

C A N A D A
PROVINCE OF QUEBEC
DISTRICT OF QUEBEC
COURT. No.: 500-11-041305-117

S U P E R I O R C O U R T
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

**TWENTY-THIRD REPORT TO THE COURT
REPORT OF THE MONITOR TO THE AFFECTED CREDITORS ON THE PLAN
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)

AN ELECTRONIC VERSION OF THE UNOFFICIAL DUTCH TRANSLATION OF THIS TWENTY-THIRD REPORT OF THE MONITOR IS AVAILABLE ON THE MONITOR'S WEBSITE AT www.deloitte.com/ca/homburg-invest AND A HARD COPY WILL BE MAILED SEPARATELY TO THE AFFECTED CREDITORS WITH VOTING CLAIMS LOCATED IN THE NETHERLANDS. THE ENGLISH VERSION OF THIS TWENTY-THIRD REPORT IS THE ONLY OFFICIAL VERSION. *EEN DIGITALE VERSIE VAN DE ONOFFICIËLE NEDERLANDSE VERTALING VAN DIT DRIËNTWINTIGSTE VERSLAG VAN DE MONITOR IS BESCHIKBAAR OP DE WEBSITE VAN DE MONITOR www.deloitte.com/ca/homburg-invest EN EEN PAPIEREN VERSIE ZAL APART PER POST WORDEN TOEGEZONDEN AAN DE BETROKKEN CREDITEUREN MET STEMRECHTVORDERINGEN. DE ENGELSE VERSIE VAN DIT DRIËNTWINTIGSTE VERSLAG IS THE ENIGE OFFICIËLE VERSIE.*

INTRODUCTION

1. On September 9, 2011 (the "**HII Filing Date**"), Homburg Invest Inc. ("**HII**"), Homburg Shareco Inc. ("**Shareco**"), Churchill Estates Development Ltd. ("**Churchill**"), Inverness Estates Development Ltd. ("**Inverness**") and CP Development Ltd. ("**CP**") (and, later, North Calgary Land Ltd. ("**NCLL**") and Homburg Management (Canada) Inc. ("**HMCI**") following amendments to the Initial Order) (collectively, the "**Debtors**") filed and obtained protection from their respective creditors under the *Companies' Creditors Arrangement Act* (the "**CCAA**") pursuant to an Order rendered by the Superior Court of Quebec (as amended and extended from time to time, the "**Initial Order**").
2. Pursuant to the Initial Order, the Stay extends to the following limited partnerships which form an integral part of the business of the Debtors: Homco Realty Fund (52) Limited Partnership ("**Homco 52**"), Homco Realty Fund (61) Limited Partnership ("**Homco 61**"), Homco Realty Fund (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**"), Castello Development LTD ("**Castello**") (following an additional amendment to the Initial Order on February 6, 2013 in the case of both Homco 61 and Castello) and Homco Realty Fund (83) Limited Partnership ("**Homco 83**") (following an amendment of the Initial Order on April 26, 2013) (collectively, the "**Applicant Partnerships**" and, together with the Debtors, the "**HII Parties**").
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 Debtors, which Stay has been extended from time to time by order of the Court. On April 26, 2013, the Court last extended the Stay up until June 7, 2013 (the "**Stay Period**").
5. Since the Initial Order, the Monitor has filed reports with the Court and served same to the Service List from time to time. The Monitor filed twenty-two such Monitor's reports prior to this twenty-third Monitor's report (the "**Twenty-Third Report**"). Copies of all of the Monitor's reports are available on the Monitor's website at www.deloitte.com/ca/homburg-invest. The Monitor has also established a toll free number that is referenced on the Monitor's website so that parties may contact the Monitor if they have questions with respect to the HII Parties' restructuring under the CCAA.

