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CANADA
PROVINCE OF QUEBEC
DISTRICT OF QUEBEC
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

Mis-en-cause

– and –

SAMSON BÉLAIR/DELOITTE & TOUCHE INC.

Monitor

**SUPPLEMENTAL TWENTY-SECOND 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 AND PURPOSE OF THIS REPORT

1. This is a supplemental report to the Twenty-Second Report of the Monitor dated April 25, 2013 (the “**Twenty-Second Report**”) in the CCAA Proceedings (the “**Supplemental Twenty-Second Report**”). Capitalized terms not otherwise defined in this Supplemental Twenty-Second Report are as defined in the Twenty-Second Report, the Plans, the previous Monitors’ reports and the Debtors’ Motions.
2. The background with respect to the CCAA Proceedings and the filing of the Plans is set forth in the Twenty-Second Report. As additional background, on April 26, 2013, the Court granted two orders, namely one extending the Stay up and until June 7, 2013 and one amending the Initial Order to add Homco 83 as an Applicant Partnership and approving the Homco 83 Bulk Sale.
3. The purposes of this Supplemental Twenty-Second Report is to advise the interested parties and the Court of the filing by HII and Shareco and Homco 61, respectively, of (i) a Second Amended and Restated HII/Shareco Plan (the “**Second Amended HII/Shareco Plan**”) and a Restated Homco 61 Plan (the “**Restated Homco 61 Plan**” and, together with the Second Amended HII/Shareco Plan, the “**Amended Plans**”) and (ii) a re-amended HII/Shareco Meeting Motion and an amended Homco 61 Meeting Motion. (collectively, the “**Amended Meeting Motions**”).
4. This Supplemental Twenty-Second Report is structured as follows:
 - I- Developments with Catalyst and Restated Catalyst Support Agreement;
 - II- Amendments to the Plans;
 - III- Update on the Creditors’ Meeting and Sanction Hearing; and
 - IV- Conclusions and Recommendations.

I. DEVELOPMENTS WITH CATALYST AND RESTATED CATALYST SUPPORT AGREEMENT

5. As mentioned to the Court during the hearing held on April 26, 2013, following termination of the Catalyst Support Agreement, the HII Group, the Monitor and Catalyst initiated negotiations in view of entering into a restated support agreement. On April 26, 2013, HII, Shareco, Homco 61 LP and Catalyst entered into a restated support agreement (the “**Restated Catalyst Support Agreement**”).
6. The Restated Catalyst Support Agreement provides for amendments to the HII/Shareco Plan (along with corresponding amendments to the Homco 61 Plan) whereby an option is offered to Affected Creditors and Homco 61 Affected Creditors to elect to receive an early cash payment (no later than ten (10) Business Days following the Plan Implementation Date) instead of the Newco Common Shares which would otherwise be issued to them for their Proven Claims (for distribution purposes) under the Plan. Such early cash payment is to be funded by Catalyst prior to Plan Implementation Date and is based on an aggregate value attributed to all Newco Common Shares that is less than the estimated forecasted equity value of Newco, as will be further described in the Information Circular to be filed by HII, Shareco and Homco 61 and in the Monitor’s Reports on the Amended Plans that will be circulated to the creditors.
7. As additional consideration, the Restated Catalyst Support Agreement provides that Catalyst will pay a non-refundable additional payment of \$1,000,000 to HII by no later than April 30, 2013 as a partial contribution towards HII’s costs incurred in relation to negotiating and entering into the Restated Catalyst Support Agreement

8. The Restated Catalyst Support Agreement provides for a break fee payable by HII and Shareco upon termination of such agreement following acceptance by HII of a Superior Offer within the meaning of such agreement in an amount equal to EUR 2,137,500. Given the nature of the situation in which the break fee would be payable, the Monitor believes that the break fee is fair and reasonable in the circumstances.

II. AMENDMENTS TO THE PLANS

9. The HII/Shareco Plan has been the object of a number of amendments to reflect the terms of the Restated Catalyst Support Agreement, namely:
 - a. Affected Creditors who do not wish to become shareholders of Newco can elect to receive (the “**Electing Creditors**”), instead of all of the Newco Common Shares which would otherwise be issued to them for their Proven Claims (for distribution purposes) under the Second Amended HII/Shareco Plan, an amount of money equal to their *pro-rata* share of the Aggregate Newco Common Shares Final Cash-Out Amount, which is to be funded by Catalyst, the whole without prejudice to such Affected Creditors’ right to receive, in respect of their Proven Claims, all distribution from the Cash Pool and the Asset Realization Cash Pool under and in accordance with the Plan (the “**Newco Common Shares Cash-Out Option Election**”);
 - b. The Electing Creditors with Proven Claims who make a Newco Common Shares Cash-Out Option Election will receive an initial amount resulting from such election no later than ten (10) business days following the Plan Implementation Date, with the final amount to be paid once all Disputed Claims (including Disputed Claims of Electing Creditors) are resolved, the whole as more detailed in the Second Amended and Restated Plan; and
 - c. As consideration for the above, Catalyst shall receive the Newco Common Shares of the Electing Creditors who have made a Newco Common Shares Cash-Out Option Election.
10. HII, Shareco and Homco 61 will file an Information Circular containing more detailed explanations regarding the Second Amended HII/Shareco Plan and the Amended Homco 61 Plan. As will be provided in the Information Circular the Monitor recommends that Affected Creditors and Homco 61 Affected Creditors vote in favour of the respective Amended Plans. The Monitor will file a report on the Amended Plans at least seven (7) days prior to the Creditors’ Meeting in conformity with the CCAA.

