo's judgment, but are consistent with the purpose of the Cash Flow Statement.

(3) 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.

(4) 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
General cash flow assumptions	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. 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 6 weeks from August 5 to September 15, 2012. Occasionally, certain funds are transferred between HII and ShareCo.	X	
Opening cash balance	Based on allocated closing cash balances as at August 5, 2012	X	
Closing cash balance	Based on allocated cash transactions		X

Churchill Extended 2-week cash flow forecast ($C)

Updated as of August 5, 2012

		10th report AMENDED					14th report		
Number of weeks	**6**	48	49	50	51		52	53	
Beginning period:	**5-Aug-12**	**5-Aug-12**	**12-Aug-12**	**19-Aug-12**	**26-Aug-12**	**TOTAL**	**2-Sep-12**	**9-Sep-12**	**TOTAL**
Ending period:		**11-Aug-12**	**18-Aug-12**	**25-Aug-12**	**1-Sep-12**	**4-Week period**	**8-Sep-12**	**15-Sep-12**	**2-Week period**
		Forecast	Forecast	Forecast	Forecast		Forecast	Forecast	
Cash inflows									
Condo sales proceeds		-	-	-	629,800	**629,800**	-	-	**-**
GST collected		-	-	-	31,400	**31,400**	-	-	**-**
GST ITC refund		-	-	-	-	**-**	-	-	**-**
Rent		-	-	-	-	**-**	-	-	**-**
Other receipts		-	-	-	-	-	-	-	-
Total cash inflows		**-**	**-**	**-**	**661,200**	**661,200**	**-**	**-**	**-**
Cash outflows						**-**			
Commissions		-	-	-	31,490	**31,490**	-	-	**-**
R&M		-	-	-	2,000	**2,000**	-	-	**-**
Property tax		-	-	-	6,900	**6,900**	-	-	**-**
Professional fees		-	-	-	1,000	**1,000**	-	-	**-**
Insurance		-	-	-	250	**250**	-	-	**-**
Mortgage principal		-	-	-	-	**-**	-	-	**-**
Mortgage interest		-	-	-	-	**-**	-	-	**-**
Condo fees		-	-	-	15,500	**15,500**	-	-	**-**
GST remitted		-	-	-	-	**-**	-	-	**-**
Total cash outflows		**-**	**-**	**-**	**57,140**	**57,140**	**-**	**-**	**-**
Opening cash balance		**795,300**	**795,300**	**795,300**	**795,300**	**795,300**	**1,399,360**	**1,399,360**	**1,399,360**
Variation in cash balance		-	-	-	604,060	**604,060**	**-**	**-**	**-**
Exchange rate		-	-	-	-	-	-	-	-
Ending cash balance		**795,300**	**795,300**	**795,300**	**1,399,360**	**1,399,360**	**1,399,360**	**1,399,360**	**1,399,360**

Notes:

1) The cash flow forecast for weeks 48, 49, 50 and 51, which was previously presented in the Tenth Report, has been updated by Management.
2) Rent of $5.5K per month was previously budgeted in week 51 of Churchill's cash flows in the Tenth Monitor's Report. However, the tenant has since vacated the condominium and Churchill is no longer receiving any rent.

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 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.

(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 Churchill's judgment, but are consistent with the purpose of the Cash Flow Statement.

(3) 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.

(4) SUITABLY SUPPORTED

Meaning 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
Opening cash balance	Based on allocated cash balances as at August 5, 2012	X	
Exchange rates	All cash flows are in Canadian dollars		X
Forecast cash receipts			
Condo sales proceeds	Condominiums are projected to close in August 2012		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	
Rent	Monthly rent based on the rental of one unit, no activity has been forecasted during the period	X	
Other receipts	Net proceeds of the Inverness Transaction, no activity has been forecasted during the period	X	
Forecast cash disbursements			
Commissions	Commissions are based on 5% of the projected sales		X
R&M	Repairs and maintenance expenses are based on previous expenses	X	
Property tax	Property tax is paid in monthly installments	X	
Professional fees	Legal and closing costs for sale of property		X
Insurance	Insurance has been pre-paid for the year	X	
Mortgage principal	Mortgage has been fully paid down	X	
Mortgage interest	No interest remaining to be paid	X	
Condo fees	Condominium fees based on previous expenses	X	
GST remitted	GST paid on expenses listed in this cash flow, no activity has been forecasted during the period	X	

Assumptions	Source	Probable Assumption	Hypothetical Assumption
Closing cash balance	Based on allocated cash transactions		X

Inverness Extended 2-week cash flow forecast ($C)

