

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

SUPERIOR COURT  
Commercial Division

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

**1810040 ALBERTA LTD.** (formerly known as  
**HOMBURG INVEST INC.** and **HOMBURG  
SHARECO INC.**)

– and –

**CHURCHILL ESTATES DEVELOPMENT LTD.**

– and –

**CP DEVELOPMENT LTD.**

– and –

**NORTH CALGARY LAND LTD.**

– and –

**HOMBURG MANAGEMENT (CANADA) INC.**

Debtors/Petitioners

– and –

**THE ENTITIES LISTED IN APPENDIX A**

Mises-en-cause

– and –

**SAMSON BÉLAIR/DELOITTE & TOUCHE INC.**

Monitor

**THIRTY-FIFTH 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, 1810040 Alberta Ltd. (formerly known as Homburg Invest Inc. and Homburg Shareco Inc.) (“**HII**”), Churchill Estates Development Ltd. (“**Churchill**”), Inverness Estates Development Ltd. (“**Inverness**”) and CP Development Ltd. (“**CP**”) (and, later, North Calgary Land Ltd. (“**NCLL**”) and Homburg Management (Canada) Inc. (“**HMCI**”), following amendments to the Initial Order) (collectively, the “**Debtors**”) filed and obtained protection from their respective creditors under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) pursuant to an Order rendered by the Superior Court of Quebec (as amended and extended from time to time, the “**Initial Order**”). On September 30, 2013, the Court discontinued the Stay in respect of Inverness, which has since filed an assignment in bankruptcy.
2. Pursuant to the Initial Order, the Stay extends to the following limited partnerships which form an integral part of the business of the Debtors: Homco Realty Fund (52) Limited Partnership (“**Homco 52**”), Homco Realty Fund (61) Limited Partnership (“**Homco 61**”), Homco Realty Fund (83) Limited Partnership (“**Homco 83**”) (following an amendment to the Initial Order on April 26, 2013), Homco Realty Fund (88) Limited Partnership (“**Homco 88**”), Homco Realty Fund (89) Limited Partnership (“**Homco 89**”), Homco Realty Fund (92) Limited Partnership (“**Homco 92**”), Homco Realty Fund (94) Limited Partnership (“**Homco 94**”) (following an amendment to the Initial Order on October 7, 2011), Homco Realty Fund (96) Limited Partnership (“**Homco 96**”) (following an amendment to the Initial Order on May 31, 2012), Homco Realty Fund (105) Limited Partnership (“**Homco 105**”), Homco Realty Fund (121) Limited Partnership (“**Homco 121**”), Homco Realty Fund (122) Limited Partnership (“**Homco 122**”), Homco Realty Fund (142) Limited Partnership (“**Homco 142**”), Homco Realty Fund (190) Limited Partnership (“**Homco 190**”) and Homco Realty Fund (191) Limited Partnership (“**Homco 191**”) (following an amendment to the Initial Order on December 14, 2012 in the case of both Homco 190 and Homco 191), Homco Realty Fund (199) Limited Partnership (“**Homco 199**”) and Castello Development Ltd. (“**Castello**”) (following an amendment to the Initial Order on February 6, 2013 in the case of both Homco 61 and Castello) (collectively, the “**Applicant Partnerships**”) and, together with the Debtors, excluding Homco 122 and Inverness, the “**HII Parties**”). On July 11, 2013 the Court discontinued the Stay in respect of Homco 122, which has since been dissolved. On March 11, 2014 the Court discontinued the stay in respect of Castello, which has since filed an assignment in bankruptcy.
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 HII Parties, which Stay has been extended from time to time by order of the Court. On March 11, 2014, the Court last extended the Stay up until May 5, 2014 (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 thirty-four such Monitor’s reports (as well as some supplemental reports) prior to this thirty-fifth report of the Monitor (the “**Thirty-Fifth Report**”). Copies of all of the Monitor’s reports are available on the Monitor’s website at [www.deloitte.com/ca/homburg-invest](http://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 THIRTY-FIFTH REPORT

6. This Thirty-Fifth Report is intended to provide an update on the progress of the HII Parties' restructuring process and related steps regarding implementation of the HII/Shareco Plan and the Homco 61 Plan (collectively, the "**Plans**") and confirm the support of the Monitor to the Debtors' Motion for an extension of the Stay Period dated April 30, 2014 (the "**Debtor's Motion**"). This report also outlines the current and projected cash positions of the Petitioners, the status of the restructuring and orderly liquidation initiatives, and, generally, the restructuring process.
7. This Thirty-Fifth Report is structured as follows:
  - I- Updates on Implementation of the Plans;
  - II- Restructuring and Orderly Liquidation Initiatives;
  - III- Updates on HHUS Cash and proceedings with HCI;
  - IV- Debtors' Cash Flows;
  - V- Activities of the Monitor;
  - VI- Extension of the Stay Period; and
  - VII- Conclusions and Recommendations.

## TERMS OF REFERENCE

8. In preparing this Thirty-Fifth Report, the Monitor has relied upon unaudited financial information, the HII Parties' records, the amended motion for an Initial Order dated September 9, 2011, and all subsequent motions filed with the Court 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 Thirty-Fifth 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 Thirty-Fifth Report are as defined in the previous reports of the Monitor and the HII/Shareco Plan.

## I. UPDATES ON IMPLEMENTATION OF THE PLANS

10. On March 27, 2014, in conformity with the Plans, the Monitor issued certificates confirming that the Plan Implementation Date ("**PID**") took place from March 24, 2014 to March 27, 2014 and that the Homco 61 Plan Implementation Date occurred on March 27, 2014.
11. As indicated in the Thirty-Fourth Report / "First Distribution Report", on April 10, 2014, following the implementation of the Plans and in conformity thereto, the Monitor proceeded with the First distribution to HII/Shareco Affected Creditors and Homco 61 Affected Creditors.
12. The Monitor is working closely with its counsel and the HII parties in resolving the outstanding Disputed Claims which are fully listed and described in Appendix B of the Thirty-Fourth Report.
13. Also, the HII Parties and the Monitor are continuing the sales process initiated with respect to the non-core properties. Following the disposition of the remaining non-core properties and the realization of HII's interests in same, the proceeds will be distributed to creditors in accordance to the Plans.

## II. RESTRUCTURING AND ORDERLY LIQUIDATION INITIATIVES

### *CLOSING OF THE TRANSACTIONS WITH THE MORTGAGE LENDERS*

#### *Lenders of Core Properties*

14. As previously indicated in the Thirty-Third Report, on March 7, 2014, the AFM license was granted to Geneba and, as such, the required documentation was updated and submitted to SEB as part of its internal approval process of the term sheet agreement between the HII Group and SEB. The final agreements were entered into with SEB on March 21, 2014. Pursuant to this agreement and in accordance with the HII/Shareco Plan, approximately €15,000K was paid by HII to SEB as a payment of capital on the outstanding debt prior to the transfer of the Core Business Assets to Geneba as part of the Plan Transactions.
15. Further, as part of the agreement with HSH and in accordance with the HII/Shareco Plan, approximately €2,800K was paid by HII to HSH as a payment of capital on the outstanding debt prior to the transfer of the Core Business Assets to Geneba as part of the Plan Transactions.
16. No additional payment was made prior to the transfer of the Core Business Assets to Geneba to the other Core Business Creditors, namely Falcon Private Bank Ltd. ("**Falcon**"), NIB Capital Bank N.V. ("**NIBC**") and Bank of Scotland (which had assigned its loan to Promontoria Hampton (1) Limited prior to PID) ("**BOS**"),.

#### *Lenders of Non-Core Properties*

17. As provided by the HII/Shareco Plan, shortly after PID, HII proceeded with the payment of approximately \$5,480K to HSBC as repayment of the HSBC Secured Claim, representing for the most part the outstanding loan balance of the loan to Homco 105 secured by a mortgage over the Cristal property, which loan was guaranteed by HII. The repayment of the loan by HII was made pursuant to an Assignment and Subrogation Agreement with HSBC such that HII has been subrogated into the rights of HSBC against Homco 105 and its assets. HII is expected to recover the amount paid to HSBC with the sale of the Cristal property, which recovery will be part of the Asset Realization Cash Pool.
18. The only non-core properties that remain currently financed by HSBC are the Points North property held by NCLL and the Henderson Farms property held by Homco 121. The loans in connection with these properties were not guaranteed by HII. HSBC is being kept informed on a regular basis regarding the ongoing sale process of the Points North property. As for the Henderson Farms property, as reported in previous Monitor's reports, HII has no economic interest therein. The Monitor understands that HSBC is assessing its options regarding this property.

### *SALE PROCESS OF NON-CORE PROPERTIES*

19. Since PID, the Monitor is responsible to proceed to the orderly liquidation of the Non-Core Business Entities' Assets (namely the remaining Canadian and US properties of the HII Group) and to realize any of the Non-Core Business Assets (namely the interest of HII, as creditor or otherwise, in the Non-Core Business Entities in the context of the disposition of the non-core properties). The Monitor will be exercising that role in consultation with the Liquidation Advisory Committee. As provided by the Debtor's Motion and in conformity with the HII/Shareco Plan, the Liquidation Advisory Committee is expected to be composed of Mr. Jan Schöningh (nominated by HII), Mr. Karel De Vries (nominated by SHB) and Mr. Gabriel De Alba (nominated by Catalyst).

