

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 –

**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-NINTH 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**”). 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.
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 September 30, 2013, the Court last extended the Stay up until December 2, 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-eight such Monitor’s reports (as well as some supplemental reports) prior to this twenty-ninth Monitor’s report (the “**Twenty-Ninth 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 TWENTY-NINTH REPORT

6. This Twenty-Ninth 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. In addition, this Twenty-Ninth Report provides an update on the

conditions precedent 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, the status of the restructuring initiatives, provides an update on the implementation of the Plans, and, generally, the restructuring process.

7. This Twenty-Ninth Report is structured as follows:

- I- Restructuring Initiatives;
- II- Updates on Implementation of the Plans;
- III- Debtors’ Cash Flows from September 15 to November 18, 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-Ninth 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 (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-Ninth 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-Ninth 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 in respect to certain non-core properties, with a view to, in the former case, arrive at agreements that will be the most financially sound for Newco (“**Geneba**”), and, in the latter case, determine the optimal course of action to remove the non-core properties and their related liabilities from the HII Group’s corporate structure.
11. As of the date hereof, the status of these discussions and negotiations, with respect to the core properties, is as follows:
- i. Since the Twenty-Seventh Report, the HII Group and Bank of Scotland executed an agreement whereby Bank of Scotland has granted the necessary consent to transfer Homco 86 and Homco 87 to Geneba.
  - ii. As mentioned in the Twenty-Seventh Report, on April 24, 2013, the HII Group and Skandinaviska Enskilda Banken AB (“**SEB**”) executed a term sheet agreement. Since then, the HII Group, in consultation with the Monitor, continued to negotiate with SEB the

- necessary agreements (including the security and lease agreements pertaining to 53 properties that are governed by the laws of seven (7) different jurisdictions). The execution of the key agreements by the relevant HII Group parties took place on November 28<sup>th</sup>, 2013 and by SEB on November 29, 2013. Under this agreement, the plan Implementation date has to occur before December 31, 2013.
- iii. As mentioned in the Twenty-Seventh Report, on June 19, 2013 the HII Group and HSH Nordbank AG (“**HSH**”) executed a term sheet agreement, extending the term of the credit agreement until October 29, 2015. Under this agreement HSH had the right to terminate the loan agreement if the Plan Implementation Date has not occurred before October 29, 2013. On October 28, 2013 the HII Group and HSH executed the second amendment agreement whereby the date by which the Plan Implementation Date has to occur has been extended to December 15, 2013. In light of recent developments, the HII Group has communicated with HSH to obtain a further extension.
  - iv. As described in the Twenty-Seventh Report, the necessary agreements between Falcon Private Bank Ltd. (“**Falcon**”) and NIB Capital Bank N.V. (“**NIBC**”) to proceed with the transfer of the core properties to Geneva have been entered into. Under the Falcon agreements, Plan Implementation Date was expected to occur by December 1, 2013. In anticipation that the Plan Implementation Date may be postponed, the HII Group sought and obtained an extension from Falcon.
12. The status of the discussions and negotiations regarding the non-core properties, is as follows:
- i. As described in the Twenty-Seventh Report, on September 27 2013, the HII Group, in consultation with the Monitor, presented a new proposal to SNS. On November 11, 2013, after further negotiations, the HII Group and SNS executed a standstill and settlement agreement which provides for an extension of the standstill period for an indefinite term to allow SNS to solicit offers to purchase the properties. The HII Group is entitled to terminate the standstill upon a 60 day prior notice following an initial 12 month period.
  - ii. Hatfield Philips (acting as Agent to the Noteholders) informed the HII Group that a receiver will be appointed to the property of Homco 98. It is also likely that Homco 98 and HII (98) GP inc. will be filed into bankruptcy.
  - iii. 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. Henderson Farms: HSBC has filed a Motion to appoint a receiver which has not yet been presented. The Monitor and the HII Group continue to analyze the water rights entitlement of Homco 121.
    - b. Kai: The sale of Kai was approved by court order dated November 18, 2013. A pre-closing is expected to occur on December 12, 2013 and the sale is expected to close on December 19, 2013.
    - c. Cristal Towers: As previously indicated, in February 2013, the HII Group and the Monitor had accepted a conditional offer for the sale of Cristal Towers. However, this conditional offer lapsed on October 15, 2013 and the HII Group and the Monitor determined that, given the length of the process, said offer should not be further extended. The HII Group is re-marketing this property.

- d. Points North: As noted in the Twenty-Sixth Report, Points North was relisted for sale at a reduced price of \$26 million. The Monitor continues to supervise the sale process of this property.
- iv. HSBC has been kept informed on a regular basis on the ongoing sale process of these non-core Canadian properties.

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

#### ***Canadian Properties***

- 13. The HII Group continues to actively market its Canadian properties as provided above.
- 14. In addition, the HII Group continues to market, inter alia, one condominium unit at Castello, parking stalls owned by Churchill and the properties known as Homburg Spring East (Homco 52) and Homburg Spring West (Homco 94).

#### ***US Properties***

- 15. As of the date of this Twenty-Ninth Report, Homburg Holding (U.S.) Inc. (“**HHUS**”), a subsidiary of HII, still owns five (5) of the twelve (12) US real estate assets which have been marketed by CBRE since early February 2013.
- 16. The developments that occurred since the Twenty-Seventh Report are as follows:
  - i. The sale of 3740 Colony Drive, located in San Antonio, Texas closed on November 18, 2013, and net proceeds of approximately \$885K USD have been received by HHUS.
  - ii. The sale of 4718 Cotton Belt Drive, located in San Antonio, Texas is expected to close by the end of December 2013.
- 17. The remaining four (4) Colorado Springs properties, respectively located on East Pikes Road (555, 557 and 559) and on Van Teylingen Drive, remain on sale.
- 18. In November 2013, HHUS paid the existing balance of approximately \$4.6M on the mortgage remaining on East Pikes Road owed to Firstbank. HHUS no longer has any significant liabilities and approximately \$4.1M, will be remitted to HII by the end 2013.
- 19. The process relating to the non-core properties and any pending issues relating thereto has no impact on the timing of the implementation of the Plans.

