

Homburg Invest Inc. Cash Flow Statement															
Number of weeks	13	0	1	2	3	4	5	6	7	8	9	10	11	12	13
Start Date	Friday, September 09, 2011														
Beginning period:	9-Sep-11	10-Sep-11	17-Sep-11	24-Sep-11	1-Oct-11	8-Oct-11	15-Oct-11	22-Oct-11	29-Oct-11	5-Nov-11	12-Nov-11	19-Nov-11	26-Nov-11	3-Dec-11	Notes
Ending period:	10-Sep-11	17-Sep-11	24-Sep-11	1-Oct-11	8-Oct-11	15-Oct-11	22-Oct-11	29-Oct-11	5-Nov-11	12-Nov-11	19-Nov-11	26-Nov-11	3-Dec-11	10-Dec-11	
Days in week	1	7	7	7	7	7	7	7	7	7	7	7	7	7	7
Cash flow by item															
SOURCES															
REIT Distributions	-	-	697,764	-	-	-	697,764	-	-	-	697,764	-	-	-	Distributions for 8,813,866 Homburg REIT Canada units at \$0.95 / year, paid monthly.
REIT Unit Sale Proceeds	-	34,500,000	-	-	-	-	-	-	-	-	-	-	-	-	Sale of 3,000,000 Homburg Canada REIT units at \$11.50.
GST remitted	-	-	-	-	-	70,805	-	-	-	143,305	-	-	-	-	55,805
Hotel receipts	22,407	23,807	25,207	26,607	20,307	21,357	22,407	23,457	24,507	25,557	26,607	27,657	28,707	29,757	Assumed occupancy of 15 rooms per night in the first week of September, increasing at 1 room per week to a maximum of 27 rooms by the week ending December 10, 2011. Revenue per room is assumed to be \$200/night in September and \$150/night in October, November and December.
Total sources	22,407	34,523,807	722,971	26,607	20,307	92,162	720,171	23,457	24,507	168,862	724,371	27,657	28,707	85,562	
USES															
Commissions	-	1,587,000	-	-	-	-	-	-	-	-	-	-	-	-	4% commission on the sale of the Homburg Canada REIT units.
Payroll	-	70,000	-	70,000	-	70,000	-	70,000	-	70,000	-	70,000	-	70,000	-
Rent Exp	-	35,000	-	-	35,000	-	-	-	35,000	-	-	-	35,000	-	Rent at the Akerly Blvd location
Head lease obligation	-	167,031	-	-	167,031	-	-	-	167,031	-	-	-	167,031	-	This lease obligation is related to an agreement between Homburg Invest Inc. and Homburg Canada REIT for which Homburg Invest Inc. has the obligation to pay a lease to Homburg Canada REIT associated to the Homburg financial building and CN building. REIT units have been pledge relating to this Head Lease.
Professional fees	250,000	250,000	250,000	250,000	200,000	200,000	200,000	200,000	150,000	150,000	150,000	150,000	150,000	150,000	Deloitte, McCarthy, Osler and Ernst & Young (Auditors)
Insurance	-	-	-	18,000	-	-	-	18,000	-	-	-	18,000	-	-	D&O insurance
Office & Admin	-	-	-	20,000	-	-	-	20,000	-	-	-	20,000	-	-	Bank fees, travel and telephone
Director fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Expenses are post December 10, 2011
KERP	-	-	-	-	-	-	-	200,000	-	-	-	-	-	-	Next payment is on June 30
Capital tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Jamieson Obligation	-	-	-	-	1,600,000	-	-	-	-	-	-	-	-	-	This obligation is related to an agreement Homburg Invest Inc. and Jamieson Place for which Homburg Invest Inc. is required to pay the difference between the lease obligation and the amount of the sub-lease. This contract will be cancelled following the filing however the amount related to the first 30 days after the filing will be paid.
Corporate bond principal repayment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Amount stayed by proceedings
Corporate bond interest payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Amount stayed by proceedings
Junior subordinate debt principal repayment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Amount stayed by proceedings
Junior subordinate debt interest payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Amount stayed by proceedings
HCSA interest payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Amount stayed by proceedings
GST remitted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Hotel disbursements	-	15,018	-	16,138	-	14,038	-	14,878	-	15,718	-	16,558	-	17,398	
Payroll	-	-	-	-	1,470	-	-	-	1,313	-	-	-	1,565	-	1.5% of hotel revenues
Property and Other Taxes	-	-	-	17,695	-	-	-	17,695	-	-	-	17,695	-	-	
Insurance	-	-	-	2,000	-	-	-	2,000	-	-	-	2,000	-	-	
G&A	-	-	-	16,667	-	-	-	16,667	-	-	-	16,667	-	-	
Construction costs	-	-	-	250,000	-	-	-	250,000	-	-	-	250,000	-	-	Construction is still ongoing
Construction costs - held cheques	-	-	1,600,000	-	-	-	-	-	-	-	-	-	-	-	The \$1,600,000 relates to cheques which have been prepared but have not yet been released. These amounts are payable to trade suppliers who will be required for the completion of the construction of the hotel.
Mortgage principal & interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Amount stayed by proceedings
Total Hotel disbursements	-	15,018	1,600,000	302,499	1,470	14,038	-	301,239	1,313	15,718	-	302,919	1,565	17,398	
Total Uses	250,000	2,124,049	1,850,000	660,499	2,003,501	284,038	200,000	809,239	353,344	235,718	150,000	560,919	353,596	237,398	
Opening cash balance (HSBC)	(14,805,990)	(15,033,583)	17,366,175	16,239,146	15,605,254	13,622,059	13,430,183	13,950,354	13,164,572	12,835,735	12,768,879	13,343,250	12,809,988	12,485,099	-
Net Cash Contribution / (Use)	(227,593)	32,399,758	(1,127,029)	(633,892)	(1,983,195)	(191,876)	520,171	(785,782)	(328,837)	(66,856)	574,371	(533,262)	(324,889)	(151,836)	
Ending cash balance	(15,033,583)	17,366,175	16,239,146	15,605,254	13,622,059	13,430,183	13,950,354	13,164,572	12,835,735	12,768,879	13,343,250	12,809,988	12,485,099	12,333,263	-