20. The Monitor is currently in discussions with offerors regarding the sale of the Cristal property held by Homco 105 and the Homburg Springs West property held by Homco 94. Offers have been exchanged in the past weeks and the Liquidation Advisory Committee will be consulted shortly in connection thereto. The sale of these properties will be subject to the approval of the Court and the granting of a vesting order.
21. Since the Thirty-Third Report, there has been a revised offer to acquire the remaining four (4) unsold Colorado Springs properties belonging to HHUS and the Monitor is currently in discussions with the potential purchaser and will consult the Liquidation Advisory Committee shortly.
22. The marketing and sale process of the other non-core properties, namely the Points North property (NCLL) and the Homburg Springs East property (Homco 52) (this latter property is fully secured in favor of the Bond 4 Claim Holders), has been continuing and the Liquidation Advisory Committee will be kept apprised of the progress. The Monitor will report to the Court any developments.
23. Since the Thirty-Third Report, in the usual course of business, Churchill proceeded to the sale of a parking stall and Castello proceeded to the sale of a storage unit.

#### ***BANKRUPTCY OF NON-CORE BUSINESS ENTITIES***

24. By order of the Court rendered on March 11, 2014, the stay of proceedings in respect of Castello, a mortgage free development company, was lifted. As noted above, on April 10, 2014 Castello filed an assignment in bankruptcy and Samson Bélair / Deloitte & Touche Inc. has been appointed as trustee. Castello had approximately \$2.4M of cash at the time of its assignment in bankruptcy and it is anticipated that most of this cash will be distributed to HII as part of the bankruptcy proceedings given that HII is by far the most significant creditor. Once the distribution is received by HII, it will be contributed to the Asset Realization Cash Pool.
25. Pursuant to the HII/Shareco Plan, the Monitor will be consulting the Liquidation Advisory Committee regarding the filing into bankruptcy or winding-up of the Non-Core Business Entities, as appropriate.

### **III. UPDATES ON HHUS CASH AND PROCEEDINGS WITH HCI**

26. Since the Thirty-Third Report, there has been no development in the proceedings between the HII Group and the HCI Group in Nova Scotia, Barbados and Colorado regarding HHUS's diverted cash. As indicated in the Debtor's Motion, there are ongoing settlement discussions between the parties and the Monitor is being kept informed of same. Any settlement would be subject to the approval of the Liquidation Advisory Committee and of the Court.

### **IV. DEBTORS' CASH FLOWS**

27. The purpose of this section is as follows:
  - i. Provide budget to actual analysis highlights by Debtor for the period from February 22 to April 12, 2014; and
  - ii. Provide explanations or comments on the variances by Debtor.

**OVERVIEW**

28. The following table provides an overview of the allocated opening cash balances, the allocated closing cash balances, and the cash variations by Debtor for the period from February 22 to April 12, 2014:

Petitioner	Cash variation for the period from February 22 to April 12, 2014 (C\$000)					
	Opening cash balance	Adjustment to opening balance	Total variation in cash balance	Surplus (funding) between HII and its Petitioners	Surplus (funding) between HII and its Non-Petitioners	Adjusted closing cash balance
Homburg Invest Inc.	6,818	(683)	(5,708)	(1)	(5)	421
Homburg Shareco Inc.	39	(39)	-	-	-	-
Churchill Estates Development Ltd.	810	-	18	-	-	828
CP Development Ltd.	(720)	722	-	-	-	2
North Calgary Land Ltd.	-	-	(1)	1	-	-
HMCI	42	-	-	-	-	42
<b>Total</b>	<b>6,989</b>	<b>-</b>	<b>(5,691)</b>	<b>-</b>	<b>(5)</b>	<b>1,293</b>

Note 1: The allocated opening cash balances of HII, Shareco and CP have been amended to properly reflect the actual cash balances in the respective Petitioner's account. This adjustment was necessary as a result of intercompany payments and transactions between these entities in the past. The interco claims have been adjusted accordingly.

29. For the budget to actual cash flow forecast analysis of HII, Shareco, Churchill, CP, NCLL and HMCI for the period from February 22 to April 12, 2014, and commentary in respect of the analysis performed, please refer to Appendix B of this Thirty-Fifth Report.

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

31. Following PID, in accordance with the HII/Shareco Plan, the Monitor control's HII's cash. HII transferred all its available cash into the Monitor's trust accounts as part of the Plan Transactions at the time of PID. On a weekly basis HII requests funding from the Monitor to cover the appropriate and approved post-filing expenses for the following week. As presented in the table above the cash balance of \$1,293K as at April 12, 2014 in the different entities, was necessary in order to support actual outstanding payments.

**HII**

32. Total cash inflows for HII were \$37,339.3K for the period noted, while total cash outflows were \$43,047.5K, which resulted in a negative net cash variation of \$5,708.2K compared to a budgeted negative net cash variation of \$7,216.4K. This positive variance of \$1,508.2K is partially due to:

- an unbudgeted receipt/transfer by HII of \$33,727.6K from the Restricted Cash account required to pay Core Business Creditors (namely SEB and HSH), as well as HSBC;
- an unbudgeted transfer to HII of \$2,400.0K in restricted funds approved by the Court; and
- unbudgeted GST/HST refunds from the CRA of \$421.4K.

This positive variance was partially offset by:

- payments of \$29,302.0K to Core Business Creditors required as per the agreements with these Core Business Creditors;
- transfers to the Monitor trust accounts of \$4,109.4K related to the HII/Shareco Plan;
- a budgeted reimbursement of \$550.1K in connection with the funding of the costs incurred by Geneba prior to PID which had not been received from Geneba as at April 12, 2014;
- a foreign exchange rate impact of \$514.3K due to the volatility of the Euro compared to the Canadian dollar; and
- other miscellaneous disbursements totaling \$565.0K further described in Appendix A.

#### Shareco

33. For the period noted, total cash inflows and outflows were nil, as budgeted.

#### Churchill

34. Total cash inflows for Churchill were \$24.1K for the period noted, while total cash outflows were \$5.7K, which resulted in a positive net cash variation of \$18.4K compared to a budgeted negative net cash variation of \$9.4K. This positive variance of \$27.8K is mainly due to an unbudgeted sale of a parking stall.

#### CP

35. For the period noted, total cash inflows and outflows were nil, as budgeted.

#### NCLL

36. For the period noted, total cash inflows were nil compared to a budgeted cash inflows of nil, and total cash outflows for NCLL were \$1.4K compared to budgeted cash outflows of nil.

#### HMCI

37. For the period noted, total cash inflows and outflows were nil, as budgeted.

#### Cash budgeting

38. Since the Thirty-Third Report, the Debtors, with the support of the Monitor, have continued to perform budget to actual analysis for the Debtors on a weekly basis.

39. The Monitor will continue to provide Supplemental Reports that reconcile the overall cash inflows, cash outflows, opening and closing bank balances for all bank accounts of the HII Group by geographic location up to PID. The table below provides the estimated cash balance analysis as at May 3, 2014:

Homburg Invest Inc.

Estimated cash balance for the period ending May 3, 2014

(all amounts stated in CAD)	Amount
<b>ACTUAL PETITIONERS OPENING CASH BALANCE AS AT APRIL 13, 2014</b>	<b>A 1,292,882</b>
<b>Forecasted cash inflows/(outflows) - April 13 to May 3, 2014</b>	
<b>Net cash inflow/(outflow) - Debtors</b>	
Net cash inflow/(outflow) - HII	(2,145,102)
Net cash inflow/(outflow) - Shareco	-
Net cash inflow/(outflow) - Churchill	(4,700)
Net cash inflow/(outflow) - CP	-
Net cash inflow/(outflow) - NCLL	-
Net cash inflow/(outflow) - HMCI	-
Total net cash inflow/(outflow) - Debtors	<b>B (2,149,802)</b>
Net cash inflow/(outflow) - Canadian entities excluding Debtors	<b>C (10,065)</b>
<b>Payments in transit</b>	
HII - Wires in transit as at April 13, 2014	-
HII - Estimated outstanding cheques as at April 13, 2014	(16,740)
Less: Total payments in transit	<b>D (16,740)</b>
<b>TOTAL NET CASH INFLOWS/(OUTFLOWS) - APRIL 13 TO MAY 3, 2014</b>	<b>E=B+C+D (2,176,607)</b>
<b>ESTIMATED ENDING CASH BALANCE AS AT MAY 3, 2014, BEFORE OTHER ADJUSTMENTS</b>	<b>F=A+E (883,725)</b>
Net adjustment for disbursements/(receipts) not expected to occur from April 13 to May 3, 2014	<b>G -</b>
<b>ESTIMATED ENDING CASH BALANCE AS AT MAY 3, 2014, AFTER OTHER ADJUSTMENTS</b>	<b>H =F+G (883,725)</b>

The negative ending balance presented in the above table represents the projected funds required by HII to cover operational expenses during the period of April 13 to May 3, 2014. As mentioned earlier in this Thirty-Fifth Report, on a weekly basis HII will request funding from the Monitor's administrative reserve in trust account to cover these expenses.

## V. ACTIVITIES OF THE MONITOR

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

### CASH FLOW MONITORING

41. On a weekly basis, the Monitor has continued to analyze the Debtors' cash flows. As explained in the previous section of this Thirty-Fifth Report, a budget to actual cash flow analysis of the Debtors, for the period from February 22 to April 12, 2014 has been prepared together with commentary of cash variances, as presented in Appendix B of this Thirty-Fifth Report.
42. As part of this process, the Monitor, on a daily basis, has also analyzed cash inflows and cash outflows from all of the HII Parties' bank accounts.
43. 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

44. 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. These reports, referred to as supplemental reports, have been posted to the Monitor's website and sent to the Service List.
45. In accordance with the Initial Order, the Monitor has continued to assist the HII Group in its analysis of disbursements to be made pertaining to the HII Group. The Monitor has continued to review the expenses to be made by entities other than HII and the other HII Parties, and will

determine in the coming weeks the most efficient manner by which it will formally control the cash of all of the HII Group entities following PID, in accordance with the HII/Shareco Plan.

