

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:**

HOMBURG INVEST INC.

– and –

HOMBURG SHARECO INC.

– and –

CHURCHILL ESTATES DEVELOPMENT LTD.

– and –

INVERNESS ESTATES DEVELOPMENT LTD.

– and –

CP DEVELOPMENT LTD.

– and –

NORTH CALGARY LAND LTD.

– and –

HOMBURG MANAGEMENT (CANADA) INC.

Debtors/Petitioners

– and –

THE ENTITIES LISTED IN APPENDIX A

Mises-en-cause

– and –

SAMSON BÉLAIR/DELOITTE & TOUCHE INC.

Monitor

**TWENTY-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, Homburg Invest Inc. (“**HII**”), Homburg Shareco Inc. (“**Shareco**”), Churchill Estates Development Ltd. (“**Churchill**”), Inverness Estates Development Ltd. (“**Inverness**”) and CP Development Ltd. (“**CP**”) (and, later, North Calgary Land Ltd. (“**NCLL**”) and Homburg Management (Canada) Inc. (“**HMCI**”), following 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**”).
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, the “**HII Parties**”).
3. Samson Bélair/Deloitte & Touche Inc. was appointed as monitor (the “**Monitor**”) under the CCAA.
4. Pursuant to the Initial Order, an initial stay of proceedings (the “**Stay**”) was granted until October 7, 2011 in favor of the HII Parties, which Stay has been extended from time to time by order of the Court. On June 5, 2013, the Court last extended the Stay up until July 12, 2013 (the “**Stay Period**”).
5. Since the Initial Order, the Monitor has filed reports with the Court and served same to the Service List from time to time. The Monitor filed twenty-four such Monitor’s reports (as well as some supplemental reports) prior to this Twenty-fifth Monitor’s report (the “**Twenty-Fifth Report**”). Copies of all of the Monitor’s reports are available on the Monitor’s website at www.deloitte.com/ca/homburg-invest. The Monitor has also established a toll free number that is referenced on the Monitor’s website so that parties may contact the Monitor if they have questions with respect to the HII Parties’ restructuring under the CCAA.

PURPOSE OF THE TWENTY-FIFTH REPORT

6. This Twenty-Fifth Report is intended to provide an update on the progress of the HII Parties’ restructuring and related steps and confirm the support of the Monitor to the Debtors’ Motion for an extension of the Stay Period (except in relation for Homco 122). In addition, this Twenty-Fifth Report will provide an update on the developments pertaining to the implementation of the HII/Shareco Plan and the Homco 61 Plan approved by the Court on June 5, 2013 (collectively,

the “**Plans**”). This report also addresses HII’s cash position, developments from recent meetings with the mortgage lenders, developments with respect to the sale of non-core properties since the Twenty-Fourth Report, and, generally, the restructuring process.

7. This Twenty-Fifth Report is structured as follows:
 - I- Restructuring Initiatives;
 - II- Updates on Implementation of the Plans;
 - III- Debtors’ Cash Flows from May 19 to June 22, 2013;
 - IV- Activities of the Monitor;
 - V- Extension of the Stay Period; and
 - VI- Conclusions and Recommendations.

TERMS OF REFERENCE

8. In preparing this Twenty-Fifth Report, the Monitor has relied upon audited and unaudited financial information, the HII Parties’ records, the amended motion for an Initial Order dated September 9, 2011, and all subsequent motions filed with the Court (collectively, the “**Debtors’ Motions**”) and exhibits in support of same, its discussions with management of the HII Parties (“**Management**”) and the HII Parties’ and the Monitor’s legal advisors. While the Monitor has analyzed the information, some in draft form, submitted in the limited time available, the Monitor has not performed an audit or otherwise verified such information. Forward looking financial information included in this Twenty-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 Twenty-Fifth Report are as defined in the previous reports of the Monitor and the Debtors’ Motions.

I. RESTRUCTURING INITIATIVES

UPDATE OF THE NEGOTIATIONS AND DISCUSSIONS WITH THE MORTGAGE LENDERS

10. As mentioned in previous reports, the relevant Homcos or their subsidiaries, the property manager and the Monitor have engaged in discussions and negotiations with the mortgage lenders in respect of the core properties, as well as with respect of certain non-core properties, with a view to, in the former case, arrive at agreements that will be the most financially advantageous in relation to Newco’s real estate portfolio, and, in the latter case, identify the optimal course of action to remove the non-core properties and their related liabilities from the HII Group’s corporate structure, the whole for the benefit of the HII Group’s stakeholders.
11. As of the date hereof, the status of these discussions and negotiations, with respect to the core properties, is as follows:
 - i. Bank of Scotland is continuing to assess the consequences, if any, of the corporate changes that will result from the corporate restructuring in relation to the two properties it finances. A meeting has been scheduled with Bank of Scotland this week to discuss the conditions, if any, to their consent prior to transferring the HC86 and HC87 assets to Newco, which will be named Geneba Properties B.V. (“**Geneba**”). A meeting with the Bank of Scotland is scheduled for July 11, 2013.

- ii. Documentation of the renegotiated terms of the loan advanced by Falcon Private Bank Ltd. (“**Falcon**”) to Valbonne Real Estate 5 B.V. in respect of the Campeon Property has been completed and executed by Falcon. One final approval by another party is pending and the HII Group anticipates it will be received shortly.
 - iii. As mentioned in the Twenty-Third Report, on April 24, 2013, the HII Group and Skandinaviska Enskilda Banken AB (“**SEB**”) executed a term sheet agreement. The HII Group, with the assistance of the Monitor, is continuing its negotiations with SEB in order to finalize the agreements contemplated by the term sheet. Certain conditions precedent to this transaction remain pending and are expected to be met in the coming weeks. The Monitor will continue to update the Court as developments occur.
 - iv. On June 19, 2013 HII and HSH Nordbank AG executed a term sheet agreement, for extension of the credit facility until October 29, 2015.
 - v. As mentioned in the Twenty-Fourth Report, by letter dated May 30, 2013 NIB Capital Bank N.V. (“**NIBC**”) agreed to the corporate changes that will result from the corporate restructuring and waived their ability to cancel the credit facility resulting from this change of control.
12. The status of these discussions and negotiations, for the non-core properties, is as follows:
- i. At a meeting held on June 18 and 19, 2013, HII’s management and the Monitor presented a proposed course of action to SNS Property Finance B.V. (“**SNS**”) to remove non-core assets from the HII Group’s balance sheet. At the end of June 2013, SNS presented a counter-proposal which is not acceptable to the HII Group. The Monitor will update the Court as developments occur.
 - ii. Regarding the properties financed by FGH Bank N.V. (“**FGH**”), on June 14, 2013 voluntary assignments in bankruptcy were filed with the Office of the Superintendent of Bankruptcy in Nova Scotia in relation to Homco Realty Fund (102) Limited Partnership (“**Homco 102**”) and HII (102) GP Inc. (“**GP 102**”).
 - iii. Discussions continue to be ongoing between Hatfield Philips (acting as Agent to the Noteholders) and Management in order to determine the best course of action to remove the assets and liabilities of Homco 98 from the HII Group’s balance sheet.
 - iv. HSBC is financing four (4) properties in Canada: “**Henderson Farms**” (Homco 121), Kai Mortensen Towers (“**Kai**”) (Homco 88), “**Cristal Towers**” (Homco 105), and “**Points North**” (NCLL):
 - a. The Monitor and the HII Group continue to update HSBC on any issues regarding Henderson Farms. During the hearing held on June 5, 2013, HSBC announced its intention to appoint a receiver to Homco 121’s assets secured in favour of HSBC. A motion in this regard will be presented on July 11, 2013. As mentioned in the Twenty-Fourth Report, the Monitor and the HII Group continue to analyse the entitlement of Homco 121 to certain water rights. On July 9, 2013, the Monitor updated counsel acting for Homburg Canada Inc. (“**HCI**”) of its ongoing analysis in this regard, which are expected to continue after the appointment of the receiver and which should be completed in August 2013, notably in light of information that will be the object of an urban engineer’s report which HII expects to be completed in the coming weeks. In addition, the interpretation of the purchase agreement between the HII Group and HCI

and certain related entities (the “**HCI Group**”) in November 2011 is also currently being reviewed.

- b. With respect to Kai, the purchaser continues its due diligence on the property, and the Monitor will report any developments to the Court. Due to the recent Calgary flood unavoidable delays in connection with such due diligence have occurred. Kai’s parkade was generally unaffected by the flood with only a portion of the very lowest level having been flooded.
- c. Following its due diligence, the purchaser of Cristal Towers presented amendments to their offer to which the HII Group and the Monitor have responded. The amendments consist in an extension of the diligence period in order to allow the purchaser to file a development permit application with the City of Calgary and prepare the necessary documentation in relation thereto. The Monitor will report any developments to the Court.
- d. Points North has been relisted for sale at a reduced price of \$26 million and to date, no offers have been received. The Monitor will report any developments to the Court.
- v. HSBC has been kept informed on a regular basis on the ongoing sale processes of these non-core Canadian properties.
- vi. The process relating to the non-core properties and any pending issues relating thereto will not impact the timing of the implementation of the Plans.

