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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.**

Debtors/Petitioners

– and –

**THE ENTITIES LISTED IN APPENDIX A**

Mis-en-cause

– and –

**SAMSON BÉLAIR/DELOITTE & TOUCHE INC.**

Monitor

**TWENTY FIRST REPORT TO THE COURT  
SUBMITTED BY SAMSON BÉLAIR/DELOITTE & TOUCHE INC.  
IN ITS CAPACITY AS MONITOR**  
*(Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended)*

## INTRODUCTION

1. On September 9, 2011, Homburg Invest Inc. (“**HII**”), Homburg Shareco Inc. (“**Shareco**”), Churchill Estates Development Ltd., Inverness Estates Development Ltd. and CP Development Ltd. (“**CP**”) (and, later, North Calgary Land Ltd. filed and obtained protection from their respective creditors under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) pursuant to an Order rendered by the Superior Court of Quebec (as amended and extended from time to time, the “**Initial Order**”).
2. Pursuant to the Initial Order, the Stay extends to the following limited partnerships which form an integral part of the business of the Debtors: Homco Realty Fund (52) Limited Partnership, Homco Realty Fund (61) Limited Partnership (“**Homco 61**”), Homco Realty Fund (88) Limited Partnership, Homco Realty Fund (89) Limited Partnership, Homco Realty Fund (92) Limited Partnership, Homco Realty Fund (94) Limited Partnership (following an amendment to the Initial Order on October 7, 2011), Homco Realty Fund (96) Limited Partnership (following an amendment to the Initial Order on May 31, 2012), 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 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 (following an additional amendment to the Initial Order on February 6, 2013 in the case of both Homco 61 and Castello (collectively, and together with the Debtors, the “**HII Parties**”).
3. Samson Bélair/Deloitte & Touche Inc. was appointed as monitor (the “**Monitor**”) under the CCAA.
4. Since the Initial Order, the Monitor has filed reports with the Court and served same to the Service List from time to time. The Monitor filed twenty such Monitor’s reports prior to this Twenty First Monitor’s report (the “**Twenty First Report**”). Copies of all of the Monitor’s reports are available on the Monitor’s website at [www.deloitte.com/ca/homburg-invest](http://www.deloitte.com/ca/homburg-invest). The Monitor has also established a toll free number that is referenced on the Monitor’s website so that parties may contact the Monitor if they have questions with respect to the HII Parties’ restructuring under the CCAA.

## PURPOSE OF THE TWENTY FIRST REPORT

5. This Twenty First Report is intended to provide an update on the Restructuring initiatives, on the progress of the Investment Proposal Process as well as to present certain changes in the estimated range of recoveries presented in Appendix B of the Nineteenth Monitor’s report.
6. This Twenty First Report is structured as follows:
  - I- Restructuring initiatives;
  - II- The Investment Proposal Process;
  - III- Update on Ranges of Recoveries;
  - IV- Conclusion and Recommendations.

## TERMS OF REFERENCE

7. In preparing this Twenty First Report, the Monitor has relied upon audited and unaudited financial information, the HII Parties’ records, the amended motion for an Initial Order dated September 9,

2011, and all subsequent motions filed with the Court (collectively, the “**Debtors’ Motions**”) and exhibits in support of same, its discussions with management of the HII Parties (“**Management**”) and the HII Parties’ and the Monitor’s legal advisors. While the Monitor has analyzed the information, some in draft form, submitted in the limited time available, the Monitor has not performed an audit or otherwise verified such information. Forward looking financial information included in this Twenty First 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.

8. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars. Capitalized terms not otherwise defined in this Twenty First Report are as defined in the previous reports of the Monitor, the Debtors’ Motions or the Plan.

