

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

SUPERIOR COURT

(Commercial Division)

(sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, R.S.C.
1985, c. C-36, as amended)

No.: 500-11-041305-117

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

**Homburg Invest Inc.
Homburg Shareco Inc.
Churchill Estates Development Ltd.
Inverness Estates Development Ltd.
CP Development Ltd.**

Debtors / Petitioners

-and-

North Calgary Land Ltd., a legal person duly constituted under the Alberta *Business Corporations Act*, having its registered 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, Montréal, Québec, H3Z 3B8

Petitioner

-and-

**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 (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**

Mises-en-cause

-and-

Homco Realty Fund (96) Limited Partnership, a partnership duly constituted under the laws of Nova Scotia, having its registered office at 1959 Upper Water Street, Suite 900, Halifax, Nova Scotia B3J 3N2 and having a chief place of business at Suite 1010, 1 Place Alexis Nihon, Montréal, Québec, H3Z 3B8

Mise-en-cause

-and-

Samson Bélair/Deloitte & Touche Inc.

Monitor

MOTION TO EXTEND THE STAY PERIOD, TO AMEND THE INITIAL ORDER AND FOR RELATED ORDERS

(Sections 11 and 11.02 of the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36)

TO THE HONOURABLE JUSTICE LOUIS J. GOUIN OR TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN COMMERCIAL DIVISION IN AND FOR THE JUDICIAL DISTRICT OF MONTRÉAL, THE PETITIONERS RESPECTFULLY SUBMIT AS FOLLOWS:

I. INTRODUCTION

1. On September 9, 2011, the Honourable Louis J. Gouin, J.S.C. issued an order (the “**Initial Order**”) pursuant to the *Companies Creditors' Arrangement Act*, R.S.C. 1985, c. C-36 (the “**CCAA**”) in respect of Homburg Invest Inc. (“**HII**”), Homburg Shareco Inc., Churchill Estates Development Ltd., Inverness Estates Development Ltd. and CP Development Ltd. (collectively the “**Debtors**”) as appears from the Court record;
2. Pursuant to the Initial Order, Samson Bélair/Deloitte & Touche Inc. (the “**Monitor**”) was appointed as Monitor of the Debtors and a stay of proceedings (the “**Stay of Proceedings**”) was issued from the date of the Initial Order until October 7, 2011.
3. On October 7, 2011, this Court issued an order (the “**First Extension Order**”) extending the Stay of Proceedings. Since then, this Court has further extended the Stay of Proceedings, most recently until May 31, 2012 (the “**Stay Period**”), as appears from the Court record;
4. As appears from the Initial Order and the First Extension Order, the Stay of Proceedings was extended in favour of the following limited partnerships: 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 (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 and together with the Debtors, the “**HII Group**”);
5. The HII Group respectfully requests that this Honourable Court extend the Stay Period until August 31, 2012, grant the HII Group access to additional funds in order to continue its operations and pursue its restructuring efforts during the extension of the Stay Period, amend the Initial Order to extend its coverage to North Calgary Land Ltd. and Homco Realty Fund (96) Limited Partnership;

6. Since the last extension of the Stay Period, the HII Group has continued to make significant progress in identifying and implementing operational restructuring measures advancing discussions with various stakeholders, addressing the control issues and work towards a plan of arrangement, as more fully described below;

II. OPERATIONS AND RESTRUCTURING EFFORTS

7. The Debtors have continued to expend significant effort in reorganizing their business operations and maintaining the normal course of business, in the context of the CCAA process. Highlights of the most significant activities of the Debtors are provided below. The Debtors refer the stakeholders and the Court to the Tenth Report of the Monitor to be filed in support of the present motion (the “**Monitor’s Tenth Report**”) for a complete description of these activities;

A. *Closing of the First Option Exercise*

8. On April 11, 2012, this Honourable Court approved the First Option Exercise (as defined in the *Motion for approval of the exercise of certain options*, in the Court record) by certain members of the HII Group;
9. On April 30, 2012, the closing of the transactions contemplated by the First Option Exercise took place. This represents a major milestone in aligning the HII Group’s corporate structure with its underlying economic interests and in maximizing full and direct control over the HII Group’s partnership structure in the context of the restructuring, the whole for the benefit of its stakeholders;
10. In order to further this objective, HII intends to present a motion before this Honourable Court for authorization to proceed with the exercise and implementation of additional options relating to those limited partnerships operating in the Baltic States in June 2012;

