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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-SEVENTH 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**”). On July 11, 2013 the Court discontinued the Stay in respect of Homco 122.
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 August 29, 2013, the Court last extended the Stay up until September 30, 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-six such Monitor’s reports (as well as some supplemental reports) prior to this twenty-seventh Monitor’s report (the “**Twenty-Seventh 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-SEVENTH REPORT

6. This Twenty-Seventh 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 to Inverness. In addition, this Twenty-Seventh 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 situation regarding the mortgage lenders, developments with respect to the sale of non-core properties since the Twenty-Sixth Report, and, generally, the restructuring process.
7. This Twenty-Seventh Report is structured as follows:
 - I- Restructuring Initiatives;
 - II- Updates on Implementation of the Plans;
 - III- Debtors' Cash Flows from August 11 to September 14, 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-Seventh 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-Seventh 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-Seventh 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 ("**Geneba**") 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. As mentioned in the Twenty-Sixth Report, the HII Group met with Bank of Scotland in late July and an agreement in principle was reached, whereby Bank of Scotland will grant the necessary consent to transfer Homco 86 and Homco 87 to Geneva. The documents reflecting the agreement in principle have been drafted and are currently being reviewed by the parties involved. The Monitor expects the agreements to be finalized shortly.
 - ii. 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, in consultation with the Monitor, is continuing its negotiations with SEB in order to finalize the agreements contemplated by the term sheet. In addition to the term sheet, the HII Group is currently finalizing long term leases with SEB for properties located in Estonia, Latvia and Lithuania. As of the date of this report, there are few remaining issues. The Monitor understands that these issues will be resolved in the coming days. Consequently, the HII Group anticipates that all documents will be executed in the near future.
 - iii. As mentioned in the Twenty-Six Report, on June 19, 2013, the HII Group and HSH Nordbank AG (“**HSH**”) executed a term sheet agreement, for extension of the credit facility until October 29, 2015. Both the HII Group and HSH are working towards executing the closing documents for the extended credit facility during this upcoming extension period. Under the current term sheet agreement, HSH has the right to terminate the loan if Plan Implementation Date has not occurred on or before October 29, 2013. Given the current circumstances, the HII Group has requested from HSH an extension of the deadline to December 15, 2013. HSH has not yet formally confirmed that they would extend the deadline.
 - iv. As for Falcon Private Bank Ltd. and NIB Capital Bank N.V., as described in the Twenty-Sixth Report, the necessary agreements are in place to proceed with the transfer of the core properties to Geneva as provided by the HII/Shareco Plan. Under the Falcon agreements, Plan Implementation Date is expected to occur by December 1, 2013.
12. The status of the discussions and negotiations regarding the non-core properties, is as follows:
- i. On September 27 2013, the HII Group, in consultation with the Monitor, presented a new proposal to SNS and is expecting an answer in the coming weeks. This proposal provides for a 12-month standstill agreement during which SNS will solicit offers to purchase the properties. The HII Group has not funded any deficit in relation to these properties since June 2012 and will not do so going forward.
 - ii. 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. A decision on this is expected in the coming weeks.
 - 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. There have been no significant changes since the Twenty-Sixth Report in regards to Henderson Farms. The Monitor and the HII Group continue to analyze the entitlement of Homco 121 to certain water rights, and the proper allocation of said water rights between Homco 121 and NCLL. The Monitor will update the Court as this matter progresses.

- b. The purchaser has continued its due diligence on Kai and, on September 19, 2013, the delay to complete same was extended to October 31, 2013.
 - c. As previously indicated, the HII Group and the Monitor accepted a conditional offer for the sale of Cristal Towers in February 2013. The purchaser is continuing its due diligence, and this review period is due to expire on October 15, 2013. The potential purchaser continues discussions with the city of Calgary in order complete its development permit application, which is expected to be filed by the end of September 2013.
 - d. As noted in the Twenty-Sixth Report, Points North was relisted for sale at a reduced price of \$26 million. The Monitor holds regular discussions with Colliers in regards to this property and has been working on addressing some concerns that have been raised by potentially interested parties, including with respect to water levies.
- 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 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.
- 14. HII has received and retained certain offers as summarized below:
 - i. The sale of unit 1903 at Castello was completed on August 30, 2013, resulting in net cash proceeds of approximately \$767K, including approximately \$39K of GST collected for this sale. As of the date of this report, one unit at Castello (1902) remains for sale.
 - ii. As noted in the Twenty-Sixth Report, an agreement was reached to sell one of the three remaining parking stalls at Churchill, with the remaining two stalls continuing to be marketed for sale. It is expected that the sale of the said parking stall will close imminently.

US Properties

- 15. At the time of this Twenty-Seventh Report, Homburg Holding (U.S.) Inc. (“**HHUS**”), a subsidiary of HII, still owns six (6) out of the twelve (12) US real estate assets, which are being marketed by CBRE since early February 2013.
- 16. No sale of HHUS properties has closed since the Twenty-Sixth Report. However, HHUS continues to follow-up on two (2) existing offers, namely:
 - i. Offer on 4718 Cotton Belt Drive, located in San Antonio, Texas. A purchase and sale agreement is being finalized, and due diligence is proceeding and expected to finish by the end of September 2013. The potential buyer has an additional 45 days following the end of the due diligence process to secure financing; and
 - ii. Offer on 3740 Colony Drive, located in San Antonio, Texas. A purchase and sale agreement is being finalized, and due diligence is proceeding. The sale of the property is expected to close on the 28th of October.