## **I. RESTRUCTURING INITIATIVES**

### ***FILING OF HOMBURG MANAGEMENT (CANADA) INC.***

9. The HII Group seeks to add Homburg Management (Canada) Inc. (“**HMCI**”) as a Petitioner under the Initial Order and to amend the Claims Process Order in respect of HMCI. HMCI is insolvent as it is unable to meet its obligations as they become due.
10. HMCI is a wholly-owned subsidiary of the mise-en-cause Homco 190, an indirect subsidiary of HII.
11. HMCI (formerly known as Alexis Nihon Management (Canada) Inc.) was initially acquired by HII in the context of HII’s acquisition of the Alexis Nihon Real Estate Investment Trust (“**Alexis Nihon**”) in 2007.
12. As appears from the Court record, in May 2010 HII’s Canadian income-producing assets were sold to Homburg Canada Real Estate Investment Trust (later known as Canmarc Real Estate Investment Trust, which has since been acquired by Cominar Real Estate Investment Trust (“**Cominar**”). In the context of this transaction, the shares of HMCI were transferred to Homco 190.
13. As of May 2010, the sole operations of HMCI consisted of the leasing of short-term rental apartments located in the Alexis Nihon complex in Montréal (known as the Executive Suites), owned by a Cominar entity, pursuant to a Master Lease dated December 20, 2002, the term of which expired at the end of December 2012. As of the date hereof, HMCI has no operations.
14. In the context of the review and analysis of the books and record of the HII Group in connection, in particular with the intercompany receivables and payables, it was determined that HMCI has a net receivable owing to it by HII in the amount of \$10,025,152 and is indebted to Homco 190 in the amount of \$12,079,618.
15. HMCI may have certain other liabilities, including potentially a contingent claim in respect of a judgment rendered in favour of Paul J. Massicotte, a former Alexis Nihon executive, against HMCI and other solidary co-defendants, which judgment is the object of an appeal. This proceeding will not be the object of a stay, as its determination is at the final stage such that the quantum of this claim should be known shortly.
16. The HII Group, in consultation with the Monitor, established that the outstanding claims against HMCI should be addressed within the CCAA proceedings.

**FILING OF ADDITIONAL INTERCOMPANY CLAIMS**

17. On February 4, 2013, the Court authorized the filing of additional Intercompany Claims, notwithstanding the Claims Bar Date.
18. As indicated at the time of said order, the review of the books and records of Homco 61, Homco 190, Homco 191 and Homco 199 was then still ongoing. That review has now been completed with regards to Homco 190, Homco 191 and Homco 199. With regard to Homco 61, the Monitor and the HII Group have completed their analysis of the intercompany claims and are pursuing the analysis regarding the determination of the appropriate course of action in respect of the treatment of same, as further elaborated hereunder.
19. As at this date, following the conduct of claims processes and the expiry of the applicable Bar Dates, Homco 190, Homco 191 and Homco 199 would have no third party creditors. The new additional Intercompany Claims that the HII Group is seeking the permission to file will be dealt with in the context of the Plan and will not have any impact on the recoveries by the creditors.

**II. UPDATE ON THE INVESTMENT PROPOSAL PROCESS**

20. On March 1, 2013, the Court rendered an order (the “**IPP Order**”) approving the Investment Proposal Process pursuant to certain Terms and Conditions designed to determine, on an expedited basis, whether the HII Group should pursue an investment transaction that would be in the best interest of its stakeholders, in comparison to the Plan, while not delaying the process set forth for a timely approval of the Plan. Capitalized terms not otherwise defined in this section are as defined in the Terms and Conditions approved by the IPP Order.
21. The Terms and Conditions consist of the following steps:

Step	Activity
1)	Issuance of a press release announcing the initiation of the Investment Proposal Process
2)	Sending of notice of the initiation of the Investment Proposal Process and of the Terms and Conditions to parties that had expressed an interest in the Assets or Business of the HII Group Entities
3)	Submission by Potential Investors of the Participation Documents
4)	Determination of Qualified Investors and access to information
5)	Qualified Investors commence due diligence
6)	Submission of Investment Proposals
7)	Determination of Qualified Investment Proposals
8)	Negotiation of Qualified Investment Proposals
9)	Selection of a Selected Superior Offer, as the case may be
10)	Negotiation and finalization of a definitive agreement with the Qualified Investor having submitted the Selected Superior Offer
11)	Motion for approval of successful Investment Proposal, as the case may be