B. *Bondholder meetings and communications*

11. During the week of May 7, 2012, three separate bondholder meetings were held in the Netherlands, namely a meeting for each bondholder category, the Corporate bondholders, the Mortgage bondholders and the Capital Securities A bondholders. A total of approximately one thousand bondholders attended the meetings. Representatives of the HII Group and the Monitor presented an update on the restructuring, an overview of upcoming steps and answered bondholders’ questions;
12. Representatives of the bondholder trustees (the “**Trustees**”) also made a presentation at each meeting and answered questions. At these meetings, the bondholder groups voted on and overwhelmingly approved a resolution to approve the funding of the Trustees’ fees and expenses on the basis set forth in the order rendered by the Court on the *Amended Motion for the Payment of Fees, Disbursements and Expenses of the Indenture Trustees’ Advisors and Related Relief*, in the Court record;
13. HII and the Monitor are in constant communication with the Trustees to keep them apprised of all significant developments in the business and affairs of the HII Group and its ongoing restructuring efforts;

14. Further bondholders' meetings will be convened once a plan of arrangement (the "**Plan**") has been put forward for the purposes of voting on and approving the Plan;

C. Claims process

15. On April 30, 2012, this Honourable Court granted the HII Group's *Motion for approval of a claims process*, in the Court record. In compliance with that Order and as will appear from the Monitor's Tenth Report, the Monitor completed the mailing of a claims package to all known creditors on May 24, 2012 and publication of notices in newspapers on the same day;

D. Negotiations with mortgage lenders

16. The HII Group, with the assistance of the Monitor, has had and continues to have numerous meetings and discussions with all mortgage lenders (the "**Lenders**") to discuss their respective loan portfolios with a view to renegotiating the terms and conditions of the various loans to reflect the current unfavourable market conditions and specific property issues;
17. Given the currently unfavourable market conditions, particularly in the Netherlands, certain concessions requested by the HII Group are material and will likely need to be extensively considered by the Lenders. These discussions cannot reasonably be concluded on an expedited basis, but the HII Group is working diligently to reach outcomes which are in the best interest of stakeholders in the briefest of delays;

E. Homco 110 (Campeon complex)

18. As appears from the Court record, Homco Realty Fund (110) L.P. ("**Homco 110**") owns 93.38% of MoTo Objekt Campeon GmbH & Co. KG ("**MoTo**"), which holds a large real estate complex in Germany. The remaining shares of MoTo (the "**6.62% Interest**") are owned by Novella Grundstücks-Vermietungs GmbH ("**Novella**"), which has a right to put the said interest to Den Texhoek Pensioen B.V. ("**Texhoek**") until May 31, 2012. Texhoek has agreed to put the 6.62% Interest to Homco 110 (the "**Put**");
19. As previously disclosed to the Court, in February 2012, Homco 110 obtained an increase and extension of its loan with Falcon International Bank ("**Falcon**"). Conditions of the new agreement with Falcon (the "**New Falcon Agreement**") included, *inter alia*, the purchase by Homco 110 of the 6.62% Interest prior to May 31, 2012 ("**Deadline**") and a full cash sweep (after payment of operating expenses and payment to mortgage lenders) until repayment in full of the Falcon loan;
20. The New Falcon Agreement includes the amount required for the acquisition of the 6.62% Interest. However, this agreement requires Homco 110 to use any cash flow surplus (after the payment of all operating expenses and required payments to subordinate secured creditors) to reimburse the balance of the outstanding loan to be provided by Falcon;
21. As of the date hereof, the Put has not been exercised;

22. In view of the foregoing, Homco 110, HII and the Monitor are in discussions to obtain an extension of the Deadline. An update on the status of these discussions will be provided at the hearing of the present motion;
23. Notwithstanding the foregoing, the HII Group and the Monitor continue their efforts to secure third-party financing to replace the New Falcon Agreement;