***NOTIFYING AND REPORTING DUTIES PERFORMED BY THE MONITOR***

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

***COMMUNICATION WITH AFFECTED CREDITORS AND HOMCO 61 AFFECTED CREDITORS***

47. As explained previously, the Monitor has made available a toll free number (related to a call center) and a mail box. Following PID and the First Distribution the Monitor has received an important number of calls and email from Affected Creditors and Homco 61 Affected Creditors. As of April 30, 2014, the Monitor answered 770 out of the 852 e-mails received since PID. The Monitor intends to answer all e-mails within two business days. The Monitor answered all of the 819 calls received since PID.

**VI. EXTENSION OF THE STAY PERIOD**

***OVERVIEW***

48. Pursuant to the Nineteenth Extension Order, the Stay Period was extended until May 5, 2014.
49. The Debtors' Motion is seeking a twentieth extension of the Stay Period until August 29, 2014 (the "**Twentieth Extension Period**"). This extension will allow, amongst other things, to:
- i. Advance the sale process of the non-core assets;
  - ii. Advance the resolution of the outstanding Disputed Claims listed under Appendix B of the Thirty-Fourth Report. Hearings in connection with SHB's Motion for leave to appeal and the Taberna Claim are respectively scheduled on May 28, 2014 and from June 10 to June 12, 2014;
  - iii. Continue to keep the creditors informed and answer to their enquires and to communicated with the other stakeholders, as well as the tax authorities and regulators; and
  - iv. Proceed with subsequent distributions pursuant to the Plans, as further described in the Thirty-Fourth Report.
50. In the Monitor's opinion, it is in the best interests of the stakeholders to provide the HII Parties with the Twentieth Extension Period in order to ensure that the HII Parties and the Monitor continue their progress towards finalizing the remaining steps provided by the Plans and that the Monitor proceeds with subsequent distributions in accordance with the Plans, as further described in the Thirty-Fourth Report.

***EXTENDED 4-MONTH CASH FLOW FORECASTS***

51. The Debtors, with the support of the Monitor, prepared new cash flow forecasts for the Twentieth Extension Period, adjusting the projected cash flows for the period ending on August 29, 2014, namely the end of the Twentieth Extension Period.

52. The extended 4-month cash flow forecasts for HII, Churchill, CP, NCLL and HMCI, as well as additional commentary identifying the primary assumptions, are attached as Appendix C. Shareco has been amalgamated with HII as part of the Plan Transactions and, accordingly, no cash flow forecasts for Shareco have been prepared.

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

Extension - 4-month period ending August 31, 2014						
(C\$000)	Forecasted opening cash balance as at May 4, 2014 (Appendix C)	Forecasted cash variation for the 4-month period (Appendix C)	Funding between HII and its non-Petitioners	Adjustment for intercompany funding	Forecasted closing cash balance as at August 31, 2014	
Homburg Invest Inc.	(1,751)	(2,240)	-	-	(3,991)	
Churchill Estates Development Ltd.	824	(25)	-	-	799	
CP Development Ltd.	2	-	-	-	2	
NCLL	-	-	-	-	-	
HMCI	42	-	-	-	42	
Total	<u>(883)</u>	<u>(2,265)</u>	<u>-</u>	<u>-</u>	<u>(3,148)</u>	

The negative ending balance presented in the above table represents the projected funds required by HII to cover operational expenses during the period of May 4 to August 31, 2014. As mentioned earlier in this 35<sup>th</sup> Report, on a weekly basis HII will request funding from the Monitor's administrative reserve in trust account to cover these expenses.

### HII

54. Payroll is expected to decrease in the Twentieth Extension Period to reflect the layoffs following PID and a subsequent decrease in June, reflecting a second round of layoffs.
55. Rent expense is expected to decrease to \$10.0K a month starting in June following the move of the HII offices to a new location.
56. Professional fees in conjunction with the restructuring of the HII Group are estimated to vary throughout the Twentieth Extension Period, to follow the amount of work required to complete the remaining steps of the restructuring and proceed with subsequent distributions.
57. Office and administrative fees have been adjusted starting in May to better reflect the decrease of spending following the layoff of the majority of the employees and the move to a smaller office.
58. Other expenditures planned to be disbursed in April 2014 represents the payment of the expected Geneba recharge costs of \$118.8K (€78K at 1.5232), respectively.
59. At the time of this Thirty-Fifth Report, there is nothing that would lead the Monitor to believe that HII will need additional financing to meet its current obligations during the Twentieth Extension Period, as operational expenses will be funded through the Administrative Reserve.

### Churchill

60. The Monitor does not anticipate any cash inflows pertaining to Churchill during the Twentieth Extension Period.
61. Condo fees in May represent the payment of the outstanding condo fees for the period of January to April 2014, which have not yet been invoiced.

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

CP

63. The Monitor does not anticipate any cash inflows or outflows pertaining to CP during the Twentieth Extension Period.
64. At the time of this Thirty-Fifth Report, there is nothing that would lead the Monitor to believe that CP will need additional financing to meet its current obligations during the Twentieth Extension Period.

NCLL

65. The Monitor does not anticipate any cash inflows or outflows pertaining to NCLL during the Twentieth Extension Period.
66. At the time of this Thirty-Fifth Report, there is nothing that would lead the Monitor to believe that NCLL will need additional financing to meet its current obligations during the Twentieth Extension Period.

HMCI

67. The Monitor does not anticipate any cash inflows or outflows pertaining to HMCI during the Twentieth Extension Period.
68. At the time of this Thirty-Fifth Report, there is nothing that would lead the Monitor to believe that HMCI will need additional financing to meet its current obligations during the Twentieth Extension Period.

***CASH POSITION AND USE OF RESTRICTED CASH***

Restricted Cash

69. Pursuant to the Thirty-Third Report, additional funding of \$2,400K was requested from Restricted Cash during the Nineteenth Extension Period. For reference purposes, the table presented below provides a breakdown of the Restricted Cash requests since the outset of the proceedings:

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)
<b>Net funds available from Cominar sale proceeds</b>			<b>A</b>
			<b>123,074</b>
Monitor's Seventh Report	Request from Restricted Cash	17-Feb-12	(10,000)
Monitor's Ninth Report	Request from Restricted Cash	10-Apr-12	(6,000)
Monitor's Tenth Report	Request from Restricted Cash	29-May-12	(11,000)
Monitor's Thirteenth Report	Request from Restricted Cash	17-Jul-12	(5,200)
Monitor's Fifteenth Report	Request from Restricted Cash	11-Sep-12	(3,000)
Monitor's Sixteenth Report	Request from Restricted Cash	4-Oct-12	(8,100)
Monitor's Twenty-Sixth Report	Request from Restricted Cash	26-Aug-13	(4,950)
Monitor's Twenty-Seventh Report	Request from Restricted Cash	30-Sep-13	(6,800)
Monitor's Thirtieth Report	Request from Restricted Cash	19-Dec-13	(2,585)
Monitor's Thirty-First Report	Request from Restricted Cash	20-Jan-14	(3,300)
Monitor's Thirty-Third Report	Request from Restricted Cash	14-Mar-14	(2,400)
<b>Total requests from Restricted Cash</b>			<b>B</b>
			<b>\$ (63,335)</b>
<b>Interest on Restricted Cash</b>			<b>C</b>
Cumulative interest received			<b>\$ 1,937</b>
<b>Ending balance of Restricted Cash just prior to PID</b>			<b>=A+B+C</b>
			<b>\$ 61,676</b>

Note 1: The majority of these funds have been released in accordance with the Cominar Global Settlement. An amount of approximately \$2.5M remains held in trust with Osler and, as provided by the HII/Shareco Plan, the "Cominar Claim" is an "Unaffected Claim" that will be paid out of said trust funds if it materializes.

70. As part of the Plan Transactions and in accordance with the HII/Shareco Plan, transfers were made from the restricted cash account to proceed with the planned payments to the Core Business Creditors. The remaining funds were transferred in the Monitor's trust accounts. The table below summarizes the transfers made to the Monitor's trust accounts at PID:

	Available Restricted Cash \$61,676K					
Total transfers at PID: \$61,676	Euro Operating Account (HII account) \$33,728K At \$1.5557/ € €21,680K	Monitor's Cash Pool Account \$3,437K	Monitor's Administrative Reserve Account \$13,348K	Monitor's HSBC Secured Claim Reserve Account \$5,479K	Monitor's Litigation Reserve Account \$500K	Monitor's Disputed Claims Reserves Account \$5,184K
	+	+	+	+	+	+
Net Transactions between PID and April 12, 2014	(€ 21,680K)	\$476K	(\$229K)	(\$5,479K)	\$ -	\$1K
	=	=	=	=	=	=
Ending Balance at April 12, 2014	€ -	\$3,913K	\$13,119K	\$ -	\$500K	\$5,185K
	Paragraph 71	Paragraph 72	Paragraph 73	Paragraph 74	Paragraph 75	Paragraph 76

Euro Operating Account (HII account)

71. The HII Euro Operating account was an account under HII's control. An amount of €21,680K (\$33,728K at 1.5557) was transferred to it from the Restricted Cash account and this account was used for the following purposes:

- i. As mentioned in paragraphs 14 and 15 of this report and as per the agreements with SEB and HSH, just prior to PID, SEB and HSH received a partial pay down payment of their debt and as such, payments of €15,000K and €2,800K were made to SEB and HSH, respectively. As part of the payment to SEB, an additional amount of approximately €1,300K was done as a temporary bridge and has since been refunded by Geneva to the Monitor.
- ii. An amount of €2,610K was transferred to an administrative reserve account, held in Euros, by the Monitor as mentioned in paragraph 78. This account will be used for the payment of the Bond 5 Secured Cash Payment in an amount of €2,250K to be distributed to the Bond 5 Claim Holders in the coming weeks, and the remaining balance of €360K will be used for current operational expenditures denominated in Euros.