22. In the days following the IPP Order, HII issued a press release announcing the initiation of the Investment Proposal Process (Appendix B) and the Monitor sent a Notice of the initiation of the Investment Proposal Process (with a copy of the Terms and Conditions) to all parties that had previously expressed an interest in the Assets or Business of the HII Group.
23. A limited number of parties expressed an interest in participating in the Investment Proposal Process and submitted the Participation Documents during the week of March 4, 2013.
24. More than one interested party has qualified as Qualified Investors.
25. Last week, the representatives of the Monitor and the HII Group have held meetings and/or discussions with each of the Qualified Investors and frequently updated the data room set-up for the purpose of the Investment Proposal Process.
26. The Qualified Investors had until March 11, 2013 to submit an Investment Proposal.
27. Prior to the March 11, 2013 deadline, the Monitor received more than one investment proposal from Qualified Investors. More than one Qualified Investor having filed an investment proposal also paid the Deposit to the Monitor. The Monitor and the HII Group are currently reviewing these proposals, first to determine whether they comply with the Terms and Conditions of the IPP Order and form Qualified Investment Proposals, and second to compare them, together and with the Plan.
28. In the coming days, the representatives of the HII Group and the Monitor will participate in meetings and/or discussions with the Qualified Investors having submitted investment proposals.
29. The deadline date under the Terms and Conditions approved by the IPP Order to make the selection of the Selected Superior Offer, if any, is March 18, 2013. Then, to the extent a Selected Superior Offer is selected, the parties will work on the negotiation and finalization of a definitive agreement with the Qualified Investor having submitted the Selected Superior Offer, with a view to have the definitive agreement finalized by the deadline date of March 28, 2013 under the Terms and Conditions.

### **III. RANGES OF RECOVERIES**

30. In the Nineteenth Report, the Monitor, based on information then available and a number hypotheses, analyzed the data and multiple variables which may have an impact on the recovery of the Affected Creditors at emergence and, on that basis, has provided estimated ranges of recoveries for the unsecured creditors and each Series of Mortgage Bonds, which were annexed to the Nineteenth Report as Appendix B.
31. As mentioned in the Twentieth Monitor's Report the Monitor, along with the HII Group, has been updating the estimated ranges of recoveries, based on certain variables detailed in said report. These revised recovery rates are included in Appendix C of this report.
32. In the specific context described in the previous section "Investment Proposal Process", the Monitor emphasizes that the assumptions and estimates used in the preparation of the estimated ranges of recoveries are inherently uncertain and, though considered reasonable by the HII Group and the Monitor, are subject to a wide variety of significant business, economic, market, timing and competitive risk and uncertainties.
33. In addition to these inherent risks and variables, the revised estimated ranges of recoveries are based on certain assumptions regarding certain specific issues pending in the context of the claims

process which may have a material impact on the ranges of recoveries should these assumptions not be accurate.

34. The following are some of the specific assumptions which could have an impact on the revised estimated ranges of recoveries:

***Assumptions in relation to recovery by Mortgage Bond Claim***

**Treatment of the “double claims” filed by Stichting Homburg Bonds on behalf of the holders of Mortgage Bond Claim**

35. Various Proofs of Claim have been filed by Stichting Homburg Bonds on behalf of the holders of Mortgage Bond Claims against Shareco, HII and various HII Parties (approximately \$150M).
36. The estimated recovery rates presented in Appendix C reflect an Affected Creditor’s recovery from all sources of realization including with respect to their secured claim and any deficiency claim. The recovery rates assume that the Proven Claims of the holders of Mortgage Bond Claims entitling them to a dividend from HII pursuant to the Plan: (i) will be limited to the balance of their deficiency Claim, if any, following the realization of any guarantees and/or security granted to the holders of the Mortgage Bond Claims by any Homburg Group Members, and (ii) such deficiency Claim is limited to a single claim against the HII estate and not a “double claim” against both the HII and Shareco estates.
37. Any different treatment of the holders of Mortgage Bond Claims may have a material impact on all of the Affected Creditors’ recovery rates.

**Intercompany Claims between HII and Homco 61 and Recovery by Bond 6 Claim Holders**

38. Prior to the Claims Bar Dates under the Claims Process relating to claims against Shareco, HII or Homco 61, a number of Proofs of Claims were filed against those entities. These Claims included Claims with respect to intercompany advances, Claims as between HII and Homco 61, and Claims by holders of Bond 6 Claims.
39. The Monitor and HII have completed their review of the Intercompany Claims between HII and Homco 61 and of the Bond 6 Claims and have been proceeding with analyses in order to determine the appropriate course of action in respect of the treatment of same. The outcome of this analysis may have a material impact on Bond 6 Claim Holders’ recovery and, in turn, have a corresponding impact on the recovery of all the other Affected Creditors.
40. The estimated recovery rates presented in Appendix C assume the following: (i) the Intercompany Claims between HII and Homco 61 are valid and can be offset as at the Filing Date; (ii) the holders of Bond 6 Claims have a valid Claim against Homco 61; and (iii) the holders of Bond 6 Claims have a single deficiency Claim against HII (and not a “double claim”) as described in the previous subsection.
41. Any different treatment of the Intercompany Claims between HII and Homco 61 and of the Bond 6 Claim (including with respect to the validity and enforceability of Bond 6’s security and to the validity of the guarantee provided by Homco 61) may have a material impact on the recovery rates for Bond 6 and all Affected Creditors.