17. For the remaining four (4) Colorado properties, respectively located on East Pikes Road (555, 557 and 559) and on Van Teylingen Drive, the HII Group and the Monitor are currently reviewing CBRE's pricing recommendations and marketing plan. In parallel, an unsolicited offer was received for the purchase of the shares of HHUS. All options are being assessed and the Monitor will continue to report material developments to the Court.
18. As mentioned in the Twenty-Sixth Report, following the sale of several properties, HHUS has significant cash on hand. HHUS is a solvent entity and said cash is expected to eventually be transferred to HII. The timing of this transfer has been delayed in order to determine the optimal and most efficient way to flow up the funds.
19. 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.

BANKRUPTCIES AND DISSOLUTIONS

Homco 122

20. As mentioned in the Twenty-Sixth Report, Homco 122 was reimbursed its post-filing intercompany advances of \$1.88M made to HII and used these proceeds to repay all of its trade creditors and remitted its remaining funds of approximately \$1.94M to HII as a partial repayment of its pre-filing intercompany obligation.
21. With the repayment in full of its trade creditors, Homco 122 no longer has any obligations and the dissolution process for Homco 122 and HII (122) GP Inc., its general partner, commenced in mid-September.

Homco 92

22. In February 2013, Homco 92 sold all of its assets, paid its trade creditors in full and, on June 10, 2013, transferred approximately €1.5M to HII in full reimbursement of its intercompany claim. On August 7, 2013, the remaining funds of approximately €1.7M were returned to HII as a repayment of capital.
23. Homco 92 has paid in full all of its trade creditors, intercompany balances and capital reimbursement, such that it no longer has any known obligations, allowing it to be dissolved. Steps to start the dissolution process commenced in mid-September, and both Homco 92 and HII (92) GP Inc., its "managing" general partner, will be dissolved pursuant to this process.

Homco 71

24. Homco 71 filed for bankruptcy in December 2012. Following the Initial Order, HII had collected funds on behalf of Homco 71. HII, in accordance with the Initial Order, repaid its post-filing intercompany obligations towards Homco 71 in the amount of approximately €134K to the Homco 71 bankruptcy trustee (which could not be the object of any set-off).

Homco 102

25. Homco 102 filed for bankruptcy in June 2013. Following the Initial Order, HII had collected funds on behalf of Homco 102. HII, in accordance with the Initial Order, repaid its post-filing intercompany obligations towards Homco 102 in the amount of approximately €10K to the Homco 102 bankruptcy trustee (which could not be the object of any set-off).

CP

26. Following the sale of its remaining property to Cominar as authorized by the order of the Court rendered on February 6, 2013, CP no longer holds any assets other than cash. Prior to determining the final decision on the optimal alternative for CP and its stakeholders (including HII as its biggest unsecured creditor), the following steps are currently being taken:
- i. The Monitor and its counsel's evaluation of the validity and enforceability of the lien claims filed against CP;
 - ii. After the sale of the Centron Park property to Cominar, a letter of credit with the City of Calgary was still outstanding, and monies are being held in escrow with HSBC's counsel in relation thereto. CP, along with the Monitor and their respective counsel, are assessing the options which may permit to reduce or eliminate CP's obligations pertaining to said letter of credit.

Homco 83

27. The last properties of Homco 83 available for sale were sold in July 2013. Its only remaining assets consist of approximately \$2.8M of cash and the condominium being part of the purchase agreement with the HCI Group approved by the Court on January 12, 2012 (the "**HCI Purchase Agreement**"), which contemplates that said condominium will be transferred on Plan Implementation Date.
28. Since the Twenty-Sixth Report, discussions have been held with the Condominium Corporation, the only party which filed a proof of claim against Homco 83 other than HII and the holder of a nominal claim. The Condominium Corporation's proof of claim (in relation to alleged deficiencies) is contingent and unliquidated.

Churchill

29. Churchill no longer holds any condominiums (the only remaining condominium is to be transferred pursuant to the HCI Purchase Agreement) and only has three (3) parking stalls left for sale, of which, one is expected to be sold imminently. There are two (2) relevant post-filing intercompany claims involving Churchill, namely:
- i. A post-filing advance receivable from HII, in the amount of \$1.4M. As mentioned in the Twenty-Sixth Monitor's Report, HII, in accordance with the Initial Order, repaid this post-filing intercompany obligation to Churchill;
 - ii. A post-filing advance payable to Inverness in the amount of approximately \$4.5M. This post-filing intercompany balance was created following the use by Churchill of the proceeds from the sale of two condominium units in Inverness and the Inverness Bulk Sale to repay its secured lender, Romspen Investment Corp. Churchill and Inverness were both liable for the full amount owed to Romspen. This post-filing advance owed to Invesness is expected to be paid in the course of the Fifteenth Extension Period.

Inverness

30. Inverness no longer holds any assets and should file for bankruptcy after the following steps are completed:
 - i. As shown in **Appendix B**, Inverness repaid its post-filing intercompany obligation, in an amount of approximately \$378K to HII, in accordance with the Initial Order.
 - ii. As previously mentioned, Inverness is to receive a post-filing intercompany reimbursement from Churchill in the amount of approximately \$4.5M.
31. The Stay Order will not be extended in respect of Inverness after September 30, 2013. It is expected that Inverness files for bankruptcy shortly thereafter, once the above noted transfer is completed. Inverness' cash on hand will be distributed to its creditors, including principally HII.