Updated as of August 5, 2012

		10th report PUBLISHED					14th report		
Number of weeks:	**6**	48	49	50	51		52	53	
Beginning period:	**5-Aug-12**	**5-Aug-12**	**12-Aug-12**	**19-Aug-12**	**26-Aug-12**	**TOTAL**	**2-Sep-12**	**9-Sep-12**	**TOTAL**
Ending period:		**11-Aug-12**	**18-Aug-12**	**25-Aug-12**	**1-Sep-12**	**4-Week period**	**8-Sep-12**	**15-Sep-12**	**2-Week period**
		Forecast	Forecast	Forecast	Forecast		Forecast	Forecast	
Cash inflows									
Condo sales proceeds		-	-	-	-	-	-	-	-
GST collected		-	-	-	-	-	-	-	-
GST ITC refund		-	-	-	-	-	-	-	-
Total cash inflows		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Cash outflows									
Commissions		-	-	-	-	-	-	-	-
R&M		-	-	-	-	-	-	-	-
Property tax		-	-	-	-	-	-	-	-
Professional fees		-	-	-	-	-	-	-	-
Insurance		-	-	-	-	-	-	-	-
Mortgage principal		-	-	-	-	-	-	-	-
Mortgage interest		-	-	-	-	-	-	-	-
Office & administrative		-	-	-	-	-	-	-	-
Condo fees		-	-	-	-	-	-	-	-
GST remitted		-	-	-	-	-	-	-	-
Other expenditures		-	-	-	-	-	-	-	-
Total cash outflows		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Opening cash balance		**(61,200)**	**(61,200)**	**(61,200)**	**(61,200)**	**(61,200)**	**(61,200)**	**(61,200)**	**(61,200)**
Variation in cash balance		-	-	-	-	-	-	-	-
Exchange rate		-	-	-	-	-	-	-	-
Ending cash balance		**(61,200)**	**(61,200)**	**(61,200)**	**(61,200)**	**(61,200)**	**(61,200)**	**(61,200)**	**(61,200)**
Funding from HII		**61,200**	**61,200**	**61,200**	**61,200**	**61,200**	**61,200**	**61,200**	**61,200**
Funded ending cash balance		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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 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.

(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 Inverness' judgment, but are consistent with the purpose of the Cash Flow Statement.

(3) 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.

(4) 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
Opening cash balance	Based on allocated cash balances as at August 5, 2012	X	
Exchange rates	All cash flows are in Canadian dollars		X
Forecast cash receipts			
Condo sales proceeds	Based on the assumed proceeds of the Inverness transaction, no activity has been forecasted during the period	X	
GST collected	Based on applicable taxes on forecast condo sales, no activity has been forecasted during the period		X
GST ITC refund	No GST ITC refund forecast for Inverness Estates Development Ltd., no activity has been forecasted during the period	X	
Forecast cash disbursements			
Commissions	Based on 3.5% commissions on the bulk sale transaction, no activity has been forecasted during the period		X
R&M	Based on previous R&M expenses, no activity has been forecasted during the period	X	
Property tax	Based on previous property expenses paid semi-annually, no activity has been forecasted during the period	X	
Professional fees	Legal and closing costs for sale of property, no activity has been forecasted during the period		X
Insurance	Insurance has been prepaid, no activity has been forecasted during the period	X	
Mortgage principal	Mortgage has been fully paid down	X	
Mortgage interest	No interest remains to be paid	X	
Office & administrative	Based on previous office and administrative expenses, no activity has been forecasted during the period	X	
Condo fees	Based on previous condominium fees, no activity has been forecasted during the period	X	
GST remitted	Based on GST paid on expenses incurred in the period of the cash flow, no activity has been forecasted during the period	X	

Assumptions	Source	Probable Assumption	Hypothetical Assumption
Other expenditures	Assumed that after retiring Romspen's secured debt on Inverness, the remaining proceeds will be used to retire Churchill's secured debt to Romspen as the amounts are cross-collateralized, no activity has been forecasted during the period		X
Closing cash balance	Based on allocated cash transactions		X

CP Extended 2-week cash flow forecast ($C)

Updated as of August 5, 2012

		10th report AMENDED					14th report		
Number of weeks:	**6**	48	49	50	51		52	53	
Beginning period:	**5-Aug-12**	**5-Aug-12**	**12-Aug-12**	**19-Aug-12**	**26-Aug-12**	**TOTAL**	**2-Sep-12**	**9-Sep-12**	**TOTAL**
Ending period:		**11-Aug-12**	**18-Aug-12**	**25-Aug-12**	**1-Sep-12**	**4-Week period**	**8-Sep-12**	**15-Sep-12**	**2-Week period**
		Forecast	Forecast	Forecast	Forecast		Forecast	Forecast	
Cash inflows									
Costs reimbursed from escrow		-	-	-	-	**-**	-	-	**-**
GST refund from previous month		-	-	-	-	**-**	-	-	**-**
Total cash inflows		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Cash outflow									**-**
Construction costs (1,2&3)		-	-	-	-	**-**	-	-	**-**
Construction costs (4&5)		-	-	-	10,000	**10,000**	-	-	**-**
Professional fees		-	-	-	-	**-**	-	-	**-**
Mortgage principal		-	-	-	-	**-**	-	-	**-**
Mortgage interest		-	-	-	-	**-**	-	-	**-**
Property tax		-	-	-	-	**-**	-	-	**-**
Total cash outflows		**-**	**-**	**-**	**10,000**	**10,000**	**-**	**-**	**-**
						-			
Opening cash balance		**645,400**	**645,400**	**645,400**	**645,400**	**645,400**	**635,400**	**635,400**	**635,400**
Variation in cash balance		-	-	-	(10,000)	**(10,000)**	-	-	**-**
Exchange rate		-	-	-	-	**-**	-	-	**-**
Ending cash balance		**645,400**	**645,400**	**645,400**	**635,400**	**635,400**	**635,400**	**635,400**	**635,400**
Funding from HII		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Funded ending cash balance		**645,400**	**645,400**	**645,400**	**635,400**	**635,400**	**635,400**	**635,400**	**635,400**