F. Inverness bulk sale

24. As appears from the Court record, HII, through its subsidiaries, Churchill Estates Development Ltd. (“**Churchill**”) and Inverness Estates Development Ltd. (“**Inverness**”), is the owner of finished condominium units respectively in Calgary and Grande Prairie, Alberta;
25. Since the Initial Order was issued, Churchill and Inverness have continued to sell units in the ordinary course of business. Churchill and Inverness have been remitting the net proceeds of sale of the mortgaged condominium units to the only secured creditor for those assets, Romspen Investment Corp. (“**Romspen**”);
26. On December 1, 2011, Romspen filed a *Motion for an Order Lifting the Stay of Proceedings against Churchill Estates Development Ltd. and Inverness Estates Development Ltd. for the Purpose of Commencing Mortgage Foreclosure Proceedings against Real Property in the Province of Alberta* (the “**Foreclosure Motion**”), in the Court record. The HII Group and the Monitor contested this Motion;
27. The hearing on the Foreclosure Motion took place on January 20, 2012. On January 23, 2012, this Honourable Court dismissed the Motion, as more fully appears from the judgment, in the Court record;
28. On February 13, 2012, Romspen filed a *Motion for Leave to Appeal* of that judgment. The hearing on that Motion occurred on March 1, 2012 and it was dismissed by the Court of Appeal, with costs, on April 12, 2012;
29. On April 11, 2012, this Honourable Court granted the HII Group’s *Motion for authorization to sell assets of Inverness Estates Development Ltd. and for directions*, in the Court record, and thus permitted, *inter alia*, the sale in bulk of all remaining condominium units held by Inverness (the “**Bulk Sale**”). As more fully appears from that Motion, the Bulk Sale will result in full satisfaction of the loan owing to Romspen in respect of Inverness and in a substantial payment of the loan relating to Churchill;
30. The HII Group has been diligently working to close the Bulk Sale and it is currently expected that closing will occur on May 30, 2012;

G. Canoxy Place

31. On September 29, 2011, HII disclaimed a lease relating to Canoxy Place in Calgary, Alberta (the “**Canoxy Head Lease**”), with prior approval of the Monitor;

32. Following contestations by the landlord and certain sub-tenants of Canoxy Place, HII filed an *Amended motion for an order confirming the re-assignment and assignment of certain agreements and the release of HII's obligations under these agreements* (the "**Canoxy Motion**"), in the Court record, on November 10, 2011;
33. On December 5, 2011, this Honourable Court granted the Canoxy Motion and dismissed the contestation of Statoil Canada Ltd. ("**Statoil**"), with costs (the "**Canoxy Judgment**");
34. On December 22, 2011, Statoil filed a *Motion for leave to appeal* of the Canoxy Judgment. The hearing on that Motion also occurred on March 1, 2012 and it was dismissed by the Court of Appeal, with costs, on April 12, 2012;
35. On May 2, 2012, Cadillac Fairview Corporation Limited ("**Cadillac**") filed a *Motion to clarify and give effect to the judgment of this Court dated December 5, 2011*, in the Court record. This Motion sought clarifications from the Court as to whom of Statoil or HII owes certain amounts to Cadillac following the disclaimer of the Canoxy Head Lease;
36. On May 18, 2012, counsel for Cadillac notified the Court that this motion would be withdrawn;

H. Corporate governance matters

37. On May 3, 2012, Mr. Stephen Rosenhek joined HII's Board. Pursuant to the Settlement Agreement entered into by HII and the Trustees in December 2011, Mr. Rosenhek was selected by the Trustees and his appointment to the Board has been approved by the Netherlands Authority of the Financial Market (the "**AFM**"). Mr. Rosenhek has over twenty years of experience in accounting, restructuring and corporate finance. On May 6, 2012, Mr. Walter Fitzgerald resigned from the HII Board of Directors;

I. Virtual data room and cashflows

38. HII continues to populate the virtual data room with all relevant information, including detailed cashflows for each property held by the HII Group. All creditors that have signed a non-disclosure agreement in due form have been granted access to the data room accordingly. This includes representatives of the Trustees and the Taberna noteholders;

J. Stakeholder contacts

39. HII, together with the Monitor, continues to hold many meetings and calls with the Trustees in order to keep them abreast of the restructuring efforts in a timely manner. HII and the Monitor have also met and had numerous exchanges with various creditors, including representatives of the Taberna noteholders, to answer questions and provide information relating to the ongoing restructuring process;