PURPOSE OF THE TWENTY-THIRD REPORT

6. The purpose of the Twenty-Third Report is
 - a. To report on:
 - I- General Background;
 - II- Summary of the Restructuring Initiatives undertaken by the HII Group since the Commencement of the CCAA Proceedings;
 - III- The Claims Process and Creditors' Meetings;
 - IV- Overview of the Plans and Relevant information pertaining to Newco;
 - V- Estimated Recoveries pursuant to the Plans;
 - VI- Estimated Liquidation Analysis; and
 - VII- Timing of Distributions under the Plans;
 - b. To provide:
 - VIII- The Monitor's recommendation with respect to the Plans and comments with respect to the Newco Common Shares Cash-Out Option.

TERMS OF REFERENCE

7. In preparing this Twenty-Third 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, 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-Third 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-Third Report are as defined in the previous reports of the Monitor, the Debtors' Motions, the Information Circular and the Plans.
9. This Twenty-Third report's main purpose is to provide information on the HII/Shareco Plan and the Homco 61 Plan (collectively, the "**Plans**") as well as the Monitor's view on the Plans. This Twenty-Third Report constitutes a complement report to the HII/Shareco Meeting Materials and the Homco 61 Meeting Materials, and does not intend to replace the respective Meeting Materials. Persons reading this Twenty-Third Report should not in any way rely upon it in a vacuum and should refer to the Meeting Materials, including in particular the Plans and the Information Circular, for more precise and detailed information.
10. The Meeting Materials 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.

I. GENERAL BACKGROUND

Business of HII, Shareco and Homco 61

11. HII is an international real estate investment and development company based in Canada. HII was incorporated under the *Business Corporations Act* (Alberta) having its head office in Dartmouth, Nova Scotia, its registered office in Calgary, Alberta and its chief place of business is located in Montreal, Quebec.
12. As at the HII Filing Date, HII owned directly or indirectly 125 properties (office, retail, industrial and residential) in the following locations: Canada, United States, the Netherlands, Germany and the Baltic States.

13. Shareco is a wholly-owned subsidiary of HII formed under the *Nova Scotia Companies Act* for the sole purpose of raising capital for HII and is the issuer of Mortgage Bonds (Series 4, 5, 6 and 7) under the Mortgage Bond Trust Indenture.
14. Homco 61 is a limited partnership formed under the *Nova Scotia Limited Partnership Act* that acquired, developed and sold a real estate property referred to as “Homburg Harris Centre” located in Alberta, Canada.

Financial Condition and Events Preceding the CCAA Proceedings

General Financial Condition

15. As at the Filing Date of September 9, 2011, the HII Group derived approximately 85% of its property revenue from Europe and approximately 15% from North America.
16. In the past years prior to the Filing Date, global economic and market conditions have continued to adversely impact the real estate industry and in particular the HII Group’s financial condition. Generally, deteriorating conditions in European markets, particularly in the Netherlands, affected HII’s ability to maintain revenue streams and sufficient cash flow to service its obligations.
17. Revenue from the HII Group’s development and investment properties also markedly decreased and led to negative cash flows as a result of the global economic crisis.
18. In addition to the foregoing, the liquidity of HII was compromised by significant interest obligations payable to certain bondholders in 2011 and 2012 and by upcoming maturities of certain bonds issued under the Mortgage Bond Trust Indenture. Prior to the HII Filing Date, it was determined that HII had no means to fulfill these obligations except through a liquidation of the HII Group’ assets or a filing in virtue of insolvency legislation.

Issues with the AFM

19. During the same period, HII had issues with the Netherlands Authority for Financial Markets (*Autoriteit Financiële Markten*) (the “AFM”), with respect to its license required under securities regulation to issue securities to the public in the Netherlands.
20. In November 2010, in the context of an investigation that had been ongoing for approximately one year, the AFM and the central bank of the Netherlands, *De Nederlandsche Bank* (“DNB”), issued joint instructions to force HII to improve the control of its business operations.
21. In an intended decision dated March 10, 2011, following multiple exchanges of documents and correspondence between HII and the AFM and DNB, the AFM indicated that it intended to appoint a “silent monitor” (*stille curator*) in order to supervise the implementation of these instructions.
22. On April 22, 2011, after HII provided a number of additional documents to the AFM and DNB and as a result of their investigations, (i) the AFM and DNB issued a joint instruction indicating that, in their opinion, HII had not organized its operations in such a way as to safeguard and control sound business operations; and (ii) the AFM issued an instruction providing a line of conduct which entailed, among other things, that HII take the appropriate actions to ensure that Richard Homburg no longer have any substantial influence with respect to the policy and decision making of HII.
23. On August 11, 2011, the AFM issued a letter indicating its intention to revoke HII’s license, notably in light of Richard Homburg’s alleged continued substantial influence on HII and of alleged deficiencies in the controls and operations of HII. HII was in disagreement with this position of the AFM.

