

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 BÉLAÏR/DELOITTE & TOUCHE INC.

Monitor

**THIRTY-SECOND REPORT TO THE COURT
SUBMITTED BY SAMSON BÉLAÏR/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 January 17, 2014, the Court last extended the Stay up until February 7, 2014 (the “**Stay Period**”).
5. Since the Initial Order, the Monitor has filed reports with the Court and served same to the Service List from time to time. The Monitor filed thirty-one such Monitor’s reports (as well as several supplemental reports) prior to this thirty-second Monitor’s report (the “**Thirty-Second 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 THIRTY-SECOND REPORT

6. This Thirty-Second 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 Thirty-Second 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 Thirty-Second Report is structured as follows:

- I- Restructuring Initiatives;
- II- Updates on HHUS Cash and proceedings with HCI;
- III- Updates on Implementation of the Plans;
- IV- Debtors’ Cash Flows;
- V- Activities of the Monitor;
- VI- Extension of the Stay Period; and
- VII- Conclusions and Recommendations.

TERMS OF REFERENCE

8. In preparing this Thirty-Second 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 Thirty-Second Report is based on assumptions of Management regarding future events, and actual results achieved will vary from this information and such variations may be material.

9. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars. Capitalized terms not otherwise defined in this Thirty-Second 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

Lenders of Core Properties

- 10. As mentioned in the Thirty-First Report, due to the delay in the implementation of the HII/Shareco Plan caused by the fact that the AFM has yet to issue a license to Geneva notwithstanding the fact that the application was filed with the AFM more than six months ago, the Skandinaviska Enskilda Banken AB (“SEB”) is to provide, for a second time, consent to the transfer to Geneva of the Core Business Assets located in the three Baltic States.
- 11. SEB requires, just prior to the Plan Implementation Date, that all documents be updated and reapproved by SEB’s senior Management.
- 12. Once the HII Group obtains more certainty on the timing of the issuance of the license by the AFM, it will proceed to finalize the necessary agreements with SEB.

13. As for the other Core Business Creditors, namely, HSH Nordbank AG (“**HSH**”), Falcon Private Bank Ltd. (“**Falcon**”) and NIB Capital Bank N.V. (“**NIBC**”), the necessary agreements have been entered into with the HII Group.
14. However, if the Plan Implementation Date does not occur prior to March 1, 2104, the HII Group will need to request, for a third time, an additional extension on said agreements from both HSH and Falcon.

Lenders of Non-Core Properties

15. There has not been any material change in the status of the discussions and negotiations regarding the lenders of non-core properties since the Thirty-First Report.
16. HSBC has been kept informed on a regular basis on the ongoing sale process of the non-core Canadian properties.

SALE PROCESS OF NON-CORE PROPERTIES

Canadian Properties

17. The HII Group continues to actively market its Canadian properties as provided in previous reports and, with the exception of the sale outlined in paragraph 18, there has not been any change in the status of the sale process of HII non-core Canadian properties since the Thirty-First Report.
18. Subject to certain conditions, an agreement has been reached to sell the last condo unit in Castello. The sale is anticipated to close in February 2014.

US Properties

19. Since the Thirty-First Report, HHUS has entered into a purchase and sale agreement to collectively sell the remaining four (4) unsold Colorado Springs properties, respectively located on East Pikes Road (555, 557 and 559) and on Van Teylingen Drive. The interested party is currently performing its due diligence.
20. 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.

II. UPDATES ON HHUS CASH AND PROCEEDINGS WITH HCI

21. Since the Thirty-First Report, there has been no material development in Nova Scotia, Barbados or Colorado regarding the procedures to recuperate the Diverted Funds. The next steps to be taken will be determined following the February 26 and 28, 2014 hearings, which will be taking place in Barbados.
22. On February 5, 2014, counsel for the HCI Group filed a Notice of Motion with the Supreme Court of Nova Scotia indicating that it will move for an order dismissing HII’s proceedings on the basis that the Nova Scotia Court has no territorial competence or that it declines to exercise territorial competence.

III. UPDATES ON IMPLEMENTATION OF THE PLANS

23. The Conditions Precedent to the implementation of the Plans are summarized in Appendix B to the Twenty-Third Report, and are found at length at Section 14.4 of the HII/Shareco Plan. A comprehensive summary of the status of each Conditions Precedent was presented in the Twenty-Ninth Report. Since then, the HII Group and the Monitor along with their respective Dutch and Canadian advisors have continued to actively work towards the implementation of the Plans. A summary of the status of each remaining Condition Precedent was presented in the Thirty-First Report.
24. As of the date of this Thirty-Second Report, the Conditions Precedent that are outstanding are (i) the issuance of the license by the AFM to Geneba and (ii) the completion of the necessary updated agreements with SEB (as described hereinabove).
25. The latest developments regarding the issuance of the AFM license are detailed in the Debtors' Motion for Extension of the Stay Period dated February 5, 2014.
26. Also, as previously mentioned in this report, in the event that the Plan Implementation Date occurs beyond March 1, 2014, the HII Group will be required to obtain a further extension from both Falcon and HSH.
27. Continued delays with respect to the issuance of the license could have a material impact on the implementation of the new financing arrangements with respect to the core properties or potentially, the implementation of the transaction with Catalyst.
28. As indicated in previous Monitor's Reports and at the Creditors' Meetings, the timing of the cash distributions under the Plans (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.