III. AFM PROCEEDINGS

40. As previously disclosed to the Court, the HII Group has worked continuously with the Monitor and Canadian and Dutch legal counsel to address the concerns of the AFM. Nevertheless, on November 23, 2011, the AFM rendered a decision revoking the License

(the “**Revocation**”). In early January 2012, HII filed a notice of objection to the Revocation (the “**Objection**”);

41. On February 23, 2012, HII attended a hearing before the review commission of the AFM to present the Objection and made further representations in support of maintaining its License in the context of its current restructuring for the benefit of all of its creditors, including its Dutch bondholders;
42. As of the date hereof, no decision of the Objection has been rendered;
43. During the week of May 21, 2012, HII confirmed in writing its previous verbal request that the AFM refrain from rendering a decision on the Objection prior to the presentation of the Plan. On May 24, 2012, HII was advised that the decision on the Objection would be deferred for a six week period;
44. HII will continue to vigorously contest the Revocation by all means available in order to safeguard its ability to present the best possible Plan to its creditors;

IV. SALES TAX REFUNDS

45. Since the Initial Order was rendered and as more fully appears from the Eighth, Ninth and Tenth Monitor’s Reports, the Canada Revenue Agency (“**CRA**”) has been withholding Goods and Services Tax and Harmonized Sales Tax refunds owed to CP Development Ltd. (“**CP**”) and HII (the “**Refunds**”). Further to discussions between representatives of CRA and the HII Group, the HII Group and the Monitor were lead to believe that the Refunds would be released once certain audit procedures were completed;
46. The audits relating to the Refunds have now been completed, but no payments have been remitted to HII or CP;
47. Pursuant to a notice of reassessment issued by CRA dated May 14, 2012, HII was owed a total amount of \$2,644,974.17 in Refunds (the “**HII Credit**”) against which CRA has taken a reserve in the amount of \$685,850.00 (the “**HII Reserve**”) in respect of the claim it may have as a result of the eventual compromise of pre-filing payables. Similarly, pursuant to another notice of reassessment issued by CRA dated May 14, 2012, CP was owed a total amount of \$216,518.43 in Refunds (the “**CP Credit**”) against which CRA has taken a reserve in the amount of \$64,838.00 (the “**CP Reserve**”) in respect of the claim it may have as a result of the eventual compromise of pre-filing payables;
48. By letters dated May 16 and May 17, 2012, CRA advised that it will seek to offset amounts allegedly owing by HII and relating to corporate income tax debts for fiscal 2005, 2007 and 2010 (the “**Income Tax Claim**”) against any Refunds, including the HII Credit, and would file appropriate proceedings to seek a lift of the Stay of Proceedings to do so. In the May 17, 2012 letter, CRA also advised that it would release the CP Credit, minus the CP Reserve, but as of the date hereof CP has not received any remittance from CRA;

49. HII and CP are entitled to the HII Credit and the CP Credit, without any deductions for reserves or set-off, including the HII Reserve, the Income Tax Claim and the CP Reserve;
50. The amounts at stake are substantial and continue to increase in light of ongoing operations of the HII Group and its compliance with its post-filing tax obligations. The HII Group, with the assistance of the Monitor, will continue to attempt to diligently resolve these matters on a consensual basis;
51. In light of the foregoing, the cashflow forecasts included in the Monitor's Tenth Report do not provide for the receipt of any Refunds;

V. UPCOMING STEPS

52. In addition to the matters outlined above, together with the Monitor and respective legal advisors, the HII Group is continuing to identify and implement all opportunities to restructure its business and operations in the context of the CCAA process, including proceeding with the disclaimer of leases or other agreements as appropriate;
53. The HII Group and the Monitor will continue to diligently negotiate with the Lenders to improve the various loan portfolios, including to deal with those properties that have negative cashflow or no equity value;
54. The Monitor has begun to process claims received pursuant to the Claims Process Order and will continue to do so in due course;
55. The HII Group, with the assistance of the Monitor, will continue to elaborate and finalize its strategy with regards to the Canadian development properties and the US portfolio of properties which will remain after conclusion of the transaction relating to the Cedar assets;
56. As well, the HII Group and the Monitor are continuing to identify those matters which will form the object of the Plan including the corporate structure that will emerge following implementation of the Plan. Currently, it is anticipated that the Plan will likely include a cash and equity distribution to the affected creditors. The outcome of the negotiations with the Lenders will also be key to the Plan; the HII Group currently anticipates that it should be able to present the Plan to its creditors within **[30]** days following the conclusion of these discussions;