### ***Valuation of Newco***

42. The recovery rates calculation above assumes a value of the Newco Common Shares calculated using the current values of the Core Business Assets and related liabilities, as per HII's financial statements, that will be transferred to and assumed by Newco and shown in Newco's opening balance sheet.
43. Should Newco's financial statements subsequently be prepared using a different assumption to reflect the creation of Newco, Newco's liabilities will be recognized at their estimated fair value in the opening pro forma balance sheet set out in the upcoming Information Circular – which is likely to result in lower liabilities than the ones used in order to calculate the estimated value of the dividend in shares presented in Appendix C. Consequently, the value of the dividend in shares may be higher than estimated.

### ***Post Filing Interest***

44. Some Affected Creditors filed Proofs of Claim that include interest accrued after the Filing Date. The Plan specifically provides that the Affected Creditors are not entitled to receive interest accrued on their Affected Claims after the Filing Date. The estimated ranges of recovery rates presented above assume that Affected Creditors are not entitled to recover post-filing interest and such claims will be compromised under the Plan.
45. Any different treatment of the post filing interest may have a material impact on all of the Affected Creditors' recovery rates.

### ***Treatment of Subordinated Creditors***

#### **Taberna Claims**

46. The estimated ranges of recovery rates assume that the Taberna Claim is subordinated to payment in full of the Mortgage Bond Claims and the Corporate Bonds Claims, such that any distribution allocated to the Taberna Claim would be turned over to the holders of the Mortgage Bond Claims and the Corporate Bond Claims.
47. In the event that, pursuant to the Taberna Order, the relevant subordination provisions are determined to be inapplicable or treated differently, the Affected Creditors' recovery rates will differ accordingly.

#### **Capital Securities Claims**

48. The estimated ranges of recoveries also assume that the Capital Securities Claims are fully subordinated to payment in full of all unsecured creditors of HII and Shareco. Thus, for the purpose of the estimated range of recoveries it is assumed that the holders of Capital Securities Claims will not receive any dividend pursuant to the Plan.
49. In the event that, pursuant to an order of this Court, the relevant subordination provisions are determined to be inapplicable or treated differently, the Affected Creditors' recovery rates will differ accordingly.

50. The following table demonstrates the difference between the estimated dividend for unsecured creditors listed in this Twenty First Report and the estimated dividend for unsecured creditors presented in Appendix B of the Nineteenth Monitor's Report:

**Estimated dividend for unsecured creditors presented in Appendix B of the Nineteenth Monitor's Report**

HII Consolidated Estimated dividend for Unsecured Creditors In Euros (000)	At emergence (May 31, 2013)		Post-Emergence		Total	
	Low	High	Low	High	Low	High
<b>Estimated net realization value for unsecured creditors</b>						
Cash	54,689	56,171	-	-	54,689	56,171
Net cash available from the sale of Non-Core Assets	-	-	29,940	46,685	29,940	46,685
Shares	166,525	186,871	-	-	166,525	186,871
	<u>221,214</u>	<u>243,041</u>	<u>29,940</u>	<u>46,685</u>	<u>251,154</u>	<u>289,727</u>
Unsecured creditors	539,957	527,173	-	-	539,957	527,173
<b>Estimated dividend</b>	<b>40.97%</b>	<b>46.10%</b>	<b>5.54%</b>	<b>8.86%</b>	<b>46.51%</b>	<b>54.96%</b>
In cash	10.13%	10.66%	5.54%	8.86%	15.67%	19.51%
In shares	30.84%	35.45%	0.00%	0.00%	30.84%	35.45%