#### Cash Pool Account

72. The Cash Pool Account will be used to hold funds available for future cash distributions out of the Cash Pool or Asset Realization Cash Pool. A transfer of \$3,437K was made from the Restricted Cash account and net transfers of \$456K were also paid into this account from two other HII controlled bank accounts. In addition, \$20K was transferred into this Cash Pool account from the Administrative Reserve (see below – Administrative Reserve) to fund the wire transfer costs of the First Distribution. As at April 12, 2014, the Cash Pool account had a balance of approximately \$3,913K.

#### Administrative Reserve Account

73. The Administrative Reserve Account will be used to fund the ongoing operations of HII and its restructuring initiatives including professional fees and disbursements, the salaries of the remaining employees assisting the Monitor with completion of the steps provided by the HII/Shareco Plan, the operational expenses and the fees of the Continuing Director. On a weekly basis, the Company will request that the Monitor transfer sufficient funds to cover the prior week's invoices that have been received. The Monitor will review the invoices and if appropriate, make the transfer to HII who, in turn, will pay the applicable invoices. An initial transfer of \$13,348K was made to this Administrative Reserve account from the Restricted Cash account and since that time, payments of approximately \$230K have been made from this account. These payments of approximately \$230K mainly consist of two (2) cash requests by HII for approximately \$94K to cover ongoing operational costs, a transfer of \$34K to the HSBC Secured Claim reserve account in order to fund a shortfall related to accrued interest on the Homco 105 loan and the payment of approximately \$82K related to the KERP amount in order to fund a shortfall in the KERP's trust account. In addition, an amount of \$20K was transferred to fund the wire fees applicable to the First Distribution and nominal interest income of \$1K was accrued in the period. As at April 12, 2014, the Administrative Reserve Account had a balance of approximately \$13,119K.

#### HSBC Secured Claim reserve account

74. The HSBC Secured Claim reserve account was used as a flow-through to pay the HSBC Secured Claim following PID, as explained above. Accordingly, a transfer of \$5,479K was made from the Restricted Cash account to fund the payment to HSBC as a reimbursement of the secured debt held in Homco 105 and nominal interest of \$1K was accrued during the period. Following the receipt of the final HSBC payout letter, which indicated a required payout of approximately \$5,514K, a shortfall of \$34K was identified, which was funded by a transfer from the Administrative Reserve account, as previously noted. As at April 12, 2014, the HSBC Secured Claim reserve account had a balance of nil.

Litigation Reserve Account

75. Pursuant to the HII/Plan, the Litigation Reserve Account was established for the purpose of paying the Litigation Reserve Costs and an amount of \$500K was transferred to this account at PID. No other transactions occurred in this account and at April 12, 2014, the Litigation Reserve account had a balance of \$500K.

Disputed Claims Reserve Account

76. As outlined in detail in Appendix B to the Thirty-Fourth Report, there are a number of outstanding Disputed Claims as of this date. These Disputed Claims required the establishment of the Disputed Claims (Newco Shares) Reserve described in Appendix B to the Thirty-Fourth, and a related Disputed Claims (Cash Pool) Reserve. Upon contribution to the Asset Realization Cash Pool to occur from time to time upon the realization of the Non-Core Business Asset Net Proceeds, the Disputed Claims (Asset Realization Cash Pool) Reserve will be established, based on any Disputed Claim outstanding as at such times. For efficiency, the Disputed Claims Reserve Account is segregated into distinct trust accounts for each of the outstanding Disputed Claims described in Appendix B of the Thirty-Fourth Report. Upon the resolution of a Disputed Claim, in part or in full, the related funds will be released from the respective reserve account and, (i) if the Disputed Claim does not become a Proven Claim, transferred to the Cash Pool Account for the purpose of being distributed to the Affected Creditors and Homco 61 Affected Creditors or (ii) if the Disputed Claim becomes a Proven Claim, distributed to the respective holder(s) of the Disputed Claim. An amount of \$5,184K was transferred from the Restricted Cash account and interest income of \$1K accrued during the period. As at April 12, 2014, the Disputed Claims Reserve Account had a balance of \$5,185K.

77. Several additional trust accounts have been set up by the Monitor to hold the funds attributed to the sale of assets of HII Parties other than HII. These accounts, which total approximately \$34,242K, have been funded from the proceeds of sale of the Kai property (Homco 88), the Northumberland condominiums (Homco 83) and the Centron Park property (CP). Ongoing discussions and analysis are currently being held in order to facilitate the release of these funds to their appropriate creditors, namely the Bond 7 Claim Holders and/or lienholders in the case of the Kai property (subject to the eventual decision of the Court on the ranking between both) and HII, in the most part, in the case of Homco 83 and CP.

78. The following tables provide a summary of the cash currently held by the Monitor, in Canadian dollars and in Euros, within its various trust accounts as at April 12, 2014 subsequent to any of the transfers detailed above:

Summary of Trust Account Balances (C\$000)	
<b>Trust Account</b>	
General Cash Pool	3,913
Administrative Reserves	13,119
Litigation reserve	500
Other reserves	5,185
Other trust accounts (H88, H83, CP)	34,242
<b>Ending balance as at April 12, 2014</b>	<b>56,959</b>

Summary of Trust Account Balances (€000)	
<b>Trust Account</b>	
Administrative Reserve	2,610
<b>Ending balance as at April 12, 2014</b>	<b>2,610</b>

## VII. CONCLUSIONS AND RECOMMENDATIONS

79. 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.
80. It is the Monitor's opinion that, for the reasons further elaborated in this Thirty-Fifth Report, The Twentieth Extension, up to August 29, 2014, should be granted to the HII Parties in order to allow the Monitor and the HII Parties to pursue their efforts towards completing the remaining steps provided by the Plans and proceed with the subsequent distributions.
81. The Monitor respectfully submits this Thirty-Fifth Report to the Court.

DATED AT MONTREAL, this 4th day of May, 2014.



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 (61) LIMITED PARTNERSHIP  
HOMCO REALTY FUND (83) 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 (142) LIMITED PARTNERSHIP  
HOMCO REALTY FUND (190) LIMITED PARTNERSHIP  
HOMCO REALTY FUND (191) 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 7-week period of February 22 to April 12, 2014		
	Actual	Budget	Variance
<b>Cash inflows</b>			
GST/HST received	421.4	-	421.4
Intercompany receipts (Petionners and Mis-en-cause)	-	-	-
Transfers from trust account	93.5	-	93.5
Other receipts	36,824.4	1,222.0	35,602.4
<b>Total cash inflows</b>	<b>37,339.3</b>	<b>1,222.0</b>	<b>36,117.3</b>
<b>Cash outflows</b>			
Payroll	519.7	255.0	(264.7)
Rent expense	49.7	50.0	0.3
Restructuring related professional fees	7,307.4	7,299.0	(8.4)
Insurance	-	-	-
Office & admin	118.5	105.0	(13.5)
Director fees	62.0	-	(62.0)
KERP	-	-	-
Transfers to trust account	4,109.4	-	(4,109.4)
GST/HST paid	-	-	-
Intercompany disbursements (Petitioners and Mis-en-cause)	-	-	-
Other expenditures	30,880.8	729.4	(30,151.4)
<b>Total cash outflows</b>	<b>43,047.5</b>	<b>8,438.4</b>	<b>(34,609.1)</b>
<b>Opening cash balance</b>	<b>6,818.2</b>	<b>6,818.2</b>	<b>-</b>
Adjustment to opening balance	(682.9)	-	(682.9)
Variation in cash balance	(5,708.2)	(7,216.4)	1,508.2
Exchange rate (Gain / Loss)	-	-	-
<b>Ending cash balance</b>	<b>427.1</b>	<b>(398.2)</b>	<b>825.3</b>
<b>Surplus (funding) between HII and its non-Petitioners</b>	<b>(5.1)</b>	<b>-</b>	<b>(5.1)</b>
<b>Surplus (funding) between HII and its Petitioners</b>	<b>(1.2)</b>	<b>-</b>	<b>(1.2)</b>
<b>Adjusted ending cash balance</b>	<b>420.8</b>	<b>(398.2)</b>	<b>819.0</b>

### HII budget to actual commentaries

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 \$420.8K please note that the \$1,621.3K, which was presented in the Thirty-Third Report as being held in the Monitor's trust accounts, has been paid out following PID. This amount represented funds reserved for the KERP as indicated in paragraphs 10 to 13 of the Fourteenth Report, amounts received which are related to the Canoxy Place Subtenants and accumulated interest.
- The adjustment to the opening balance of \$682.9K was required to properly reflect the actual cash in HII's bank accounts. Similar adjustments were also required for Shareco and CP, and the net of these adjustments was nil. These adjustments relate to past intercompany payments and transactions between these entities. The intercompany claims have been adjusted accordingly.