II. SUMMARY OF RESTRUCTURING INITIATIVES UNDERTAKEN BY THE HII GROUP SINCE THE COMMENCEMENT OF THE CCAA PROCEEDINGS

Resolution of the Control Issues

24. Pursuant to the Limited Partnership Agreements, the General Partner, HLP, which was ultimately controlled by Richard Homburg, had full power and authority to transact the business of the Limited Partnerships and to deal with the assets for the use and benefit of the Limited Partnerships. The Monitor understood from HII and its legal counsel that HLP had been generally unresponsive to HII’s requests for information, documents and other records.

25. The Monitor was concerned by the apparent lack of control over the business of the limited partnerships and over crucial information to which HII and the Monitor needed access in the context of the CCAA restructuring process.
26. The control exercised by the HLPM and its impact on HII raised serious concerns regarding HII's ability to conduct an efficient restructuring process (the "**Control Issues**").
27. In collaboration with the Monitor, HII engaged in negotiations with HCI and its affiliates (the "**HCI Group**") with a view to arriving at a global agreement which would completely resolve the Control Issues as well as other pending disputes and claims among the HCI Group and the HII Group.
28. On November 17, 2011, the parties entered into the Purchase Agreement.
29. In summary, the Purchase Agreement addressed the Control Issues by providing for (i) the purchase by the HII Group of most of the property management business formerly conducted by the HCI Group and substantially all the assets relating to same; (ii) the granting of a number of alternative options in favour of the HII Group relating to HLPM and title to HII's real estate assets (the "**Options**"); and (iii) clear enforceable agreements and undertakings by the HCI Group to immediately and fully cooperate with the HII Group and the Monitor and any other person as the context may require. The Purchase Agreement further provided for a release to the benefit of the HII Group of any claim in relation to the termination of the Master Management Agreement and in relation to accounts payable owed to HCI and its related parties.
30. On February 17, 2012, following the approval of the Purchase Agreement by the Court, the closing of the transaction contemplated by the Purchase Agreement was completed and the Options were exercised thereafter, allowing HII to have control over its affairs and assets.
31. In addition to a number of "qualitative" factors considered by the Monitor in its evaluation of the merits of executing the transaction pursuant to the Purchase Agreement, the considerations obtained by the HII Group under the Purchase Agreement were evaluated, in the aggregate, to amount between \$11.7 million and \$40 million.

Communications with the AFM

32. On November 16, 2011, the Monitor's Dutch counsel filed a formal objection against the AFM's procedures requesting the revocation of HII's license.
33. On November 23, 2011, the Monitor was made aware of a decision rendered by the AFM pursuant to which HII's license was revoked (the "**Revocation Decision**"). On February 23, 2012, HII Group's objection to the Revocation Decision was heard, and the decision on said objection has since remained under advisement.
34. Throughout the course of the CCAA proceedings, HII and the Monitor have fully collaborated with the AFM and have continuously kept it informed of the restructuring process.
35. The granting by the AFM of a licence to Newco is a Condition Precedent to the implementation of the HII/Shareco Plan and, based on recent discussions with the AFM, HII is confident that such licence will be granted.