IV. DEBTORS' CASH FLOWS

29. The purpose of this section is as follows:
 - i. Provide budget to actual analysis highlights by Debtor for the period from January 7 to January 24, 2014; and
 - ii. Provide explanations or comments on the variances by Debtor.

OVERVIEW

30. The following table provides an overview of the allocated opening cash balances, the allocated closing cash balances, and the cash variations by Debtor for the period from January 7 to January 24, 2014:

Cash variation for the period from January 7 to January 24, 2014 (C\$000)						
Petitioner	Opening cash balance	Total variation in cash balance	Surplus (funding) between HII and its Petitioners	Surplus (funding) between HII and its Non-Petitioners	Adjusted closing cash balance	
Homburg Invest Inc.	1,856	4,442	-	58	6,356	
Homburg Shareco Inc.	39	-	-	-	39	
Churchill Estates Development Ltd.	812	-	-	-	812	
CP Development Ltd.	(720)	-	-	-	(720)	
North Calgary Land Ltd.	-	-	-	-	-	
HMCI	-	-	-	-	-	
Total	<u>1,987</u>	<u>4,442</u>	<u>-</u>	<u>58</u>	<u>6,487</u>	

31. For the budget to actual cash flow forecast analysis of HII, Shareco, Churchill, CP, NCLL and HMCI for the period from January 7 to January 24, 2014, and commentary in respect of the analysis performed, please refer to Appendix B of this Thirty-Second Report.

32. 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

33. Total cash inflows for HII were \$5,263.6K for the period noted, while total cash outflows were \$821.4K, which resulted in a positive net cash variation of \$4,442.2K compared to a budgeted negative net cash variation of \$3,175.0K. This positive variance of \$7,617.2K is mainly due to the unbudgeted receipt of \$3,300K in restricted funds approved by the Court and a GST/HST reimbursement of \$315.5K. These unbudgeted receipts were partially offset by the delay in the reimbursement of the Homco 88 funding charge of \$385.0K. The remaining variance of approximately \$4,400K is mainly due to timing in the payments for professional fees which was subsequently disbursed during the week of January 25, 2014.

Shareco

34. For the period noted, total cash inflows were nil as budgeted, and total cash outflows for Shareco were nil compared to budgeted cash outflows of nil.

Churchill

35. For the period noted, total cash inflows were nil as budgeted, and total cash outflows for Churchill were nil compared to budgeted cash outflows of nil.

CP

36. For the period noted, total cash inflows were \$0.1K, and total cash outflows for CP were nil compared to budgeted cash outflows of nil.

NCLL

37. For the period noted, total cash inflows were nil as budgeted, and total cash outflows for NCLL were nil compared to budgeted cash outflows of nil.

HMCI

38. For the period noted, total cash inflows and outflows were nil compared to a budgeted cash inflow amount of \$33.2K, resulting in an unfavorable variance of \$33.2K. This negative variance is mainly due to timing as the amount of \$33.2K, which had been inadvertently received into HII, has yet to be transferred to HMCI.

Cash budgeting

39. Since the Thirty-First 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.

40. As reported in the past, the cash balance presented in the weekly budget to actual analysis is based on an approximate allocated cash method.

41. 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.

42. The table below provides the estimated cash balance analysis as at February 7, 2014:

Homburg Invest Inc.

Estimated cash balance for the period ending February 7, 2014

(all amounts stated in CAD)	Amount
ACTUAL PETITIONERS OPENING CASH BALANCE AS AT JANUARY 25, 2014	A 6,487,222
<u>Forecasted cash inflows/(outflows) - January 25 to February 7, 2014</u>	
Net cash inflow/(outflow) - Debtors	
Net cash inflow/(outflow) - HII	(5,047,166)
Net cash inflow/(outflow) - Shareco	-
Net cash inflow/(outflow) - Churchill	(4,700)
Net cash inflow/(outflow) - CP	-
Net cash inflow/(outflow) - NCLL	-
Net cash inflow/(outflow) - HMCI	33,210
Total net cash inflow/(outflow) - Debtors	B (5,018,656)
Net cash inflow/(outflow) - Canadian entities excluding Debtors	C (6,500)
<u>Payments in transit</u>	
HII - Wires in transit as at January 24, 2014	-
HII - Estimated outstanding cheques as at January 24, 2014	(33,112)
Less: Total payments in transit	D (33,112)
TOTAL NET CASH INFLOWS/(OUTFLOWS) - JANUARY 25 TO FEBRUARY 7, 2014	E=B+C+D (5,058,268)
ESTIMATED ENDING CASH BALANCE AS AT FEBRUARY 7, 2014, BEFORE OTHER ADJUSTMENTS	F=A+E 1,428,954
Net adjustment for disbursements/(receipts) not expected to occur from January 25 to February 7, 2014	G -
ESTIMATED ENDING CASH BALANCE AS AT FEBRUARY 7, 2014, AFTER OTHER ADJUSTMENTS	H =F+G 1,428,954

V. ACTIVITIES OF THE MONITOR

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

CASH FLOW MONITORING

44. On a weekly basis, the Monitor has continued to analyze the Debtors' cash flows. As previously indicated in this Thirty-Second Report, a budget to actual cash flow analysis of the Debtors, for the

period from January 7 to January 24, 2014 has been prepared together with commentary of cash variances, as presented in Appendix B of this Thirty-Second Report.