#### *Inflows*

- GST/HST received was \$421.4K compared to a budgeted amount of nil, resulting in a favorable variance of \$421.4K. The favorable variance is due to unbudgeted GST/HST refunds from the CRA.
- Transfers from trust accounts were \$93.5K compared to a budgeted amount of nil, resulting in a favorable variance of \$93.5K. The favorable variance is due to transfers from the Monitor's trust accounts to HII, after PID, related to funding needed by HII for post-PID operations. As outlined in paragraph 70 of the Thirty-Fifth Report, at PID all HII cash was transferred to trust accounts controlled by the Monitor and accordingly, HII now submits funding requests to the Monitor. These funding requests are reviewed by the Monitor and funds are then transferred to HII to allow it to pay post-PID expenses. Since PID, HII has submitted two (2) funding requests to the Monitor totaling \$93.5K.
- Other receipts were \$36,824.4K compared to a budgeted amount of \$1,222.0K, resulting in a favorable variance of \$35,602.4K. The favorable variance is mainly due to the following:
  - an unbudgeted transfer to HII of \$2,400K in restricted funds approved by order of the Court dated March 11, 2014 (as more fully described in the Monitor's Thirty-Third Report); and
  - an unbudgeted receipt of \$33,727.6K from the Restricted Cash account as required to pay certain Core Business Creditors (as detailed in the explanation below regarding other expenditures) and to transfer funds to the Administrative Reserve Euro account. The use of these funds is detailed in paragraph 71 of this Thirty-Fifth Report.

This favorable variance is partially offset by a budgeted reimbursement of \$550.1K, not yet received from Geneba, related to capital injections that HII has previously made.

The following table outlines further details of the transactions that are reflected within the other receipts balances:

Other receipts	Actual	Budget	Variance
Monitor's request from restricted cash - 33rd Report	2,400.0	-	2,400.0
Transfer from restricted cash to HII's Euro Operating account	33,727.6	-	33,727.6
Transfer from Hinvest REMS	674.3	671.9	2.4
Reimbursement from Geneva of HII's capital injection	-	550.1	(550.1)
Others	22.5	-	22.5
<b>Other receipts</b>	<b>36,824.4</b>	<b>1,222.0</b>	<b>35,602.4</b>

### Outflows

- Payroll was \$519.7K compared to a budgeted amount of \$255.0K, resulting in an unfavorable variance of \$264.7K. This unfavorable variance is mainly due to an unbudgeted payment related to accrued vacation for employees.
- Director fees were \$62.0K compared to a budgeted amount of nil, resulting in an unfavorable variance of \$62.0K. This unfavorable variance is mainly due to timing.
- Transfers to trust account were \$4,109.4K compared to a budgeted amount of nil, resulting in an unfavorable variance of \$4,109.4K. This unfavorable variance is due to the unbudgeted transfers from HII to the Cash Pool Account and to the Administrative Reserve Euro account, both of which are being controlled by the Monitor, pursuant to the HII/Shareco plan. These transfers, as shown in the table below, are reflected in the trust accounts referred to in paragraphs 72 and 73 of the Thirty-Fifth Report:

Transfers to trust account	Actual (EUR000)	Actual (C\$000)	Budget	Variance
Transfer to Cash Pool Account		109.1	-	(109.1)
Transfer to Administrative Reserve Euro	2,610.3	4,000.3	-	(4,000.3)
<b>Transfer to trust account</b>		<b>4,109.4</b>	<b>-</b>	<b>(4,109.4)</b>

- Other expenditures were \$30,880.8K compared to a budgeted amount of \$729.4K resulting in an unfavorable variance of \$30,151.4K. The unfavorable variance is mainly due to:
  - a payment of \$29,302.0K to Core Business Creditors (€15,000K to SEB and €2,800K to HSH) pursuant to the HII/Shareco Plan along with an amount of €1,321K, which was transferred to SEB as a temporary bridge and was then refunded by Geneva to the Monitor, as referred to in paragraph 71 of the Thirty-Fifth Report;
  - a larger than budgeted payment of \$126.1K related to funding for capital expenditures of the Baltics properties;
  - payments related to Geneva recharge costs that totaled \$208.5K more than budgeted payments; and
  - a foreign exchange rate impact of \$514.3K mainly due to the volatility of the Euro, compared to the Canadian dollar, during the 7-week period as shown.

A tabular view of these other expenditures is shown in the table below:

Other expenditures	Actual (EUR000)	Actual (C\$000)	Budget	Variance
Geneba recharge #6	80.0	122.0	121.6	(0.4)
Geneba recharge #7	156.0	242.0	379.9	137.9
Geneba recharge #8	226.0	346.0	-	(346.0)
Baltics funding	229.0	354.0	227.9	(126.1)
Transfers to Core Business Creditors	19,121.0	29,302.0	-	(29,302.0)
Foreign exchange rate impact		514.3	-	(514.3)
Others		0.5	-	(0.5)
<b>Other expenditures</b>		<u>30,880.8</u>	<u>729.4</u>	<u>(30,151.4)</u>

- In accordance with the Court Order dated February 17, 2012 and February 7, 2014, the payment of fees, disbursements and expenses of the Trustees of the Stichting Homburg Bonds and Stichting Homburg Capital Securities A (collectively, “**Stichting**”) and their legal and financial advisors incurred since December 3, 2011 are to be advanced by HII. The following table presents a summary of the actual fees advanced to Stichting since the Court Order was implemented, which will be offset against any dividend payable to Stichting from HII (see table on next page):

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	\$ 13,612	\$ 13,612
INVOICE nr 8.2012	Apr 1, 2012 - Apr 30, 2012	\$ 245,167	\$ 245,167
INVOICE nr 9.2012	Apr 1, 2012 - Apr 30, 2012	€ 53,536	\$ 69,281
INVOICE nr 10.2012	May 1, 2012- May 31, 2012	\$ 218,794	\$ 218,794
INVOICE nr 11.2012	May 1, 2012- May 31, 2012	€ 45,058	\$ 56,445
INVOICE nr 12.2012	June 1, 2012- June 30, 2012	\$ 261,074	\$ 261,074
INVOICE nr 13.2012	June 1, 2012- June 30, 2012	€ 1,712	\$ 2,112
INVOICE nr 15.2012	July 1, 2012 - July 31, 2012	\$ 273,252	\$ 273,252
INVOICE nr 16.2012	July 1, 2012 - July 31, 2012	€ 19	\$ 23
INVOICE nr 17.2012	Aug 1, 2012 - Aug 31, 2012	\$ 226,459	\$ 226,459
INVOICE nr 19.2012	Sept 1, 2012 - Sept 30, 2012	\$ 296,400	\$ 296,400
INVOICE nr 21.2012	Oct 1, 2012 - Oct 31, 2012	\$ 567,214	\$ 567,214
INVOICE nr 23.2012	Nov 1, 2012 - Nov 30, 2012	\$ 515,486	\$ 515,486
INVOICE nr 25.2012	Dec 1, 2012 - Dec 31, 2012	\$ 357,005	\$ 357,005
INVOICE nr 26.2013	Jan 1, 2013 - Jan 31, 2013	\$ 444,643	\$ 444,643
INVOICE nr 28.2013	Feb 1, 2013 - Feb 28, 2013	\$ 702,612	\$ 702,612
INVOICE nr 30.2013	Mar 1, 2013 - Mar 31, 2013	\$ 538,339	\$ 538,339
INVOICE nr 32.2013	Apr 1, 2013 - Apr 30, 2013	\$ 604,713	\$ 604,713
INVOICE nr 34.2013	May 1, 2013 - May 31, 2013	\$ 593,466	\$ 593,466
INVOICE nr 36.2013	June 1, 2013 - June 30, 2013	\$ 249,762	\$ 249,762
INVOICE nr 38.2013	July 1, 2013 - July 31, 2013	\$ 185,942	\$ 185,942
INVOICE nr 40.2013	Aug 1, 2013 - Aug 31, 2013	\$ 271,064	\$ 271,064
INVOICE nr 42.2013	Sept 1, 2013 - Sept 30, 2013	\$ 279,299	\$ 279,299
INVOICE nr 44.2013	Oct 1, 2013 - Oct 31, 2013	\$ 219,944	\$ 219,944
INVOICE nr 46.2013	Nov 1, 2013 - Nov 30, 2013	\$ 181,046	\$ 181,046
INVOICE nr 48.2013	July 11, 2013 - Oct 31, 2013	\$ 79,326	\$ 79,326
INVOICE nr 49.2013	Dec 1, 2013 - Dec 31, 2013	\$ 160,456	\$ 160,456
INVOICE nr 51.2014	Jan 1, 2014 - Jan 31, 2014	\$ 199,448	\$ 199,448
INVOICE nr 53.2014	Feb 1, 2014 - Feb 28, 2014	\$ 220,613	\$ 220,613
INVOICE nr 55.2014	Mar 1, 2014 - Mar 14, 2014	\$ 87,323	\$ 87,323
VAT Refund <sup>1</sup>	Invoices 3, 4 & 5	€ (70,352)	\$ (86,667)
VAT Refund <sup>1</sup>	Invoices 6, 8 & 10	€ (59,975)	\$ (74,993)
VAT Refund <sup>2</sup>	Invoices 7, 9 & 11	€ (13,800)	\$ (17,256)
VAT Refund <sup>1</sup>	Invoices 12, 15 & 17	€ (54,455)	\$ (70,536)
VAT Refund <sup>2</sup>	Invoices 13 & 16	€ (3)	\$ (4)
VAT Refund <sup>2</sup>	Invoices 19 & 21	€ (73,072)	\$ (98,969)
VAT Refund <sup>3</sup>	Invoices 23 & 25	€ (40,046)	\$ (54,238)
VAT Refund <sup>4</sup>	Invoices 21, 23, 25, 26 & 28	€ (120,803)	\$ (161,115)
VAT Refund <sup>5</sup>	Invoices 30, 32, 34 & 36	€ (127,837)	\$ (176,338)
VAT Refund <sup>6</sup>	Invoices 36, 38 & 40	€ (58,686)	\$ (82,583)
VAT Refund <sup>7</sup>	Invoice 23	€ (6,175)	\$ (9,187)
VAT Refund <sup>8</sup>	Invoices 42, 44, 46 & 48	€ (57,272)	\$ (85,971)
<b>Total (Converted on date paid)</b>			<b>\$ 8,191,099</b>
<b>Note 1:</b> VAT refunds were received for Invoices 3, 4, 5, 6, 8, 10, 12, 15 and 17 as no EU VAT was applicable.			
<b>Note 2:</b> Invoices 7, 9, 11, 13, 16, 19 and 21 were revised as some of the fees charged were not related specifically to the settlement agreement. The fees excluded were related to services rendered at the request of HII in relation with bondholders meetings.			
<b>Note 3:</b> A portion of the VAT refunds were received for Invoices 23 & 25.			
<b>Note 4:</b> Additional portions of VAT refunds for Invoices 21, 23 and 25 were received. In addition, VAT refunds were received related to Invoices 26 & 28.			
<b>Note 5:</b> VAT refunds for Invoices 30, 32, 34 and 36 were received.			
<b>Note 6:</b> The remaining VAT refund for Invoice 36 was received, as well as VAT refunds for Invoices 38 and 40.			
<b>Note 7:</b> An additional VAT refund for Invoice 23 was received.			
<b>Note 8:</b> VAT refunds for Invoices 42, 44 and 46 were received, as well as a portion of the VAT refund for Invoice 48.			