II. UPDATES ON IMPLEMENTATION OF THE PLANS

32. Since the approval of the HII/Shareco Plan and the Homco 61 Plan by their respective creditors and by the Court, the HII Group and the Monitor and their respective Dutch and Canadian advisors have actively worked towards the implementation of the Plans.
33. The conditions precedent to the implementation of the HII/Shareco Plan and the Homco 61 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 complete the implementation of the HII/Shareco Plan and the Homco 61 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 Geneba and obtain the required consents from Falcon, SEB, HSH, HBOS and NIBC acting as lenders. A status update in regard to each of them is provided above;
 - ii. The granting of an advanced tax ruling by the Canada Revenue Agency (“CRA”), which was received by HII on September 25, 2013;
 - iii. Issuance of the AFM licence to Geneba: As described in the Twenty-Sixth Report, in light of the enactment on July 22, 2013 of the European Alternative Investment Fund Managers Directive (“AIFMD”) and of the three Level 2 Regulations that supplemented said directive, the HII Group and Geneba had to amend certain documents already filed and to file some additional documents. All the amended and additional documents have now been filed with the AFM. The HII Group, Geneba and the Monitor remain in constant communications with the AFM in order to keep it apprised of the developments, to answer to any of its requests and to address any of its concerns, the whole with the objective of accelerating the AFM license issuance process, to the extent possible. The HII group and the Monitor remain confident that the AFM license will be issued to Geneba, and, based on their communications with the AFM and subject to any impediments, believe that such issuance could potentially occur around the end of October 2013;
 - iv. Approval of the prospectus by NPEX: The HII Group and Geneba have received the approval of the final draft prospectus by NPEX on September 25, 2013. The prospectus remains subject to minor changes depending on the exact date of the issuance of the AFM license and ensuing Plan Implementation Date;

- v. 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 and H61 Plan: The HII Group's Canadian and Dutch tax counsel, in consultation with the Monitor's Canadian and Dutch tax counsel, have been working on said documentation and continue to do so. A "pre-closing" review of the documents is scheduled in mid-October 2013, with a view that all documents be in a final form (or be only subject to minor modifications) by the time the AFM license is issued.
34. 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. As for the Homco 61 Plan, the principal condition precedent is the implementation of the HII/Shareco Plan.
35. As mentioned in the Twenty-Sixth Report, the Monitor remains of the view that the only condition precedent which timing is not fully under the control of HII is the issuance of the AFM license. The Monitor is cautiously optimistic that the license will be issued by the end of October 2013. Any delay could have an impact on the implementation of the new financing arrangements with respect to the core properties or on the implementation of the transaction with Catalyst.
36. 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 AUGUST 11 TO SEPTEMBER 14, 2013

37. The purpose of this section is as follows:
 - i. Provide budget to actual analysis highlights by Debtor for the period from August 11 to September 14, 2013; and
 - ii. Provide explanations or comments on the variances by Debtor.

OVERVIEW

38. 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 August 11 to September 14, 2013:

Cash variation for the period from August 11 to September 14, 2013 (C\$000)					
Petitioner	Opening cash balance	Adjustment for intercompany funding	Total variation in cash balance	Surplus (funding) between HII and its Petitioners	Adjusted closing cash balance
Homburg Invest Inc.	5,735	1,170	(514)	(181)	6,210
Homburg Shareco Inc.	39	-	-	-	39
Churchill Estates Development Ltd.	5,348	-	(36)	-	5,312
Inverness Estates Development Ltd.	491	-	(378)	-	113
CP Development Ltd.	544	(1,170)	(100)	-	(726)
North Calgary Land Ltd.	-	-	-	-	-
HMCI	-	-	-	-	-
Total	<u>12,157</u>	<u>-</u>	<u>(1,028)</u>	<u>(181)</u>	<u>10,948</u>

39. For the budget to actual cash flow forecast analysis of HII, Shareco, Churchill, Inverness, CP, NCLL and HMCI for the period from August 11 to September 14, 2013, and commentary in respect of the analysis performed, please refer to **Appendix B** of this Twenty-Seventh Report.
40. 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

41. Total cash inflows for HII were \$5,340.6K for the period noted, while total cash outflows were \$5,854.0K, which resulted in a negative net cash variation of \$513.4K compared to a budgeted negative net cash variation of \$9,934.6K. This positive variance of \$9,421.2K is mainly due to the timing of the disbursements of professional fees, the over-budgeting of office & admin expenses and the collection of the unbudgeted transfer in restricted funds approved by the Court (as indicated in the Twenty-Sixth Report).

Shareco

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

Churchill

43. For the period noted, total cash inflows for Churchill were nil and total cash outflows were \$36.4K, which resulted in a negative net cash variation of \$36.4K compared to a budgeted net cash variation of nil. The negative variance of \$36.4K is mainly due to timing and was previously budgeted in the Twenty-Fourth Report. This disbursement relates to a special assessment issued by the condo corporation for repairs in the Churchill condo complex.

Inverness

44. For the period noted, total cash inflows for Inverness were nil and total cash outflows were \$378.2K, which resulted in a negative cash variation of \$378.2K compared to a budgeted negative net cash variation of \$378.2K. No variance occurred during the period.

CP

45. For the period noted, total cash inflows for CP were \$0.2K and total cash outflows were \$100.3K, which resulted in a negative net cash variation of \$100.1K compared to a budgeted net cash

variation of \$95.0 K. The negative variance of \$5.1K is mainly due to the unbudgeted payment of renewal fees for the CP letter of credit.

NCLL

46. 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

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

Cash budgeting

48. Since the Twenty-Sixth 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.

49. 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.

50. 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.