### ***BANKRUPTCIES OF NON-CORE ENTITIES***

- 20. Since the Twenty-Seventh Report, HII paid its post-filing intercompany claims to Churchill and, in turn, Churchill paid its intercompany claim to Inverness. Churchill’s only remaining assets consist of the condominium unit to be transferred at Plan Implementation Date pursuant to the HCI Purchase Agreement and two (2) parking stalls that are being marketed for sale.
- 21. Inverness filed for bankruptcy on October 25, 2013 and all its post-filing intercompany obligations have been paid. A distribution of approximately \$4.3M is expected to be made by the trustee in bankruptcy in favour of HII.

## II. UPDATES ON IMPLEMENTATION OF THE PLANS

22. The conditions precedent to the implementation of the Plans (the “**Conditions Precedent**”) are summarized in Appendix B to the Twenty-Third Report, and are found at length at Section 14.4 of the HII/Shareco Plan. Since the approval of the Plans by the creditors and by the Court, the HII Group and the Monitor and their respective Dutch and Canadian advisors have actively worked towards their implementation. The Twenty-Fifth Report, Twenty-Sixth Report and Twenty-Seventh Report reported on the progress made in connection with the meeting of the conditions precedent over the past months. Here is a comprehensive summary of the status of the Conditions Precedent as of this date, in the order they are presented at Section 14.4 of the HII/Shareco Plan:

a) Completion of Pre-Plan Implementation Date Transactions: All of the Pre-Plan Implementation Date Transactions that necessitate closure by the Plan Implementation Date are completed or the documents in relation thereto are in final form.

*This Condition Precedent is ready to be met.*

b) Registrations of Affected Creditors on NPEX: The Monitor has obtained the necessary information for the Affected Creditors who will receive Geneva Shares under the Plans (approximately 6000 in total) to be registered on the designated Trading Platform, namely NPEX. The necessary information is missing only for a few Affected Creditors and the Monitor is following up with them to obtain the required information. If the information remains missing as at the Plan Implementation Date, the Geneva Shares will be held in escrow by the Monitor, pursuant to Subsection 9.2(j) of the HII/Shareco Plan.

*This Condition Precedent is met.*

c) Granting of the HII/Shareco Meeting Order and of the Homco 61 Meeting Order: The meeting orders were rendered on April 29, 2013.

*This Condition Precedent is met.*

d) Payment of Post-Filing Trade Payables by HII and Shareco: HII has been satisfying its Post-Filing Trade Payables in the ordinary course of business and, if necessary, a provision will be made in respect thereof in the Administrative Reserve as at the Plan Implementation Date. Shareco has no Post-Filing Trade Payables, it being inactive.

*This Condition Precedent is ready to be met.*

e) Material consents, declarations, rulings, certificates or approvals of or by any Governmental Authority as may be considered necessary by HII, Shareco and the Monitor in respect of the Plan Transactions:

(i) Issuance of a licence by the AFM to Newco: In mid-September 2013, HII was advised by the AFM that it should expect a letter from the AFM whereby, namely, additional documents and information would be sought. On November 21<sup>st</sup>, 2013 the Monitor sent a letter to the AFM to follow up on the status of said letter and the review process of the AFM process in general. On November 25, 2013, HII received the letter from the AFM and the HII Group and Geneva intend to provide the additional requested documents and information within the two week delay given by the AFM. During a meeting held with the AFM on November 27, 2013, the AFM confirmed to the Monitor that, unless other documents or information are needed, the

decision with respect to the issuance of the AFM licence would be provided before December 24, 2013.

*This Condition Precedent has NOT been met.*

- (ii) Approval of the Newco Prospectus by NPEX: NPEX confirmed its approval of the final draft prospectus on September 25, 2013. The prospectus remains subject to potential changes depending on the timing of the Plan Implementation Date.

*This Condition Precedent is ready to be met.*

- (iii) Confirmation of admission to trading of the Geneba Shares on NPEX: NPEX has provided Geneba and the HII Group with such confirmation.

*This Condition Precedent is met.*

- (iv) Granting of advanced tax ruling by Canada Revenue Agency (“CRA”): The advanced tax ruling in connection with the Pre-Plan Implementation Date Transactions and the Plan Transactions.

*This Condition Precedent is met.*

- f) Granting of necessary consents of the Core Business Creditors relating to the transfer of the Core Business Assets to Newco or the Newco Subsidiaries as applicable: As described in section I of this Twenty-Ninth Report, satisfactory credit agreements or consents from the Core Business Creditors, namely Falcon, HSH, Bank of Scotland, NIBC and SEB, were obtained, certain of which remain only subject to the occurrence of Plan Implementation Date and the delivery of certain payments provided under the Plan.

*Subject to obtaining the requested extensions required due to the delay in the issuance of the AFM licence, this Condition Precedent is ready to be met.*

- g) Approval of the Plans by the Affected Creditors: During the Creditors’ Meetings held on May 30, 2013, the HII/Shareco Plan was approved by an overwhelming majority of Affected Creditors (99.8% in number representing more than 90% in value) and the Homco 61 was unanimously approved by the Homco 61 Affected Creditors.

*This Condition Precedent is met.*

- h) Granting of the HII/Shareco Sanction and Vesting Order and of the Homco 61 Sanction Order: The sanction orders were rendered on June 5, 2013.

*This Condition Precedent is met.*

23. As highlighted above, all Conditions Precedent are met or are ready to be met other than the issuance of the AFM licence. As stated in previous Monitor’s Reports, any delay with respect to the issuance of the licence could have an impact on the implementation of the new financing arrangements with respect to the core properties or potentially, the implementation of the transaction with Catalyst.

24. The HII Group and its Dutch and Canadian counsel, in consultation with the Monitor and its counsel, completed the vast majority of documents necessary to complete the Plan Implementation

Transactions (more than 800 in total), and obtained, when necessary, the approval of Geneva, Stichting Homburg Bonds, Catalyst or NPEX in relation thereto. On November 28, 2012, a pre-closing session was held wherein the vast majority of documents were executed by the respective parties. Said executed documents will be retained in escrow until the Plan Implementation Date.