45. 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.
46. 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

47. On a monthly basis, budget to actual cash flow forecast analyses of the HII Group have been prepared. The objective of these analyses is to monitor the cash flows which transact through the HII Group since any excess should ultimately be distributed back to HII. These reports, referred to as supplemental reports, have been posted to the Monitor's website and sent to the HII Group service list.
48. 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

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

VI. EXTENSION OF THE STAY PERIOD

OVERVIEW

50. Pursuant to the Seventeenth Extension Order, the Stay Period was extended until February 7, 2014.
51. The Motion for Extension of the Stay Period dated February 5, 2014 seeks an eighteenth extension of the Stay Period until March 11, 2014 (the "**Eighteenth Extension Period**"). This extension will allow, amongst other things, to:
 - i. Continue working towards obtaining the issuance of the AFM license to Geneba in order to proceed with the completion of the necessary updated agreements with SEB and the implementation of the Plans;
 - ii. Pursue 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.
52. In the Monitor's opinion, it is in the best interests of the stakeholders to provide the HII Parties with the Eighteenth Extension Period in order to ensure that the HII Parties continue their progress towards the implementation of the Plans.

EXTENDED 4-WEEK CASH FLOW FORECASTS

53. The Debtors provided the Monitor with new cash flow forecasts for the Eighteenth Extension Period, adjusting the projected cash flows for the period ending on March 11, 2014, namely the end of the Eighteenth Extension Period.
54. The extended 4-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.
55. Presented in the table below is a summary of the forecasted cash variations for each of the Debtors:

Extension - 4-week period ending March 11, 2014					
(C\$000)	Forecasted opening cash balance as at February 8, 2014 (Appendix C)	Forecasted cash variation for the 4-week period (Appendix C)	Funding between HII and its non-Petitioners	Adjustment for intercompany funding	Forecasted closing cash balance as at March 11, 2014
Homburg Invest Inc.	1,269	2,110	(34)	-	3,345
Shareco Inc.	39	-	-	-	39
Churchill Estates Development Ltd.	808	(5)	-	-	803
CP Development Ltd.	(720)	-	-	-	(720)
NCLL	-	-	-	-	-
HMCI	33	-	-	-	33
Total	1,429	2,105	(34)	-	3,500

HII

56. Other receipts represent an estimated dividend payment of \$4,000K to HII as a result of the Inverness bankruptcy and a transfer of \$853.1K (€62K at 1.5180) from Hinvest REMS, the European asset manager, for a reimbursement of shared professional charges for the 2012 and 2013 years.
57. Professional fees in conjunction with the restructuring of the HII Group are estimated to be \$550K each week.
58. Other expenditures represent the expected Geneba recharge cost of \$60.7K (€40K at 1.5180) in week 129 and a payment of \$227.7K (€150K at 1.5180) to fund the Baltics properties, which was originally budgeted in week 125 for \$587.1K (€400K at 1.4678), but has now been revised down and moved to week 130.
59. At the time of this Thirty-Second Report, there is nothing that would lead the Monitor to believe that HII will need additional financing to meet its current obligations during the Eighteenth Extension Period.

Shareco

60. The Monitor does not anticipate any cash inflows or outflows pertaining to Shareco for the Eighteenth Extension Period.
61. At the time of this Thirty-Second Report, there is nothing that would lead the Monitor to believe that Shareco will need additional financing to meet its current obligations during the Eighteenth Extension Period.

Churchill

62. Forecasted cash inflows for the period are nil and forecasted cash outflows for the period are \$4.7K, resulting in a net cash outflow of \$4.7K. This forecasted net cash outflow results from the anticipated payment of condominium fees on the remaining assets in Churchill, as well as the corresponding property taxes.
63. At the time of this Thirty-Second Report, there is nothing that would lead the Monitor to believe that Churchill will need additional financing to meet its current obligations during the Eighteenth Extension Period.

CP

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

NCLL

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

HMCI

68. Forecasted cash inflows for the period are \$33.2K, which represent a transfer from HII for funds inadvertently received by HII. This transfer was also budgeted during the last period but unfortunately, the transfer has not yet been completed. The Monitor does not anticipate any cash outflows pertaining to HMCI during the Eighteenth Extension Period.
69. At the time of this Thirty-Second Report, there is nothing that would lead the Monitor to believe that HMCI will need additional financing to meet its current obligations during the Eighteenth Extension Period.