BRIDGE LOAN TO VALBONNE 5 REAL ESTATE B.V.

13. As mentioned in the Twenty-Fourth Report, HII filed a motion seeking the approval of a bridge loan in order to pay certain tax liabilities of Valbonne 5 Real Estate B.V. (“**Valbonne 5**”), namely approximately €120,000 currently owed to German tax authorities, approximately €740,000 currently owed to Dutch tax authorities and approximately €120,000 which would become due to German tax authorities in mid-June 2013 (the “**Valbonne 5 Bridge Loan**”).
14. By order dated June 5, 2013 the Court approved the payment of the Valbonne 5 Bridge Loan and on June 10, 2013 an amount of €1,502.2K was advanced from HII to Valbonne 5 in accordance with this court order.
15. On June 27, 2013 Valbonne 5 repaid the Valbonne 5 Bridge Loan to HII, paying €1,504.9K, which included interest of €2.7K.

SALE PROCESS OF NON-CORE PROPERTIES

Canadian Properties

16. The HII Group is continuing to actively market its Canadian properties, and the status of this process in relation to the four properties financed by HSBC is provided above. As noted in the Twenty-Second report, HII and the Monitor recently renewed the broker agreements and reviewed the listing prices for Homburg Springs East (Homco 52) and Homburg Springs West (Homco 94). No offers have been received to this date and the Monitor will report any developments to the Court.

Homco 83

17. As mentioned in the Twenty-Fourth Report, on April 26, 2013, the Court granted an order approving the bulk sale of nine of the remaining condominium units to Kangcorp Inc. (“**Kangcorp**”). All conditions relating to the bulk sale were waived on May 21, 2013.
18. The sale of one unit closed on June 27, 2013, the sale for five (5) further units closed on June 28, 2013 and the sale of the last three (3) units closed on July 4, 2013. Proceeds of \$1,758K are expected to be received shortly. In addition to the expected proceeds \$90K will be held in an escrow account with the Monitor in order to cover any deficiency expenses the purchaser may incur during a twelve month period after the closing.
19. One unit remains in the patrimony of Homco 83 and said unit is expected to be transferred to the HCI Group at the Plan Implementation Date pursuant to the terms of the purchase agreement approved by the Court on January 12, 2012.

US Properties

20. Homburg Holding (U.S.) Inc. (“**HHUS**”), a subsidiary of HII, is the owner of twelve (12) real estate assets in the US, which have been marketed by CBRE. The total listing price of this portfolio was approximately US\$18M.
21. As noted in the Twenty-Fourth Report, the sale of one of the properties located in Hurst, Texas (the “**Hurst Sale**”), closed on March 19, 2013 and proceeds of \$1,214K USD has been received by HHUS. The sale of another property, located in Sugarland, Texas (the “**Sugarland Sale**”), closed on July 3, 2013 and proceeds of \$2,443K USD were received by HHUS.
22. HHUS has received and retained certain offers as summarized below:
 - i. Offer on two (2) properties located in San Antonio, Texas from a single buyer (the “**Colony Offer**” and the “**Blanco Offer**”). A purchase and sale agreement has been executed and due diligence is proceeding for both properties.
 - ii. Offer on another property located in San Antonio, Texas (the “**Hillpoint Offer**”). A purchase and sale agreement has been executed and due diligence is proceeding.
 - iii. Offer on a fourth property located in San Antonio, Texas (the “**4734 Cotton Belt Offer**”). A purchase and sale agreement has been executed and due diligence is proceeding.
 - iv. Offer on a fifth property located in San Antonio, Texas (the “**4718 Cotton Belt Offer**”). HHUS is currently waiting to receive commentary on the purchase and sale agreement from the potential purchaser.
 - v. Offer on one property located in Colorado Springs, Colorado (the “**Hilton Parkway Offer**”). A purchase and sale agreement has been executed and due diligence is proceeding.
23. For the remaining four (4) properties, CBRE is preparing a pricing recommendation for HHUS to consider as there has been limited interest in these properties to date. The Monitor will continue to report on material developments to the Court.

Bankruptcy Filings

24. As indicated above, Homco 102, which held a non-core property financed by FGH, and its “managing” general partner, GP 102, filed voluntary assignments in bankruptcy on June 14, 2013. Deloitte & Touche Inc. has been appointed as trustee for this entity. The first creditors’ meetings were held on July 4, 2013 concurrently in Halifax, Nova Scotia, and Amsterdam, in the Netherlands, where FGH and another creditor attended.
25. On June 19, 2013 HII (71) GP Inc., HII (72) GP Inc., HII 76 GP Inc. (all subsidiaries of HII) have filed for voluntary assignments in bankruptcy. Deloitte & Touche Inc. has been appointed as trustee for each of these entities and the meeting of creditors has held in Halifax on July 4th, 2013. These entities were the general partners of Homco Realty Fund (71) Limited Partnership, Homco Realty Fund (72) Limited Partnership and Homco Realty Fund (76) Limited Partnership, which held non-core properties financed by ABN Amro, already filed voluntary assignment in bankruptcy on December 31, 2012. The first creditors’ meetings were held on July 4, 2013.
26. Homco 122 is a limited partnership with HII (122) GP Inc. (a subsidiary of HII) as its general partner formerly held a condominiums project known as Lougheed Estates in Fort McMurray, Alberta. On September 9, 2011 the Court granted the HII Group’s request that Homco 122 be part of the Applicant Partnerships in order to benefit from the protections and the authorizations of the Initial Order. As of the date of the Initial Order, Homco 122 no longer held any real estate property. The HII Group is now requesting that the stay of proceeding be lifted in order for Homco 122 to file a voluntary assignment in bankruptcy in order to proceed with the distribution of some funds held in its bank account to its creditors.

II. UPDATES ON IMPLEMENTATION OF THE PLANS

27. As detailed in the Twenty-Fourth Report, on May 30, 2013, the Creditors’ Meetings were held during which the Affected Creditors voted in favor of the HII/Shareco Plan by an overwhelming majority and the Homco 61 Affected Creditors unanimously voted in favor of the Homco 61 Plan.
28. On June 5, 2013, the Court approved the Plans and authorized the transactions contemplated by said Plans, including in particular the eventual transfer of the Core Business Assets to Geneva.
29. Since then, the HII Group and the Monitor and their respective Dutch and Canadian advisors have actively worked towards the implementation of the Plans.
30. The conditions precedent to the implementation of the HII/Shareco Plan are summarized in Appendix B to the Twenty-Third Report. The following are the most important items on which the HII Group, in collaboration with the Monitor, is working with a view to implement the HII/Shareco Plan:
 - i. Discussions and negotiations with the mortgage lenders in relation to the Core Business Assets in order to have satisfactory credit agreements in place upon the transfer of said assets to Geneva and obtain the necessary consents from them. These lenders effectively are Falcon, SEB, HSH, HBOS and NIBC. A status update in regard to each of them is provided above; essentially the discussions are progressing well and the HII Group believes they will be completed by the end of August 2013;
 - ii. The granting of an advanced tax ruling by the Canada Revenue Agency (“**CRA**”). The initial request to obtain said ruling was filed in mid-April 2013 and, since the approval of

- HII/Shareco Plan by the Court, the tax advisors to the HII Group and the Monitor have been in constant communications with CRA to provide any information requested regarding the transactions contemplated by the HII/Shareco Plan and their sequence. Based on their discussions with CRA, the tax advisors expect that an answer from CRA on the tax ruling request could be obtained during July 2013;
- iii. The Dutch counsels to the HII Group are currently finalizing the necessary documents in order for Geneba to obtain the AFM license. The application and all relevant documents should be filed with the AFM no later than Friday July 12, 2013. Consequently, the HII Group believes that the timing to obtain an answer from the AFM, subject to any unforeseen impediments, is expected to be before the end of August 2013;
 - iv. It is planned that the HII Group will incorporate Geneba on July 12, 2013. A transfer of €225K has been initiated pursuant to the HII/Shareco Plan, which is the required minimum capital that Geneba needs to hold under the Dutch rules if incorporation. These two steps, amongst others, are key elements of the application and in obtaining the AFM license.
 - v. The HII Group, in consultation with Stichting Homburg Bonds, Catalyst and the Monitor, has now designated the trading platform on which the shares to be issued by Geneba pursuant to the HII/Shareco Plan will trade. Such platform will be the Nederlandsche Participatie Exchange (“NPEX”). The NPEX trading platform is auction-based such that investors are able to set a minimum ask price and define the time limits for the bidding process. The Monitor is in communications with NPEX in order to establish the necessary information to be obtained from the eventual shareholders of Geneba (namely the Non-Electing Creditors and Catalyst) to allow the opening of a NPEX account in which the Geneba shares will be deposited pursuant to the HII/Shareco Plan. The HII Group is also working on a prospectus which will need to be approved by NPEX. The HII Group believes that this may occur before the end of August 2013; and
 - vi. Preparation of the necessary documents in order to complete the Pre-Plan Implementation Transactions and the Plan Implementation Transactions contemplated by the HII/Shareco Plan. The HII Group’s Canadian and Dutch tax counsel, in consultation with the Monitor’s Canadian and Dutch tax counsel, are working on this necessary documentation which is expected to be ready when the conditions precedent to proceed with the implementation of the HII/Shareco Plan are met.
31. In summary, the HII Group, in consultation with the Monitor, is actively working on the elements that are within its control in order to meet the conditions precedent to implement the HII/Shareco Plan and expects that said conditions may be met by the end of August 2013. As for the Homco 61 Plan, the principal condition precedent is the implementation of the HII/Shareco Plan.
 32. Finally, as previously indicated by the Monitor in the Twenty-Third Report and at the Creditors’ Meetings, the timing of the cash distributions under the HII/Shareco Plan (other than the Cash-Out Pool funded by Catalyst) is subject to certain constraints which are not directly under the control of HII and Shareco and the Monitor, including in particular the necessity to obtain relevant certificates of discharge from the Canadian tax authorities. In order to avoid delays in the distribution of the Cash Pool and Asset Realization Cash Pool, as part of the ongoing discussions with CRA for the granting of the tax ruling, the tax advisors to the HII Group and the Monitor are also discussing the granting of a certificate of discharge, with the objective that said certificate be obtained by the Plan Implementation Date or shortly thereafter.