51. The table below provides the estimated cash balance analysis as at September 30, 2013:

Homburg Invest Inc.
 Estimated cash balance for the period ending September 30, 2013

(all amounts stated in CAD)		Amount
ACTUAL PETITIONERS OPENING CASH BALANCE AS AT SEPTEMBER 13, 2013	A	10,948,296
Forecasted cash inflows/(outflows) - September 13 to September 30, 2013		
Net cash inflow/(outflow) - Debtors		
Net cash inflow/(outflow) - HII		(5,489,000)
Net cash inflow/(outflow) - Shareco		-
Net cash inflow/(outflow) - Churchill		-
Net cash inflow/(outflow) - Invermess		-
Net cash inflow/(outflow) - CP		-
Net cash inflow/(outflow) - NCLL		-
Net cash inflow/(outflow) - HMCI		-
Total net cash inflow/(outflow) - Debtors	B	(5,489,000)
Net cash inflow/(outflow) - Canadian entities excluding Debtors	C	(13,679)
Payments in transit		
HII - Wires in transit as at September 13, 2013		-
HII - Estimated outstanding cheques as at September 13, 2013		(43,600)
Less: Total payments in transit	D	(43,600)
TOTAL NET CASH INFLOWS/(OUTFLOWS) - SEPTEMBER 13 TO SEPTEMBER 30, 2013	E=B+C+D	(5,546,279)
ESTIMATED ENDING CASH BALANCE AS AT SEPTEMBER 30, 2013, BEFORE OTHER ADJUSTMENTS	F=A+E	5,402,017
Net adjustment for disbursements/(receipts) not expected to occur from September 13 to September 30, 2013	G	-
ESTIMATED ENDING CASH BALANCE AS AT SEPTEMBER 30, 2013, AFTER OTHER ADJUSTMENTS	H = F+G	5,402,017

IV. ACTIVITIES OF THE MONITOR

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

CASH FLOW MONITORING

53. On a weekly basis, the Monitor has continued to analyze the Debtors' cash flows. As previously indicated in this Twenty-Seventh Report, a budget to actual cash flow analysis of the Debtors, for the period from August 11 to September 14, 2013 has been prepared together with commentary of cash variances, as presented in **Appendix B** of this Twenty-Seventh Report.
54. 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.
55. 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

56. 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.
57. 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

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

V. EXTENSION OF THE STAY PERIOD

OVERVIEW

59. Pursuant to the Fourteenth Extension Order, the Stay Period was extended until September 30, 2013.
60. The HII Parties notified the Monitor of their intention to request a fifteenth extension of the Stay Period until December 2, 2013 (the "**Fifteenth 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 Geneva as provided in the HII/Shareco Plan, with a view to complete the implementation of the Plans;
 - ii. Conclude agreements with SEB and HBOS as mortgage lenders of certain core properties and with SNS as mortgage lender of certain non-core properties;
 - iii. Advance the sale process of the non-core assets;

- iv. Participate in the final stages of the claims process conducted by the Monitor; and
 - 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 (other than Inverness) with the Fifteenth 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 9-WEEK CASH FLOW FORECASTS

62. Management has provided the Monitor with new cash flow forecasts for the Fifteenth Extension Period. Management has adjusted the projected cash flows for the Debtors to December 2, 2013, corresponding to the end of the Fifteenth Extension Period.
63. The extended 9-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 - 9-week period ending December 2, 2013					
(C\$000)	Forecasted opening cash balance as at October 1, 2013 (Appendix C)	Forecasted cash variation for the 9-week period (Appendix C)	Funding between HII and its non-Petitioners	Adjustment for intercompany funding	Forecasted closing cash balance as at December 2, 2013
Homburg Invest Inc.	664	(7,375)	(70)	-	(6,781)
Shareco Inc.	39	-	-	-	39
Churchill Estates Development Ltd.	5,312	(4,510)	-	-	802
Inverness Estates Development Ltd.	113	4,501	-	-	4,614
CP Development Ltd.	(726)	-	-	-	(726)
NCLL	-	-	-	-	-
HMCI	-	-	-	-	-
Total	5,402	(7,384)	(70)	-	(2,052)

HII

65. CRA is withholding approximately \$655K of HST reimbursement, which is held until the CRA performs an HST audit. The audit is planned to take place shortly. Based on previous delays in relation to CRA's audits, the Company has not taken into account the HST reimbursements. Therefore, cash inflows for the period are nil and forecasted cash outflows for the period are \$7,375K, resulting in a net cash outflow of \$7,375K. This net outflow mainly results from important restructuring outflows, composed primarily of professional fees, payroll, office & administrative and other expenditures.
66. Professional fees in conjunction with the restructuring of the HII Group are included in HII's projected cash flow and following a review of professional fees, the weekly amount of \$500K was increased to \$750K, in order to reduce the outstanding accrual of professional fees.
67. As of the date of this Twenty-Seventh Report, all expenses incurred to date and going forward during the Fifteenth Extension Period have been or will be paid out of the funds available to HII.

Shareco

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

Churchill

70. Forecasted cash inflows for the period are nil and forecasted cash outflows for the period are \$4,510K, resulting in a net cash outflow of \$4,510K. This net cash outflow results from the repayment of an intercompany claim payable to Inverness and condominium fees on the remaining assets in Churchill.
71. At the time of this Twenty-Seventh Report, there is nothing that would lead the Monitor to believe that Churchill will need additional financing to meet current obligations during the Fifteenth Extension Period.

Inverness

72. Forecasted cash inflows for the period are \$4,501K and forecasted cash outflows for the period are nil, resulting in a net cash inflow of \$4,501K. This net cash inflow mainly results from the collection of an intercompany claim receivable from Churchill.
73. At the time of this Twenty-Seventh Report, there is nothing that would lead the Monitor to believe that Inverness will need additional financing to meet current obligations during the Fifteenth Extension Period.