25. As indicated in previous Monitor's Reports 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 conditions which are not directly under the control of HII, 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, the tax advisors to the HII Group and the Monitor are also discussing issues regarding of the granting of said certificate.

### III. DEBTORS' CASH FLOWS FROM SEPTEMBER 15 TO NOVEMBER 18, 2013

26. The purpose of this section is as follows:
- i. Provide budget to actual analysis highlights by Debtor for the period from September 15 to November 18, 2013; and
  - ii. Provide explanations or comments on the variances by Debtor.

#### OVERVIEW

27. 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 September 15 to November 18, 2013:

Cash variation for the period from September 15 to November 18, 2013 (C\$000)					
Petitioner	Opening cash balance	Adjustment to opening balance	Total variation in cash balance	Surplus (funding)	
				between HII and its Non-Petitioners	Adjusted closing cash balance
Homburg Invest Inc.	6,210	-	(2,461)	490	4,239
Homburg Shareco Inc.	39	-	-	-	39
Churchill Estates Development Ltd.	5,312	-	(4,495)	-	817
Inverness Estates Development Ltd.	113	5	(118)	-	-
CP Development Ltd.	(726)	-	6	-	(720)
North Calgary Land Ltd.	-	-	-	-	-
HMCI	-	-	-	-	-
<b>Total</b>	<b>10,948</b>	<b>5</b>	<b>(7,068)</b>	<b>490</b>	<b>4,375</b>

28. For the budget to actual cash flow forecast analysis of HII, Shareco, Churchill, Inverness, CP, NCLL and HMCI for the period from September 15 to November 18, 2013, and commentary in respect of the analysis performed, please refer to Appendix B of this Twenty-Ninth Report.
29. 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

30. Total cash inflows for HII were \$7,412.6K for the period noted, while total cash outflows were \$9,873.4K, which resulted in a negative net cash variation of \$2,460.8K compared to a budgeted negative net cash variation of \$11,224.0K. This positive variance of \$8,763.2K is mainly due to the



timing of the disbursements of professional fees, the unbudgeted receipt of GST/HST and the collection of the unbudgeted transfers into HII in restricted funds approved by the Court (as indicated in the Twenty-Seventh Report). This positive variance was partially offset by the unbudgeted funding of the Baltics capital expenditures and unbudgeted disbursements related to the implementation cost of Geneva.

#### Shareco

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

#### Churchill

32. For the period noted, total cash inflows for Churchill were \$26.5K and total cash outflows were \$4,521.5K, which resulted in a negative net cash variation of \$4,495.0K compared to a budgeted net cash variation of \$4,507.0K. The positive variance of \$12.0K is mainly due the unbudgeted sale of a parking stall.

#### Inverness

33. For the period noted, total cash inflows for Inverness were \$4,501.2K and total cash outflows were \$4,619.0K, which resulted in a negative net cash variation of \$117.8K compared to a budgeted positive net cash variation of \$4,501.2K. The negative variance of \$4,619.0K is mainly due the unbudgeted transfer of the bank account balance to the appointed trustee's trust account following the bankruptcy of Inverness.

#### CP

34. For the period noted, total cash inflows for CP were \$6.2K and total cash outflows were nil, which resulted in a positive net cash variation of \$6.2K compared to a budgeted net cash variation of nil. The positive variance of \$6.2K is mainly due to the unbudgeted transfer into CP from the CP trust account in order to reimburse fees related to the renewal of a letter of credit.

#### NCLL

35. 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

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

#### Cash budgeting

37. Since the Twenty-Seventh Report, the HII Group, with the support of the Monitor, has continued to perform budget to actual analysis for the Debtors on a weekly basis.
38. As reported in the past, the cash balance presented in the weekly budget to actual analysis is based on an approximate allocated cash method.

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.
40. The table below provides the estimated cash balance analysis as at December 2, 2013:

Homburg Invest Inc.  
 Estimated cash balance for the period ending December 2, 2013

(all amounts stated in CAD)	Amount
<b>ACTUAL PETITIONERS OPENING CASH BALANCE AS AT NOVEMBER 18, 2013</b>	<b>A 4,375,574</b>
<b>Forecasted cash inflows/(outflows) - November 19 to December 2, 2013</b>	
<b>Net cash inflow/(outflow) - Debtors</b>	
Net cash inflow/(outflow) - HII	(3,368,800)
Net cash inflow/(outflow) - Shareco	-
Net cash inflow/(outflow) - Churchill	(2,900)
Net cash inflow/(outflow) - Inverness	-
Net cash inflow/(outflow) - CP	-
Net cash inflow/(outflow) - NCLL	-
Net cash inflow/(outflow) - HMCI	33,210
Total net cash inflow/(outflow) - Debtors	<b>B (3,338,490)</b>
Net cash inflow/(outflow) - Canadian entities excluding Debtors	<b>C (15,277)</b>
<b>Payments in transit</b>	
HII - Wires in transit as at November 18, 2013	-
HII - Estimated outstanding cheques as at November 18, 2013	(70,239)
Less: Total payments in transit	<b>D (70,239)</b>
<b>TOTAL NET CASH INFLOWS/(OUTFLOWS) - NOVEMBER 19 TO DECEMBER 2, 2013</b>	<b>E=B+C+D (3,424,006)</b>
<b>ESTIMATED ENDING CASH BALANCE AS AT DECEMBER 2, 2013, BEFORE OTHER ADJUSTMENTS</b>	<b>F=A+E 951,568</b>
Net adjustment for disbursements/(receipts) not expected to occur from November 19 to December 2, 2013	<b>G -</b>
<b>ESTIMATED ENDING CASH BALANCE AS AT DECEMBER 2, 2013, AFTER OTHER ADJUSTMENTS</b>	<b>H =F+G 951,568</b>

#### IV. ACTIVITIES OF THE MONITOR

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

##### **CASH FLOW MONITORING**

42. On a weekly basis, the Monitor has continued to analyze the Debtors' cash flows. As previously indicated in this Twenty-Ninth Report, a budget to actual cash flow analysis of the Debtors, for the period from September 15 to November 18, 2013 has been prepared together with commentary of cash variances, as presented in Appendix B of this Twenty-Ninth Report.
43. 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.
44. In accordance with the Initial Order, any disbursements for services rendered to the HII Parties prior or subsequent to the date of the Initial Order were presented to the Monitor for review.