III. DEBTORS' CASH FLOWS FROM MAY 19 TO JUNE 22, 2013

33. The purpose of this section is as follows:
- i. Provide budget to actual analysis highlights by Debtor for the period from May 19 to June 22, 2013; and
 - ii. Provide commentary on the variances by Debtor.

OVERVIEW

34. The following table provides an overview of the allocated opening cash balances, the allocated cash closing balances, and the cash variations by Debtor for the period from May 19 to June 22, 2013:

Cash variation for the period from May 19 to June 22, 2013 (C\$000)						
Petitioner	Opening cash balance	Total variation in cash balance	Closing cash balance	Surplus (funding) between HII and its non-Petitioners	Surplus (funding) between HII and its Petitioners	Adjusted closing cash balance
Homburg Invest Inc.	17,147	(6,120)	11,027	(246)	-	10,781
Homburg Shareco Inc.	39	-	39	-	-	39
Churchill Estates Development Ltd.	5,447	(62)	5,385	-	-	5,385
Inverness Estates Development Ltd.	491	-	491	-	-	491
CP Development Ltd.	549	(1)	548	-	-	548
North Calgary Land Ltd.	-	-	-	-	-	-
HMCI	-	-	-	-	-	-
Total	23,673	(6,183)	17,490	(246)	-	17,244

35. For the budget to actual cash flow forecast analysis of HII, Shareco, Churchill, Inverness, CP, NCLL and HMCI for the period from May 19 to June 22, 2013, and commentary in respect of the analysis performed, please refer to Appendix B of this Twenty-Fifth Report.
36. As of the date of this report, all appropriate and approved post-filing expenses were paid, and will continue to be paid, in the normal course out of the respective entity's working capital.

HII

37. Total cash inflows for HII were \$2,188.9K for the period noted, while total cash outflows were \$8,308.6K, which resulted in a negative net cash variation of \$6,119.7K compared to a budgeted negative net cash variation of \$10,370.5K. This positive variance of \$4,250.8K is mainly due to the payment of lower than budgeted professional fees and to the unbudgeted receipt of GST/HST reimbursement.

Shareco

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

Churchill

39. For the period noted, total cash inflows for Churchill were nil and total cash outflows were \$61.7K, which resulted in a negative net cash variation of \$61.7K compared to a budgeted negative net cash variation of \$158.6K. The positive variance of \$96.9K is mainly due to lower than budgeted condo fees paid and to lower than budgeted GST paid which was mainly due to timing.

Inverness

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

CP

41. For the period noted, total cash inflows for CP were \$0.2K and total cash outflows were \$1.2K, which resulted in a negative net cash variation of \$1.0K compared to a budgeted net cash variation of nil. The negative variance of \$1.0K is mainly due to the payment of unbudgeted construction costs. The cash balance does not include the net realization proceeds realized from the sale of the Centron Park property, net of the payment made to reimburse HSBC's secured debt. These proceeds amount to approximately \$10.7M and are being held by the Monitor.

NCLL

42. For the period noted, total cash inflows for NCLL were nil and total cash outflows were \$0.1K, which resulted in a negative net cash variation of \$0.1K compared to a budgeted net cash variation of nil. The negative variance of \$0.1K is mainly due to the payment of unbudgeted office and administrative fees.

HMCI

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

Cash budgeting

44. Since the Twenty-Fourth Report, the HII Group, with the support of the Monitor, has continued to perform budget to actual analysis for the seven Debtors on a weekly basis.
45. As reported in the past, the cash balance presented in the weekly budget to actual analysis is based on an allocated cash method that is approximate due to timing and which is not equivalent to the actual cash contained in the Debtors' bank accounts.
46. 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.

47. The table below provides the estimated cash balance analysis as at July 13, 2013:

Homburg Invest Inc.

Estimated cash balance for the period ending July 13, 2013

(all amounts stated in CAD)		Amount
ACTUAL OPENING CASH BALANCE AS AT June 23, 2013	A	17,244,090
<u>Forecasted cash inflows/(outflows) - June 23 to July 13, 2013</u>		
Net cash inflow/(outflow) - Debtors		
Net cash inflow/(outflow) - HII		(3,608,080)
Net cash inflow/(outflow) - Shareco		-
Net cash inflow/(outflow) - Churchill		(68,658)
Net cash inflow/(outflow) - Inverness		-
Net cash inflow/(outflow) - CP		-
Net cash inflow/(outflow) - NCLL		-
Net cash inflow/(outflow) - HMCI		-
Total net cash inflow/(outflow) - Debtors	B	(3,676,738)
Net cash inflow/(outflow) - Canadian entities excluding Debtors	C	(36,447)
<u>Payments in transit</u>		
HII - Wires in transit as at June 23, 2013		-
HII - Estimated outstanding cheques as at June 23, 2013		(3,017,800)
Holman - Estimated outstanding cheques as at June 23, 2013		-
Less: Total payments in transit	D	(3,017,800)
TOTAL NET CASH INFLOWS/(OUTFLOWS) - JUNE 23 to JULY 13, 2013	E=B+C+D	(6,730,985)
ESTIMATED ENDING CASH BALANCE AS AT JULY 13, 2013, BEFORE OTHER ADJUSTMENTS	F=A+E	10,513,105
Net adjustment for disbursements/(receipts) not expected to occur from June 23 to July 13, 2013	G	-
ESTIMATED ENDING CASH BALANCE AS AT JULY 13, 2013, AFTER OTHER ADJUSTMENTS	H =F+G	10,513,105

IV. ACTIVITIES OF THE MONITOR

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

CASH FLOW MONITORING

49. On a weekly basis, the Monitor has continued to analyze the Debtors' cash flows. As previously indicated in this Twenty-Fifth Report, a budget to actual cash flow analysis of the Debtors, for the period from May 19 to June 22, 2013 has been prepared together with commentary of cash variances, as presented in Appendix B of this Twenty-Fifth Report.

50. 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.

51. 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

52. 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.

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

NOTIFYING AND REPORTING DUTIES PERFORMED BY THE MONITOR

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

UPDATE ON CLAIMS PROCESS

55. As elaborated in previous Monitor's Reports, the Monitor finally received more than 250 proofs of claim, including proofs of claim filed by the indenture trustees on behalf of numerous holders of Mortgage Bond Claims, Corporate Bond Claims, Capital Securities Claims and Taberna Claims, representing approximately \$2.25 billion, including Intercompany Claims as well as duplicated Claims, filed against the HII Parties.
56. Appendix D to the Twenty-Third Report dated May 8, 2013 includes a detailed status of the claims filed against HII, Shareco, Homco 190, Homco 191 and Homco 199 (which are being compromised under the HII/Shareco Plan) and the claims filed against Homco 61 (which are being compromised under the Homco 61 Plan), as at the date of the Twenty-Third Report, and the Twenty-Fourth Report dated June 4, 2013 included the ensuing developments as at that date.
57. Since the Twenty-Fourth Report, the following developments have occurred with respect to the claims process:
- i. A hearing has been fixed on August 29, 2013 to debate motions in appeal of certain Monitor's Notices of Review or Disallowance filed respectively by Stichting Homburg Bonds and Stichting Homburg Capital Securities (jointly) and by Stichting Homburg Bonds (alone) (collectively, the "**Stichtings**"). The claims being disputed pertain to fees and expenses incurred by the Stichtings, respectively before December 3, 2011 (the date of the settlement agreement approved by the Court on February 15, 2012) and after December 3, 2011;
 - ii. On June 7, 2013, Statoil filed with the Court a Discontinuance of its Motion in appeal a Notice of Revision or Disallowance, which Discontinuance was accepted by the Monitor on a "without costs" basis;
 - iii. Respectively on June 6 and on June 7, 2013, the Dutch trustee to the bankruptcy of Valbonne Real Estate B.V. ("**Valbonne**") filed, on behalf of Valbonne personally and on behalf of Valbonne acting for the rights of Homco Realty Fund (68) Limited Partnership ("**Homco 68**"), Motions in appeal of the Notices of Disallowance or Revision of the respective proofs of claim of Valbonne and Homco 68, which are interrelated. It is anticipated that these Motions will be scheduled to be heard concurrently by the Court, in due course;
 - iv. On June 25, 2013, the Court heard a debate on an objection raised during an out-of-court examination of the representative of HII held by the counsel of the Taberna Noteholders. Pursuant to the judgment of the Court, HII will have to submit these documents by August 30, 2013. In the interim, the parties are discussing a timetable in order to allow these proceedings to progress towards a hearing on the merits; and
 - v. As for the proofs of claim of DEGI Homburg Harris LP (filed against both Homco 61 and HII) and Homburg Canada Inc., the Monitor is continuing its review of said proofs of claim and requesting necessary information from the claimants or the HII Group as needed. The Monitor is keeping the claimants apprised of the progress of its analysis.