Homburg Invest Inc. - Non Consolidated
Interim Balance Sheet
(Unaudited - Prepared by Management)

June 30
2011

(CAD \$ thousands except per share amounts)

Assets

Non-current assets

Investment properties under development	\$ 7,240
Investment in Subsidiaries at cost	424,625
Investments, at fair market value	1,226
Due from subsidiaries	<u>157,557</u>
	<u>590,648</u>

Current assets

Cash and cash equivalents	1,931
Receivables and other	<u>5,517</u>
	<u>7,448</u>

Total assets **\$ 598,096**

Equity and Liabilities

Total equity **\$ 14,465**

Non-current liabilities

Long term debt	493,151
Deferred tax liabilities	37
Provisions	<u>23,344</u>
	<u>516,532</u>

Current liabilities

Accounts payable and other liabilities	64,015
Income taxes payable	<u>3,084</u>
	<u>67,099</u>

Total liabilities **583,631**

Total equity and liabilities **\$ 598,096**

Homburg ShareCo Inc. Cash Flow Statement															
Number of weeks	13	0	1	2	3	4	5	6	7	8	9	10	11	12	13
Start Date:	Friday, September 09, 2011														
Beginning period:	9-Sep-11	10-Sep-11	17-Sep-11	24-Sep-11	1-Oct-11	8-Oct-11	15-Oct-11	22-Oct-11	29-Oct-11	5-Nov-11	12-Nov-11	19-Nov-11	26-Nov-11	3-Dec-11	
Ending period:	10-Sep-11	17-Sep-11	24-Sep-11	1-Oct-11	8-Oct-11	15-Oct-11	22-Oct-11	29-Oct-11	5-Nov-11	12-Nov-11	19-Nov-11	26-Nov-11	3-Dec-11	10-Dec-11	
Days in week	1	7	7	7	7	7	7	7	7	7	7	7	7	7	

Cash flow by item															
SOURCES															
Mortgage bond issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total mortgage bond issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USES															
Interest payments - mortgage bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total interest payments - mortgage bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total repayment of bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Uses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening cash balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Contribution / (Use)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending cash balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note: This entity hold four series of asset backed mortgage bonds. The mortgage bonds are seven year bonds issued in series and secured by a first or second charge over specific assets and a corporate guarantee. The table below contains specific details of each mortgage bond, including the assets each is secured against.