## 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 7-week period of February 22 to April 12, 2014		
	Actual	Budget	Variance
<b>Cash inflows</b>	-	-	-
<b>Total cash inflows</b>	-	-	-
<b>Cash outflows</b>	-	-	-
<b>Total cash outflows</b>	-	-	-
<b>Opening cash balance</b>	<b>39.0</b>	<b>39.0</b>	-
Adjustment to opening balance	<b>(39.0)</b>	<b>(39.0)</b>	-
Variation in cash balance	-	-	-
Exchange rate (Gain / Loss)	-	-	-
<b>Ending cash balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Shareco budget to actual commentaries

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

#### *Inflows-Outflows*

- The adjustment to the opening cash balance of \$39.0K has been made in order to properly reflect the actual opening cash balance in Shareco's bank account, which is nil. The adjustment was necessary as the balance of \$39.0K shown above was an allocated cash balance.
- 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 7-week period of February 22 to April 12, 2014		
	Actual	Budget	Variance
<b>Cash inflows</b>	24.1	-	24.1
<b>Total cash inflows</b>	<u>24.1</u>	<u>-</u>	<u>24.1</u>
<b>Cash outflows</b>			
Commissions	-	-	-
Advertising	-	-	-
R&M	-	-	-
Property tax	-	-	-
Professional fees	-	-	-
Insurance	-	-	-
Mortgage principal	-	-	-
Mortgage interest	-	-	-
Office & admin	-	-	-
Condo fees	-	5.4	5.4
GST remitted	-	-	-
Other expenditure	5.7	4.0	(1.7)
	<u>5.7</u>	<u>9.4</u>	<u>3.7</u>
<b>Opening cash balance</b>	<b>809.8</b>	<b>809.8</b>	<b>-</b>
Variation in cash balance	18.4	(9.4)	27.8
Exchange rate (Gain / Loss)	-	-	-
<b>Ending cash balance</b>	<u><u>828.2</u></u>	<u><u>800.4</u></u>	<u><u>27.8</u></u>

### Churchill budget to actual commentary

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

#### ***Inflows-Outflows***

- Total cash inflows for the period were \$24.1K compared to a budgeted amount of nil, resulting in a favorable variance of \$24.1K. This favorable variance is mainly due to an unbudgeted sale of a parking stall.

- Total cash outflows for the period were \$5.7K compared to a budgeted amount of \$9.4K, resulting in a favorable variance of \$3.7K. This favorable variance is mainly due to timing as budgeted condo fees were not paid during the period.

## 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 7-week period of February 22 to April 12, 2014		
	Actual	Budget	Variance
<b>Cash inflows</b>	-	-	-
<b>Total cash inflows</b>	-	-	-
<b>Cash outflows</b>	-	-	-
<b>Total cash outflows</b>	-	-	-
<b>Opening cash balance</b>	(719.6)	(719.6)	-
Adjustment to opening balance	721.9	721.9	-
Variation in cash balance	-	-	-
Exchange rate (Gain / Loss)	-	-	-
<b>Ending cash balance</b>	<u>2.3</u>	<u>2.3</u>	<u>-</u>

### CP budget to actual commentaries

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

#### *Ending cash balance*

- The adjustment to the opening cash balance of \$721.9K is necessary to adjust the allocated opening cash position of \$(719.6K) to the actual cash on hand of CP of approximately \$2.3K. This adjustment was a result of payments that HII made on behalf of CP in earlier periods.
- In addition to the funded ending cash balance presented of \$2.3K please note that \$10,897.0K is currently held in the Monitor's trust accounts as at April 12, 2014. This amount represents the net proceeds of the CP sale and accumulated interest.

#### *Inflows-Outflows*

- No transactions occurred during the period relating to CP.

## North Calgary Land Ltd.

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

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

	For the 7-week period of February 22 to April 12, 2014		
	Actual	Budget	Variance
<b>Cash inflows</b>			
GST/HST received	-	-	-
Other receipts	-	-	-
<b>Total cash inflows</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash outflows</b>			
Professional fees	1.2	-	(1.2)
Property tax	-	-	-
Insurance	-	-	-
Office & administrative	0.2	-	(0.2)
GST/HST paid	-	-	-
Other expenditures	-	-	-
<b>Total cash outflows</b>	<u>1.4</u>	<u>-</u>	<u>(1.4)</u>
<b>Funded opening cash balance</b>	<b>0.2</b>	<b>0.2</b>	-
Variation in cash balance	(1.4)	-	(1.4)
Exchange rate (Gain / Loss)	-	-	-
<b>Ending cash balance</b>	<u>(1.2)</u>	<u>0.2</u>	<u>(1.4)</u>
<b>Funding from HII</b>	<u>1.2</u>	<u>-</u>	<u>(1.2)</u>
<b>Funded ending cash balance</b>	<u>-</u>	<u>0.2</u>	<u>(0.2)</u>

### NCLL budget to actual commentary

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

#### *Inflows-Outflows*

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

## HMCI

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

**HMCI**  
**Budget to Actual Cash Flow**  
**Unaudited - Based on discussions with the company's Management**  
**(C\$000)**

	For the 7-week period of February 22 to April 12, 2014		
	Actual	Budget	Variance
<b>Cash inflows</b>			
Other receipts	-	-	-
<b>Total cash inflows</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash outflows</b>			
Other expenditures	-	-	-
<b>Total cash outflows</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Opening cash balance</b>	<b>41.6</b>	<b>41.6</b>	-
Variation in cash balance	-	-	-
Exchange rate (Gain / Loss)	-	-	-
<b>Ending cash balance</b>	<b><u>41.6</u></b>	<b><u>41.6</u></b>	<b><u>-</u></b>

### HMCI budget to actual commentary

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

#### *Inflows-Outflows*

- No transactions occurred during the period in HMCI.

**APPENDIX C**  
**HII Extended 4-month cash flow forecast (\$C)**

**Updated as of May 4, 2014**

Homburg Invest Inc.  
 Extended cash flow statement from May 4 to August 31, 2014

	<b>33rd Report Amended</b>					<b>35th Report</b>				
Number of weeks:	136	137	138							
Beginning period:	13-Apr-14	20-Apr-14	27-Apr-14	TOTAL	For the 28 day period	For the month of	For the month of	For the month of	TOTAL	
Ending period:	19-Apr-14	26-Apr-14	3-May-14	3-Week Period	May 4 - May 31, 2014	June	July	August	4-Month Period	
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
<b>Cash inflows</b>										
GST/HST/VAT received	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
<b>Total cash inflows</b>	-	-	-	-	-	-	-	-	-	-
<b>Cash outflows</b>										
Payroll	95,646	-	245,646	341,292	152,700	152,700	56,125	56,125	417,650	
Rent expense	-	-	25,000	25,000	25,000	10,000	10,000	5,000	50,000	
Restructuring related professional fees	765,000	450,000	400,000	1,615,000	652,000	552,000	452,000	100,000	1,756,000	
Insurance	-	-	-	-	-	-	-	-	-	
Office & administrative	15,000	15,000	15,000	45,000	4,000	4,000	4,000	4,000	16,000	
Director fees	-	-	-	-	-	-	-	-	-	
Other expenditures	-	-	118,810	118,810	-	-	-	-	-	
<b>Total cash outflows</b>	875,646	465,000	804,456	2,145,102	833,700	718,700	522,125	165,125	2,239,650	
<b>Opening balance</b>	420,782	(471,604)	(936,604)	420,782	(1,751,125)	(2,584,825)	(3,303,525)	(3,825,650)	(1,751,125)	
Payments in transit	(16,740)	-	-	(16,740)	-	-	-	-	-	
Variation in cash balance (Petitioners)	(875,646)	(465,000)	(804,456)	(2,145,102)	(833,700)	(718,700)	(522,125)	(165,125)	(2,239,650)	
Variation in cash balance (Non-Petitioners)	-	-	(10,065)	(10,065)	-	-	-	-	-	
Exchange rate	-	-	-	-	-	-	-	-	-	
<b>Adjusted ending cash balance</b>	(471,604)	(936,604)	(1,751,125)	(1,751,125)	(2,584,825)	(3,303,525)	(3,825,650)	(3,990,775)	(3,990,775)	

**Notes:**

- 1) Recognizing that the Twentieth Extension Period covers 17 weeks, Management has prepared the cash flow forecast on a monthly basis for ease of review.
- 2) The opening cash balance reflects the allocated cash balance as at April 13, 2014.
- 3) Payroll is expected to decrease starting in May 2014 to approximately \$76.4K for a two week pay period, to reflect a revision in staffing levels, as the employment of several HII staff ended on April 30, 2014. The payroll is expected to decrease again in July 2014 to reflect a further decrease in the number of employees and a revision of the salaries of those remaining employees.
- 4) Rent is expected to decrease to \$10K a month starting in June 2014 as the remaining employees of HII will move into a smaller office space.
- 5) For week 136, professional fees have been increased by \$305K from the budget reflected in the Thirty-Third Report to account for outstanding cheques for professional fees.