VI. ACCESS TO RESTRICTED CASH

57. On January 20, 2012, this Honourable Court rendered a judgment authorizing the sale of Canmarc REIT units (the "**REIT Units**") held by Homco Realty Fund (199) L.P. (the "**REIT Units Sale Order**"). As previously disclosed, the REIT Units were sold and resulted in proceeds of approximately \$145 million (the "**REIT Units Proceeds**"), of which, pursuant to the REIT Units Sale Order, an amount of approximately \$21 million (the "**Proceeds in Trust**") is held in trust in order to secure certain obligations which were secured by a pledge on certain REIT Units;

58. The REIT Units Sale Order provided that HII shall be entitled to have access to the Net Proceeds for an amount of up to \$10 million (the “**Accessible Cash**”) for the purposes of funding the liquidity requirements of the HII Group during its restructuring under the CCAA and that all further funding requirements are to be approved by further order of this Honourable Court;
59. Thus, the REIT Units Proceeds, less the Proceeds in Trust, the Accessible Cash and the commission paid to HII’s financial advisor pursuant to the REIT Units Sale Order, namely an amount of approximately \$113 million (excluding interest accrued), constituted restricted cash (the “**Restricted Cash**”);
60. In light of liquidity requirements, on April 11, 2012, this Honourable Court authorized the HII Group to access an additional \$6 million of the Restricted Cash;
61. The HII Group’s estimated liquidity requirements for the 13-week period ending August 31, 2012 are such that access to an additional amount of Restricted Cash will be required, namely an estimated sum of approximately \$11 million, in order to have sufficient liquidity to pursue its restructuring efforts and meet its ongoing obligations, including the payment owing to the HCI Group under the Purchase Agreement (as those terms are defined in the *Motion for approval of a Purchase Agreement*, in the Court record) without using alternate sources of financing, as will appear from HII’s cash flow forecast to be included with the Monitor’s Tenth Report;
62. In light of the foregoing, it is respectfully requested that this Honourable Court authorize HII to have access to an incremental amount of up to \$11 million of Restricted Cash to allow it to pursue its restructuring process and to develop the Plan, the whole in the best interest of its stakeholders;

VII. NORTH CALGARY LAND AND HOMCO 96

63. North Calgary Land Ltd. (“**NCLL**”) is a subsidiary of Homco Realty Fund (96) Limited Partnership (“**Homco 96**”), whose limited partner is HII. Following the closing of the First Options Exercise, Homco 96’s general partner is HII (96) GP Inc., a wholly-owned subsidiary of HII. NCLL is incorporated under the laws of Alberta and Homco 96 is governed by the laws of Nova Scotia;
64. NCLL owns approximately 45 hectares of land for development in Balzac, Alberta, on the outskirts of Calgary (the “**NCLL Lands**”). The NCLL Lands are mainly zoned for industrial or office park development. As of the date hereof, no construction work has begun on the NCLL Lands. Neither NCLL nor Homco 96 have any other significant asset;
65. HSBC Bank Canada is the sole secured lender with respect to the NCLL Lands. As of the date hereof, the balance owed on its loan is approximately \$7.25 million (the “**HSBC NCLL Loan**”);
66. As appears from the balance sheets, which are filed in support hereof *en liasse* as **Exhibit P-1**, NCLL and Homco 96 are both insolvent. They are unable to meet their obligations

as they become due without advances from HII and the value of Homco 96 assets is less than the value of its liabilities given, mainly, past advances made by HII;