##### **CASH FLOW MONITORING OF THE HII GROUP**

45. On a monthly basis, budget to actual cash flow forecast analyses of the HII Group have been prepared. The objective of these analyses is to monitor the cash flows which transact through the HII Group since any excess should ultimately be distributed back to HII.

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

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

47. 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***

General

48. As elaborated in previous Monitor's Reports, the Monitor finally received more than 250 proofs of claim.
49. Since the Twenty-Seventh Report, the following developments have occurred with respect to the claims process:
- i. DEGI Homburg Harris LP ("**DEGI**"), the Monitor, HII and DEGI have agreed on the terms of a settlement of DEGI's proofs of claim against Homco 61 and HII and the settlement agreement will be signed imminently by the parties.
  - ii. Examinations have been held in respect of HII's Motion for Directions regarding the Taberna Claim, which will most likely be heard during the first months of 2014.
  - iii. On October 17, 2013 the Monitor, pursuant to the terms of the Claims Process Order, delivered a Notice of revision or disallowance to HCI confirming the full disallowance of its proof of claim, which has not been appealed.
  - iv. The Motions in appeal of certain proofs of claim in connection with fees and expenses incurred by Stichting Homburg Bonds and the related Motion for the payment of the Fees and Expenses are scheduled to be heard by the Court on December 16, 17 and 18, 2013.

Alleged Liens

50. The Monitor also pursues its review of certain proofs of claim filed against other HII Parties, in particular certain secured claims by virtue of alleged "construction liens" against certain non-core properties.

Homco 88

51. As described in the Twenty-Eight Report, there is a dispute between the Series 7 Mortgage Bondholders and certain lien claimants regarding the distribution order of the net proceeds from the sale of the Kai property. It is expected that a Motion for directions in this regard will be filed by the Monitor or an interested party shortly after the closing of the sale of the Kai property, which is expected to occur on December 19, 2013.

CP

52. Since the Twenty-Seventh Report, the Monitor has been reviewing the validity of the lien claims filed against CP in the course of the claims process. In the course of this review the Monitor sought and obtained a quantity of additional information and documents and has been working on

verifying and confirming this information. With respect to one lien claimant, the Monitor is at the final stage of this verification and confirmation process and expects to be in a position to inform such lien claimant of its position on the lien claim shortly.

*NCLL*

53. One lien claim has been filed against NCLL, and is currently being reviewed by the Monitor who received certain additional information in relation thereto.
54. Any pending issues relating to the determination of the claims has no impact on the timing of the implementation of the Plans.

## V. EXTENSION OF THE STAY PERIOD

### *OVERVIEW*

55. Pursuant to the Fifteenth Extension Order, the Stay Period was extended until December 2, 2013.
56. The HII Parties notified the Monitor of their intention to request a sixteenth extension of the Stay Period until January 17, 2014 (the “**Sixteenth Extension Period**”). This extension will allow, amongst other things, to:
  - i. Work toward meeting the only remaining Condition Precedent to the implementation of the Plans, with a view to complete the implementation of the Plans;
  - ii. Advance the sale process of the non-core assets;
  - iii. Participate in the final stages of the claims process conducted by the Monitor; and
  - iv. Communicate frequently with key stakeholders and regulators.
57. In the Monitor’s opinion, it is in the best interests of the stakeholders to provide the HII Parties with the Sixteenth 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*

58. Management has provided the Monitor with new cash flow forecasts for the Sixteenth Extension Period. Management has adjusted the projected cash flows for the Debtors to January 17, 2014, corresponding to the end of the Sixteenth Extension Period.
59. The extended 7-week cash flow forecasts for HII, Shareco, Churchill, CP, NCLL and HMCI, as well as additional commentary identifying the primary assumptions, are attached as Appendix C.
60. Presented in the table below is a summary of the forecasted cash variations for each of the Debtors:

Extension - 7-week period ending January 17, 2014					
(C\$000)	Forecasted opening cash balance as at December 3, 2013 (Appendix C)	Forecasted cash variation for the 7-week period (Appendix C)	Funding between HII and its non-Petitioners	Adjustment for intercompany funding	Forecasted closing cash balance as at January 17, 2014
Homburg Invest Inc.	785	(587)	-	-	198
Shareco Inc.	39	-	-	-	39
Churchill Estates Development Ltd.	814	(3)	-	-	811
CP Development Ltd.	(720)	-	-	-	(720)
NCLL	-	-	-	-	-
HMCI	33	-	-	-	33
Total	951	(590)	-	-	361

### HII

61. Other receipts represent the proceeds from the sale of an HHUS asset, the transfer of HHUS's cash after the payment of a remaining mortgage and a receipt relating to the reimbursement of the funding charge following the sale of Kai.
62. Professional fees in conjunction with the restructuring of the HII Group were reduced from \$750K a week to \$625K a week and further reduced starting the first week of the holiday period to \$450K a week. The reductions better reflect the professional fees expected to be incurred.
63. As of the date of this Twenty-Ninth Report, all expenses incurred to date and going forward during the Sixteenth Extension Period have been or will be paid out of the funds available to HII.

### Shareco

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

### Churchill

66. Forecasted cash inflows for the period are nil and forecasted cash outflows for the period are \$3K, resulting in a net cash outflow of \$3K. This net cash outflow results from the payment of condominium fees on the remaining assets in Churchill.
67. At the time of this Twenty-Ninth Report, there is nothing that would lead the Monitor to believe that Churchill will need additional financing to meet current obligations during the Sixteenth Extension Period.

### CP

68. The Monitor does not anticipate any cash inflows or outflows pertaining to CP during the Sixteenth Extension Period.
69. At the time of this Twenty-Ninth Report, there is nothing that would lead the Monitor to believe that CP will need additional financing to meet current obligations during the Sixteenth Extension Period.

NCLL

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

HMCI

72. Other receipts represent income tax and QST reimbursement.
73. At the time of this Twenty-Ninth Report, nothing would lead the Monitor to believe that HMCI will need additional financing to meet current obligations during the Sixteenth Extension Period.