CASH POSITION AND USE OF RESTRICTED CASH

Restricted Cash

70. Pursuant to the Thirty-First Report, additional funding of \$3,300K was requested from Restricted Cash during the Seventeenth 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 January 24, 2014 has decreased from the time of the Thirty-First Report as a result of the additional funding of \$3,300K.

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)
Monitor's Twenty-Seventh Report	Request from Restricted Cash	30-Sep-13	(6,800)
Monitor's Thirtieth Report	Request from Restricted Cash	19-Dec-13	(2,585)
Monitor's Thirty-First Report	Request from Restricted Cash	20-Jan-14	(3,300)
Total requests from Restricted Cash			B
			(60,935)
Interest on Restricted Cash	Cumulative interest received		C
			1,786
Ending balance of Restricted Cash as at January 24, 2014			=A+B+C
			63,925

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

71. As indicated in the extended 4-Week Cash Flow Forecast section, for the period ending March 11, 2014, it is forecasted that HII will have a cash surplus of \$3,344.9K. For additional information regarding the Debtors forecasted cash inflows and outflows to March 11, 2014, please refer to Appendix C of this Thirty-Second Report.
72. 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 Eighteenth Extension Period.

VII. CONCLUSIONS AND RECOMMENDATIONS

73. 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.
74. It is the Monitor's opinion that, for the reasons further elaborated in this Thirty-Second Report, the Eighteenth Extension Period (up to March 11, 2014) should be granted to the HII Parties to meet the remaining Conditions Precedent and advance towards the implementation of the Plans.

The Monitor respectfully submits this Thirty-Second Report to the Court.

DATED AT MONTREAL, this 6th day of February, 2014.

A handwritten signature in black ink, appearing to read 'Pierre Laporte', written in a cursive style.

Pierre Laporte, CPA, CA, CIRP
President

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

APPENDIX A

THE ENTITIES Mis-en-Cause

HOMCO REALTY FUND (52) LIMITED PARTNERSHIP
HOMCO REALTY FUND (61) LIMITED PARTNERSHIP
HOMCO REALTY FUND (83) LIMITED PARTNERSHIP
HOMCO REALTY FUND (88) LIMITED PARTNERSHIP
HOMCO REALTY FUND (89) LIMITED PARTNERSHIP
HOMCO REALTY FUND (92) LIMITED PARTNERSHIP
HOMCO REALTY FUND (94) LIMITED PARTNERSHIP
HOMCO REALTY FUND (96) LIMITED PARTNERSHIP
HOMCO REALTY FUND (105) LIMITED PARTNERSHIP
HOMCO REALTY FUND (121) LIMITED PARTNERSHIP
HOMCO REALTY FUND (142) LIMITED PARTNERSHIP
HOMCO REALTY FUND (190) LIMITED PARTNERSHIP
HOMCO REALTY FUND (191) LIMITED PARTNERSHIP
HOMCO REALTY FUND (199) LIMITED PARTNERSHIP
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 3-week period of January 7 to January 24, 2014		
	Actual	Budget	Variance
Cash inflows			
REIT distributions	-	-	-
REIT unit sale proceeds	-	-	-
GST/HST received	315.5	-	315.5
Intercompany receipts (Petitioners and Mis-en-cause)	-	-	-
Other receipts	4,948.1	1,945.0	3,003.1
Total cash inflows	5,263.6	1,945.0	3,318.6
Cash outflows			
Payroll	169.4	85.0	(84.4)
Rent expense	42.8	-	(42.8)
Restructuring related professional fees	516.3	4,836.3	4,320.0
Insurance	-	-	-
Office & admin	22.3	45.0	22.7
Director fees	70.6	60.0	(10.6)
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	-	93.7	93.7
Total cash outflows	821.4	5,120.0	4,298.6
Opening cash balance	1,855.8	1,855.8	-
Variation in cash balance	4,442.2	(3,175.0)	7,617.2
Exchange rate (Gain / Loss)	-	-	-
Ending cash balance	6,298.0	(1,319.2)	7,617.2
Surplus (funding) between HII and its non-Petitioners	57.5	-	57.5
Surplus (funding) between HII and its Petitioners	-	-	-
Adjusted ending cash balance	6,355.5	(1,319.2)	7,674.7

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 \$6,355.5K, please note that \$1,620.2K is currently held in the Monitor's trust accounts as at January 24, 2014. 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 \$315.5K compared to a budgeted amount of nil, resulting in a favorable variance of \$315.5K. The favorable variance is due to the receipt of unbudgeted GST/HST refunds from the CRA.
- Other receipts were \$4,948.1K compared to a budgeted amount of \$1,945.0K, resulting in a favorable variance of \$3,003.1K. The favorable variance is mainly due to an unbudgeted transfer of \$3,300K in restricted funds approved by the Court (as indicated in the Monitor's Thirty-First Report), which was partially offset by the delay in the reimbursement of the Homco 88 funding charge of \$385K.