58. The Monitor also pursues its review of certain proofs of claim filed against other HII Parties in the course of the claims process, in particular certain secured claims by virtue of alleged “liens” against certain non-core properties. The Monitor will keep the claimants apprised of the progress in this regard and of its conclusions.

V. EXTENSION OF THE STAY PERIOD

OVERVIEW

59. Pursuant to the Twelfth Extension Order, the Stay Period was extended until July 13, 2013.
60. The HII Parties notified the Monitor of their intention to request a thirteenth extension of the Stay Period until August 31, 2013 (the “**Thirteenth Extension Period**”). This extension will allow, amongst other things, to:
- i. Work toward meeting the conditions precedent to the implementation of the Plans and advance the preparation and execution of HII Group Entities reorganization, including the transfer of core assets to Geneba as provided in the HII/Shareco Plan, with a view to meet the targeted implementation of the Plans on August 31, 2013;
 - ii. Advance the ongoing negotiations with the mortgage lenders and conclude agreements with certain of them;
 - iii. Advance the sale process of the non-core assets;
 - iv. Participate in the final stages of the claims process conducted by the Monitor;
 - v. Communicate frequently with key stakeholders and regulators.
61. It is the Monitor’s opinion that it is in the best interests of the stakeholders to provide the HII Parties with the Thirteenth Extension Period in order to ensure that the HII Parties continue their progress towards the implementation of the Plans. The Monitor considers that the HII Parties’ restructuring process is progressing well; however, more time is required in order to complete said restructuring and eventually emerge from CCAA.

EXTENDED 7-WEEK CASH FLOW FORECASTS

62. Management has provided the Monitor with new cash flow forecasts for the Thirteenth Extension Period. Management has adjusted the projected cash flows for the Debtors to August 31, 2013, corresponding to the end of the Thirteenth Extension Period.
63. The extended 7-week cash flow forecasts for HII, Shareco, Churchill, Inverness, CP, NCLL and HMCI, as well as additional commentary identifying the primary assumptions, are attached as Appendix C.
64. Presented in the table below is a summary of the forecasted cash variations for each of the Debtors:

Extension - 7-week period ending August 31, 2013				
(C\$000)	Forecasted opening cash balance (Appendix C) as at July 14, 2013	Forecasted cash variation for the 7-week period (Appendix C)	Funding between HII and its non-Petitioners	Forecasted closing cash balance as at August 31, 2013
Homburg Invest Inc.	4,119	3,081	(57)	7,143
Shareco Inc.	39	-	-	39
Churchill Estates Development Ltd.	5,316	-	-	5,316
Inverness Estates Development Ltd.	491	-	-	491
CP Development Ltd.	548	-	-	548
NCLL	-	-	-	-
HMCI	-	-	-	-
Total	10,513	3,081	(57)	13,537

HII

65. Forecasted cash inflows for the period are \$7,949.9K and forecasted cash outflows for the period are \$4,869K, resulting in a net cash outflow of \$3,081K. This net inflow mainly results from the sale of certain HHUS properties and Homco 92's properties, and the bulk sale of the Homco 83 condominium units, offset by important restructuring outflows, composed primarily of professional fees, payroll, office & administrative and other expenditures (some of which being related to the positive variance of the past cash flow period, caused by a timing difference as mentioned above).
66. The other receipts are expected to be transferred to HII throughout the Thirteenth Extension Period.
67. The payroll figures included in the cash flow forecast reflect the updated HII salaries.
68. Professional fees in conjunction with the restructuring of the HII Group are included in HII's projected cash flow and are based on the historical figures experienced and revised to reflect the estimated fees going forward.
69. Other expenditures are mainly related to expenses in order to assist in the establishment of Geneba which are expected to be reimbursed at the implementation of the Plans.
70. As of the date of this Twenty-Fifth Report, all expenses incurred to date and going forward during the Thirteenth Extension Period have been or will be paid out of the funds available to HII.

Shareco

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

Churchill

73. The Monitor does not anticipate any cash inflows and anticipates minor outflows pertaining to Churchill for the Thirteenth Extension Period.
74. At the time of this Twenty-Fifth Report, there is nothing that would lead the Monitor to believe that Churchill will need additional financing to meet current obligations during the Thirteenth Extension Period.

Inverness

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

CP

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

NCLL

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

HMCI

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

CASH POSITION AND USE OF RESTRICTED CASH

Restricted Cash

83. Pursuant to the Twenty-Fourth Report, no additional funding was requested from Restricted Cash during the Twelfth Extension Period. For reference purposes, the table presented below provides a breakdown of the Restricted Cash requests since its inception following the sale of the Canmarc REIT Units. The restricted cash balance as at July 3, 2013 has increased since the Twenty-Fourth Report as a result of interest earned of approximately \$78K.

Summary of Restricted Cash Requests (C\$000)			
Monitor's Report		Date	Amount Requested
Sixth Monitor's Report	Proceeds from Cominar sale	31-Jan-12	145,439
Transfer to Osler Trust Account	Funds sent to Osler's trust account (note 1)	1-Feb-12	(21,450)
RBC Securities	Commission	9-Feb-12	(915)
Net funds available from Cominar sale proceeds			A
			123,074
Seventh Monitor's Report	Request from Restricted Cash	17-Feb-12	(10,000)
Ninth Monitor's Report	Request from Restricted Cash	10-Apr-12	(6,000)
Tenth Monitor's Report	Request from Restricted Cash	29-May-12	(11,000)
Thirteenth Monitor's Report	Request from Restricted Cash	17-Jul-12	(5,200)
Fifteenth Monitor's Report	Request from Restricted Cash	11-Sep-12	(3,000)
Sixteenth Monitor's Report	Request from Restricted Cash	4-Oct-12	(8,100)
Total requests from Restricted Cash			B
			(43,300)
Interest on Restricted Cash	Cumulative interest received		C
			1,312
Ending balance of Restricted Cash as at July 13, 2013			=A+B+C
			81,086

Note 1: The majority of these funds have been released in accordance with the Cominar Global Settlement. As indicated in paragraph 77 of the Twentieth Report an amount of \$2M still remains in Osler's trust account.

Analysis of HII's cash funding requirements and results

84. As indicated in the Extended 7-Week Cash Flow Forecast section, for the period ending August 31, 2013, it is forecasted that the HII Parties will have a cash surplus of \$13,537K. For additional information regarding the Debtors forecasted cash inflows and outflows to August 31, 2013, please refer to Appendix C of this Twenty-Fifth Report.
85. Accordingly, it appears that the HII Parties possess sufficient funds to accomplish the various steps that are required to advance the restructuring of the HII Parties until the expiry of the proposed Thirteenth Extension Period.

VI. CONCLUSIONS AND RECOMMENDATIONS

86. 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.
87. It is the Monitor's opinion that, for the reasons further elaborated in this Twenty-Fifth Report:
- i. the Thirteenth Extension (up to August 31, 2013) should be granted to ensure that the HII Parties are able to implement certain essential restructuring reorganization steps and to advance towards the implementation of the Plans; and
 - ii. A stay of proceedings should be lifted in order for Homco 122 to file a voluntary assignment in bankruptcy.

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

DATED AT MONTREAL, this 10th day of July, 2013.



Pierre Laporte, CPA, CA, CIRP
President

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

APPENDICES

APPENDIX A

THE ENTITIES Mis-en-Cause

HOMCO REALTY FUND (52) LIMITED PARTNERSHIP
HOMCO REALTY FUND (61) LIMITED PARTNERSHIP
HOMCO REALTY FUND (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 (122) LIMITED PARTNERSHIP
HOMCO REALTY FUND (142) LIMITED PARTNERSHIP
HOMCO REALTY FUND (190) LIMITED PARTNERSHIP
HOMCO REALTY FUND (191) LIMITED PARTNERSHIP
HOMCO REALTY FUND (199) LIMITED PARTNERSHIP
CASTELLO DEVELOPMENT LTD.