The following accounts are associated to Homburg ShareCo Inc. The cash movements in this company are already included in the Homberg Invest Inc. cash flow.

093-045204-001
093-045204-270
421-002957-101

Bond series	Principal (000s EUR)	Interest %	Interest payment dates	Issuance date	Maturity	Security provided
HMB 4	20,010	7.50%	June 30 and December 31	11/30/2003	11/30/2011	H52
HMB 5	20,010	7.50%	June 30 and December 31	12/31/2003	12/31/2011	H53 and H94 and units of H68, H69 and H70
HMB 6	31,230	7.50%	June 30 and December 31	6/30/2004	6/30/2012	H72, H73, H74, H76, H84, H85, H88 and
HMB 7	31,230	7.25%	June 30 and December 31	6/30/2004	6/30/2012	H62, H67 and H88

Homburg ShareCo Inc.
Balance Sheet
(Unaudited - Prepared by Management)
June 30, 2011

June 30
2011

June 30
2010

Assets

Current assets

Cash	\$ 59,317	\$ 2,881,119
Prepays		8,199
Future income tax recoverable (Note 3)		630,231

Advances to related entities

	<u>140,902,212</u>	<u>151,602,656</u>
	<u>\$140,961,529</u>	<u>\$155,122,205</u>

Liabilities

Current liabilities

Accounts payable	\$ 36,298	\$ (2)
	36,298	(2)

Deferred foreign exchange payable

26,118,663

Mortgage Bonds payable

143,994,648 131,164,152

144,030,946 157,282,813

Shareholders' Equity

Capital stock	1	1
Contributed surplus	4,932,774	
Retained Earnings	<u>(8,002,192)</u>	<u>(2,160,609)</u>
	<u>(3,069,417)</u>	<u>(2,160,608)</u>

\$140,961,529 \$155,122,205

Approved on behalf of the Board

See accompanying notes to the financial statements

Homburg ShareCo Inc.
Statements of Earnings and Retained earnings
(Unaudited - Prepared by Management)

Six months ended June 30	June 30 2011	June 30 2010
Revenue		
Interest and foreign exchange income	\$ <u>(709,996)</u>	\$ <u>8,089,391</u>
Expenses		
Bond interest	5,293,093	7,842,925
Office and miscellaneous	934	87
Management fees	<u>2,143,137</u>	<u>79,583</u>
	<u>7,437,164</u>	<u>7,922,595</u>
Earnings before income taxes	(8,147,160)	146,798
Income taxes	<u>(485,351)</u>	<u>236</u>
Net earnings	(7,661,809)	146,560
Retained earnings, beginning of period	<u>(340,383)</u>	<u>(2,307,169)</u>
Retained earnings, end of period	<u>\$ (8,002,192)</u>	<u>\$ (2,160,609)</u>