Outflows

- Payroll expense was \$169.4K compared to a budgeted amount of \$85.0K, resulting in an unfavorable variance of \$84.4K. The unfavorable variance is mainly due to timing.
- Rent expense for the period was \$42.8K compared to a budgeted amount of nil resulting in an unfavorable variance of \$42.8K. This unfavorable variance is mainly due to timing.
- Restructuring related professional fees were \$516.3K compared to a budgeted amount of \$4,836.3K, resulting in a favorable variance of \$4,320.0K. This favorable variance is mainly due to timing as invoices issued during prior periods remain outstanding.
- Office and administrative expenditures were \$22.3K compared to a budgeted amount of \$45.0K, resulting in a favorable variance of \$22.7K. This favorable variance is mainly due to over-budgeting of the office and administrative expenses.
- Other expenditures were nil compared to a budgeted amount of \$93.7K resulting in a favorable variance of \$93.7K. The favorable variance is mainly due to the delay in both the transfer of the \$33.2K by HII, which it inadvertently received on behalf of HMCI and the payment of Geneva recharge costs of \$60.5K (€41.2K at 1.4678).

- 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	Amount	
INVOICE nr 3.2012	Dec. 5, 2011 - Dec. 31, 2011	\$ 239,128	\$	239,128
INVOICE nr 4.2012	Jan 1, 2012 - Jan. 31, 2012	\$ 265,486	\$	265,486
INVOICE nr 5.2012	Feb 1, 2012 - Feb. 29, 2012	\$ 248,270	\$	248,270
INVOICE nr 6.2012	Mar 1, 2012 - Mar 31, 2012	\$ 235,752	\$	235,752
INVOICE nr 7.2012	Mar 1, 2012 - Mar 31, 2012	\$ 13,612	\$	13,612
INVOICE nr 8.2012	Apr 1, 2012 - Apr 30, 2012	\$ 245,167	\$	245,167
INVOICE nr 9.2012	Apr 1, 2012 - Apr 30, 2012	€ 53,536	\$	69,281
INVOICE nr 10.2012	May 1, 2012- May 31, 2012	\$ 218,794	\$	218,794
INVOICE nr 11.2012	May 1, 2012- May 31, 2012	€ 45,058	\$	56,445
INVOICE nr 12.2012	June 1, 2012- June 30, 2012	\$ 261,074	\$	261,074
INVOICE nr 13.2012	June 1, 2012- June 30, 2012	€ 1,712	\$	2,112
INVOICE nr 15.2012	July 1, 2012 - July 31, 2012	\$ 273,252	\$	273,252
INVOICE nr 16.2012	July 1, 2012 - July 31, 2012	€ 19	\$	23
INVOICE nr 17.2012	Aug 1, 2012 - Aug 31, 2012	\$ 226,459	\$	226,459
INVOICE nr 19.2012	Sept 1, 2012 - Sept 30, 2012	\$ 296,400	\$	296,400
INVOICE nr 21.2012	Oct 1, 2012 - Oct 31, 2012	\$ 567,214	\$	567,214
INVOICE nr 23.2012	Nov 1, 2012 - Nov 30, 2012	\$ 515,486	\$	515,486
INVOICE nr 25.2012	Dec 1, 2012 - Dec 31, 2012	\$ 357,005	\$	357,005
INVOICE nr 26.2013	Jan 1, 2013 - Jan 31, 2013	\$ 444,643	\$	444,643
INVOICE nr 28.2013	Feb 1, 2013 - Feb 28, 2013	\$ 702,612	\$	702,612
INVOICE nr 30.2013	Mar 1, 2013 - Mar 31, 2013	\$ 538,339	\$	538,339
INVOICE nr 32.2013	Apr 1, 2013 - Apr 30, 2013	\$ 604,713	\$	604,713
INVOICE nr 34.2013	May 1, 2013 - May 31, 2013	\$ 593,466	\$	593,466
INVOICE nr 36.2013	June 1, 2013 - June 30, 2013	\$ 249,762	\$	249,762
INVOICE nr 38.2013	July 1, 2013 - July 31, 2013	\$ 185,942	\$	185,942
INVOICE nr 40.2013	Aug 1, 2013 - Aug 31, 2013	\$ 271,064	\$	271,064
INVOICE nr 42.2013	Sept 1, 2013 - Sept 30, 2013	\$ 279,299	\$	279,299
INVOICE nr 44.2013	Oct 1, 2013 - Oct 31, 2013	\$ 219,944	\$	219,944
INVOICE nr 46.2013	Nov 1, 2013 - Nov 30, 2013	\$ 181,046	\$	181,046
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)
VAT Refund ⁶	Invoices 36, 38 & 40	€ (58,686)	\$	(82,583)
VAT Refund ⁷	Invoice 23	€ (6,175)	\$	(9,187)
Total (Converted on date paid)			\$	7,529,904
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.				
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.				
Note 6: The remaining VAT refund for Invoice 36 was received, as well as VAT refunds for Invoices 38 and 40.				
Note 7: An additional VAT refund for Invoice 23 was received.				