APPENDIX B

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

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

	For the 5-week period of May 19 to June 22, 2013		
	Actual	Budget	Variance
Cash inflows			
REIT distributions	-	-	-
REIT unit sale proceeds	-	-	-
GST/HST received	135.9	-	135.9
Intercompany receipts (Petitioners and Mis-en-cause)	-	-	-
Other receipts	2,053.0	-	2,053.0
Total cash inflows	2,188.9	-	2,188.9
Cash outflows			
Payroll	170.4	180.0	9.6
Rent expense	25.7	25.0	(0.7)
Restructuring related professional fees	5,892.3	9,915.5	4,023.2
Insurance	3.8	-	(3.8)
Office & admin	160.2	250.0	89.8
Director fees	11.4	-	(11.4)
KERP	-	-	-
CP obligation	-	-	-
Corporate bond principal repayment	-	-	-
Corporate bond interest payment	-	-	-
Junior subordinate debt principal repayment	-	-	-
Junior subordinate debt interest payment	-	-	-
HCSA interest payment	-	-	-
GST/HST paid	-	-	-
Intercompany disbursements (Petitioners and Mis-en-cause)	-	-	-
Hotel insurance	9.6	-	(9.6)
Other expenditures	2,035.2	-	(2,035.2)
Total cash outflows	8,308.6	10,370.5	2,061.9
Opening cash balance	17,147.2	17,147.2	-
Variation in cash balance	(6,119.7)	(10,370.5)	4,250.8
Exchange rate (Gain / Loss)	-	-	-
Ending cash balance	11,027.5	6,776.7	4,250.8
Surplus (funding) between HII and its non-Petitioners	(246.3)	-	(246.3)
Surplus (funding) between HII and its Petitioners	-	-	-
Adjusted ending cash balance	10,781.2	6,776.7	4,004.5

HII budget to actual commentary

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

Ending cash balance

- In addition to the ending cash balance presented of \$10,781.2K, please note that \$1,612.1K is currently held in the Monitor's trust accounts as at June 21, 2013. This amount represents funds reserved for the KERP as indicated in paragraphs 10 to 13 of the Fourteenth Report and amounts received which are related to the Canoxy Place Subtenants.

Inflows

- GST/HST received was \$135.9K compared to a budgeted amount of nil, resulting in a favorable variance of \$135.9K. The favorable variance is due to unbudgeted GST/HST refunds from the CRA which had been delayed.
- Other receipts were \$2,053.0K compared to a budgeted amount of nil, resulting in a favorable variance of \$2,053.0K. The favorable variance is related to H92's reimbursement of HII's intercompany balance which had not been previously budgeted.

Outflows

- Restructuring related professional fees were \$5,892.3K compared to a budgeted amount of \$9,915.5K, resulting in a favorable variance of \$4,023.2K. This favorable variance is mainly due to timing as invoices issued during the period remain outstanding.
- Office and administrative expenditures were \$160.2K compared to a budgeted amount of \$250.0K, resulting in a favorable variance of \$89.8K. This favorable variance is mainly due to over-budgeting of the office and administrative expenses.
- Director fees were \$11.4K compared to a budgeted amount of nil, resulting in an unfavorable variance of \$11.4K. This unfavorable variance is mainly due to timing.
- Hotel insurance was \$9.6K compared to a budgeted amount of nil, resulting in an unfavorable variance of \$9.6K. This unfavorable variance is mainly due to timing as disbursements were budgeted in prior periods.
- Other expenditures were \$2,035.2K compared to a budgeted amount of nil, resulting in an unfavorable variance of \$2,035.2K. The unfavorable variance is due to the Valbonne 5 Bridge Loan which had not been previously budgeted.
- In accordance with the Court Order dated February 17, 2012, the payment of fees, disbursements and expenses of the Trustees of the Stichting Homburg Bonds and Stichting Homburg Capital Securities A (collectively, "**Stichting**") and their legal and financial advisors incurred since December 3, 2011 are to be advanced by HII. The following table presents a summary of the actual fees advanced to Stichting since the Court Order was implemented, which will be offset against any dividend payable to Stichting from HII:

Stichting Homburg invoice list			
Invoice	Date Range	Amount Per	
		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
VAT Refund ¹	Invoices 3, 4 & 5	€ (70,352)	\$ (86,667)
VAT Refund ¹	Invoices 6, 8 & 10	€ (59,975)	\$ (74,993)
VAT Refund ²	Invoices 7, 9 & 11	€ (13,800)	\$ (17,256)
VAT Refund ¹	Invoices 12, 15 & 17	€ (54,455)	\$ (70,536)
VAT Refund ²	Invoices 13 & 16	€ (3)	\$ (4)
VAT Refund ²	Invoices 19 & 21	€ (73,072)	\$ (98,969)
VAT Refund ³	Invoices 23 & 25	€ (40,046)	\$ (54,238)
VAT Refund ⁴	Invoices 21, 23, 25, 26 & 28	€ (120,803)	\$ (161,115)
Total (Converted on date paid)			\$ 6,410,955
Note 1: VAT refunds were received for Invoices 3, 4, 5, 6, 8, 10, 12, 15 and 17 as no EU VAT was applicable.			
Note 2: Invoices 7, 9, 11, 13, 16, 19 and 21 were revised as some of the fees charged were not related specifically to the settlement agreement. The fees excluded were related to services rendered at the request of HII in relation with bondholders meetings.			
Note 3: A portion of the VAT refunds were received for Invoices 23 & 25, and the remaining portion is due to be received shortly.			
Note 4: Additional portions of VAT refunds for Invoices 21, 23 and 25 were received. In addition, VAT refunds were received related to Invoices 26 & 28.			

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 5-week period of May 19 to June 22, 2013		
	Actual	Budget	Variance
Cash inflows			
Mortgage bond issuance	-	-	-
Intercompany transfers (Petitioners)	-	-	-
Total cash inflows	<u>-</u>	<u>-</u>	<u>-</u>
Cash outflows			
Interest payments - mortgage bonds	-	-	-
Repayment of Bonds	-	-	-
Intercompany transfers (Petitioners)	-	-	-
Total cash outflows	<u>-</u>	<u>-</u>	<u>-</u>
Opening cash balance	39.1	39.1	-
Variation in cash balance	-	-	-
Exchange rate (Gain / Loss)	-	-	-
Ending cash balance	<u>39.1</u>	<u>39.1</u>	<u>-</u>

Shareco budget to actual commentary

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

Inflows-Outflows

- No transactions occurred during the period in Shareco.

Churchill

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

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

	For the 5-week period of May 19 to June 22, 2013		
	Actual	Budget	Variance
Cash inflows			
Condo sales proceeds	-	-	-
GST collected	-	-	-
GST ITC refund	-	-	-
Rent	-	-	-
Other Receipts	-	-	-
Total cash inflows	-	-	-
Cash outflows			
Commissions	-	-	-
Advertising	-	-	-
R&M	0.3	-	(0.3)
Property tax	1.7	-	(1.7)
Professional fees	-	-	-
Insurance	1.3	-	(1.3)
Mortgage principal	-	-	-
Mortgage interest	-	-	-
Office & admin	-	-	-
Condo fees	-	31.3	31.3
GST remitted	58.4	127.3	68.9
Total cash outflows	61.7	158.6	96.9
Opening cash balance	5,446.5	5,446.5	-
Variation in cash balance	(61.7)	(158.6)	96.9
Exchange rate (Gain / Loss)	-	-	-
Ending cash balance	5,384.8	5,287.9	96.9

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

- Condo fees were nil compared to a budgeted amount of \$31.3K, resulting in a favorable variance of \$31.3K. This favorable variance is mainly due to timing as disbursements are expected to be incurred in the next reporting period.

- GST remitted was \$58.4K compared to a budgeted amount of \$127.3K, resulting in a favorable variance of \$68.9K. This favorable variance is mainly due to timing as disbursements are expected to be incurred in the next reporting period and to the sale of a condo unit that had been rented by Churchill until May 2012, and as a result, no GST was chargeable or had to be remitted from the sale of this unit.

Inverness

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

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

	For the 5-week period of May 19 to June 22, 2013		
	Actual	Budget	Variance
Cash inflows			
Condo sales proceeds	-	-	-
Other receipts	-	-	-
GST collected	-	-	-
GST ITC refund	-	-	-
Total cash inflows	<u>-</u>	<u>-</u>	<u>-</u>
Cash outflows			
Commissions	-	-	-
R&M	-	-	-
Property tax	-	-	-
Professional fees	-	-	-
Insurance	-	-	-
Mortgage principal	-	-	-
Mortgage interest	-	-	-
Office & admin	-	-	-
Condo fees	-	-	-
GST remitted	-	-	-
Other expenditures	-	-	-
Total cash outflows	<u>-</u>	<u>-</u>	<u>-</u>
Funded opening cash balance	491.0	491.0	-
Adjustment for receipt in prior period	-	-	-
Variation in cash balance	-	-	-
Exchange rate (Gain / Loss)	-	-	-
Ending cash balance	<u>491.0</u>	<u>491.0</u>	<u>-</u>

Inverness budget to actual commentary

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

Inflows-Outflows

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

CP

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

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

	For the 5-week period of May 19 to June 22, 2013		
	Actual	Budget	Variance
Cash inflows			
Costs reimbursed from escrow	-	-	-
GST refund from previous months	0.2	-	0.2
Other receipts	-	-	-
Total cash inflows	0.2	-	0.2
Cash outflows			
Construction costs (1,2&3)	-	-	-
Construction costs (4&5)	1.2	-	(1.2)
Professional fees	-	-	-
Insurance	-	-	-
Mortgage principal	-	-	-
Mortgage interest	-	-	-
Payment of secured liens	-	-	-
Property tax	-	-	-
Other expenditures	-	-	-
Total cash outflows	1.2	-	(1.2)
Opening cash balance	549.0	549.0	-
Variation in cash balance	(1.0)	-	(1.0)
Exchange rate (Gain / Loss)	-	-	-
Ending cash balance	548.0	549.0	(1.0)

CP budget to actual commentary

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

Ending cash balance

- In addition to the ending cash balance presented of \$549K, please note that \$10.7M is currently held in the Monitor's trust accounts as at June 21, 2013. This amount represents net proceeds of sale of the CP sale.