See accompanying notes to the financial statements

Churchill Estates Development Ltd.
Cash Flow Statement

Number of weeks	13	0	1	2	3	4	5	6	7	8	9	10	11	12	13
Start Date:	Friday, September 09, 2011														
Beginning period:	9-Sep-11	10-Sep-11	17-Sep-11	24-Sep-11	1-Oct-11	8-Oct-11	15-Oct-11	22-Oct-11	29-Oct-11	5-Nov-11	12-Nov-11	19-Nov-11	26-Nov-11	3-Dec-11	Notes
Ending period:	10-Sep-11	17-Sep-11	24-Sep-11	1-Oct-11	8-Oct-11	15-Oct-11	22-Oct-11	29-Oct-11	5-Nov-11	12-Nov-11	19-Nov-11	26-Nov-11	3-Dec-11	10-Dec-11	
Days in week	1	7	7	7	7	7	7	7	7	7	7	7	7	7	
Cash flow by item															
SOURCES															
Condo Sales Proceeds	-	814,285	-	-	-	-	-	-	-	500,000	-	-	-	-	-
Total Condo Sales Proceeds	-	814,285	-	-	-	-	-	-	-	500,000	-	-	-	-	-
GST collected	-	40,714	-	-	-	-	-	-	-	25,000	-	-	-	-	-
Total GST collected	-	40,714	-	-	-	-	-	-	-	25,000	-	-	-	-	-
GST ITC refund	-	-	-	-	-	-	-	-	-	-	1,215	-	-	-	-
Total GST ITC refund	-	-	-	-	-	-	-	-	-	-	1,215	-	-	-	-
Total sources	-	854,999	-	-	-	-	-	-	-	525,000	1,215	-	-	-	-
USES															
Commissions	-	40,714	-	-	-	-	-	-	-	25,000	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
R&M	-	-	-	3,000	-	-	-	-	3,000	-	-	-	3,000	-	-
Total commissions, advertising and R&M	-	40,714	-	3,000	-	-	-	-	3,000	25,000	-	-	3,000	-	-
Property tax	18,000	-	-	-	17,750	-	-	-	17,750	-	-	-	17,500	-	-
Total property tax	18,000	-	-	-	17,750	-	-	-	17,750	-	-	-	17,500	-	-
Professional fees	-	1,000	-	1,000	-	-	-	1,000	-	1,000	-	1,000	-	-	-
Total professional fees	-	1,000	-	1,000	-	-	-	1,000	-	1,000	-	1,000	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mortgage principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mortgage interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total mortgage payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office & Admin	-	-	-	1,000	-	-	-	1,000	-	-	-	1,000	-	-	-
Total Office & Admin	-	-	-	1,000	-	-	-	1,000	-	-	-	1,000	-	-	-
Condo Fees	20,000	-	-	-	19,300	-	-	-	19,300	-	-	-	18,800	-	-
Total Condo Fees	20,000	-	-	-	19,300	-	-	-	19,300	-	-	-	18,800	-	-
GST remitted	-	-	-	-	-	37,379	-	-	-	-	-	-	-	-	22,485
Total GST remitted	-	-	-	-	-	37,379	-	-	-	-	-	-	-	-	22,485
Total Uses	38,000	41,714	-	5,000	37,050	37,379	-	5,000	37,050	26,000	-	5,000	36,300	22,485	-
Opening cash balance	(648,000)	(686,000)	127,285	127,285	122,285	85,235	47,856	47,856	42,856	5,806	504,806	506,021	501,021	464,721	464,721
Net Cash Contribution / (Use)	(38,000)	813,285	-	(5,000)	(37,050)	(37,379)	-	(5,000)	(37,050)	499,000	1,215	(5,000)	(36,300)	(22,485)	(22,485)
Ending cash balance	(686,000)	127,285	127,285	122,285	85,235	47,856	47,856	42,856	5,806	504,806	506,021	501,021	464,721	442,236	442,236

During the week of September 17, 2011 Churchill Estates Development Ltd. should receive the proceed of sale of one condominium. A condominium is projected to be sold in November.

Legal and closing costs for sale of property.

Payment required twice a year.

Stayed
Stayed

Sales office on site.

Churchill Estates Development Ltd.
Balance Sheet
June 30, 2011

	June 30 2011	June 30 2010
ASSETS		
Cash	\$	25,000
Deposits and other	537,311	\$ 834,896
HST receivable	6,381	7,494
Prepaid expenses	98,752	123,617
Income tax receivable	-	1,202,477
Deferred charges	61,569	184,706
Property under development	<u>13,717,438</u>	<u>19,958,733</u>
	<u>\$ 14,421,448</u>	<u>\$ 22,336,923</u>
LIABILITIES		
Accounts payable	\$ 176,569	\$ 230,733
Deposits on hand	445,608	439,208
Construction loan	7,538,288	10,500,000
Due to Homburg Invest Inc.	<u>18,037,436</u>	<u>16,714,740</u>
	26,197,901	27,884,681
SHAREHOLDERS' EQUITY		
Retained earnings (deficit)	<u>(11,776,453)</u>	<u>(5,547,758)</u>
	<u>\$ 14,421,448</u>	<u>\$ 22,336,923</u>

Approved on behalf of the Company by
Homburg LP Management Inc. _____

Churchill Estates Development Ltd.
Statement of Income and Retained Earnings
For the period end June 30, 2011