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 3-week period of January 7 to January 24, 2014		
	Actual	Budget	Variance
Cash inflows	-	-	-
Total cash inflows	-	-	-
Cash outflows	-	-	-
Total cash outflows	-	-	-
Opening cash balance	39.0	39.0	-
Variation in cash balance	-	-	-
Exchange rate (Gain / Loss)	-	-	-
Ending cash balance	39.0	39.0	-

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 3-week period of January 7 to January 24, 2014		
	Actual	Budget	Variance
Cash inflows	-	-	-
Total cash inflows	-	-	-
Cash outflows			
Commissions	-	-	-
Advertising	-	-	-
R&M	-	-	-
Property tax	-	-	-
Professional fees	-	-	-
Insurance	-	-	-
Mortgage principal	-	-	-
Mortgage interest	-	-	-
Office & admin	-	-	-
Condo fees	-	-	-
GST remitted	-	-	-
Other expenditure	-	-	-
	-	-	-
Opening cash balance	812.4	812.4	-
Variation in cash balance	-	-	-
Exchange rate (Gain / Loss)	-	-	-
Ending cash balance	812.4	812.4	-

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

- No transactions occurred during the period in Churchill.

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 3-week period of January 7 to January 24, 2014		
	Actual	Budget	Variance
Cash inflows	0.1	-	0.1
Total cash inflows	<u>0.1</u>	<u>-</u>	<u>0.1</u>
Cash outflows	-	-	-
Total cash outflows	<u>-</u>	<u>-</u>	<u>-</u>
Opening cash balance	(719.8)	(719.8)	-
Variation in cash balance	0.1	-	0.1
Exchange rate (Gain / Loss)	-	-	-
Ending cash balance	<u>(719.7)</u>	<u>(719.8)</u>	<u>0.1</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 \$719.7K, please note that \$10,874.2K is currently held in the Monitor's trust accounts as at January 24, 2014. This amount represents the net proceeds of the CP sale and accumulated interest.

Inflows-Outflows

- No significant transactions occurred during the period relating to CP

North Calgary Land Ltd.

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

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

	For the 3-week period of January 7 to January 24, 2014		
	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	-	-	-
GST/HST paid	-	-	-
Other expenditures	-	-	-
Total cash outflows	<u>-</u>	<u>-</u>	<u>-</u>
Funded opening cash balance	-	-	-
Variation in cash balance	-	-	-
Exchange rate (Gain / Loss)	-	-	-
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 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 3-week period of January 7 to January 24, 2014		
	Actual	Budget	Variance
Cash inflows			
Other receipts	-	33.2	(33.2)
Total cash inflows	<u>-</u>	<u>33.2</u>	<u>(33.2)</u>
Cash outflows			
Other expenditures	-	-	-
Total cash outflows	<u>-</u>	<u>-</u>	<u>-</u>
Opening cash balance	-	-	-
Variation in cash balance	-	33.2	(33.2)
Exchange rate (Gain / Loss)	-	-	-
Ending cash balance	<u>-</u>	<u>33.2</u>	<u>(33.2)</u>

HMCI budget to actual commentary

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

Inflows-Outflows

- Cash inflows for the period were nil compared to a budgeted amount of \$33.2K resulting in an unfavorable variance of \$33.2K. This unfavorable variance is due to timing as the budgeted other receipts of \$33.2K represents an amount that was inadvertently received into HII and which needs to be transferred to HMCI. The transfer should be completed during the Eighteenth Extension Period.

APPENDIX C

III Extended 4-week cash flow forecast (\$C)

Updated as of January 25, 2014

Homburg Invest Inc.

Extended cash flow statement from February 8 to March 11, 2014

	31st report AMENDED			32nd Report				
Number of weeks:	125	126		127	128	129	130	
Beginning period:	25-Jan-14	1-Feb-14	TOTAL	8-Feb-14	15-Feb-14	22-Feb-14	1-Mar-14	TOTAL
Ending period:	31-Jan-14	7-Feb-14	2-Week Period	14-Feb-14	21-Feb-14	28-Feb-14	11-Mar-14	4-Week Period
	Forecast	Forecast						Forecast
Cash inflows								
GST/HST/VAT received	-	369,000	369,000	-	-	-	-	-
Other receipts	385,000	-	385,000	-	4,000,000	853,116	-	4,853,116
Total cash inflows	385,000	369,000	754,000	-	4,000,000	853,116	-	4,853,116
Cash outflows								
Payroll	-	85,000	85,000	-	85,000	-	85,000	170,000
Rent expense	25,000	-	25,000	-	-	-	25,000	25,000
Restructuring related professional fees	4,870,000	550,000	5,420,000	550,000	550,000	550,000	550,000	2,200,000
Insurance	-	-	-	-	-	-	-	-
Office & administrative	15,000	15,000	30,000	15,000	15,000	15,000	15,000	60,000
Director fees	-	-	-	-	-	-	-	-
KERP	-	-	-	-	-	-	-	-
Other expenditures	207,966	33,200	241,166	-	-	60,720	227,700	288,420
Total cash outflows	5,117,966	683,200	5,801,166	565,000	650,000	625,720	902,700	2,743,420
Opening balance	6,355,522	1,589,444	6,355,522	1,268,744	703,744	4,053,744	4,281,140	1,268,744
Payments in transit	(33,112)	-	(33,112)	-	-	-	-	-
Variation in cash balance (Petitioners)	(4,732,966)	(314,200)	(5,047,166)	(565,000)	3,350,000	227,396	(902,700)	2,109,696
Variation in cash balance (Non-Petitioners)	-	(6,500)	(6,500)	-	-	-	(33,500)	(33,500)
Exchange rate	-	-	-	-	-	-	-	-
Adjusted ending cash balance	1,589,444	1,268,744	1,268,744	703,744	4,053,744	4,281,140	3,344,940	3,344,940