Inflows-Outflows

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

North Calgary Land Ltd.

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

	For the 5-week period of May 19 to June 22, 2013		
	Actual	Budget	Variance
Cash inflows			
GST/HST received	-	-	-
Other receipts	-	-	-
Total cash inflows	<u>-</u>	<u>-</u>	<u>-</u>
Cash outflows			
Professional fees	-	-	-
Property tax	-	-	-
Insurance	-	-	-
Office & administrative	0.1	-	(0.1)
GST/HST paid	-	-	-
Other expenditures	-	-	-
Total cash outflows	<u>0.1</u>	<u>-</u>	<u>(0.1)</u>
Funded opening cash balance			
Variation in cash balance	(0.1)	-	(0.1)
Exchange rate (Gain / Loss)	-	-	-
Ending cash balance	<u>(0.1)</u>	<u>-</u>	<u>(0.1)</u>
Funding from HII			
Funded ending cash balance	<u>-</u>	<u>-</u>	<u>-</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 5-week period of May 19 to June 22, 2013		
	Actual	Budget	Variance
Cash inflows			
Other receipts	-	-	-
Total cash inflows	<u>-</u>	<u>-</u>	<u>-</u>
Cash outflows			
Other expenditures	-	-	-
Total cash outflows	<u>-</u>	<u>-</u>	<u>-</u>
Opening cash balance	-	-	-
Variation in cash balance	-	-	-
Exchange rate (Gain / Loss)	-	-	-
Ending cash balance	<u>-</u>	<u>-</u>	<u>-</u>

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 7-week cash flow forecast (\$C)

Updated as of June 23, 2013

Homburg Invest Inc.
 Extended cash flow statement from June 23 to August 31, 2013

Number of weeks:	24th report AMENDED				25th report								
	94	95	96	TOTAL	97	98	99	100	101	102	103	TOTAL	
Beginning period:	23-Jun-13	30-Jun-13	7-Jul-13	13-Jul-13	14-Jul-13	21-Jul-13	28-Jul-13	4-Aug-13	11-Aug-13	18-Aug-13	25-Aug-13	31-Aug-13	7-Week Period
Ending period:	29-Jun-13	6-Jul-13	13-Jul-13	3-Week Period	20-Jul-13	27-Jul-13	3-Aug-13	10-Aug-13	17-Aug-13	24-Aug-13	31-Aug-13	7-Week Period	
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Cash inflows													
GST/HST/VAT received	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	2,052,826	-	-	2,052,826	-	3,848,116	-	2,343,856	-	1,757,960	-	-	7,949,932
Total cash inflows	2,052,826	-	-	2,052,826	-	3,848,116	-	2,343,856	-	1,757,960	-	-	7,949,932
Cash outflows													
Payroll	90,000	-	90,000	180,000	-	85,000	-	85,000	-	85,000	-	-	255,000
Rent expense	25,000	-	-	25,000	-	25,000	-	-	-	25,000	-	-	50,000
Restructuring related professional fees	1,262,500	1,262,500	2,355,906	4,880,906	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	3,500,000
Insurance	-	250,000	-	250,000	-	-	-	-	-	-	-	-	-
Office & administrative	50,000	50,000	50,000	150,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	280,000
Director fees	-	-	175,000	175,000	-	-	-	-	-	-	-	-	-
KERP	-	-	-	-	-	-	-	-	-	-	-	-	-
Hotel insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditures	-	-	-	-	306,923	477,435	-	-	-	-	-	-	784,358
Total cash outflows	1,427,500	1,562,500	2,670,906	5,660,906	846,923	1,127,435	540,000	625,000	540,000	650,000	540,000	540,000	4,869,358
Opening balance	10,781,190	8,388,716	6,826,216	10,781,190	4,118,863	3,271,940	5,992,621	5,452,621	7,171,477	6,631,477	7,739,437	7,739,437	4,118,863
Payments in transit	(3,017,800)	-	-	(3,017,800)	-	-	-	-	-	-	-	-	-
Variation in cash balance (Petitioners)	625,326	(1,562,500)	(2,670,906)	(3,608,080)	(846,923)	2,720,681	(540,000)	1,718,856	(540,000)	1,107,960	(540,000)	(540,000)	3,080,574
Variation in cash balance (Non-Petitioners)	-	-	(36,447)	(36,447)	-	-	-	-	-	-	-	(56,386)	(56,386)
Exchange rate	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted ending cash balance	8,388,716	6,826,216	4,118,863	4,118,863	3,271,940	5,992,621	5,452,621	7,171,477	6,631,477	7,739,437	7,143,051	7,143,051	7,143,051

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at June 23, 2013. In addition to the opening cash balance presented of \$10,781.2K, please note that \$1,612.1K is currently held in the Monitor's trust accounts as at June 23, 2013. This amount represents funds reserved for the KERP as indicated in paragraphs 10 to 13 of the Fourteenth Report and amounts received which are related to the Canoxy Place Subtenants.
- 2) The Valbonne 5 Bridge Loan was granted by the Court on June 5, 2013. The other receipts of \$2,052.8K represent the repayment of the Bridge Loan from Valbonne 5 to HII.
- 3) Other receipts of \$3,848.1K are expected to be received in week 98 which relates to proceeds of sale from two HHUS properties located in Sugarland and Hurst, Texas.
- 4) Other receipts of \$2,343.9K are expected to be received in week 100 which relates to a capital distribution from Homco 92 following the sale of its asset.
- 5) Other receipts of \$1,757.9K are expected to be received in week 102 which relates to the proceeds of the Homco 83 bulk condominium sale.
- 6) Professional fees in week 96 are composed of the weekly budget of \$1,262.5K plus the favorable variance of \$4,023.2K presented in the budget to actual at Appendix B which is being carried forward, less the professional fee payments in transit of \$2,929.8K.

- 7) Directors & Officers annual insurance premium of \$250K is due to be paid in week 95.
- 8) Other expenditures of €225K (\$306.9K) and of €350K (\$477.4K) are planned to be paid in weeks 97 and 98 respectively, to assist in the establishment of Newco. These amounts will be repaid to HII following implementation of the Plans.
- 9) At August 31, 2013, it is estimated that a professional fee accrual of approximately \$6.4M will be outstanding and payable. These payables, even though not yet budgeted in HII's cash flow, have been taken into consideration while establishing the estimated recovery rates presented in the Information Circular.
- 10) Payments in transit are composed of professional fees of \$2,929.8K and other expenses of \$88.0K.

NOTES AND REPRESENTATIONS TO THE CASH FLOW STATEMENT

NOTE A – PURPOSE AND WARNINGS

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

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

NOTE B – DEFINITIONS

(1) CASH FLOW STATEMENT

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

(2) HYPOTHETICAL ASSUMPTIONS

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

(3) PROBABLE ASSUMPTIONS

Meaning assumptions that:

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

(4) SUITABLY SUPPORTED

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

- (i) The past performance of HII;

- (ii) The performance of other industry/market participants engaged in similar activities as HII;
- (iii) Feasibility studies;
- (iv) Marketing studies; or
- (v) Any other reliable source of information that provides objective corroboration of the reasonableness of the Assumptions.

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

ASSUMPTIONS

Assumptions	Source	Probable Assumption	Hypothetical Assumption
<u>Opening cash balance</u>	Based on allocated closing cash balances as at June 22, 2013	X	
<u>Exchange rates</u>	All cash flows are in Canadian dollars		X
<u>Forecast cash receipts</u>			
GST/HST/VAT received	GST/HST/VAT refunds: based on management assessments.	X	
Other receipts	Other receipts. See note in the cash flow statement.	X	
<u>Forecast cash disbursements</u>			
Payroll	Based on updated reduced payroll	X	
Rent expense	Rent at the Akerley Blvd. and Montreal locations	X	
Restructuring related professional fees	Represents fees of Deloitte, McCarthy Tétrault, Osler, Cohn & Wolfe, Allen & Overy, Clifford Chance, Coady Filliter, National, The Baltics HII lawyers and the Trustees fees	X	
Insurance	Directors and Officers insurance	X	
Office & administrative	Bank fees, travel, telephone, non-CCAA professional fees and other miscellaneous costs	X	
Director fees	Fees payable to Directors and Officers of HII	X	
KERP	Updated KERP amount presented under seal	X	
Hotel insurance	Insurance expenses to protect the furniture and other assets located in the Hotel; no expenses are expected for the period	X	
Other expenditures	Funding to Newco	X	
<u>Ending cash balance</u>	Based on allocated cash transactions		X

Shareco Extended 7-week cash flow forecast (\$C)

Updated as of June 23, 2013

Homburg ShareCo Inc.