Settlement Agreement with Stichting Homburg Bonds and Stichting Homburg Capital Securities and Funding Order

36. At the commencement of the CCAA proceedings, Stichting Homburg Bonds, the trustee under the Mortgage Bond Trust Indenture and under the Corporate Bond Trust Indenture, and Stichting Homburg Capital Securities (together with Stichting Homburg Bonds, the "**Stichtings**"), the trustee under the Capital Securities Trust Indenture, were causing obstruction to the CCAA proceedings by filing various motions and voicing oppositions which diverted the focus of the parties from the restructuring process.
37. On December 3, 2011, after intense negotiations between the HII Group and the Stichtings, a settlement agreement (the "**Settlement Agreement**") was entered into between HII and certain related entities and the Stichtings providing for, *inter alia*, (i) the appointment of an additional independent member to the HII board of directors, which member was to be nominated by the Stichtings; (ii) the agreement to postpone *sine die* and eventually voluntarily withdraw certain motions filed by the Stichtings before the Court; (iii) the funding of certain fees and expenses of the Stichtings as further described in the following paragraph; and (iv) arrangements and undertakings to provide the Stichtings with information in connection with the HII Group's restructuring and generally mutual covenants to cooperate in connection with same.

38. The Settlement Agreement provides that the HII Parties were to consent to the Stichtings' previously filed motion for funding which was to be amended so as to (i) limit the funding obligation to the reasonable fees and expenses of the Stichtings and their legal and financial advisors as of and from the date of the Settlement Agreement in connection with the HII Group's CCAA proceedings (the "**Stichting Advances**"); (ii) remove the requirement for the Administrative Charge (as defined in the Initial Order); and (iii) provide that any amounts so funded shall constitute advances made by the HII Parties to the Stichtings, the aggregate of which shall become immediately due and payable immediately prior to any distribution to the HII Parties' creditors, in each case, subject to applicable rights of set-off/compensation.
39. On December 29, 2011, the Stichtings filed an Amended Motion for the Payment of Fees, Disbursements and Expenses of the Indenture Trustees and the Indenture Trustees' Advisors and Related Relief (the "**Stichtings' Amended Motion for Fees**") and the Monitor supported the conclusions of the Trustees' Amended Motion for Fees in respect of the funding of the Trustees' fees.
40. On February 15, 2012, the Court granted the Stichtings' Amended Motion for Fees and since then, HII has from time to time advanced the Stichting Advances in conformity with this order.

Disclaimer of Lease Obligations

41. During the course of the restructuring proceedings, HII, with the approval of the Monitor, disclaimed a number of leases with a view to reducing its recurring net cash outflows and to enhance the prospects of a viable plan of arrangement.
42. On September 29, 2011, HII, with the approval of the Monitor, sent notices of disclaimer of the head leases relating to the Jamieson Building and the Canoxy Place, and sent corresponding notices of consequential termination of the subleases. These disclaimers resulted in significant immediate monthly savings (resulting from the termination of the obligation to fund the negative differentials between the rent payable under the head leases and the rent receivable under the subleases).
43. On December 5, 2011, following the contestation of the disclaimer made by HII in relation to the Canoxy Place, notably by Statoil Canada Ltd. ("**Statoil**"), the Court granted HII's motion for an Order confirming the Re-Assignment and Assignment of Certain Agreements and the Release of HII's Obligations under these Agreements. On April 12, 2012, the Quebec Court of Appeal denied Statoil's request for a leave to appeal said order.
44. On May 29, 2012, HII, with the approval of the Monitor, sent notices of disclaimer of four (4) head leases entered into with entities related to Cominar REIT following its acquisition of Canmarc REIT. The disclaimers resulted in significant immediate monthly savings (resulting from the termination of the obligation to fund negative differentials between the rent payable under the head leases and the rent receivable under the subleases, if any). Such disclaimers were contested by the respective landlords, but these contestations were withdrawn following the Cominar Settlement (as described below).
45. On October 31, 2012, HII, with the approval of the Monitor and after having determined that it would cease funding operating losses in relation to the Holman Grand Hotel in Charlottetown, PEI, sent a notice of disclaimer of a 25-year ground lease entered into with an entity related to Cominar REIT, as well as of certain other agreements relating to the operation of the hotel.
46. As previously reported by the Monitor in its precedent reports, it is estimated that the disclaimer of lease obligations generated direct savings of approximately \$30 million in the aggregate for HII.