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at January 25, 2014. In addition to the opening cash balance presented of \$6,355.5K, please note that \$1,620.2K is currently held in the Monitor's trust accounts as at January 24, 2014. 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 and accumulated interest.
- 2) Other receipts in week 125 represent the receipt of the Homco 88 funding charge of \$385K, following the closing of the sale of Kai, Homco 88's asset, which was originally planned to be received in week 124. In week 128 the receipt of a partial dividend payment for \$4,000K is expected resulting from

the Inverness bankruptcy. Other receipts in week 129 reflect a transfer of \$853K (€562K at 1.5180) from Hinvest REMS, the European asset manager, for a reimbursement of shared professional charges for the 2012 and 2013 years, which HII had paid in full.

- 3) Professional fees in week 125 are composed of the weekly budget of \$550K plus the favorable variance of \$4,320K incurred during the 3-week period of January 7 to January 24, 2014. Of which, approximately \$3.9M of professional fees are in transit at week 125.
- 4) Other expenditures represent the reimbursement to Homco 69 of a €75K capital injection it made in Geneba on behalf of HII and an additional capital injection to be made by HII of €62K for a total of €137K or \$208K at an exchange rate of 1.518. Both payments are budgeted in week 125 and all capital injections funded by HII are reimbursable from Geneba. In week 126, the \$33.2K represents an amount inadvertently received by HII on behalf of HMCI, which was originally budgeted to be repaid in week 124 and is now scheduled to be transferred back to HMCI. Other expenditures also include payments of Geneba recharge costs of \$60.5K (€40K at 1.518), in week 129 and a payment of \$227.7K (€150K at 1.518) to fund the Baltics properties, which was originally budgeted in week 125 for \$587.1K (€400K at 1.4678), but has now been revised down and moved to week 130.
- 5) Following the Monitor's review of the professional fees accrual analysis, it is estimated that at March 11, 2014, an accrual of more than \$2.0M for the professional fees will be outstanding and payable.

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
<u>Opening cash balance</u>	Based on allocated closing cash balances as at January 24, 2014	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	Represents the reimbursement of the H88 funding charge, Inverness bankruptcy dividend and shared professional fee charges	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	
Other expenditures	Represent the payment of the Geneba capital injection, the HMCI transfer, the Geneba recharge costs and funding to the Baltics	X	
<u>Ending cash balance</u>	Based on allocated cash transactions	X	

Shareco Extended 4-week cash flow forecast (\$C)

Updated as of January 25, 2014

Homburg ShareCo Inc.
Extended cash flow statement from February 8 to March 11, 2014

	31st report PUBLISHED			32nd Report				
Number of weeks:	125	126		127	128	129	130	
Beginning period:	25-Jan-14	1-Feb-14	TOTAL	8-Feb-14	15-Feb-14	22-Feb-14	1-Mar-14	TOTAL
Ending period:	31-Jan-14	7-Feb-14	2-Week Period	14-Feb-14	21-Feb-14	28-Feb-14	11-Mar-14	4-Week Period
	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	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000
Variation in cash balance	-	-	-	-	-	-	-	-
Exchange rate	-	-	-	-	-	-	-	-
Ending cash balance	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at January 25, 2014.

NOTES AND REPRESENTATIONS TO THE CASH FLOW STATEMENT

NOTE A – PURPOSE AND WARNINGS

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

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

NOTE B – DEFINITIONS

CASH FLOW STATEMENT

A statement indicating, on a 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 January 24, 2014	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 4-week cash flow forecast (\$C)

Updated as of January 25, 2014

Churchill Estates Development Ltd.