CP

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

NCLL

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

HMCI

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

CASH POSITION AND USE OF RESTRICTED CASH

Restricted Cash

80. Pursuant to the Twenty-Sixth Report, additional funding of \$4,950K was requested from Restricted Cash during the Fourteenth 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 September 13, 2013 has decreased from the time of the Twenty-Sixth Report as a result of the additional funding of \$4,950K.

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
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)
Total requests from Restricted Cash			B
			(48,250)
Interest on Restricted Cash	Cumulative interest received		C
			1,532
Ending balance of Restricted Cash as at August 20, 2013			=A+B+C
			76,356

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

81. HII, with the assistance of the Monitor, conducted an analysis of the HII Group entities' cash flows to evaluate the cash position of the HII Group for the proposed extension to the Stay Period ending on December 2, 2013.
82. The table below provides an overview of the estimated cash position of HII as at December 2, 2013:

Number of weeks presented: 9 weeks		
Homburg Invest Inc		
Estimated cash requirement as at December 2, 2013 (all amounts stated in CAD)		October 1 to December 2, 2013 (9-week period)
Estimated opening cash balance as at October 1, 2013	A	Forecast 5,402,017
Less amounts unavailable for HII's use:		
Other Petitioner's current cash balance	B	(4,737,943)
Net cash flow by Debtor - October 1 to December 2, 2013		
Net cash inflow/(outflow) - HII	C	(7,375,000)
Net cash flow by other Canadian entities - October 1 to December 2, 2013		
Net cash inflow/(outflow) - Others Canada	D	(70,280)
ESTIMATED AVAILABLE SURPLUS (DEFICIT) CASH from October 1 to December 2, 2013	E=A+B+C+D	(6,781,206)

83. The opening forecasted cash balance as at December 2, 2013 only includes the bank accounts controlled by the Debtors. European Euros and American dollars accounts have been converted to Canadian dollars at the foreign exchange rate as at September 13, 2013.
84. As noted above, for the period ending December 2, 2013, it is forecasted that the Petitioners will have a cash deficit of \$6,781,206. This amount is calculated based on the net cash flow variations as indicated in the table above. For additional information regarding the Debtors forecasted cash inflows and outflows to December 2, 2013, please refer to **Appendix C** of this Twenty-Seventh Report. Please note that the analysis does not account for timing variances that may have occurred prior to the extended period. The amount of such variances cannot be estimated as the information to complete the analysis, such as bank statements for the months of October and November for the HII Group entities, are not yet available to Management and the Monitor.
85. The cash balances held by the other Petitioners are not available for use by HII during the proposed Fifteenth Extension Period. Accordingly, an amount of \$4,737,943 is being deducted from the estimated cash balance. The net amount of these adjustments results in an estimated overall cash deficit of HII of \$6,781,206 at December 2, 2013, which will consist in a timing difference if this Court grants HII access to restricted funds.
86. The Monitor is of the view that HII should be allowed to use an incremental amount of \$6,800,000 from the Restricted Cash in order to accomplish the various steps that are required to advance the restructuring of the HII Group until the expiry of the proposed Fifteenth Extension Period.

VI. CONCLUSIONS AND RECOMMENDATIONS

87. 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.
88. It is the Monitor's opinion that, for the reasons further elaborated in this Twenty-Seventh Report:
- i. the Fifteenth Extension (up to December 2, 2013) should be granted to the HII Parties, other than Inverness, in order to allow them to implement certain essential restructuring reorganization steps and to advance towards the implementation of the Plans; and
 - ii. the use of the Restricted Cash for an incremental amount of \$6,800,000 should be authorized.
 - iii. The Stay should be lifted in order to allow Inverness to file a voluntary assignment in bankruptcy.

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

DATED AT MONTREAL, this 27th day of September, 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 5-week period of August 11 to September 14, 2013		
	Actual	Budget	Variance
Cash inflows			
REIT distributions	-	-	-
REIT unit sale proceeds	-	-	-
GST/HST received	8.3	-	8.3
Intercompany receipts (Petitioners and Mis-en-cause)	-	-	-
Other receipts	5,332.3	378.2	4,954.1
Total cash inflows	5,340.6	378.2	4,962.4
Cash outflows			
Payroll	156.1	170.0	13.9
Rent expense	57.8	25.0	(32.8)
Restructuring related professional fees	4,859.0	9,158.0	4,299.0
Insurance	1.2	-	(1.2)
Office & admin	24.3	200.0	175.7
Director fees	-	-	-
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	755.6	759.8	4.2
Total cash outflows	5,854.0	10,312.8	4,458.8
Opening cash balance	5,734.9	5,734.9	-
Adjustment for intercompany funding	1,170.0	1,170.0	-
Variation in cash balance	(513.4)	(9,934.6)	9,421.2
Exchange rate (Gain / Loss)	-	-	-
Ending cash balance	6,391.5	(3,029.7)	9,421.2
Surplus (funding) between HII and its non-Petitioners	(181.0)	(17.5)	(163.5)
Surplus (funding) between HII and its Petitioners	(0.1)	-	(0.1)
Adjusted ending cash balance	6,210.4	(3,047.2)	9,257.6

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

- The adjustment for intercompany funding reflects an adjustment of \$1,170K presented in the previous period, which relates to the payment made by HII as part of the HCI settlement agreement, on behalf of CP to eliminate amounts owed by CP to HCI.
- In addition to the ending cash balance presented of \$6,210.4K, please note that \$1,615.6K is currently held in the Monitor's trust accounts as at September 13, 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

- Other receipts were \$5,332.3K compared to a budgeted amount of \$378.2K, resulting in a favorable variance of \$4,954.1K. The favorable variance is mainly due to an unbudgeted transfer of \$4,950.0K in restricted funds approved by the Court (as indicated in the Monitor's Twenty Sixth Report).