67. In or about March 2006, Centron Construction Corporation (“**CCC**”) entered into certain agreements with Homco 96 and NCLL relating to the NCLL Lands (the “**Development Agreements**”). On September 26, 2011, CCC filed a construction lien on the NCLL Lands (the “**CCC Lien**”) in respect of money allegedly owed under the Development Agreements. On March 12, 2012, CCC filed a Statement of Claim against NCLL in the Alberta Court of Queen’s Bench, claiming \$1,461,452.13, plus unspecified damages, GST, interest and costs (the “**CCC Lawsuit**”). On the same day, CCC filed a related Certificate of Lis Pendens with the Alberta land titles office. NCLL is contesting the CCC Lien and the CCC Lawsuit;
68. NCLL received a substantial unsolicited offer for the purchase of the NCLL Lands (the “**Unsolicited Offer**”). In light of the balance owed on the HSBC NCLL Loan, the Unsolicited Offer suggests that there is substantial equity in the NCLL Lands for unsecured creditors, including principally HII;
69. NCLL and the Monitor are currently negotiating the Unsolicited Offer and may seek this Honourable Court’s permission to launch a formal sale process in the near future. In any event, NCLL will seek this Honourable Court’s permission prior to concluding any sale;
70. Accordingly, Homco 96 and NCLL are respectfully requesting that this Court amend the Initial Order (as previously amended) such that, from the date of the order to be rendered, NCLL be considered an additional Petitioner and Homco 96 be considered an additional Applicant Partnership thereunder. Also, for the sake of efficiency and given that over six weeks remain before the Claims Bar Date (as defined in the Claims Process Order), NCLL and Homco 96 respectfully request that the Claims Process Order also apply in their case, with certain minor adaptations which appear from the conclusions herein. All of the requests made in this paragraph have received the explicit support from the Monitor;

VIII. CONCLUSION

71. The extension of the Stay Period is necessary in order to provide the Debtors an adequate period of time to continue their efforts with respect to the restructuring of their business and affairs, including to pursue and complete their negotiations with the Lenders, and elaborate and draft the terms of the Plan and meet with major stakeholders to discuss and review same. As discussed above, the Debtors continue to implement all appropriate operational restructuring measures;
72. The Debtors will also continue negotiations with their stakeholders with a view to presenting the Plan. It is anticipated that the requested extension of the Stay Period until August 31, 2012 will afford the Debtors an adequate period of time to make material progress towards that objective;
73. Extension of the Initial Order to NCLL and Homco 96 is the best interest of their stakeholders;

74. As appears from the cash flow forecast, which will be included in the Monitor's Tenth Report, the Debtors are of the view that no creditor will suffer any undue prejudice from the extension of the Stay Period;
75. The Debtors have and continue to meet their post-filing obligations as and when they become due;
76. The Monitor has indicated that it will be filing the Monitor's Tenth Report which shall contain significant additional information in respect of the HII Group, their creditors, the corporate structure and the efforts deployed by the HII Group, the Monitor and their respective legal counsel to date in the context of the CCAA restructuring and which shall include its recommendations and a review of the cash flow forecasts of the Debtors up to and including August 31, 2012;
77. The HII Group is of the view that extending the Stay Period to August 31, 2012 is appropriate in the present circumstances;
78. The HII Group has acted, and continues to act, in good faith and with the utmost diligence;
79. As will appear in the Monitor's Tenth Report, the Monitor supports the present request for an extension of the Stay Period;
80. The Debtors respectfully request that this Honourable Court extend the Stay Period to August 31, 2012, grant them incremental access to an additional amount of Restricted Cash and amend the Initial Order;
81. The present motion is well founded in fact and law.

WHEREFORE, MAY IT PLEASE THIS HONOURABLE COURT TO :

GRANT the present *Motion to extend the stay period, to amend the Initial Order and for related orders* (the "**Motion**");

DECLARE that the present Motion was duly served, that the notices of presentation of the present Motion are sufficient and dispense the Debtors from any additional notice requirements;

EXTEND the Stay Period (as defined in the initial order granted by this Court in this matter on September 9, 2011 (the "**Initial Order**") and as extended from time to time) to August 31, 2012, the whole subject to the terms of the Initial Order, as amended;

ORDER that HII shall be entitled to have access to an incremental amount of up to \$11,000,000 (eleven million dollars) of the Restricted Cash (as defined in the Motion) for the purposes of funding the liquidity requirements of the HII Group during its restructuring under the CCAA; all further funding requirements to be approved by further order of this Court;

DECLARE that as of the date of the order to be rendered by the Court, North Calgary Land Ltd. ("**NCLL**") shall be deemed to be a Petitioner under the Initial Order rendered in the present file on September 9, 2011, as amended;