**CASH POSITION AND USE OF RESTRICTED CASH**

Restricted Cash

74. Pursuant to the Twenty-Seventh Report, additional funding of \$6,800K was requested from Restricted Cash during the Fifteenth Extension Period. For reference purposes, the table presented below provides a breakdown of the Restricted Cash requests since the start of the proceedings. The restricted cash balance as at November 19, 2013 has decreased from the time of the Twenty-Seventh Report as a result of the additional funding of \$6,800K.

<b>Summary of Restricted Cash Requests (C\$000)</b>			
<b>Monitor's Report</b>		<b>Date</b>	<b>Amount Requested</b>
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 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)
<b>Total requests from Restricted Cash</b>			<b>B (55,050)</b>
<b>Interest on Restricted Cash</b>	Cumulative interest received		<b>C 1,660</b>
<b>Ending balance of Restricted Cash as at November 18, 2013</b>			<b>=A+B+C 69,684</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.

Analysis of HII's cash funding requirements and results

75. As indicated in the Extended 7-Week Cash Flow Forecast section, for the period ending January 17, 2014, it is forecasted that HII will have a cash surplus of \$280K. For additional information

regarding the Debtors forecasted cash inflows and outflows to January 17, 2014, please refer to Appendix C of this Twenty-Ninth Report.

76. 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 Sixteenth Extension Period.

## **VI. CONCLUSIONS AND RECOMMENDATIONS**

77. 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.
78. It is the Monitor's opinion that, for the reasons further elaborated in this Twenty-Ninth Report, the Sixteenth Extension (up to January 17, 2014) should be granted to the HII Parties, in order to allow them to implement certain essential restructuring reorganization steps and to continue advancing towards the implementation of the Plans; and

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

DATED AT MONTREAL, this 29<sup>th</sup> day of November 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 (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 9-week period of September 15 to November 18, 2013		
	Actual	Budget	Variance
<b>Cash inflows</b>			
REIT distributions	-	-	-
REIT unit sale proceeds	-	-	-
GST/HST received	600.4	-	600.4
Intercompany receipts (Petitioners and Mis-en-cause)	-	-	-
Other receipts	6,812.2	-	6,812.2
<b>Total cash inflows</b>	<b>7,412.6</b>	<b>-</b>	<b>7,412.6</b>
<b>Cash outflows</b>			
Payroll	397.3	340.0	(57.3)
Rent expense	51.4	50.0	(1.4)
Restructuring related professional fees	8,820.2	10,549.0	1,728.8
Insurance	-	-	-
Office & admin	119.5	185.0	65.5
Director fees	60.8	100.0	39.2
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	-	-	-
Other expenditures	424.2	-	(424.2)
<b>Total cash outflows</b>	<b>9,873.4</b>	<b>11,224.0</b>	<b>1,350.6</b>
<b>Opening cash balance</b>	<b>6,210.4</b>	<b>6,210.4</b>	<b>-</b>
Variation in cash balance	(2,460.8)	(11,224.0)	8,763.2
Exchange rate (Gain / Loss)	-	-	-
<b>Ending cash balance</b>	<b>3,749.6</b>	<b>(5,013.6)</b>	<b>8,763.2</b>
<b>Surplus (funding) between HII and its non-Petitioners</b>	<b>490.0</b>	<b>-</b>	<b>490.0</b>
<b>Surplus (funding) between HII and its Petitioners</b>	<b>(0.1)</b>	<b>-</b>	<b>(0.1)</b>
<b>Adjusted ending cash balance</b>	<b>4,239.5</b>	<b>(5,013.6)</b>	<b>9,253.1</b>

### 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 \$4,239.5K, please note that \$1,617.9K is currently held in the Monitor's trust accounts as at November 18, 2013. This amount represents 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 interests.

#### *Inflows*

- GST/HST received was \$600.4K compared to a budgeted amount of nil, resulting in a favorable variance of \$600.4K. The favorable variance is due to unbudgeted GST/HST refunds from the CRA.
- Other receipts were \$6,812.3K compared to a budgeted amount of nil, resulting in a favorable variance of \$6,812.3K. The favorable variance is mainly due to an unbudgeted transfer of \$6,800K in restricted funds approved by the Court (as indicated in the Monitor's Twenty-Seventh Report).

#### *Outflows*

- Payroll expense was \$397.3K compared to a budgeted amount of \$340.0K, resulting in an unfavorable variance of \$57.3K. The unfavorable variance is mainly due to timing.
- Restructuring related professional fees were \$8,820.2K compared to a budgeted amount of \$10,549.0K, resulting in a favorable variance of \$1,728.8K. This favorable variance is mainly due to timing as invoices issued during the period remain outstanding.
- Office and administrative expenditures were \$119.5K compared to a budgeted amount of \$185.0K, resulting in a favorable variance of \$65.5K. This favorable variance is mainly due to over-budgeting of the office and administrative expenses.
- Director fees were \$60.8K compared to a budgeted amount of \$100.0K, resulting in a favorable variance of \$39.2K. This favorable variance is mainly due to the fact that director meetings are occurring less frequently than in previous periods.
- Other expenditures were \$424.2K compared to a budgeted amount of nil, resulting in an unfavorable variance of \$424.2K. The variance is due to the unbudgeted payment of \$296.4K as funding for capital expenditures of the Baltic properties and to unbudgeted disbursements related to the implementation cost of Geneva.
- 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
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
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)
<b>Total (Converted on date paid)</b>			<b>\$ 7,138,101</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.			