Extended cash flow statement from February 8 to March 11, 2014

	31st report PUBLISHED			32nd Report				
Number of weeks	125	126		127	128	129	130	
Beginning period:	25-Jan-14	1-Feb-14	TOTAL	8-Feb-14	15-Feb-14	22-Feb-14	1-Mar-14	TOTAL
Ending period:	31-Jan-14	7-Feb-14	-Week Perio	14-Feb-14	21-Feb-14	28-Feb-14	11-Mar-14	4-Week Period
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Cash inflows	-	-	-	-	-	-	-	-
Total cash inflows	-	-	-	-	-	-	-	-
Cash outflows								
Condo fees	2,700	-	2,700	-	-	2,700	-	2,700
GST remitted	-	-	-	-	-	-	-	-
Other expenditure	2,000	-	2,000	-	-	2,000	-	2,000
Total cash outflows	4,700	-	4,700	-	-	4,700	-	4,700
Opening cash balance	812,400	807,700	812,400	807,700	807,700	807,700	803,000	807,700
Variation in cash balance	(4,700)	-	(4,700)	-	-	(4,700)	-	(4,700)
Exchange rate	-	-	-	-	-	-	-	-
Ending cash balance	807,700	807,700	807,700	807,700	807,700	803,000	803,000	803,000

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at January 25, 2014.

NOTES AND REPRESENTATIONS TO THE CASH FLOW STATEMENT

NOTE A – PURPOSE AND WARNINGS

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

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

NOTE B – DEFINITIONS

CASH FLOW STATEMENT

A statement indicating, on a 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 January 24, 2014	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	Represents miscellaneous costs	X	
<u>Closing cash balance</u>	Based on allocated cash transactions	X	

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

Updated as of January 25, 2014

CP Development Ltd.

Extended cash flow statement from February 8 to March 11, 2014

Number of weeks:	31st report PUBLISHED			32nd Report				
	125	126		127	128	129	130	
Beginning period:	25-Jan-14	1-Feb-14	TOTAL	8-Feb-14	15-Feb-14	22-Feb-14	1-Mar-14	TOTAL
Ending period:	31-Jan-14	7-Feb-14	2-Week Period	14-Feb-14	21-Feb-14	28-Feb-14	11-Mar-14	4-Week Period
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Cash inflows	-	-	-	-	-	-	-	-
Total cash inflows	-	-	-	-	-	-	-	-
Cash outflow	-	-	-	-	-	-	-	-
Total cash outflows	-	-	-	-	-	-	-	-
Opening cash balance	(719,700)	(719,700)	(719,700)	(719,700)	(719,700)	(719,700)	(719,700)	(719,700)
Adjustment for intercompany funding	-	-	-	-	-	-	-	-
Variation in cash balance	-	-	-	-	-	-	-	-
Exchange rate	-	-	-	-	-	-	-	-
Ending cash balance	(719,700)	(719,700)	(719,700)	(719,700)	(719,700)	(719,700)	(719,700)	(719,700)

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at January 25, 2014. In addition to the opening balance presented of (\$719.8K) please note that \$10,874.2K 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 January 24, 2014	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 4-week cash flow forecast (\$C)

Updated as of January 25, 2014

NCLL
Extended cash flow statement from February 8 to March 11, 2014

	31st report PUBLISHED			32nd Report				
Number of weeks:	87	88		89	90	91	92	
Beginning period:	25-Jan-14	1-Feb-14	TOTAL	8-Feb-14	15-Feb-14	22-Feb-14	1-Mar-14	TOTAL
Ending period:	31-Jan-14	7-Feb-14	2-Week Period	14-Feb-14	21-Feb-14	28-Feb-14	11-Mar-14	4-Week Period
	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	-	-	-	-	-	-	-	-
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 January 25, 2014.

NOTES AND REPRESENTATIONS TO THE CASH FLOW STATEMENT

NOTE A – PURPOSE AND WARNINGS

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

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

NOTE B – DEFINITIONS

CASH FLOW STATEMENT

A statement indicating, on a 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 January 24, 2014	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	
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 4-week cash flow forecast (\$C)

Updated as of January 25, 2014

Homburg Management Canada Inc.
Extended cash flow statement from February 8 to March 11, 2014

	31st report PUBLISHED			32nd Report				
Number of weeks:	47	48		49	50	51	52	
Beginning period:	25-Jan-14	1-Feb-14	TOTAL	8-Feb-14	15-Feb-14	22-Feb-14	1-Mar-14	TOTAL
Ending period:	31-Jan-14	7-Feb-14	2-Week Period	14-Feb-14	21-Feb-14	28-Feb-14	11-Mar-14	4-Week Period
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Cash inflows								
Other Receipts	-	33,210	33,210	-	-	-	-	-
Total cash inflows	-	33,210	33,210	-	-	-	-	-
Cash outflows								
Other Disbursements	-	-	-	-	-	-	-	-
Total cash outflows	-	-	-	-	-	-	-	-
Opening cash balance	-	-	-	33,210	33,210	33,210	33,210	33,210
Variation in cash balance	-	33,210	33,210	-	-	-	-	-
Exchange rate	-	-	-	-	-	-	-	-
Ending cash balance	-	33,210	33,210	33,210	33,210	33,210	33,210	33,210

Notes:

- 1) The opening cash balance reflects the allocated cash balance as at January 25, 2014.
- 2) The other receipts reflect the receipt of \$33.2K from HII, which HII had inadvertently received.

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 1
<u>Opening cash balance</u>	Based on allocated closing cash balances as at January 24, 2014	X	
<u>Forecast cash receipts</u>	Represents a transfer from HII of money HII received on its behalf	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	