Extended cash flow statement from June 23 to August 31, 2013

	24th report PUBLISHED				25th report							
Number of weeks:	94	95	96		97	98	99	100	101	102	103	
Beginning period:	23-Jun-13	30-Jun-13	7-Jul-13	TOTAL	14-Jul-13	21-Jul-13	28-Jul-13	4-Aug-13	11-Aug-13	18-Aug-13	25-Aug-13	TOTAL
Ending period:	29-Jun-13	6-Jul-13	13-Jul-13	3-Week Period	20-Jul-13	27-Jul-13	3-Aug-13	10-Aug-13	17-Aug-13	24-Aug-13	31-Aug-13	7-Week Period
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Cash inflows												
Mortgage bond issuance	-	-	-	-	-	-	-	-	-	-	-	-
Total cash inflows	-	-	-	-	-	-	-	-	-	-	-	-
Cash outflows												
Interest payments - mortgage bonds	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Bonds	-	-	-	-	-	-	-	-	-	-	-	-
Total cash outflows	-	-	-	-	-	-	-	-	-	-	-	-
Opening cash balance	39,100	39,100	39,100	39,100	39,100	39,100	39,100	39,100	39,100	39,100	39,100	39,100
Variation in cash balance	-	-	-	-	-	-	-	-	-	-	-	-
Exchange rate	-	-	-	-	-	-	-	-	-	-	-	-
Ending cash balance	39,100	39,100	39,100	39,100	39,100	39,100	39,100	39,100	39,100	39,100	39,100	39,100

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at June 23, 2013.

NOTES AND REPRESENTATIONS TO THE CASH FLOW STATEMENT

NOTE A – PURPOSE AND WARNINGS

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

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

NOTE B – DEFINITIONS

CASH FLOW STATEMENT

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

HYPOTHETICAL ASSUMPTIONS

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

PROBABLE ASSUMPTIONS

Meaning assumptions that:

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

SUITABLY SUPPORTED

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

- (i) The past performance of Shareco;

- (ii) The performance of other industry/market participants engaged in similar activities as Shareco;
- (iii) Feasibility studies;
- (iv) Marketing studies; or
- (v) Any other reliable source of information that provides objective corroboration of the reasonableness of the Assumptions.

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

ASSUMPTIONS

Assumptions	Source	Probable Assumption	Hypothetical Assumption
<u>General cash flow assumptions</u>	<p>This entity holds four series of asset-backed mortgage bonds. The Mortgage Bonds are 7-year bonds issued in series and secured by a first or second charge over specific assets and a corporate guarantee.</p> <p>As the debt is entirely affected by the Stay Period, there will not be any cash inflows or outflows relating to the debt in Shareco for the period noted. Occasionally, certain funds are transferred between HII and Shareco.</p>	X	
<u>Opening cash balance</u>	Based on allocated closing cash balances as at June 22, 2013	X	
<u>Forecast cash receipts</u>	No cash inflows are projected for this period	X	
<u>Forecast cash disbursements</u>	No cash outflows are projected for this period	X	
<u>Ending cash balance</u>	Based on allocated cash transactions		X

Churchill Extended 7-week cash flow forecast (\$C)

Updated as of June 23, 2013

Churchill Estates Development Ltd.
Extended cash flow statement from June 23 to August 31, 2013

Number of weeks	24nd report AMENDED				25nd report							
	94	95	96	TOTAL	97	98	99	100	101	102	103	TOTAL
Beginning period:	23-Jun-13	30-Jun-13	7-Jul-13	3-Week Period	14-Jul-13	21-Jul-13	28-Jul-13	4-Aug-13	11-Aug-13	18-Aug-13	25-Aug-13	7-Week Period
Ending period:	29-Jun-13	6-Jul-13	13-Jul-13		20-Jul-13	27-Jul-13	3-Aug-13	10-Aug-13	17-Aug-13	24-Aug-13	31-Aug-13	
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Cash inflows	-	-	-	-	-	-	-	-	-	-	-	-
Total cash inflows	-	-	-	-	-	-	-	-	-	-	-	-
Cash outflows												
Condo fees	37,556	-	-	37,556	-	-	-	-	-	-	-	-
GST remitted	31,102	-	-	31,102	-	-	-	-	-	-	-	-
Total cash outflows	68,658	-	-	68,658	-	-	-	-	-	-	-	-
Opening cash balance	5,384,800	5,316,142	5,316,142	5,384,800	5,316,142	5,316,142	5,316,142	5,316,142	5,316,142	5,316,142	5,316,142	5,316,142
Variation in cash balance	(68,658)	-	-	(68,658)	-	-	-	-	-	-	-	-
Exchange rate	-	-	-	-	-	-	-	-	-	-	-	-
Ending cash balance	5,316,142	5,316,142	5,316,142	5,316,142	5,316,142	5,316,142	5,316,142	5,316,142	5,316,142	5,316,142	5,316,142	5,316,142

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at June 23, 2013.

NOTES AND REPRESENTATIONS TO THE CASH FLOW STATEMENT

NOTE A – PURPOSE AND WARNINGS

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

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

NOTE B – DEFINITIONS

CASH FLOW STATEMENT

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

HYPOTHETICAL ASSUMPTIONS

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

PROBABLE ASSUMPTIONS

Meaning assumptions that:

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

SUITABLY SUPPORTED

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

- (i) The past performance of Churchill;

- (ii) The performance of other industry/market participants engaged in similar activities as Churchill;
- (iii) Feasibility studies;
- (iv) Marketing studies; or
- (v) Any other reliable source of information that provides objective corroboration of the reasonableness of the Assumptions.

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

ASSUMPTIONS

Assumptions	Source	Probable Assumption	Hypothetical Assumption
<u>Opening cash balance</u>	Based on allocated closing cash balances as at June 22, 2013	X	
<u>Exchange rates</u>	All cash flows are in Canadian dollars		X
<u>Forecast cash receipts</u>	No activity has been forecasted during the period	X	
<u>Forecast cash disbursements</u>	No activity has been forecasted during the period	X	
Condo fees	Special assessment charge for repairs to common areas within Churchill	X	
GST remitted	GST paid based on applicable taxes on forecasted condo sales	X	
<u>Closing cash balance</u>	Based on allocated cash transactions		X

Inverness Extended 7-week cash flow forecast (\$C)

Updated as of June 23, 2013

Inverness Estates Development Ltd.
Extended cash flow statement from June 23 to August 31, 2013

Number of weeks:	24th report PUBLISHED				25th report							
	94	95	96	TOTAL	97	98	99	100	101	102	103	TOTAL
Beginning period:	23-Jun-13	30-Jun-13	30-Jun-13		7-Jul-13	14-Jul-13	21-Jul-13	28-Jul-13	4-Aug-13	11-Aug-13	18-Aug-13	
Ending period:	29-Jun-13	6-Jul-13	6-Jul-13	3-Week Period	13-Jul-13	20-Jul-13	27-Jul-13	3-Aug-13	10-Aug-13	17-Aug-13	24-Aug-13	7-Week Period
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Cash inflows	-	-	-	-	-	-	-	-	-	-	-	-
Total cash inflows	-	-	-	-	-	-	-	-	-	-	-	-
Cash outflows	-	-	-	-	-	-	-	-	-	-	-	-
Total cash outflows	-	-	-	-	-	-	-	-	-	-	-	-
Opening cash balance	491,000	491,000	491,000	491,000	491,000	491,000	491,000	491,000	491,000	491,000	491,000	491,000
Variation in cash balance	-	-	-	-	-	-	-	-	-	-	-	-
Exchange rate	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted Ending cash balance	491,000	491,000	491,000	491,000	491,000	491,000	491,000	491,000	491,000	491,000	491,000	491,000

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at June 23, 2013.

NOTES AND REPRESENTATIONS TO THE CASH FLOW STATEMENT

NOTE A – PURPOSE AND WARNINGS

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

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

NOTE B – DEFINITIONS

CASH FLOW STATEMENT

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

HYPOTHETICAL ASSUMPTIONS

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

PROBABLE ASSUMPTIONS

Meaning assumptions that:

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

SUITABLY SUPPORTED

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

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

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

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

ASSUMPTIONS

Assumptions	Source	Probable Assumption	Hypothetical Assumption
<u>Opening cash balance</u>	Based on allocated closing cash balances as at June 22, 2013	X	
<u>Exchange rates</u>	All cash flows are in Canadian dollars		X
<u>Forecast cash receipts</u>	Inverness was sold and no cash inflows are projected for this period	X	
<u>Forecast cash disbursements</u>	Inverness was sold and no cash outflows are projected for this period	X	
<u>Closing cash balance</u>	Based on allocated cash transactions		X

CP Extended 7-week cash flow forecast (\$C)

Updated as of June 23, 2013

CP Development Ltd.