Notes:

1) The cash flow forecast for weeks 48, 49, 50 and 51, which was previously presented in the Tenth Report, has been updated by Management.
2) Costs reimbursed from escrow of $475K were previously budgeted in the week 48 of the cash flows of the Tenth Report. This receipt will be budgeted at the end of October 2012.

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 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.

(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 CP's judgment, but are consistent with the purpose of the Cash Flow Statement.

(3) 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.

(4) 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
Opening cash balance	Based on allocated cash balances as at August 5, 2012	X	
Exchange rates	All cash flows are in Canadian dollars		X
Forecast cash receipts			
Costs reimbursed from escrow	Funds in escrow received from Cominar REIT following the sale of three of the CP Development Ltd. properties. The funds are released from the escrow account once the construction costs have been paid. No activity has been forecasted during the period.		X
GST refund from previous month	Based on the letter from CRA indicating that holdback refunds will be released, no activity has been forecasted during the period		X
Forecast cash disbursements			
Construction costs (1, 2 and 3)	Projected construction cost provided by Cuthbert & Smith (consulting), including GST, no activity has been forecasted during the period		X
Construction costs (4 and 5)	Carrying costs for properties 4 and 5 for which construction has been halted (insurance, taxes and maintenance), including GST		X
Professional fees	No professional fees as per Management's assumptions, no activity has been forecasted during the period	X	
Mortgage principal	Amount stayed by proceedings	X	
Mortgage interest	Amount stayed by proceedings	X	
Property tax	Based on previous property expenses, no activity has been forecasted during the period	X	
Closing cash balance	Based on allocated cash transactions		X

NCLL Extended 2-week cash flow forecast ($C)

Updated as of August 5, 2012

		11th report PUBLISHED					14th report		
Number of weeks:	6	10	11	12	13		14	15	
Beginning period:	5-Aug-12	5-Aug-12	12-Aug-12	19-Aug-12	26-Aug-12	TOTAL	2-Sep-12	9-Sep-12	TOTAL
Ending period:		11-Aug-12	18-Aug-12	25-Aug-12	1-Sep-12	4-Week Period	8-Sep-12	15-Sep-12	2-Week period
		Forecast	Forecast	Forecast	Forecast		Forecast	Forecast	
Cash inflows									
GST/HST received		-	-	-	-	-	-	-	-
Other receipts		-	-	-	-	-	-	-	-
Total cash inflows		-	-	-	-	-	-	-	-
Cash outflows									
Professional fees		-	-	-	-	-	-	-	-
Propety tax		-	-	-	-	-	-	-	-
Insurance		-	-	-	-	-	-	-	-
Office & administrative		-	-	-	-	-	-	-	-
GST/HST paid		-	-	-	-	-	-	-	-
Other expenditures		-	-	-	-	-	-	-	-
Total cash outflows		-	-	-	-	-	-	-	-
Opening cash balance		(13,500)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)
Variation in cash balance		-	-	-	-	-	-	-	-
Exchange rate		-	-	-	-	-	-	-	-
Ending cash balance		(13,500)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)
Funding from HII		13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500
Funded ending cash balance		-	-	-	-	-	-	-	-

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

(5) 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.

(6) 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.

(7) 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.

(8) 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
Opening cash balance	Based on allocated cash balances as at August 5, 2012	X	
Exchange rates	All cash flows are in Canadian dollars		X
Forecast cash receipts			
GST/HST received	Based on previous GST/HST reimbursements, no activity has been forecasted during the period		X
Other receipts	Other disbursements, no activity has been forecasted during the period	X	
Forecast cash disbursements			
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 yearly installment, no activity has been forecasted during the period	X	
Insurance	Insurance has been pre-paid for the year, no activity has been forecasted during the period	X	
Office and administrative	Based on previous office and administrative charges, no activity has been forecasted during the period	X	
GST/HST paid	Based on previous GST/HST payments, no activity has been forecasted during the period	X	
Other expenditures	Other expenditures incurred, no activity has been forecasted during the period	X	
Closing cash balance	Based on allocated cash transactions		X