## 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 9-week period of September 15 to November 18, 2013		
	Actual	Budget	Variance
<b>Cash inflows</b>			
Mortgage bond issuance	-	-	-
<b>Total cash inflows</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash outflows</b>			
Interest payments - mortgage bonds	-	-	-
Repayment of Bonds	-	-	-
<b>Total cash outflows</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Opening cash balance</b>	<b>39.1</b>	<b>39.1</b>	-
Variation in cash balance	-	-	-
Exchange rate (Gain / Loss)	-	-	-
<b>Ending cash balance</b>	<u><b>39.1</b></u>	<u><b>39.1</b></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 9-week period of September 15 to November 18, 2013		
	Actual	Budget	Variance
<b>Cash inflows</b>	26.5	-	26.5
<b>Total cash inflows</b>	<u>26.5</u>	<u>-</u>	<u>26.5</u>
<b>Cash outflows</b>			
Commissions	1.4	-	(1.4)
Advertising	-	-	-
R&M	-	-	-
Property tax	2.6	-	(2.6)
Professional fees	-	-	-
Insurance	-	-	-
Mortgage principal	-	-	-
Mortgage interest	-	-	-
Office & admin	0.4	-	(0.4)
Condo fees	14.7	5.8	(8.9)
GST remitted	1.2	-	(1.2)
Other expenditure	4,501.2	4,501.2	-
	<u>4,521.5</u>	<u>4,507.0</u>	<u>(14.5)</u>
<b>Opening cash balance</b>	5,311.9	5,311.9	-
Variation in cash balance	(4,495.0)	(4,507.0)	12.0
Exchange rate (Gain / Loss)	-	-	-
<b>Ending cash balance</b>	<u>816.9</u>	<u>804.9</u>	<u>12.0</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*

- Cash inflows were \$26.5K compared to a budgeted amount of nil, resulting in a favorable variance of \$26.7K. This favorable variance is mainly due to an unbudgeted sale of a parking stall.

## 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 9-week period of September 15 to November 18, 2013		
	Actual	Budget	Variance
<b>Cash inflows</b>	4,501.2	4,501.2	-
<b>Total cash inflows</b>	<u>4,501.2</u>	<u>4,501.2</u>	<u>-</u>
<b>Cash outflows</b>	4,619.0	-	(4,619.0)
<b>Total cash outflows</b>	<u>4,619.0</u>	<u>-</u>	<u>(4,619.0)</u>
<b>Funded opening cash balance</b>	112.8	112.8	-
Adjustment to opening balance	5.0	-	5.0
Variation in cash balance	(117.8)	4,501.2	(4,619.0)
Exchange rate (Gain / Loss)	-	-	-
<b>Ending cash balance</b>	<u>-</u>	<u>4,614.0</u>	<u>(4,614.0)</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*

- The opening cash balance of \$112.8K has been adjusted upward by \$5.0K to reflect the actual bank account balances.
- Cash outflows were \$4,619.0K compared to a budgeted amount of nil, resulting in an unfavorable variance of \$4,619.0K. This unfavorable variance is due to the unbudgeted transfer of the bank account balance of Inverness to the appointed trustee's trust account following the bankruptcy of Inverness.

## 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 9-week period of September 15 to November 18, 2013		
	Actual	Budget	Variance
<b>Cash inflows</b>	6.2	-	6.2
<b>Total cash inflows</b>	<u>6.2</u>	<u>-</u>	<u>6.2</u>
<b>Cash outflows</b>	-	-	-
<b>Total cash outflows</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Opening cash balance</b>	(726.1)	(726.1)	-
Variation in cash balance	6.2	-	6.2
Exchange rate (Gain / Loss)	-	-	-
<b>Ending cash balance</b>	<u>(719.9)</u>	<u>(726.1)</u>	<u>6.2</u>

### 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 funded ending cash balance presented of \$719.9K, please note that \$10,858.8K is currently held in the Monitor's trust accounts as at November 18, 2013. This amount represents the net proceeds of the CP sale and accumulated interest.

#### *Inflows-Outflows*

- Cash inflows were \$6.2K compared to a budgeted amount of nil, resulting in a favorable variance of \$6.2K. This favorable variance is mainly due to the unbudgeted transfer from the CP trust account to reimburse fees related to the renewal of a letter of credit.



## 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 9-week period of September 15 to November 18, 2013		
	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	-	-	-
Property tax	-	-	-
Insurance	-	-	-
Office & administrative	0.1	-	(0.1)
GST/HST paid	-	-	-
Other expenditures	-	-	-
<b>Total cash outflows</b>	<u>0.1</u>	<u>-</u>	<u>(0.1)</u>
<b>Funded opening cash balance</b>	-	-	-
Variation in cash balance	(0.1)	-	(0.1)
Exchange rate (Gain / Loss)	-	-	-
<b>Ending cash balance</b>	<u>(0.1)</u>	<u>-</u>	<u>(0.1)</u>
<b>Funding from HII</b>	<u>0.1</u>	<u>-</u>	<u>(0.1)</u>
<b>Funded ending cash balance</b>	<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 9-week period of September 15 to November 18, 2013		
	Actual	Budget	Variance
<b>Cash inflows</b>			
Other receipts	-	-	-
<b>Total cash inflows</b>	-	-	-
<b>Cash outflows</b>			
Other expenditures	-	-	-
<b>Total cash outflows</b>	-	-	-
<b>Opening cash balance</b>	-	-	-
Variation in cash balance	-	-	-
Exchange rate (Gain / Loss)	-	-	-
<b>Ending cash balance</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**  
**III Extended 7-week cash flow forecast (\$C)**

**Updated as of November 19, 2013**

Homburg Invest Inc.