Outflows

- Rent expense was \$57.8K compared to a budgeted amount of \$25.0K, resulting in an unfavorable variance of \$32.8K. The unfavorable variance is mainly due to timing.
- Restructuring related professional fees were \$4,859.0K compared to a budgeted amount of \$9,158.0K, resulting in a favorable variance of \$4,299.0K. This favorable variance is mainly due to timing as invoices issued during the period remain outstanding.
- Office and administrative expenditures were \$24.3K compared to a budgeted amount of \$200.0K, resulting in a favorable variance of \$175.7K. This favorable variance is mainly due to over-budgeting of the office and administrative expenses.
- 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		Amount in \$
		Invoice		
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
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)
VAT Refund ⁵	Invoices 30, 32, 34 & 36	€	(127,837)	\$ (176,338)
Total (Converted on date paid)				\$ 6,941,385
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.				
Note 5: VAT refunds for Invoices 30, 32, 34 and 36 were received. An additional VAT refund related to Invoice 36 is expected to be received in Q3.				

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 August 11 to September 14, 2013		
	Actual	Budget	Variance
Cash inflows			
Mortgage bond issuance	-	-	-
Total cash inflows	<u>-</u>	<u>-</u>	<u>-</u>
Cash outflows			
Interest payments - mortgage bonds	-	-	-
Repayment of Bonds	-	-	-
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 August 11 to September 14, 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	-	-	-
Property tax	1.3	-	(1.3)
Professional fees	-	-	-
Insurance	0.4	-	(0.4)
Mortgage principal	-	-	-
Mortgage interest	-	-	-
Office & admin	-	-	-
Condo fees	34.7	-	(34.7)
GST remitted	-	-	-
Total cash outflows	36.4	-	(36.4)
Opening cash balance	5,348.3	5,348.3	-
Variation in cash balance	(36.4)	-	(36.4)
Exchange rate (Gain / Loss)	-	-	-
Ending cash balance	5,311.9	5,348.3	(36.4)

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 \$34.7K compared to a budgeted amount of nil, resulting in an unfavorable variance of \$34.7K. This unfavorable variance is mainly due to timing as a special assessment was issued by the condo corporation in order to fund certain repairs in the Churchill complex, and this outflow was reflected in the budget of the prior period.

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 August 11 to September 14, 2013		
	Actual	Budget	Variance
Cash inflows	-	-	-
Total cash inflows	-	-	-
Cash outflows	378.2	378.2	-
Total cash outflows	378.2	378.2	-
Funded opening cash balance	491.0	491.0	-
Variation in cash balance	(378.2)	(378.2)	-
Exchange rate (Gain / Loss)	-	-	-
Ending cash balance	<u>112.8</u>	<u>112.8</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 variances 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 August 11 to September 28, 2013		
	Actual	Budget	Variance
Cash inflows	0.2	-	0.2
Total cash inflows	<u>0.2</u>	<u>-</u>	<u>0.2</u>
Cash outflows	100.3	95.0	(5.3)
Total cash outflows	<u>100.3</u>	<u>95.0</u>	<u>(5.3)</u>
Opening cash balance	544.0	544.0	-
Adjustment for intercompany funding	(1,170.0)	(1,170.0)	
Variation in cash balance	(100.1)	(95.0)	(5.1)
Exchange rate (Gain / Loss)	-	-	-
Ending cash balance	<u>(726.1)</u>	<u>(721.0)</u>	<u>(5.1)</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 \$726.1K, please note that \$10,848.5K is currently held in the Monitor's trust accounts as at September 13, 2013. This amount represents net proceeds of sale of the CP sale and accumulated interests.

Inflows-Outflows

- Cash outflows were \$100.3K compared to a budgeted amount of \$95.0K, resulting in an unfavorable variance of \$5.3K. This unfavorable variance is mainly due to the unbudgeted payment of renewal fees for the CP 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 5-week period of August 11 to September 14, 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	<u>0.1</u>	<u>-</u>	<u>(0.1)</u>
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 August 11 to September 14, 2013		
	Actual	Budget	Variance
Cash inflows			
Other receipts	-	-	-
Total cash inflows	-	-	-
Cash outflows			
Other expenditures	-	-	-
Total cash outflows	-	-	-
Opening cash balance	-	-	-
Variation in cash balance	-	-	-
Exchange rate (Gain / Loss)	-	-	-
Ending cash balance	-	-	-

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 9-week cash flow forecast (\$C)

Updated as of September 15, 2013

Homburg Invest Inc.