**Estimated dividend for unsecured creditors presented in this Twenty First Report**

HII Consolidated Estimated dividend for Unsecured Creditors In Euros (000)	At emergence (May 31, 2013)		Post-Emergence		Total	
	Low	High	Low	High	Low	High
<b>Estimated net realization value for unsecured creditors</b>						
Cash	41,302	42,784	13,005	13,005	54,307	55,789
Net cash available from the sale of Non-Core Assets	8,373	8,373	21,567	38,312	29,940	46,685
Shares	164,077	164,077	-	-	164,077	164,077
	<u>213,752</u>	<u>215,234</u>	<u>34,572</u>	<u>51,317</u>	<u>248,324</u>	<u>266,551</u>
Unsecured creditors	566,845	552,114	-	-	566,845	552,114
<b>Estimated dividend</b>	<b>37.71%</b>	<b>38.98%</b>	<b>6.10%</b>	<b>9.29%</b>	<b>43.81%</b>	<b>48.28%</b>
In cash	8.76%	9.27%	6.10%	9.29%	14.86%	18.56%
In shares	28.95%	29.72%	0.00%	0.00%	28.95%	29.72%

51. As demonstrated in the tables above, the total estimated cash dividend has not significantly changed compared to the same presented in Appendix B of the Nineteenth Monitor's Report.
52. The cash dividend at emergence compared to the cash dividend post emergence has however changed between the two tables. This change is mainly attributable to the following:
- i. **HSBC secured claim:** The repayment of the HSBC secured claim against HII (as guarantor of certain loans also secured by HII Parties' properties) were previously forecasted to be paid after emergence. The timing of the payment of the relevant secured claims will be upon the earlier of the following events: (i) the closing of the sale of the relevant secured properties or (ii) the payment, pursuant to the Plan, of Administrative Reserve Costs from the Administration Reserve, on or after the Plan Implementation Date. This is simply a change in the projected timing of the reimbursement of the relevant HSBC secured claims and does not affect the overall estimated dividend for unsecured creditors.
  - ii. **Sale of Centron Park:** The cash proceeds deriving from the sale of Centron Park by CP was previously forecasted to be received post emergence. However, the closing of the sale to be completed with Cominar is scheduled for March 15, 2013, such that the cash proceeds will be

collected prior to emergence. This is simply a change in the projected timing of the sale of Centron Park and does not affect the overall estimated dividend for unsecured creditors.

53. An important variation results from the estimated value of the dividend in shares which has now been set at €164M in Newco's projected pro forma balance sheet dated May 2013. This value has been used both for the low and high scenarios.
54. The following table demonstrates the change in recovery rates between Appendix B of the Nineteenth Report and Appendix C of this Twenty First Report.

**Recovery Rates presented in Appendix B of the Nineteenth Monitor's report vs. Revised Recovery Rates presented in this Twenty First Report**

Estimated Recovery Rates of Affected Creditors	Low scenario			High scenario		
	Revised Recovery Rates	Monitor's Report	Variance	Revised Recovery Rates	Monitor's Report	Variance
<b>Total cash and shares</b>						
HB4	59.68%	61.84%	-2.15%	70.45%	74.94%	-4.50%
HB5	54.10%	56.55%	-2.45%	58.62%	64.91%	-6.30%
HB6	79.47%	51.13%	28.33%	84.35%	60.54%	23.81%
HB7	62.87%	64.85%	-1.98%	75.24%	79.01%	-3.77%
Non-asset backed bonds	48.38%	51.13%	-2.76%	53.46%	60.54%	-7.08%
Unsecured creditors	43.81%	46.51%	-2.70%	48.28%	54.96%	-6.68%

55. The variations presented in the table above are primarily related to the treatment of the Intercompany Claims between Homco 61 and HII and the Bond 6 Claims, as further described above.

**IV. CONCLUSIONS AND RECOMMENDATIONS**

56. 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.
57. It is the Monitor's opinion that, for the reasons further elaborated in this Twenty First Report:
- i. HMCI should be added as Petitioner under the Initial Order; and
  - ii. the HII Group should be granted permission to file the new additional Intercompany Claims.
58. 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 Plan approved by its creditors.

The Monitor respectfully submits this Twenty First Report to the Court.

DATED AT MONTREAL, this 13<sup>th</sup> day of March, 2013.



Pierre Laporte, CPA, CA, CIRP  
President

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

# APPENDICES

## **APPENDIX A**

### **THE ENTITIES Mis-en-Cause**

HOMCO REALTY FUND (52) LIMITED PARTNERSHIP  
HOMCO REALTY FUND (61) LIMITED PARTNERSHIP  
HOMCO REALTY FUND (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.