- 6) Starting in May, professional fees have been adjusted throughout the Twentieth Extension Period to better reflect the decrease of work anticipated following the First Distribution.
- 7) Office and administrative fees have been adjusted downward beginning in May to better reflect the decrease in spending resulting from the layoff of several employees and the planned move to smaller office space.
- 8) Other expenditures presented in week 138, which were previously presented at €85K, were revised down to €78K (\$118.8K at 1.5232) to better reflect the Geneva recharge that has been submitted to HII for payment.

## NOTES AND REPRESENTATIONS TO THE CASH FLOW STATEMENT

### NOTE A – PURPOSE AND WARNINGS

The cash flow projections have been prepared solely for the purpose of the CCAA proceedings. Consequently, readers are cautioned that they may not be appropriate for other purposes.

Since the cash flow projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

### NOTE B – DEFINITIONS

#### CASH FLOW STATEMENT

A statement indicating, on a monthly basis, the projected cash flow of HII, based on probable and hypothetical assumptions that reflect HII's planned course of action for the period covered.

#### HYPOTHETICAL ASSUMPTIONS

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

#### 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.

#### SUITABLY SUPPORTED

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

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

- (iii) Feasibility studies;
- (iv) Marketing studies; or
- (v) Any other reliable source of information that provides objective corroboration of the reasonableness of the Assumptions.

The extent of detailed information supporting each assumption, and an assessment as to the reasonableness of each assumption, will vary according to circumstances and will be influenced by factors such as the significance of the assumption and the availability and quality of the supporting information.

## ASSUMPTIONS

Assumptions	Source	Probable Assumption	Hypothetical Assumption
<b><u>Opening cash balance</u></b>	Based on allocated closing cash balances as at April 12, 2014	X	
<b><u>Exchange rates</u></b>	All cash flows are in Canadian dollars		X
<b><u>Forecast cash receipts</u></b>			
GST/HST/VAT received	No refunds are forecasted for the period	X	
Other receipts	No other receipts are forecasted for this period	X	
<b><u>Forecast cash disbursements</u></b>			
Payroll	Based on updated salaries and payment of applicable severances	X	
Rent expense	Rent at the Akerley Blvd. and Montreal locations. When rent agreement is resiliated (end of May), only new office space in Halifax going forward.	X	
Restructuring related professional fees	Represents fees of Deloitte, McCarthy Tétrault, Osler, Cohn & Wolfe, Allen & Overy, Clifford Chance, Coady Filliter, National, the Baltics HII lawyers and the Trustees fees	X	
Insurance	Directors and Officers insurance, no payment forecasted during the period	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	
Other expenditures	Represent Geneba recharge cost payments	X	
<b><u>Ending cash balance</u></b>	Based on allocated cash transactions	X	

## Churchill Extended 4-month cash flow forecast (\$C)

Updated as of May 4, 2014

Churchill Estates Development Ltd.

Extended cash flow statement from May 4 to August 31, 2014

	<b>33rd Report Published</b>					<b>35th report</b>				
Number of weeks	136	137	138							
Beginning period:	13-Apr-14	20-Apr-14	27-Apr-14	TOTAL	For the 28 day period	For the month of	For the month of	For the month of	TOTAL	
Ending period:	19-Apr-14	26-Apr-14	3-May-14	3-Week Period	May 4 - May 31, 2014	June	July	August	4-Month Period	
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast		
<b>Cash inflows</b>	-	-	-	-	-	-	-	-	-	
<b>Total cash inflows</b>	-	-	-	-	-	-	-	-	-	
<b>Cash outflows</b>										
Condo fees	-	-	2,700	2,700	10,425	2,700	2,700	2,700	18,525	
GST remitted	-	-	-	-	-	-	-	-	-	
Other expenditure	-	-	2,000	2,000	-	2,000	2,000	2,000	6,000	
<b>Total cash outflows</b>	-	-	<b>4,700</b>	<b>4,700</b>	<b>10,425</b>	<b>4,700</b>	<b>4,700</b>	<b>4,700</b>	<b>24,525</b>	
<b>Opening cash balance</b>	<b>828,200</b>	<b>828,200</b>	<b>828,200</b>	<b>828,200</b>	<b>823,500</b>	<b>813,075</b>	<b>808,375</b>	<b>803,675</b>	<b>823,500</b>	
Variation in cash balance	-	-	(4,700)	(4,700)	(10,425)	(4,700)	(4,700)	(4,700)	(24,525)	
Exchange rate	-	-	-	-	-	-	-	-	-	
<b>Ending cash balance</b>	<b>828,200</b>	<b>828,200</b>	<b>823,500</b>	<b>823,500</b>	<b>813,075</b>	<b>808,375</b>	<b>803,675</b>	<b>798,975</b>	<b>798,975</b>	

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at April 13, 2014.

## NOTES AND REPRESENTATIONS TO THE CASH FLOW STATEMENT

### NOTE A – PURPOSE AND WARNINGS

The cash flow projections have been prepared solely for the purpose of the CCAA proceedings. Consequently, readers are cautioned that they may not be appropriate for other purposes.

Since the cash flow projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

### NOTE B – DEFINITIONS

#### CASH FLOW STATEMENT

A statement indicating, on a monthly basis, the projected cash flow of Churchill, based on probable and hypothetical assumptions that reflect Churchill's planned course of action for the period covered.

#### HYPOTHETICAL ASSUMPTIONS

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

#### PROBABLE ASSUMPTIONS

Meaning assumptions that:

- (i) Churchill's cash flow reflects the most probable set of economic conditions and planned courses of action, **Suitably Supported**, that are consistent with the plans of Churchill; and
- (ii) Provide a reasonable basis for the Cash Flow Statement.

#### SUITABLY SUPPORTED

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

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

- (iii) Feasibility studies;
- (iv) Marketing studies; or
- (v) Any other reliable source of information that provides objective corroboration of the reasonableness of the Assumptions.

The extent of detailed information supporting each assumption, and an assessment as to the reasonableness of each assumption, will vary according to circumstances and will be influenced by factors such as the significance of the assumption and the availability and quality of the supporting information.

## ASSUMPTIONS

Assumptions	Source	Probable Assumption	Hypothetical Assumption
<b><u>Opening cash balance</u></b>	Based on allocated closing cash balances as at April 12, 2014	X	
<b><u>Exchange rates</u></b>	All cash flows are in Canadian dollars		X
<b><u>Forecast cash receipts</u></b>	No activity has been forecasted during the period	X	
<b><u>Forecast cash disbursements</u></b>	No activity has been forecasted during the period	X	
Condo fees	Based on previous activity	X	
GST remitted	No activity has been forecasted during the period	X	
Other expenditures	Represents miscellaneous costs	X	
<b><u>Closing cash balance</u></b>	Based on allocated cash transactions	X	

## CP Extended 4-month cash flow forecast (\$C)

Updated as of May 4, 2014

CP Development Ltd.

Extended cash flow statement from May 4 to August 31, 2014

	<b>33rd Report Published</b>				<b>35th Report</b>				
Number of weeks:	136	137	138						
Beginning period:	13-Apr-14	20-Apr-14	27-Apr-14	TOTAL	For the 28 day period	For the month	For the month	For the month	TOTAL
Ending period:	19-Apr-14	26-Apr-14	3-May-14	3-Week Period	May 4 - May 31, 2014	of June	of July	of August	4-Month Period
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
<b>Cash inflows</b>	-	-	-	-	-	-	-	-	-
<b>Total cash inflows</b>	-	-	-	-	-	-	-	-	-
<b>Cash outflow</b>	-	-	-	-	-	-	-	-	-
<b>Total cash outflows</b>	-	-	-	-	-	-	-	-	-
<b>Opening cash balance</b>	<b>2,300</b>	<b>2,300</b>	<b>2,300</b>	<b>2,300</b>	<b>2,300</b>	<b>2,300</b>	<b>2,300</b>	<b>2,300</b>	<b>2,300</b>
Adjustment for intercompany funding	-	-	-	-	-	-	-	-	-
Variation in cash balance	-	-	-	-	-	-	-	-	-
Exchange rate	-	-	-	-	-	-	-	-	-
<b>Ending cash balance</b>	<b>2,300</b>	<b>2,300</b>	<b>2,300</b>	<b>2,300</b>	<b>2,300</b>	<b>2,300</b>	<b>2,300</b>	<b>2,300</b>	<b>2,300</b>

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at April 13, 2014. In addition to the opening balance presented of \$2.3K please note that \$10,896.9K is currently held in the Monitor's trust account.