Extended cash flow statement from September 15 to December 2, 2013

	26th report AMENDED			27th report									
Number of weeks:	106	107		108	109	110	111	112	113	114	115	116	
Beginning period:	15-Sep-13	22-Sep-13	TOTAL	1-Oct-13	8-Oct-13	15-Oct-13	22-Oct-13	29-Oct-13	5-Nov-13	12-Nov-13	19-Nov-13	26-Nov-13	TOTAL
Ending period:	21-Sep-13	30-Sep-13	2-Week Period	7-Oct-13	14-Oct-13	21-Oct-13	28-Oct-13	4-Nov-13	11-Nov-13	18-Nov-13	25-Nov-13	2-Dec-13	9-Week Period
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Cash inflows													
GST/HST/VAT received	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash inflows	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash outflows													
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	50,000
Restructuring related professional fees	4,799,000	500,000	5,299,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	6,750,000
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
Office & administrative	40,000	40,000	80,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	135,000
Director fees	-	-	-	-	-	-	100,000	-	-	-	-	-	100,000
KERP	-	-	-	-	-	-	-	-	-	-	-	-	-
Hotel insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash outflows	4,839,000	650,000	5,489,000	765,000	850,000	765,000	950,000	790,000	850,000	765,000	850,000	790,000	7,375,000
Opening balance	6,210,353	1,327,753	6,210,353	664,074	(100,926)	(950,926)	(1,715,926)	(2,665,926)	(3,455,926)	(4,305,926)	(5,070,926)	(5,920,926)	664,074
Payments in transit	(43,600)	-	(43,600)	-	-	-	-	-	-	-	-	-	-
Variation in cash balance (Petitioners)	(4,839,000)	(650,000)	(5,489,000)	(765,000)	(850,000)	(765,000)	(950,000)	(790,000)	(850,000)	(765,000)	(850,000)	(790,000)	(7,375,000)
Variation in cash balance (Non-Petitioners)	-	(13,679)	(13,679)	-	-	-	-	-	-	-	-	(70,280)	(70,280)
Exchange rate	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted ending cash balance	1,327,753	664,074	664,074	(100,926)	(950,926)	(1,715,926)	(2,665,926)	(3,455,926)	(4,305,926)	(5,070,926)	(5,920,926)	(6,781,206)	(6,781,206)

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at September 15, 2013. In addition to the opening cash balance presented of \$6,210.4K, please note that \$1,615.6K is currently held in the Monitor's trust accounts as at September 15, 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) Professional fees in week 106 are composed of the weekly budget of \$500K plus the favorable variance of \$4,299.0K incurred during the 5-week period of August 11 to September 14, 2013.
- 3) Following a review of the weekly professional fees, the weekly amount of \$500K was increased to \$750K, in order to reduce the outstanding accrual of professional fees.
- 4) Following the Monitor's review of the professional fees accrual analysis, it is estimated that at December 2, 2013, an accrual of \$3.4M 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.
- 5) Following a review of the office & administrative expenses recently incurred, the weekly amount of \$40K was decreased to \$15K.

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 September 14, 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	No other receipts are projected for this period	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	No other expenditures are projected during the period	X	
<u>Ending cash balance</u>	Based on allocated cash transactions		X

Shareco Extended 9-week cash flow forecast (\$C)

Updated as of September 15, 2013

Homburg ShareCo Inc.

Extended cash flow statement from September 15 to December 2, 2013

	<u>26th report PUBLISHED</u>			<u>27th report</u>									
Number of weeks:	106	107		108	109	110	111	112	113	114	115	116	
Beginning period:	15-Sep-13	22-Sep-13	TOTAL	1-Oct-13	8-Oct-13	15-Oct-13	22-Oct-13	29-Oct-13	5-Nov-13	12-Nov-13	19-Nov-13	26-Nov-13	TOTAL
Ending period:	21-Sep-13	30-Sep-13	2-Week Period	7-Oct-13	14-Oct-13	21-Oct-13	28-Oct-13	4-Nov-13	11-Nov-13	18-Nov-13	25-Nov-13	2-Dec-13	9-Week Period
	Forecast	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	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	39,100

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at September 15, 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 September 14, 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 9-week cash flow forecast (\$C)

Updated as of September 15, 2013

Churchill Estates Development Ltd.

Extended cash flow statement from September 15 to December 2, 2013

Number of weeks	<u>26th report PUBLISHED</u>			<u>27th report</u>									
	106	107		108	109	110	111	112	113	114	115	116	
Beginning period:	15-Sep-13	22-Sep-13	TOTAL	1-Oct-13	8-Oct-13	15-Oct-13	22-Oct-13	29-Oct-13	5-Nov-13	12-Nov-13	19-Nov-13	26-Nov-13	TOTAL
Ending period:	21-Sep-13	30-Sep-13	2-Week Period	7-Oct-13	14-Oct-13	21-Oct-13	28-Oct-13	4-Nov-13	11-Nov-13	18-Nov-13	25-Nov-13	2-Dec-13	9-Week Period
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
Cash inflows	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash inflows	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash outflows													
Condo fees	-	-	-	2,900	-	-	-	2,900	-	-	-	2,900	8,700
GST remitted	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	-	-	-	4,501,181	-	-	-	-	-	-	-	-	4,501,181
Total cash outflows	-	-	-	<u>4,504,081</u>	-	-	-	<u>2,900</u>	-	-	-	<u>2,900</u>	<u>4,509,881</u>
Opening cash balance	<u>5,312,000</u>	<u>5,312,000</u>	<u>5,312,000</u>	<u>5,312,000</u>	<u>807,919</u>	<u>807,919</u>	<u>807,919</u>	<u>807,919</u>	<u>805,019</u>	<u>805,019</u>	<u>805,019</u>	<u>805,019</u>	<u>5,312,000</u>
Variation in cash balance	-	-	-	(4,504,081)	-	-	-	(2,900)	-	-	-	(2,900)	(4,509,881)
Exchange rate	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending cash balance	<u>5,312,000</u>	<u>5,312,000</u>	<u>5,312,000</u>	<u>807,919</u>	<u>807,919</u>	<u>807,919</u>	<u>807,919</u>	<u>805,019</u>	<u>805,019</u>	<u>805,019</u>	<u>805,019</u>	<u>802,119</u>	<u>802,119</u>

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at September 15, 2013.
- 2) The other expenditure entry shown in week 108 represents the reimbursement of a post-filing intercompany advance from Inverness

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 September 14, 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	Based on previous activity	X	
GST remitted	No activity has been forecasted during the period	X	
Other expenditures	Represent the reimbursement of a post-filing intercompany advance from Inverness	X	
<u>Closing cash balance</u>	Based on allocated cash transactions		X

Inverness Extended 9-week cash flow forecast (\$C)

Updated as of September 15, 2013

Inverness Estates Development Ltd.