	Actual Six mos. Ended June 30 2011	Actual Six mos. Ended June 30 2010
Revenue		
Sale of property	\$ 3,130,396	\$ 4
Cost of Sales of property	<u>2,713,516</u> 416,880	<u>93,302</u> (93,298)
Expenses		
Amortization	61,569	61,569
Advertising	31,950	
Condo fees	144,859	121,282
Financial costs	462,862	533,930
Professional fees	30,250	48,011
Parking	18	
Heat, lights, and power	(958)	6,570
Insurance	1,463	2,409
Management fees	60,656	74,786
Property taxes	62,116	62,520
Repairs, maintenance	83,465	6,526
Interest & Service Charge		(163)
Office	3,123	
	<u>941,373</u>	<u>917,440</u>
Net income (loss)	<u>\$ (524,493)</u>	<u>\$(1,010,738)</u>
Retained earnings (deficit), beginning of period		
	\$ (11,251,960)	\$(4,537,020)
Net income (loss)	<u>(524,493)</u>	<u>(1,010,738)</u>
Retained earnings (deficit), end of period	<u>\$ (11,776,453)</u>	<u>\$(5,547,758)</u>

Inverness Estates Development Ltd. Cash Flow Statement															
Number of weeks	13	0	1	2	3	4	5	6	7	8	9	10	11	12	13
Start Date:	Friday, September 09, 2011														
Beginning period:	9-Sep-11	10-Sep-11	17-Sep-11	24-Sep-11	1-Oct-11	8-Oct-11	15-Oct-11	22-Oct-11	29-Oct-11	5-Nov-11	12-Nov-11	19-Nov-11	26-Nov-11	3-Dec-11	Notes
Ending period:	10-Sep-11	17-Sep-11	24-Sep-11	1-Oct-11	8-Oct-11	15-Oct-11	22-Oct-11	29-Oct-11	5-Nov-11	12-Nov-11	19-Nov-11	26-Nov-11	3-Dec-11	10-Dec-11	
Days in week	1	7	7	7	7	7	7	7	7	7	7	7	7	7	

Cash flow by item																
SOURCES																
Condo Sales Proceeds	-	200,000	-	-	-	-	200,000	-	-	-	200,000	-	-	-	200,000	Estimated one condo sold a month.
Total Condo Sales Proceeds	-	200,000	-	-	-	-	200,000	-	-	-	200,000	-	-	-	200,000	
GST collected	-	10,000	-	-	-	-	10,000	-	-	-	10,000	-	-	-	10,000	
Total GST collected	-	10,000	-	-	-	-	10,000	-	-	-	10,000	-	-	-	10,000	
GST ITC refund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total GST ITC refund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total sources	-	210,000	-	-	-	-	210,000	-	-	-	210,000	-	-	-	210,000	
USES																
Commissions	-	10,000	-	-	-	-	10,000	-	-	-	10,000	-	-	-	10,000	
Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
R&M	-	-	-	3,000	-	-	-	-	3,000	-	-	-	3,000	-	-	
Total commissions, advertising and R&M	-	10,000	-	3,000	-	-	10,000	-	3,000	-	10,000	-	3,000	-	10,000	
Property tax	-	-	-	-	-	-	-	-	-	-	-	56,000	-	-	-	
Total property tax	-	-	-	-	-	-	-	-	-	-	-	56,000	-	-	-	
Professional fees	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	
Total professional fees	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Insurance has been prepaid
Total insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Mortgage principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Stayed
Mortgage interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Stayed
Total mortgage payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Office & Admin	-	-	-	1,000	-	-	-	-	1,000	-	-	-	1,000	-	-	
Total Office & Admin	-	-	-	1,000	-	-	-	-	1,000	-	-	-	1,000	-	-	
Condo Fees	14,800	-	-	-	14,400	-	-	-	14,000	-	-	-	-	13,600	-	
Total Condo Fees	14,800	-	-	-	14,400	-	-	-	14,000	-	-	-	-	13,600	-	
GST remitted	-	-	-	-	-	8,460	-	-	-	8,480	-	-	-	-	8,500	
Total GST remitted	-	-	-	-	-	8,460	-	-	-	8,480	-	-	-	-	8,500	
Total Uses	14,800	11,000	-	5,000	14,400	19,460	-	5,000	14,000	19,480	56,000	5,000	13,600	19,500		
Opening cash balance	(632,163)	(646,963)	(447,963)	(447,963)	(452,963)	(467,363)	(276,823)	(276,823)	(281,823)	(295,823)	(105,303)	(161,303)	(166,303)	(179,903)		
Net Cash Contribution / (Use)	(14,800)	199,000	-	(5,000)	(14,400)	190,540	-	(5,000)	(14,000)	190,520	(56,000)	(5,000)	(13,600)	190,500		
Ending cash balance	(646,963)	(447,963)	(447,963)	(452,963)	(467,363)	(276,823)	(276,823)	(281,823)	(295,823)	(105,303)	(161,303)	(166,303)	(179,903)	10,597		

Inverness Estates Development Ltd.