Review of Real Estate Portfolio and Identification of Core and Non-Core Properties

47. The Monitor and Management have been gathering and reviewing the relevant financial and operational information for each of the HII Group properties. During this lengthy process, numerous meetings, discussions and negotiations have been held between Management, the property managers, the Monitor, real estate brokers and certain lenders with regard to the investment and development properties. The key objectives of this exercise were to categorize the investment properties between those properties with value and positive cash flows and those with little or no value and negative cash flows and to identify the restructuring options available to HII, the whole with a view to increase the value of the investment properties, to generate more liquidity and to determine which properties should remain in HII's portfolio at emergence of the CCAA.

48. HII Group, with the assistance of the Monitor, conducted a detailed analysis of each of the HII Group properties (“**Portfolio Analysis**”). The Portfolio Analysis consisted of categorizing each property on the basis of detailed criteria that included geographical location, estimated fair market value, debt level, net operating income, cash flows, vacancy rates, capital expenditure needs, tenants and renewal of their leases, and other particular criteria (“**Portfolio Analysis Criteria**”) that could individually influence the profitability and value of the property.
49. Using the Portfolio Analysis Criteria the HII Group, the Monitor and Management built a comprehensive detailed integrated 10 year cash flow projection model (the “**Projection Model**”). The Projection Model was used to prepare projections for each property and to consolidate them by geographical locations and at the corporate level. The Projection Model was relied on throughout the restructuring process to perform analyses to determine which property could be of value to the HII Group going forward and also to support HII in its negotiations with Mortgage Lenders.
50. The Portfolio Analysis was ultimately used to identify the core assets that will be transferred to Newco pursuant to the HII/Shareco Plan, and the non-core assets which, to the extent they have value for HII, are being realized.
51. The Portfolio Analysis further allowed HII to cease funding all negative cash flow properties starting on June 1st, 2012.

Negotiations with Mortgage Lenders

52. The relevant Limited Partnerships or their subsidiaries, the property manager and the Monitor have engaged in discussions and negotiations with the mortgage lenders with a view of enhancing the equity value of the HII Group’s real estate portfolio for the benefit of its stakeholders.
53. Negotiations of terms pertaining to the loan extended by Falcon Private Bank Ltd to Valbonne Real Estate 5 B.V. in connection with the Campeon Property are currently ongoing, and Falcon has temporarily extended the current credit facility to June 28, 2013. As as this date, the parties have reached an agreement in principle with respect to the renewal of the credit facility agreement which is expected to take effect following the implementation of the HII/Shareco Plan.
54. An agreement in principle has also been reached with Skandinaviska Enskilda Banken AB (SEB) with respect to the property portfolio located in the Baltics. HII and SEB have executed a term sheet agreement on April 24, 2013 pursuant to this agreement in principle.
55. An agreement with HSH North Bank AG with respect to the terms of the extension of the Credit Agreement relating to the four properties held by Coët B.V., a subsidiary of Homco 70, under a single loan is currently being finalized.
56. Bank of Scotland (“**BOS**”) has been informed that in the context of the execution of certain corporate transactions to be made pursuant to the HII/Shareco Plan, two of HII’s Properties that it finances will be transferred to Newco. HII is awaiting the position of BOS in this regard.
57. NIBC has been informed that, pursuant to the HII/Shareco Plan, the two properties that it finances will be transferred to Newco. NIBC has very recently informed HII that it does not intend to extend the loan beyond the current term. It is the intention that Newco will start the process to find replacement financing from other lenders, soon after Plan Implementation Date.
58. Several attempts have been made to have certain of the Mortgage lenders agree to right size their loans with a view to enhancing the underlying value of the equity for the HII Group. The objective of these renegotiations of these mortgages was to allow for additional properties to be part of the core assets and transferred to Newco. As of this date, no satisfactory right sizing of loans has been achieved.
59. On December 31, 2012, considering that no agreement could be agreed upon with ABN on acceptable financing terms going forward, each of Homco 71, Homco 72 and Homco 76 filed voluntary assignments into bankruptcy. Deloitte & Touche Inc. was appointed as trustee in bankruptcy (the “**Trustee**”).
60. Considering that no agreement could be agreed upon with FHB (formerly EuroHypo) on acceptable financing terms going forward, an agreement was made with FHB pursuant to which the assets owned by Homco 84 and Homco 120 were sold to third parties identified by FHB and the balance of the mortgage loans were forgiven by FHB. A sale and purchase agreement has been executed on April 24, 2013 and the transaction is expected to close prior to Plan Implementation Date.