III. UPDATE ON THE CREDITORS’ MEETINGS AND SANCTION HEARING

11. HII and Shareco and Homco 61 have respectively filed the Amended Meeting Motion to set the procedure in relation to the convening, holding and conduct of the Creditors’ Meetings.
12. The Creditors’ Meetings, originally scheduled on May 23, 2013, are now scheduled on May 30, 2013, resulting in changes with respect to the timing of the steps leading to said meetings.
13. The following information highlights the revised timing of the contemplated steps leading to the Creditors’ Meetings to vote on the Amended Plans, to be held concurrently (with separate voting periods), scheduled on May 30, 2013:
 - i. The record date for determining which Affected Creditors and Homco 61 Affected Creditors are entitled to receive notice of and vote at the Creditors’ Meetings remains April 17, 2013

- (the “**Record Date**”). Stichting Homburg Bonds have already provided the Monitor with the lists of holders of the various series of Mortgage Bonds and Corporate Bonds as at the Record Date to whom the Meeting Materials will be mailed. As for the holders of the Taberna Claim, counsel for the Taberna Noteholders advised the Monitor that the Meeting Materials shall be sent to Wells Fargo in its capacity as trustee under the Taberna Indentures.
- ii. On or before May 10, 2013, the Monitor shall publish the Notice of Creditors’ Meetings and Sanction Hearings (the “**Notice**”) in the Globe and Mail, the Calgary Herald and the Halifax Chronicle Herald (English version) and De Volkskrant, De Telegraaf, the NRC and Het Financieele Dagblad (all published in the Netherlands) (Dutch version).
 - iii. On or before May 15, 2013, namely at least 15 days prior to the scheduled Creditors’ Meetings, the Meeting Materials will be posted on the Monitor’s website and sent in English and in Dutch to every Affected Creditors and Homco 61 Affected Creditors (only the English version will be sent to North American creditors):
 - iv. On or before May 23, 2013, namely at least seven (7) days prior to the scheduled Creditors’ Meetings, the Monitor’s Report on the Amended Plans and a Dutch translation thereof will be posted on the Monitor’s website and sent to every Affected Creditors and Homco 61 Affected Creditors.
 - v. The Creditors’ Meetings are scheduled to be held concurrently on May 30, 2013 in Montréal, Québec, Canada and in Utrecht, The Netherlands at the following addresses and times:

Country	Location	Time
Canada	McCarthy Tétrault 1000, De La Gauchetière Street West Suite 2500 Montréal, Québec, Canada H3B 0A2 Room : Lafleur (to be confirmed)	9 a.m. (Eastern Daylight Time)
The Netherlands	Jaarbeursplein 6 3521 AL Utrecht The Netherlands	3 p.m. (Central European Summer Time)

14. Affected Creditors and Homco 61 Affected Creditors with Voting Claims will be entitled to vote on the respective Amended Plans and to elect for the Newco Common Shares Cash-Out Option by sending their proxy form and cash-out election by 11 a.m. (Eastern Daylight Time) / 5 p.m. (Central European Summer Time) on May 29, 2013, namely the day before the Creditors’ Meetings, or in person or by proxy during the Creditors’ Meetings, at either venue.
15. If the Amended Plans are approved by the required majorities of creditors during the Creditors’ Meetings scheduled on May 30, 2013, HII and Shareco, and Homco 61, intend to present motions for the approval of the respective Plans by the Court June 5, 2013, or at such other date that the Court will advise during the hearing on the Meeting Motions.

IV. CONCLUSIONS AND RECOMMENDATIONS

16. It is the Monitor’s opinion that, for the reasons further elaborated in the Twenty-Second Report and in this Supplemental Twenty-Second Report, the Amended Meeting Motions should be granted to allow the holding of the Creditors’ Meetings on the Amended Plans; and

17. Based on discussions with Management and general supervision of the affairs of the HII Parties, it is the Monitor's opinion that the HII Parties have acted and continue to act in good faith and with due diligence, and that they will likely be able to get the Amended Plans approved by, respectively, the HII/Shareco Affected Creditors and the Homco 61 Affected Creditors.

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

DATED AT MONTREAL, this 28th day of April, 2013.



Pierre Laporte, CPA, CA, CIRP
President

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

APPENDIX

APPENDIX A

THE ENTITIES Mis-en-Cause

HOMCO REALTY FUND (52) LIMITED PARTNERSHIP
HOMCO REALTY FUND (61) LIMITED PARTNERSHIP
HOMCO REALTY FUND (88) LIMITED PARTNERSHIP
HOMCO REALTY FUND (89) LIMITED PARTNERSHIP
HOMCO REALTY FUND (92) LIMITED PARTNERSHIP
HOMCO REALTY FUND (94) LIMITED PARTNERSHIP
HOMCO REALTY FUND (96) LIMITED PARTNERSHIP
HOMCO REALTY FUND (105) LIMITED PARTNERSHIP
HOMCO REALTY FUND (121) LIMITED PARTNERSHIP
HOMCO REALTY FUND (122) LIMITED PARTNERSHIP
HOMCO REALTY FUND (142) LIMITED PARTNERSHIP
HOMCO REALTY FUND (190) LIMITED PARTNERSHIP
HOMCO REALTY FUND (191) LIMITED PARTNERSHIP
HOMCO REALTY FUND (199) LIMITED PARTNERSHIP
CASTELLO DEVELOPMENT LTD.