Extended cash flow statement from November 19, 2013 to January 17, 2014

Number of weeks:	<b>27th report AMENDED</b>			<b>29th report</b>							
	115	116	TOTAL	117	118	119	120	121	122	123	TOTAL
Beginning period:	19-Nov-13	26-Nov-13	26-Nov-13	3-Dec-13	10-Dec-13	17-Dec-13	24-Dec-13	31-Dec-13	7-Jan-14	14-Jan-14	14-Jan-14
Ending period:	25-Nov-13	2-Dec-13	2-Week Period	9-Dec-13	16-Dec-13	23-Dec-13	30-Dec-13	6-Jan-14	13-Jan-14	17-Jan-14	7-Week Period
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
<b>Cash inflows</b>											
GST/HST/VAT received	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	4,085,000	-	60,000	-	-	-	4,145,000
<b>Total cash inflows</b>	-	-	-	-	4,085,000	-	60,000	-	-	-	4,145,000
<b>Cash outflows</b>											
Payroll	85,000	-	85,000	85,000	-	85,000	-	85,000	-	85,000	340,000
Rent expense	-	25,000	25,000	-	-	-	-	25,000	-	-	25,000
Restructuring related professional fees	2,478,800	750,000	3,228,800	625,000	625,000	625,000	450,000	450,000	450,000	450,000	3,675,000
Insurance	-	-	-	-	-	-	-	-	-	-	-
Office & administrative	15,000	15,000	30,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	105,000
Director fees	-	-	-	-	-	-	-	-	-	100,000	100,000
KERP	-	-	-	-	-	-	-	-	-	-	-
Hotel insurance	-	-	-	-	-	-	-	-	-	-	-
Other expenditures	-	-	-	-	432,180	55,000	-	-	-	-	487,180
<b>Total cash outflows</b>	2,578,800	790,000	3,368,800	725,000	1,072,180	780,000	465,000	575,000	465,000	650,000	4,732,180
<b>Opening balance</b>	4,239,474	1,590,435	4,239,474	785,158	60,158	3,072,978	2,292,978	1,887,978	1,312,978	847,978	785,158
Payments in transit	(70,239)	-	(70,239)	-	-	-	-	-	-	-	-
Variation in cash balance (Petitioners)	(2,578,800)	(790,000)	(3,368,800)	(725,000)	3,012,820	(780,000)	(405,000)	(575,000)	(465,000)	(650,000)	(587,180)
Variation in cash balance (Non-Petitioners)	-	(15,277)	(15,277)	-	-	-	-	-	-	-	-
Exchange rate	-	-	-	-	-	-	-	-	-	-	-
<b>Adjusted ending cash balance</b>	1,590,435	785,158	785,158	60,158	3,072,978	2,292,978	1,887,978	1,312,978	847,978	197,978	197,978

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at November 19, 2013. In addition to the opening cash balance presented of \$4,240.5K, please note that \$1,617.9K is currently held in the Monitor's trust accounts as at November 19, 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) Other receipts in week 118 represent the proceeds from the sale of Colony Drive (\$885K) and the transfer of HHUS's cash of \$7.8M less the mortgage payment for East Pike Peak (\$4.6M). Other receipts in week 120 represent the reimbursement of \$60K of Kai's expenses incurred by HII and covered by the court approved funding charge
- 3) Professional fees in week 115 are composed of the weekly budget of \$750K plus the favorable variance of \$1,728.8K incurred during the 9-week period of September 15 to November 18, 2013.
- 4) Following a review of the weekly professional fees, the weekly amount of \$750K was decreased to \$625K starting in week 117, and to \$450K starting the first week of the holiday period, in order to better reflect the professional fees expected to be incurred.

- 5) Other expenditures in week 118 represents payment of capital expenditures for the Baltic properties and the payment of Geneva recharge costs in week 119.
- 6) Following the Monitor's review of the professional fees accrual analysis, it is estimated that at January 17, 2014, an accrual of \$2.1M for the professional fees 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.

## 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 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.

#### 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 November 18, 2013	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	GST/HST/VAT refunds: based on management assessments.	X	
Other receipts	Represents receipts from HHUS and reimbursement of a funding charge.	X	
<b><u>Forecast cash disbursements</u></b>			
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	Represent the payment of Geneba recharge costs	X	
<b><u>Ending cash balance</u></b>	Based on allocated cash transactions		X

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

Updated as of November 19, 2013

Homburg ShareCo Inc.

Extended cash flow statement from November 19, 2013 to January 17, 2014

	<b>27th report PUBLISHED</b>			<b>29th report</b>							
Number of weeks:	115	116		117	118	119	120	121	122	123	
Beginning period:	19-Nov-13	26-Nov-13	TOTAL	3-Dec-13	10-Dec-13	17-Dec-13	24-Dec-13	31-Dec-13	7-Jan-14	14-Jan-14	TOTAL
Ending period:	25-Nov-13	2-Dec-13	2-Week Period	9-Dec-13	16-Dec-13	23-Dec-13	30-Dec-13	6-Jan-14	13-Jan-14	17-Jan-14	7-Week Period
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
<b>Cash inflows</b>											
Mortgage bond issuance	-	-	-	-	-	-	-	-	-	-	-
<b>Total cash inflows</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Cash outflows</b>											
Interest payments - mortgage bonds	-	-	-	-	-	-	-	-	-	-	-
Repayment of Bonds	-	-	-	-	-	-	-	-	-	-	-
<b>Total cash outflows</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Opening cash balance</b>	<b>39,100</b>	<b>39,100</b>	<b>39,100</b>	<b>39,100</b>	<b>39,100</b>	<b>39,100</b>	<b>39,100</b>	<b>39,100</b>	<b>39,100</b>	<b>39,100</b>	<b>39,100</b>
Variation in cash balance	-	-	-	-	-	-	-	-	-	-	-
Exchange rate	-	-	-	-	-	-	-	-	-	-	-
<b>Ending cash balance</b>	<b>39,100</b>	<b>39,100</b>	<b>39,100</b>	<b>39,100</b>	<b>39,100</b>	<b>39,100</b>	<b>39,100</b>	<b>39,100</b>	<b>39,100</b>	<b>39,100</b>	<b>39,100</b>

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at November 19, 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
<b><u>General cash flow assumptions</u></b>	<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	
<b><u>Opening cash balance</u></b>	Based on allocated closing cash balances as at November 18, 2013	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

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

Updated as of November 19, 2013

Churchill Estates Development Ltd.