Balance Sheet

June 30, 2011

	June 30 2011	June 30 2010
ASSETS		
Receivables 91	\$ 6,257	\$ 769,514
Income tax receivable	-	1,420,294
Prepaid expenses	57,099	83,699
Cash 12	6,534	10,524
Restricted cash	388,826	393,344
Deferred charges	74,710	224,130
Property under development 15	<u>9,196,109</u>	<u>12,038,169</u>
	<u>\$ 9,729,535</u>	<u>\$ 14,939,674</u>
LIABILITIES		
Accounts payable 18	\$ 67,228	\$ 316,190
Note interest payable - HII	3,203,464	2,424,342
Due to Homburg Invest Inc. 20	10,888,440	10,557,101
Prepaid rent and deposits	1,000	1,000
Mortgage payable 22	3,445,394	
Construction loan	<u>17,605,526</u>	<u>6,734,296</u>
		20,032,929
SHAREHOLDERS' EQUITY		
Retained earnings	<u>(7,875,992)</u>	<u>(5,093,255)</u>
	<u>\$ 9,729,535</u>	<u>\$ 14,939,674</u>

Approved on behalf of the Company by
Homburg LP Management Inc. _____

Inverness Estates Development Ltd.
Statement of Income and Retained Earnings
For the period end June 30, 2011

	Actual Six mos. Ended June 30 2011	Actual Six mos. Ended June 30 2010
Revenue		
Sale of property	\$ 1,846,229	\$ 2,236,403
Cost of Sales of Property	<u>1,733,984</u>	<u>2,780,548</u>
	112,245	(544,145)
	<u>112,245</u>	<u>(544,145)</u>
Expenses		
Amortization	74,710	74,710
Condo Fees	100,990	108,435
Financial costs	671,884	841,863
Professional fees	251	53,975
Bank Charges		605
Heat, lights, and power	3,229	7,230
Insurance	534	5,083
Management fees	38,981	52,572
Office	5,038	
Property taxes	56,565	78,699
Cleaning		25,711
Repairs and maintenance	28,500	3,373
Telephone	<u>(277)</u>	
	<u>980,405</u>	<u>1,252,256</u>
Net income (loss)	\$ <u>(868,160)</u>	\$ <u>(1,796,401)</u>
Retained earnings, beginning of period		
IFRS Conversion RE	\$ (7,007,663)	\$(3,296,854)
Net income (loss)	(169)	
	<u>(868,160)</u>	<u>(1,796,401)</u>
Retained earnings, end of period	\$ <u>(7,875,992)</u>	\$ <u>(5,093,255)</u>

CP Development Ltd.
Cash Flow Statement

Number of weeks	13	0	1	2	3	4	5	6	7	8	9	10	11	12	13
Start Date:	Friday, September 09, 2011														
Beginning period:	9-Sep-11	10-Sep-11	17-Sep-11	24-Sep-11	1-Oct-11	8-Oct-11	15-Oct-11	22-Oct-11	29-Oct-11	5-Nov-11	12-Nov-11	19-Nov-11	26-Nov-11	3-Dec-11	Notes
Ending period:	10-Sep-11	17-Sep-11	24-Sep-11	1-Oct-11	8-Oct-11	15-Oct-11	22-Oct-11	29-Oct-11	5-Nov-11	12-Nov-11	19-Nov-11	26-Nov-11	3-Dec-11	10-Dec-11	
Days in week	1	7	7	7	7	7	7	7	7	7	7	7	7	7	7

Cash flow by item

SOURCES

Costs Reimbursed from Escrow	-	-	900,000	-	-	-	900,000	-	-	-	900,000	-	-	-	-	Funds in escrow received from Homburg Canada REIT following the sale of 3 of the CP Development Ltd properties. The funds are released from the escrow account once the construction costs have been paid.
Costs Reimbursed from Escrow	-	-	900,000	-	-	-	900,000	-	-	-	900,000	-	-	-	-	
GST refund from prev mo.	-	-	-	103,000	-	-	63,000	-	-	-	63,000	-	-	-	-	
Total GST refund from prev mo.	-	-	-	103,000	-	-	63,000	-	-	-	63,000	-	-	-	-	
Total sources	-	-	900,000	103,000	-	-	963,000	-	-	-	963,000	-	-	-	-	