DECLARE that as of the date of the order to be rendered by the Court, Homco Realty Fund (96) Limited Partnership (“**Homco 96**”) shall be deemed to be an Applicant Partnership under the Initial Order rendered in the present file on September 9, 2011, as amended;

DECLARE that the Claims Process Order rendered in the present file on April 30, 2012, applies *mutatis mutandis* to NCLL and Homco 96 provided that, as regards NCLL and Homco 96 only, paragraphs [11], [12] and [13] thereof shall read as follows:

[11] **ORDERS** that the Monitor shall cause a Claims Package to be sent to each Known Creditor by regular prepaid mail on or before June 11, 2012;

[12] **ORDERS** that on a Business Day, on or before June 11, 2012, the Monitor shall cause to be published the Notice to Creditors in the Calgary Herald;

[13] **ORDERS** that the Monitor shall cause the Claims Package, which includes the Notice to Creditors, to be posted on the Website on or before June 11, 2012;

PRAY ACT of the Monitor’s Tenth Report;

ORDER provisional execution of the present order, notwithstanding appeal;

THE WHOLE WITHOUT COSTS, save in the event of contestation.

MONTRÉAL, May 29, 2012

Osler, Hoskin & Harcourt LLP

OSLER, HOSKIN & HARCOURT LLP

Attorneys for the Debtors and Mises-en-cause

AFFIDAVIT

I the undersigned, **James F. Miles**, domiciled and residing at 29 Coventry Lane, Dartmouth, Nova Scotia, B2V 2K2, solemnly declare the following:


1. I am the Vice-President and Chief Financial Officer of Homburg Invest Inc. and duly authorized representative of the Petitioners for the purpose hereof;
2. I have taken cognizance of the attached *Motion to extend the stay period, to amend the Initial Order and for related orders*;
3. All of the facts alleged in the said motion are true.

AND I HAVE SIGNED

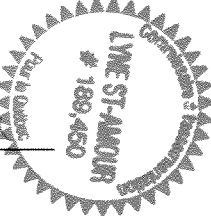


James F. Miles

SOLEMNLY DECLARED BEFORE ME
IN MONTRÉAL ON THE 29TH DAY OF MAY 2012.



LYNE ST-AMOUR
COMMISSIONER OF OATHS FOR
THE PROVINCE OF QUÉBEC



NOTICE OF PRESENTATION

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TAKE NOTICE that the *Motion to extend the stay period, to amend the Initial Order and for related orders* will be presented for hearing and allowance in the Superior Court, commercial division, at the Montréal Courthouse, 1 Notre-Dame Street East, Montréal, on May 31, 2012, at 9:15 a.m., or so soon thereafter as counsel may be heard, and in a room to be announced.

PLEASE ACT ACCORDINGLY.

MONTRÉAL, May 29, 2012

Osler, Hoskin & Harcourt LLP

OSLER, HOSKIN & HARCOURT LLP

Attorneys for the Debtors and Mises-en-cause

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

No.: 500-11-041305-117

SUPERIOR COURT

(Commercial Division)

(sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, R.S.C.
1985, c. C-36, as amended)

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

**Homburg Invest Inc.
Homburg Shareco Inc.
Churchill Estates Development Ltd.
Inverness Estates Development Ltd.
CP Development Ltd.**

Debtors / Petitioners

-and-

North Calgary Land Ltd.

Petitioner

-and-

**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**

Mises-en-cause

-and-

Samson Bélair/Deloitte & Touche Inc.

Monitor

<p>LIST OF EXHIBIT</p>

P-1: Balance sheets of North Calgary Land Ltd. and Homco Realty Fund (96) Limited Partnership *en liasse*;

MONTRÉAL, May 29, 2012

Osler, Hoskin & Harcourt LLP

OSLER, HOSKIN & HARCOURT LLP
Attorneys for the Debtors and Mises-en-cause

Exhibit P-1

Balance sheets of North Calgary Land Ltd. and
Homco Realty Fund (96) Limited Partnership *en liasse*