Extended cash flow statement from September 15 to December 2, 2013

	26th report PUBLISHED			27th report									
Number of weeks:	106	107		108	109	110	111	112	113	114	115	116	
Beginning period:	15-Sep-13	22-Sep-13	TOTAL	1-Oct-13	8-Oct-13	15-Oct-13	22-Oct-13	29-Oct-13	5-Nov-13	12-Nov-13	19-Nov-13	26-Nov-13	TOTAL
Ending period:	21-Sep-13	30-Sep-13	2-Week Period	7-Oct-13	14-Oct-13	21-Oct-13	28-Oct-13	4-Nov-13	11-Nov-13	18-Nov-13	25-Nov-13	2-Dec-13	9-Week Period
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Cash inflows	-	-	-	4,501,181	-	-	-	-	-	-	-	-	4,501,181
Total cash inflows	-	-	-	4,501,181	-	-	-	-	-	-	-	-	4,501,181
Cash outflows	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash outflows	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening cash balance	112,843	112,843	112,843	112,843	4,614,024	4,614,024	4,614,024	4,614,024	4,614,024	4,614,024	4,614,024	4,614,024	112,843
Variation in cash balance	-	-	-	4,501,181	-	-	-	-	-	-	-	-	4,501,181
Exchange rate	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted Ending cash balance	<u>112,843</u>	<u>112,843</u>	<u>112,843</u>	<u>4,614,024</u>	<u>4,614,024</u>	<u>4,614,024</u>	<u>4,614,024</u>	<u>4,614,024</u>	<u>4,614,024</u>	<u>4,614,024</u>	<u>4,614,024</u>	<u>4,614,024</u>	<u>4,614,024</u>

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at September 15, 2013.
- 2) The entry shown in week 108 represents the reimbursement of a post-filing intercompany advance to Churchill.

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 September 14, 2013	X	
<u>Exchange rates</u>	All cash flows are in Canadian dollars		X
<u>Forecast cash receipts</u>	Repayment from Churchill of intercompany amounts owing since the Initial Order.	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 9-week cash flow forecast (\$C)

Updated as of September 15, 2013

CP Development Ltd.

Extended cash flow statement from September 15 to December 2, 2013

Number of weeks:	26th report PUBLISHED			27th report									
	106	107		108	109	110	111	112	113	114	115	116	
Beginning period:	15-Sep-13	22-Sep-13	TOTAL	1-Oct-13	8-Oct-13	15-Oct-13	22-Oct-13	29-Oct-13	5-Nov-13	12-Nov-13	19-Nov-13	26-Nov-13	TOTAL
Ending period:	21-Sep-13	30-Sep-13	2-Week Period	7-Oct-13	14-Oct-13	21-Oct-13	28-Oct-13	4-Nov-13	11-Nov-13	18-Nov-13	25-Nov-13	2-Dec-13	9-Week Period
	Forecast	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	(726,000)	(726,000)	(726,000)	(726,000)	(726,000)	(726,000)	(726,000)	(726,000)	(726,000)	(726,000)	(726,000)	(726,000)	(726,000)
Adjustment for intercompany funding	-	-	-	-	-	-	-	-	-	-	-	-	-
Variation in cash balance	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange rate	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending cash balance	(726,000)	(726,000)	(726,000)	(726,000)	(726,000)	(726,000)	(726,000)	(726,000)	(726,000)	(726,000)	(726,000)	(726,000)	(726,000)

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at September 15, 2013. In addition to the opening balance presented of (\$726.0K) please note that \$10,848.5K 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
<u>Opening cash balance</u>	Based on allocated closing cash balances as at September 14, 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 9-week cash flow forecast (\$C)

Updated as of September 15, 2013

NCLL

Extended cash flow statement from September 15 to December 2, 2013

	26th report PUBLISHED			27th report									
Number of weeks:	68	69		70	71	72	73	74	75	76	77	78	
Beginning period:	15-Sep-13	22-Sep-13	TOTAL	1-Oct-13	8-Oct-13	15-Oct-13	22-Oct-13	29-Oct-13	5-Nov-13	12-Nov-13	19-Nov-13	26-Nov-13	TOTAL
Ending period:	21-Sep-13	30-Sep-13	2-Week Period	7-Oct-13	14-Oct-13	21-Oct-13	28-Oct-13	4-Nov-13	11-Nov-13	18-Nov-13	25-Nov-13	2-Dec-13	9-Week Period
	Forecast	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 September 15, 2013. An amount of \$3,120.2K was inadvertently deposited in Monitor's trust account for NCLL, but was subsequently transferred to its rightful owner, Homco 88.

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 September 14, 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 9-week cash flow forecast (\$C)

Updated as of September 15, 2013

Homburg Management Canada Inc.

Extended cash flow statement from September 15 to December 2, 2013

	26th report PUBLISHED			27th report									
Number of weeks:	28	29		30	31	32	33	34	35	36	37	38	
Beginning period:	15-Sep-13	22-Sep-13	TOTAL	1-Oct-13	8-Oct-13	15-Oct-13	22-Oct-13	29-Oct-13	5-Nov-13	12-Nov-13	19-Nov-13	26-Nov-13	TOTAL
Ending period:	21-Sep-13	30-Sep-13	2-Week Period	7-Oct-13	14-Oct-13	21-Oct-13	28-Oct-13	4-Nov-13	11-Nov-13	18-Nov-13	25-Nov-13	2-Dec-13	9-Week Period
	Forecast	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 September 15, 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 September 14, 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