USES

Construction Costs (1,2&3)	-	-	900,000	-	-	-	900,000	-	-	-	900,000	-	-	-	-	Projected construction cost provided Cuthbert & Smith (consulting)
Construction Costs (4&5)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	Carrying costs for properties 4 & 5 for which construction has been halted (insurance, taxes and maintenance).
Total construction costs	10,000	10,000	910,000	10,000	10,000	10,000	910,000	10,000	10,000	10,000	910,000	10,000	10,000	10,000	10,000	
Head lease	320,000	-	-	-	320,000	-	-	-	240,000	-	-	-	220,000	-	-	Agreement between CP Development Ltd. and the Homburg Canada REIT.
Total head lease	320,000	-	-	-	320,000	-	-	-	240,000	-	-	-	220,000	-	-	
Professional fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total professional fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Mortgage principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	New agreement with HSBC interest only for 1 year. (\$33K a month). Amount Stayed
Mortgage interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	New agreement with HSBC interest only for 1 year. (\$33K a month). Amount Stayed
Total mortgage payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
GST paid	16,500	500	45,500	500	16,500	500	45,500	500	12,500	500	45,500	500	11,500	500	500	
Total GST paid	16,500	500	45,500	500	16,500	500	45,500	500	12,500	500	45,500	500	11,500	500	500	
Total Uses	346,500	10,500	955,500	10,500	346,500	10,500	955,500	10,500	262,500	10,500	955,500	10,500	241,500	10,500	10,500	
Opening cash balance	(29,701)	(376,201)	(386,701)	(442,201)	(349,701)	(696,201)	(706,701)	(699,201)	(709,701)	(972,201)	(982,701)	(975,201)	(985,701)	(1,227,201)	(1,227,201)	
Net Cash Contribution / (Use)	(346,500)	(10,500)	(55,500)	92,500	(346,500)	(10,500)	7,500	(10,500)	(262,500)	(10,500)	7,500	(10,500)	(241,500)	(10,500)	(10,500)	
Ending cash balance	(376,201)	(386,701)	(442,201)	(349,701)	(696,201)	(706,701)	(699,201)	(709,701)	(972,201)	(982,701)	(975,201)	(985,701)	(1,227,201)	(1,237,701)	(1,237,701)	

✓

CP Development Limited
Balance Sheet
June 30, 2011
Unaudited (Prepared by Management)

	June 30	June 30
	2011	2010
<hr/>		
ASSETS		
Cash	\$ 145,438	\$ (38,159)
Letter of credit	13,296,662	146,310
Receivables	201,183	
Prepaid expenses	69,126	44,385
Deferred Free Rent		122,197
Deferred Financing	41,800	255,091
Property under development	<u>29,018,135</u>	<u>82,011,930</u>
	<u>\$ 42,772,352</u>	<u>\$ 82,541,754</u>
<hr/>		
LIABILITIES		
Accounts payable	\$ 10,146,591	\$ 3,139,519
Construction financing	8,800,000	15,472,529
Due to Homburg Invest Inc.	65,957,172	63,832,541
Security deposit		<u>97,155</u>
	<u>84,903,763</u>	<u>82,541,744</u>
<hr/>		
SHAREHOLDERS' EQUITY		
Share capital	<u>(42,131,411)</u>	<u>10</u>
	<u>\$ 42,772,352</u>	<u>\$ 82,541,754</u>
<hr/>		

Approved on behalf of the Company by
Homburg LP Management Inc. _____

CP Development Limited
Statement of Income and Partners' Capital
For the period ended June 30, 2011

	Actual Six Months Ended June 30 2011	Actual Six Months Ended June 30 2010
Revenue		
Sale of Property	\$39,584,593	\$
Cost of Sales	<u>46,652,871</u>	\$
Net income	(7,068,278)	
<hr/>		
Partners' capital, beginning of period	\$(42,063,143)	\$10
Prior Period Adjustment	7,000,000	
Contribution repaid		
Net income	(7,068,278)	
Partners' capital, end of period	<u>\$(42,131,421)</u>	<u>\$10</u>