## **HOMBURG INVEST INC.**

### **HOMBURG INVEST PROVIDES UPDATE ON RESTRUCTURING PROCESS; ANNOUNCES EXTENSION OF STAY PERIOD AND INITIATION OF INVESTMENT PROPOSAL PROCESS**

**MONTREAL, March 3, 2013** – Homburg Invest Inc. (NYSE Euronext Amsterdam: HII) (“Homburg Invest” or the “Company”) announced today that it has obtained an order (the “Order”) from the Superior Court of Québec (Commercial Division) (the “Court”) under the Canadian *Companies’ Creditors Arrangement Act* (“CCAA”) further extending the CCAA protection granted to Homburg Invest and certain of its affiliates on September 9, 2011, as amended, until April 26, 2013.

#### **Initiation of an investment proposal process**

Homburg Invest also announced the approval by the Court of the initiation of an investment proposal process (the “IPP”) with respect to Homburg Invest and its subsidiaries (the “HII Group”).

Further to the Order, a notice of initiation of the IPP and a copy of the terms and conditions for the IPP (the “Terms and Conditions”) will be sent to those parties who have expressed an interest in the HII Group’s assets or business since the filing of the CCAA proceedings.

The Monitor will also provide the Terms and Conditions to any interested parties who, by written notice, express an interest in the HII Group’s assets or business.

The timing and procedures governing the investment proposal process, the terms of participation by prospective strategic or financial investors, and the criteria for the submission, evaluation and selection of bids are set out in the Order. The Monitor will supervise the IPP in accordance with the terms of the Order. For further information, please refer to the Monitor’s website at <http://www.deloitte.com/ca/homburg-invest>.

There can be no assurance that the IPP will lead to a transaction different from that contemplated by the Plan, or as to the terms of any such transaction.

More information about the HII Group’s restructuring process can be found on the Monitor’s website at <http://www.deloitte.com/ca/homburg-invest>.

#### **Withdrawal of Proceedings by The Catalyst Capital Group Inc.**

The Catalyst Capital Group Inc., on behalf of funds managed by it (“Catalyst”), has withdrawn proceedings instituted by it in Amsterdam against Stichting Homburg Bonds, the trustee for the

## Appendix B (continued)

mortgage and corporate bonds of Homburg Invest, as well as a motion filed with the Court. Catalyst has also indicated that it will consider participating in the IPP.

### **Delisting from the NYSE Euronext Amsterdam**

As previously announced, the listing of Homburg Invest on NYSE Euronext Amsterdam will be terminated as of March 13, 2013. The delisting of Homburg Invest's Class A Shares will not affect the position of the creditors of Homburg Invest (including the bondholders).

### **About Homburg Invest**

Homburg Invest owns a diversified portfolio of commercial real estate including office, retail, industrial and development properties throughout Canada, Europe and the United States.

### **Forward-Looking Statements**

This press release contains forward-looking information within the meaning of Canadian securities legislation. Forward-looking information or statements can be identified by use of forward-looking words such as "may", "will", "expect" or "intends" or the negative thereof or similar variations. The actual outcome of the events described using these statements could differ materially from that expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Some important factors that could cause actual results to differ materially from expectations include, among other things, the outcome of the ongoing restructuring process, general economic and market factors, actual timing of discussions with parties interested in making a proposal in connection with the restructuring process, changes in government regulation and the factors described from time to time in the documents filed by Homburg Invest with the securities regulatory authorities in Canada. This cautionary statement qualifies all forward-looking statements attributable to Homburg Invest and persons acting on its behalf. Unless otherwise stated or required by applicable law, all forward-looking statements speak only as of the date of this press release and Homburg Invest disclaims any obligation to update such statements.

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## APPENDIX C

### Homburg Invest Inc. Revised Estimated dividend per Proposed Restructuring Plan Draft for discussion purposes only

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## Disclaimer

*The revised estimated dividend presented in this document is based on prospective financial information. This information is not fact and should not be relied upon as being necessarily indicative of future results.*

*The underlying assumptions and estimates used in these calculations are inherently uncertain and, though considered reasonable by the HII Group as at date of its preparation, are subject to a wide variety of significant business, economic, market, timing, financial and competitive uncertainties and contingencies. These statements are based upon the HII Group's current assumptions in respect of, inter alia, the implementation of the Plan, asset valuations, the treatment of various claims filed against the HII parties, the aggregate value of proven claims, cash flow forecasts, and timing. There is significant risk that predictions or conclusions expressed in or implied by these calculations may not prove to be accurate, that the assumptions or estimates may not be correct and that actual events may differ materially from such predictions or conclusions.*