Extended cash flow statement from June 23 to August 31, 2013

Number of weeks:	24th report PUBLISHED				25th report							
	92	93	94	TOTAL	95	96	97	98	99	100	101	TOTAL
Beginning period:	23-Jun-13	30-Jun-13	7-Jul-13	3-Week Period	14-Jul-13	21-Jul-13	28-Jul-13	4-Aug-13	11-Aug-13	18-Aug-13	25-Aug-13	7-Week Period
Ending period:	29-Jun-13	6-Jul-13	13-Jul-13		20-Jul-13	27-Jul-13	3-Aug-13	10-Aug-13	17-Aug-13	24-Aug-13	31-Aug-13	
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Cash inflows	-	-	-	-	-	-	-	-	-	-	-	-
Total cash inflows	-	-	-	-	-	-	-	-	-	-	-	-
Cash outflow	-	-	-	-	-	-	-	-	-	-	-	-
Total cash outflows	-	-	-	-	-	-	-	-	-	-	-	-
Opening cash balance	548,000	548,000	548,000	548,000	548,000	548,000	548,000	548,000	548,000	548,000	548,000	548,000
Variation in cash balance	-	-	-	-	-	-	-	-	-	-	-	-
Exchange rate	-	-	-	-	-	-	-	-	-	-	-	-
Ending cash balance	<u>548,000</u>	<u>548,000</u>	<u>548,000</u>	<u>548,000</u>	<u>548,000</u>	<u>548,000</u>	<u>548,000</u>	<u>548,000</u>	<u>548,000</u>	<u>548,000</u>	<u>548,000</u>	<u>548,000</u>

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at June 23, 2013.
- 2) In addition to the opening cash balance presented of \$648K, please note that \$10,734K is currently held in the Monitor's trust accounts as at June 23, 2013. This amount represents the net proceeds of the CP sale.

NOTES AND REPRESENTATIONS TO THE CASH FLOW STATEMENT

NOTE A – PURPOSE AND WARNINGS

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

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

NOTE B – DEFINITIONS

CASH FLOW STATEMENT

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

HYPOTHETICAL ASSUMPTIONS

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

PROBABLE ASSUMPTIONS

Meaning assumptions that:

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

SUITABLY SUPPORTED

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

- (i) The past performance of CP;

- (ii) The performance of other industry/market participants engaged in similar activities as CP;
- (iii) Feasibility studies;
- (iv) Marketing studies; or
- (v) Any other reliable source of information that provides objective corroboration of the reasonableness of the Assumptions.

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

ASSUMPTIONS

Assumptions	Source	Probable Assumption	Hypothetical Assumption
<u>Opening cash balance</u>	Based on allocated closing cash balances as at June 22, 2013	X	
<u>Exchange rates</u>	All cash flows are in Canadian dollars		X
<u>Forecast cash receipts</u>	CP was sold and no cash inflows are projected for this period	X	
<u>Forecast cash disbursements</u>	CP was sold and no cash outflows are projected for this period	X	
<u>Closing cash balance</u>	Based on allocated cash transactions		X

NCLL Extended 7-week cash flow forecast (\$C)

Updated as of June 23, 2013

NCLL

Extended cash flow statement from June 23 to August 31, 2013

	24th report PUBLISHED				25th report							
Number of weeks:	56	57	58		59	60	61	62	63	64	65	
Beginning period:	23-Jun-13	30-Jun-13	7-Jul-13	TOTAL	14-Jul-13	21-Jul-13	28-Jul-13	4-Aug-13	11-Aug-13	18-Aug-13	25-Aug-13	TOTAL
Ending period:	29-Jun-13	6-Jul-13	13-Jul-13	3-Week Period	20-Jul-13	27-Jul-13	3-Aug-13	10-Aug-13	17-Aug-13	24-Aug-13	31-Aug-13	7-Week Period
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Cash inflows												
GST/HST received	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total cash inflows	-	-	-	-	-	-	-	-	-	-	-	-
Cash outflows												
Professional fees	-	-	-	-	-	-	-	-	-	-	-	-
Property tax	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-
Mortgage principal	-	-	-	-	-	-	-	-	-	-	-	-
Mortgage interest	-	-	-	-	-	-	-	-	-	-	-	-
GST/HST paid	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Total cash outflows	-	-	-	-	-	-	-	-	-	-	-	-
Opening cash balance	-	-	-	-	-	-	-	-	-	-	-	-
Funding from HII												
Variation in cash balance	-	-	-	-	-	-	-	-	-	-	-	-
Exchange rate	-	-	-	-	-	-	-	-	-	-	-	-
Adjust ending cash balance	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at June 23, 2013. In addition to the opening cash balance presented of \$nil, please note that \$3,120.2K is currently held in the Monitor's trust accounts as at June 23, 2013.

NOTES AND REPRESENTATIONS TO THE CASH FLOW STATEMENT

NOTE A – PURPOSE AND WARNINGS

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

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

NOTE B – DEFINITIONS

CASH FLOW STATEMENT

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

HYPOTHETICAL ASSUMPTIONS

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

PROBABLE ASSUMPTIONS

Meaning assumptions that:

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

SUITABLY SUPPORTED

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

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

(iii) Feasibility studies;

(iv) Marketing studies; or

(v) Any other reliable source of information that provides objective corroboration of the reasonableness of the Assumptions.

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

ASSUMPTIONS

Assumptions	Source	Probable Assumption	Hypothetical Assumption
<u>Opening cash balance</u>	Based on allocated closing cash balances as at June 22, 2013	X	
<u>Exchange rates</u>	All cash flows are in Canadian dollars		X
<u>Forecast cash receipts</u>			
GST/HST received	Based on previous GST/HST reimbursements, no activity has been forecasted during the period		X
Other receipts	Other receipts, no activity has been forecasted during the period	X	
<u>Forecast cash disbursements</u>			
Professional fees	Legal and closing costs for sale of property, no activity has been forecasted during the period		X
Property tax	Property tax is paid in one annual installment, and no activity has been forecasted during the period	X	
Insurance	Insurance has been pre-paid for the year, and no activity has been forecasted during the period	X	
Mortgage principal	Amount stayed by proceedings	X	
Mortgage interest	Amount stayed by proceedings	X	
GST/HST paid	Based on previous GST/HST payments, and no activity has been forecasted during the period	X	
Other expenditures	Other expenditures incurred, and no activity has been forecasted during the period	X	
<u>Ending cash balance</u>	Based on allocated cash transactions		X

HMCI Extended 7-week cash flow forecast (\$C)

Updated as of June 23, 2013

Homburg Management Canada Inc.
Extended cash flow statement from June 23 to August 31, 2013

	24th report PUBLISHED				25th report							
Number of weeks:	16	17	18		19	20	21	22	23	24	25	
Beginning period:	23-Jun-13	30-Jun-13	7-Jul-13	TOTAL	14-Jul-13	21-Jul-13	28-Jul-13	4-Aug-13	11-Aug-13	18-Aug-13	25-Aug-13	TOTAL
Ending period:	29-Jun-13	6-Jul-13	13-Jul-13	3-Week Period	20-Jul-13	27-Jul-13	3-Aug-13	10-Aug-13	17-Aug-13	24-Aug-13	31-Aug-13	7-Week Period
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Cash inflows												
Other Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total cash inflows	-	-	-	-	-	-	-	-	-	-	-	-
Cash outflows												
Other Disbursements	-	-	-	-	-	-	-	-	-	-	-	-
Total cash outflows	-	-	-	-	-	-	-	-	-	-	-	-
Opening cash balance	-	-	-	-	-	-	-	-	-	-	-	-
Variation in cash balance	-	-	-	-	-	-	-	-	-	-	-	-
Exchange rate	-	-	-	-	-	-	-	-	-	-	-	-
Ending cash balance	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at June 23, 2013.

NOTES AND REPRESENTATIONS TO THE CASH FLOW STATEMENT

NOTE A – PURPOSE AND WARNINGS

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

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

NOTE B – DEFINITIONS

CASH FLOW STATEMENT

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

HYPOTHETICAL ASSUMPTIONS

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

PROBABLE ASSUMPTIONS

Meaning assumptions that:

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

SUITABLY SUPPORTED

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

- (i) The past performance of HMCI;

- (ii) The performance of other industry/market participants engaged in similar activities as HMCI;
- (iii) Feasibility studies;
- (iv) Marketing studies; or
- (v) Any other reliable source of information that provides objective corroboration of the reasonableness of the Assumptions.

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

ASSUMPTIONS

Assumptions	Source	Probable Assumption	Hypothetical Assumption
<u>Opening cash balance</u>	Based on allocated closing cash balances as at June 22, 2013	X	
<u>Forecast cash receipts</u>	No cash inflows are projected for this period	X	
<u>Forecast cash disbursements</u>	No cash outflows are projected for this period	X	
<u>Ending cash balance</u>	Based on allocated cash transactions		X