Extended cash flow statement from November 19, 2013 to January 17, 2014

	<b>27th report PUBLISHED</b>			<b>29th report</b>							
Number of weeks	115	116		117	118	119	120	121	122	123	
Beginning period:	19-Nov-13	26-Nov-13	TOTAL	3-Dec-13	10-Dec-13	17-Dec-13	24-Dec-13	31-Dec-13	7-Jan-14	14-Jan-14	TOTAL
Ending period:	25-Nov-13	2-Dec-13	2-Week Period	9-Dec-13	16-Dec-13	23-Dec-13	30-Dec-13	6-Jan-14	13-Jan-14	17-Jan-14	7-Week Period
	Forecast	Forecast		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
<b>Cash inflows</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Total cash inflows</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Cash outflows</b>											
Condo fees	-	2,900	2,900	-	-	-	-	2,900	-	-	2,900
GST remitted	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	-	-	-	-	-	-	-	-	-	-	-
<b>Total cash outflows</b>	-	2,900	2,900	-	-	-	-	2,900	-	-	2,900
<b>Opening cash balance</b>	816,900	816,900	816,900	814,000	814,000	814,000	814,000	814,000	811,100	811,100	814,000
Variation in cash balance	-	(2,900)	(2,900)	-	-	-	-	(2,900)	-	-	(2,900)
Exchange rate	-	-	-	-	-	-	-	-	-	-	-
<b>Ending cash balance</b>	816,900	814,000	814,000	814,000	814,000	814,000	814,000	811,100	811,100	811,100	811,100

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at November 19, 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
<b><u>Opening cash balance</u></b>	Based on allocated closing cash balances as at November 18, 2013	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	No activity has been forecasted during the period	X	
<b><u>Closing cash balance</u></b>	Based on allocated cash transactions		X

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

Updated as of November 19, 2013

CP Development Ltd.

Extended cash flow statement from November 19, 2013 to January 17, 2014

Number of weeks:	<b>27th report PUBLISHED</b>			<b>29th report</b>							
	115	116	TOTAL	117	118	119	120	121	122	123	TOTAL
Beginning period:	19-Nov-13	26-Nov-13	TOTAL	3-Dec-13	10-Dec-13	17-Dec-13	24-Dec-13	31-Dec-13	7-Jan-14	14-Jan-14	TOTAL
Ending period:	25-Nov-13	2-Dec-13	2-Week Period	9-Dec-13	16-Dec-13	23-Dec-13	30-Dec-13	6-Jan-14	13-Jan-14	17-Jan-14	7-Week Period
	Forecast	Forecast	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>	(719,900)	(719,900)	(719,900)	(719,900)	(719,900)	(719,900)	(719,900)	(719,900)	(719,900)	(719,900)	(719,900)
Adjustment for intercompany funding	-	-	-	-	-	-	-	-	-	-	-
Variation in cash balance	-	-	-	-	-	-	-	-	-	-	-
Exchange rate	-	-	-	-	-	-	-	-	-	-	-
<b>Ending cash balance</b>	(719,900)	(719,900)	(719,900)	(719,900)	(719,900)	(719,900)	(719,900)	(719,900)	(719,900)	(719,900)	(719,900)

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at November 19, 2013. In addition to the opening balance presented of (\$719.9K) please note that \$10,858.8K 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 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
<b><u>Opening cash balance</u></b>	Based on allocated closing cash balances as at November 18, 2013	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 this period	X	
<b><u>Forecast cash disbursements</u></b>	CP was sold and no cash outflows are projected for this period	X	
<b><u>Closing cash balance</u></b>	Based on allocated cash transactions		X

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

**Updated as of November 19, 2013**

**NCLL**

Extended cash flow statement from November 19, 2013 to January 17, 2014

	<b>27th report PUBLISHED</b>			<b>29th report</b>							
Number of weeks:	77	78		79	80	81	82	83	84	85	
Beginning period:	19-Nov-13	26-Nov-13	TOTAL	3-Dec-13	10-Dec-13	17-Dec-13	24-Dec-13	31-Dec-13	7-Jan-14	14-Jan-14	TOTAL
Ending period:	25-Nov-13	2-Dec-13	2-Week Period	9-Dec-13	16-Dec-13	23-Dec-13	30-Dec-13	6-Jan-14	13-Jan-14	17-Jan-14	7-Week Period
	Forecast	Forecast	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	-	-	-	-	-	-	-	-	-	-	-
Mortgage principal	-	-	-	-	-	-	-	-	-	-	-
Mortgage interest	-	-	-	-	-	-	-	-	-	-	-
GST/HST paid	-	-	-	-	-	-	-	-	-	-	-
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 November 19, 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
<b><u>Opening cash balance</u></b>	Based on allocated closing cash balances as at November 18, 2013	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	
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	
<b><u>Ending cash balance</u></b>	Based on allocated cash transactions		X

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

Updated as of November 19, 2013

Homburg Management Canada Inc.

Extended cash flow statement from November 19, 2013 to January 17, 2014

	<b><u>27th report AMENDED</u></b>			<b><u>29th report</u></b>							
Number of weeks:	37	38		39	40	41	42	43	44	45	
Beginning period:	19-Nov-13	26-Nov-13	TOTAL	3-Dec-13	10-Dec-13	17-Dec-13	24-Dec-13	31-Dec-13	7-Jan-14	14-Jan-14	TOTAL
Ending period:	25-Nov-13	2-Dec-13	2-Week Period	9-Dec-13	16-Dec-13	23-Dec-13	30-Dec-13	6-Jan-14	13-Jan-14	17-Jan-14	7-Week Period
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
<b>Cash inflows</b>											
Other Receipts	33,210	-	33,210	-	-	-	-	-	-	-	-
<b>Total cash inflows</b>	<b>33,210</b>	<b>-</b>	<b>33,210</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash outflows</b>											
Other Disbursements	-	-	-	-	-	-	-	-	-	-	-
<b>Total cash outflows</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Opening cash balance</b>	<b>-</b>	<b>33,210</b>	<b>-</b>	<b>33,210</b>	<b>33,210</b>	<b>33,210</b>	<b>33,210</b>	<b>33,210</b>	<b>33,210</b>	<b>33,210</b>	<b>33,210</b>
Variation in cash balance	33,210	-	33,210	-	-	-	-	-	-	-	-
Exchange rate	-	-	-	-	-	-	-	-	-	-	-
<b>Ending cash balance</b>	<b>33,210</b>	<b>33,210</b>	<b>33,210</b>	<b>33,210</b>	<b>33,210</b>	<b>33,210</b>	<b>33,210</b>	<b>33,210</b>	<b>33,210</b>	<b>33,210</b>	<b>33,210</b>

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at November 19, 2013.
- 2) Other receipts represent an income tax and QST reimbursement.



## 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
<b><u>Opening cash balance</u></b>	Based on allocated closing cash balances as at November 18, 2013	X	
<b><u>Forecast cash receipts</u></b>	Represent an income tax and QST reimbursement	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