*The revised estimated dividend presented in these tables should be read in conjunction with paragraphs 35 to 49 of the Twenty First Report elaborating on certain assumptions made.*

*No representation whatsoever expressed or implied, is made with regard to the accuracy or completeness of the assumptions and estimates used in the preparation of these estimated recovery rates, which may materially impact the information contained in this Appendix. While the information contained in these tables is believed to be accurate or derived from information that is believed to be accurate as at the date hereof, no person shall have any liability whatsoever arising from statements or representations, expressed or implied, contained in, or for omissions from, this Appendix or any information used to prepare this Appendix or any other written or oral communication provided or related thereto.*

*These tables speak as of the date of this Twenty First Report. The presentation of these tables does not create any obligation to update any of the information contained herein.*

*The revised estimated dividend presented in these tables assume that secured creditor have valid and enforceable security. In the event that certain security is determined invalid or unenforceable or to rank behind certain other alleged debts, the estimated net realization values will differ, and consequently, the respective creditors' recovery will differ.*

*The claims process, which has not yet been completed, shall confirm the amounts owing to creditors. Following confirmation of all Claims, the respective creditors' recovery may materially differ.*

APPENDIX C (continued)

Subject to previous page disclaimer

HII Consolidated Estimated dividend for Unsecured Creditors In Euros (000)	At emergence (May 31, 2013)		Post-Emergence		Total	
	Low	High	Low	High	Low	High
	<b>Estimated net realization value for unsecured creditors</b>					
Cash	41,302	42,784	13,005	13,005	54,307	55,789
Net cash available from the sale of Non-Core Assets	8,373	8,373	21,567	38,312	29,940	46,685
Shares	164,077	164,077	-	-	164,077	164,077
	<b>213,752</b>	<b>215,234</b>	<b>34,572</b>	<b>51,317</b>	<b>248,324</b>	<b>266,551</b>
Unsecured creditors	566,845	552,114	-	-	566,845	552,114
<b>Estimated dividend</b>	<b>37.71%</b>	<b>38.98%</b>	<b>6.10%</b>	<b>9.29%</b>	<b>43.81%</b>	<b>48.28%</b>
In cash	8.76%	9.27%	6.10%	9.29%	14.86%	18.56%
In shares	28.95%	29.72%	0.00%	0.00%	28.95%	29.72%

Estimated Recovery Rates of Affected Creditors	At emergence		Post-Emergence		Total	
	Low	High	Low	High	Low	High
<b>Cash</b>						
HB4	7.56%	6.52%	27.16%	43.04%	34.72%	49.55%
HB5	19.69%	20.21%	5.99%	9.15%	25.68%	29.36%
HB6	24.28%	28.97%	2.68%	3.46%	26.96%	32.43%
HB7	6.96%	5.46%	32.92%	52.27%	39.88%	57.73%
Non-asset backed bonds	9.68%	10.26%	6.73%	10.29%	16.41%	20.55%
Unsecured creditors	8.76%	9.27%	6.10%	9.29%	14.86%	18.56%
<b>Shares</b>						
HB4	24.96%	20.90%	0.00%	0.00%	24.96%	20.90%
HB5	28.42%	29.26%	0.00%	0.00%	28.42%	29.26%
HB6	52.51%	51.92%	0.00%	0.00%	52.51%	51.92%
HB7	22.99%	17.51%	0.00%	0.00%	22.99%	17.51%
Non-asset backed bonds	31.96%	32.91%	0.00%	0.00%	31.96%	32.91%
Unsecured creditors	28.95%	29.72%	0.00%	0.00%	28.95%	29.72%
<b>Total cash and shares</b>						
HB4	32.52%	27.41%	27.16%	43.04%	59.68%	70.45%
HB5	48.11%	49.47%	5.99%	9.15%	54.10%	58.62%
HB6	76.79%	80.89%	2.68%	3.46%	79.47%	84.35%
HB7	29.95%	22.97%	32.92%	52.27%	62.87%	75.24%
Non-asset backed bonds	41.64%	43.17%	6.73%	10.29%	48.38%	53.46%
Unsecured creditors	37.71%	38.98%	6.10%	9.29%	43.81%	48.28%