## NOTES AND REPRESENTATIONS TO THE CASH FLOW STATEMENT

### NOTE A – PURPOSE AND WARNINGS

The cash flow projections have been prepared solely for the purpose of the CCAA proceedings. Consequently, readers are cautioned that they may not be appropriate for other purposes.

Since the cash flow projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

### NOTE B – DEFINITIONS

#### CASH FLOW STATEMENT

A statement indicating, on a monthly basis, the projected cash flow of CP, based on probable and hypothetical assumptions that reflect CP's planned course of action for the period covered.

#### HYPOTHETICAL ASSUMPTIONS

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

#### PROBABLE ASSUMPTIONS

Meaning assumptions that:

- (i) CP's cash flow reflects the most probable set of economic conditions and planned courses of action, **Suitably Supported**, that are consistent with the plans of CP; and
- (ii) Provide a reasonable basis for the Cash Flow Statement.

#### SUITABLY SUPPORTED

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

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

- (iii) Feasibility studies;
- (iv) Marketing studies; or
- (v) Any other reliable source of information that provides objective corroboration of the reasonableness of the Assumptions.

The extent of detailed information supporting each assumption, and an assessment as to the reasonableness of each assumption, will vary according to circumstances and will be influenced by factors such as the significance of the assumption and the availability and quality of the supporting information.

## ASSUMPTIONS

Assumptions	Source	Probable Assumption	Hypothetical Assumption
<b><u>Opening cash balance</u></b>	Based on allocated closing cash balances as at April 12, 2014	X	
<b><u>Exchange rates</u></b>	All cash flows are in Canadian dollars		X
<b><u>Forecast cash receipts</u></b>	CP was sold and no cash inflows are projected for the period	X	
<b><u>Forecast cash disbursements</u></b>	CP was sold and no cash outflows are projected for the period	X	
<b><u>Closing cash balance</u></b>	Based on allocated cash transactions	X	

## NCLL Extended 4-month cash flow forecast (\$C)

Updated as of May 4, 2014

### NCLL

Extended cash flow statement from May 4 to August 31, 2014

	33rd Report Published					35th Report				
Number of weeks:	98	99	100							
Beginning period:	13-Apr-14	20-Apr-14	27-Apr-14	TOTAL	For the 28 day period	For the month	For the month	For the month	TOTAL	
Ending period:	19-Apr-14	26-Apr-14	3-May-14	3-Week Period	May 4 - May 31, 2014	of June	of July	of August	4-Month Period	
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
<b>Cash inflows</b>										
GST/HST received	-	-	-	-	-	-	-	-	-	
Other receipts	-	-	-	-	-	-	-	-	-	
<b>Total cash inflows</b>	-	-	-	-	-	-	-	-	-	
<b>Cash outflows</b>										
Professional fees	-	-	-	-	-	-	-	-	-	
Property tax	-	-	-	-	-	-	-	-	-	
Insurance	-	-	-	-	-	-	-	-	-	
Other expenditures	-	-	-	-	-	-	-	-	-	
<b>Total cash outflows</b>	-	-	-	-	-	-	-	-	-	
<b>Opening cash balance</b>	-	-	-	-	-	-	-	-	-	
<b>Funding from HII</b>										
Variation in cash balance	-	-	-	-	-	-	-	-	-	
Exchange rate	-	-	-	-	-	-	-	-	-	
<b>Adjust ending cash balance</b>	-	-	-	-	-	-	-	-	-	

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at April 13, 2014.

## NOTES AND REPRESENTATIONS TO THE CASH FLOW STATEMENT

### NOTE A – PURPOSE AND WARNINGS

The cash flow projections have been prepared solely for the purpose of the CCAA proceedings. Consequently, readers are cautioned that they may not be appropriate for other purposes.

Since the cash flow projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

### NOTE B – DEFINITIONS

#### CASH FLOW STATEMENT

A statement indicating, on a monthly basis, the projected cash flow of NCLL, based on probable and hypothetical assumptions that reflect NCLL's planned course of action for the period covered.

#### HYPOTHETICAL ASSUMPTIONS

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

#### PROBABLE ASSUMPTIONS

Meaning assumptions that:

- (i) NCLL's cash flow reflects the most probable set of economic conditions and planned courses of action, **Suitably Supported**, that are consistent with the plans of NCLL; and
- (ii) Provide a reasonable basis for the Cash Flow Statement.

#### SUITABLY SUPPORTED

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

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

- (iii) Feasibility studies;
- (iv) Marketing studies; or
- (v) Any other reliable source of information that provides objective corroboration of the reasonableness of the Assumptions.

The extent of detailed information supporting each assumption, and an assessment as to the reasonableness of each assumption, will vary according to circumstances and will be influenced by factors such as the significance of the assumption and the availability and quality of the supporting information.

## ASSUMPTIONS

Assumptions	Source	Probable Assumption	Hypothetical Assumption
<b><u>Opening cash balance</u></b>	Based on allocated closing cash balances as at April 12, 2014	X	
<b><u>Exchange rates</u></b>	All cash flows are in Canadian dollars		X
<b><u>Forecast cash receipts</u></b>			
GST/HST received	Based on previous GST/HST reimbursements, no activity has been forecasted during the period		X
Other receipts	Other receipts, no activity has been forecasted during the period	X	
<b><u>Forecast cash disbursements</u></b>			
Professional fees	Legal and closing costs for sale of property, no activity has been forecasted during the period	X	
Property tax	Property tax is paid in one annual installment, and no activity has been forecasted during the period	X	
Insurance	Insurance has been pre-paid for the year, and no activity has been forecasted during the period	X	
Other expenditures	Other expenditures incurred, and no activity has been forecasted during the period	X	
<b><u>Ending cash balance</u></b>	Based on allocated cash transactions	X	

## HMCI Extended 4-month cash flow forecast (\$C)

Updated as of May 4, 2014

Homburg Management Canada Inc.

Extended cash flow statement from May 4 to August 31, 2014

	<b>33rd Report Published</b>				<b>35th Report</b>				
Number of weeks:	58	59	60						
Beginning period:	13-Apr-14	20-Apr-14	27-Apr-14	TOTAL	For the 28 day period	For the month	For the month	For the month	TOTAL
Ending period:	19-Apr-14	26-Apr-14	3-May-14	3-Week Period	May 4 - May 31, 2014	of June	of July	of August	4-Month Period
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
<b>Cash inflows</b>									
Other Receipts	-	-	-	-	-	-	-	-	-
<b>Total cash inflows</b>	-	-	-	-	-	-	-	-	-
<b>Cash outflows</b>									
Other Disbursements	-	-	-	-	-	-	-	-	-
<b>Total cash outflows</b>	-	-	-	-	-	-	-	-	-
<b>Opening cash balance</b>	<b>41,600</b>	<b>41,600</b>	<b>41,600</b>	<b>41,600</b>	<b>41,600</b>	<b>41,600</b>	<b>41,600</b>	<b>41,600</b>	<b>41,600</b>
Variation in cash balance	-	-	-	-	-	-	-	-	-
Exchange rate	-	-	-	-	-	-	-	-	-
<b>Ending cash balance</b>	<b>41,600</b>	<b>41,600</b>	<b>41,600</b>	<b>41,600</b>	<b>41,600</b>	<b>41,600</b>	<b>41,600</b>	<b>41,600</b>	<b>41,600</b>

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at April 13, 2014.

## NOTES AND REPRESENTATIONS TO THE CASH FLOW STATEMENT

### NOTE A – PURPOSE AND WARNINGS

The cash flow projections have been prepared solely for the purpose of the CCAA proceedings. Consequently, readers are cautioned that they may not be appropriate for other purposes.

Since the cash flow projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

### NOTE B – DEFINITIONS

#### CASH FLOW STATEMENT

A statement indicating, on a monthly basis, the projected cash flow of HMCI, based on probable and hypothetical assumptions that reflect HMCI's planned course of action for the period covered.

#### HYPOTHETICAL ASSUMPTIONS

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

#### PROBABLE ASSUMPTIONS

Meaning assumptions that:

- (i) HMCI's cash flow reflects the most probable set of economic conditions and planned courses of action, **Suitably Supported**, that are consistent with the plans of HMCI; and
- (ii) Provide a reasonable basis for the Cash Flow Statement.

#### SUITABLY SUPPORTED

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

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

- (iii) Feasibility studies;
- (iv) Marketing studies; or
- (v) Any other reliable source of information that provides objective corroboration of the reasonableness of the Assumptions.

The extent of detailed information supporting each assumption, and an assessment as to the reasonableness of each assumption, will vary according to circumstances and will be influenced by factors such as the significance of the assumption and the availability and quality of the supporting information.

## ASSUMPTIONS

<b>Assumptions</b>	<b>Source</b>	<b>Probable Assumption</b>	<b>Hypothetical Assumption</b>
<b><u>Opening cash balance</u></b>	Based on allocated closing cash balances as at April 12, 2014	X	
<b><u>Forecast cash receipts</u></b>	No cash inflows are projected for this period	X	
<b><u>Forecast cash disbursements</u></b>	No cash outflows are projected for this period	X	
<b><u>Ending cash balance</u></b>	Based on allocated cash transactions	X	