North Calgary Land Ltd.**Balance Sheet**

March 31, 2012

	March 31 2012	March 31 2011
<hr/>		
ASSETS		
Prepaid expenses	\$ 309	\$ 8,931
Deferred charge	-	8,931
Property under development	<u>35,510,000</u>	<u>45,134,806</u>
	<u>\$ 35,510,309</u>	<u>\$ 45,143,737</u>
<hr/>		
LIABILITIES		
Accounts payable ¹	\$ 1,496,449	\$ 725,215
Income Tax payable		118
Deferred Income Taxes		2,889,627
Due to Homco 96 LP	28,604,977	25,844,853
Construction loan	<u>7,252,500</u>	<u>7,843,445</u>
	37,353,926	37,303,258
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Retained earnings (Deficit)	<u>(1,843,617)</u>	<u>7,840,479</u>
	<u>\$ 35,510,309</u>	<u>\$ 45,143,737</u>
<hr/>		

Approved on behalf of the Company by
Homburg LP Management Inc., General Partner _____

1- claimed by a creditor but contested

North Calgary Land Ltd.
(North Calgary)
Statement of Income and Partners' Capital
For the period end March 31, 2012

	Actual Three Mos. Ended March 31 2012	Actual Three Mos. Ended March 31 2011
Revenue		
Unrealized Valuation Change	\$ <u>6,520,000</u>	
Expenses		
Financial costs	99,052	
Insurance	<u>101</u>	
	<u>99,153</u>	
Net income	6,420,847	
Partners' capital, beginning of period	\$(8,264,464)	\$ 7,840,479
Distribution payable to limited partners		
Contribution repaid		
Net income	<u>6,420,847</u>	
Partners' capital, end of period	<u><u>\$(1,843,617)</u></u>	<u><u>\$ 7,840,479</u></u>

Homco Realty Fund (96) Limited Partnership
Consolidated Balance Sheet
March 31, 2012

	March 31 2012	March 31 2011
ASSETS		
Prepaid expenses	\$ 307	\$
Deferred charge		8,931
Property under development	<u>35,510,000</u>	<u>45,134,806</u>
	<u>\$ 35,510,307</u>	<u>\$ 45,143,737</u>
LIABILITIES		
Accounts payable ¹	\$ 1,496,449	\$ 725,215
Income Tax payable		118
Deferred Income Taxes		2,889,627
Due to Homburg Invest Inc.	28,595,076	25,844,853
Construction loan	<u>7,252,500</u>	<u>7,843,445</u>
	37,344,025	37,303,258
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Retained earnings (Deficit)	<u>(1,833,718)</u>	<u>7,840,479</u>
	<u>\$ 35,510,307</u>	<u>\$ 45,143,737</u>

Approved on behalf of the Company by
Homburg LP Management Inc., General Partner _____

1- claimed by a creditor but contested

Homco Realty Fund (96) Limited Partnership
(North Calgary)
Consolidated Statement of Income and Partners' Capital
For the period end March 31, 2012

	Actual Three Mos. Ended March 31 2012	Actual Three Mos. Ended March 31 2011
Revenue		
Unrealized Valuation Change	\$ <u>6,520,000</u>	
Expenses		
Financial costs	99,052	
Insurance	<u>102</u>	
	<u>99,154</u>	
Net income	<u><u>6,420,846</u></u>	
Partners' capital, beginning of period	\$(8,254,564)	\$ 7,840,479
Distribution payable to limited partners		
Contribution repaid		
Net income	<u>6,420,846</u>	
Partners' capital, end of period	<u><u>\$(1,833,718)</u></u>	<u><u>\$ 7,840,479</u></u>

No.: 500-11-041305-117

SUPERIOR COURT
(Commercial Division)

DISTRICT OF MONTRÉAL

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

HOMBURG INVEST INC. & AL.

Debtors/Petitioners

-and-

NORTH CALGARY LAND LTD.

Petitioner

-and-

**HOMCO REALTY FUND (S2) LIMITED
PARTNERSHIP & ALS.**

Mises-en-cause

-and-

SAMSON BÉLAIR/DELOITTE & TOUCHE INC.

Monitor

**MOTION TO EXTEND THE STAY PERIOD, TO
AMEND THE INITIAL ORDER AND FOR
RELATED ORDERS (Section 11 and 11.02 of the
Companies' Creditors Arrangement Act, R.S.C., 1985,
c. C-36), AFFIDAVIT, NOTICE OF
PRESENTATION, LIST OF EXHIBIT, EXHIBIT
P-1**

ORIGINAL

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Mtre. Martin Destroiers

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