61. HII has also been discussing with the Mortgage Lenders of European Non-Core Assets with a view to attempt to find the optimal exit strategy for the HII Group. As contemplated by the HII/Shareco Plan, it is possible that other insolvent Limited Partnerships will be filed into bankruptcy, before or after Plan Implementation Date.

Post-Filing Execution of Pre-Filing Transactions

Bought Deal

62. On August 23, 2011, prior to the HII Filing Date, HII announced that it had entered into an agreement to sell 3,000,000 units in Homburg Canada REIT (the “**Bought Deal Units**”) on a bought deal basis to a syndicate of underwriters at \$11.50 per unit for gross proceeds of \$34.5 million (the “**Bought Deal**”).
63. The Bought Deal was negotiated and concluded on an arm’s length basis and represented the then fair market value of the Bought Deal Units, which were unencumbered.
64. On September 13, 2011, the Bought Deal closed as contemplated.

Cedar

65. HII, through one of its subsidiaries, Homburg Holding (U.S.) Inc. (“**HHUS**”), held interests in nine limited partnerships in relation to nine shopping centers (collectively the “**Cedar Partnerships**”) in a joint venture with Cedar.
66. Prior to the HII Filing Date, in July 2011, HHUS had commenced an auction process in order to identify potential purchasers of the Cedar Partnerships. CBRE Inc. and TD Securities Inc. were retained to advise HHUS and lead the auction process. After HHUS engaged in active negotiations with interested parties and reviewed the proposed offers, it executed a Purchase and Sale Agreement dated April 20, 2012 with the selected purchaser to purchase the assets of seven limited partnerships.
67. The proposed transaction closed on October 12, 2012 and yielded to HHUS net cash proceeds of approximately \$25.5M USD of which \$1.5M USD is being held in escrow for an additional year. The proceeds received by HHUS have been transferred to HII.

Sale of Canmarc REIT Units

68. On November 28, 2011, Cominar Real Estate Investment Trust (“**Cominar REIT**”) launched an unsolicited bid (the “**Cominar Bid**”) to acquire all of the issued and outstanding units of Canmarc REIT for a per unit consideration of \$15.30 in cash or 0.7 unit of Cominar REIT, subject to certain limitations.
69. HII owned indirectly, through Homco 199, 8,813,866 units of Canmarc REIT (the “**Canmarc REIT Units**”).
70. On January 16, 2012, Cominar REIT and Canmarc REIT jointly announced that they had entered into a support agreement for the acquisition by Cominar REIT of all the issued and outstanding Canmarc REIT Units and that the consideration under the Cominar Bid was increased to a per unit consideration of \$16.50 in cash or 0.7607 unit of Cominar REIT, subject to certain limitations (the “**Amended Cominar Bid**”).
71. On January 20, 2012, the Court authorized Homco 199 to dispose of its Canmarc REIT Units by tendering them in the Amended Cominar Bid for cash or by otherwise selling them for a cash consideration of no less than \$16.50 per unit.

Sale of Non-Core Properties

72. From time to time during the course of the restructuring process, the HII Parties have obtained from the Court authorization to sell non-core properties and, as applicable, related vesting orders, namely:
- a. On April 11, 2012, the Court granted an Approval and Vesting Order with regard to a bulk sale by Inverness of its remaining condominium units, for an approximate amount of \$3.8M;
 - b. On February 6, 2013, the Court granted an Approval and Vesting Order with regard to the sale by CP of the Centron Park property, for an approximate amount of \$20.5M;
 - c. On February 6, 2013 the Court approved the sale of Homco 92’s real estate property; and

- d. On April 26, 2013, the Court granted an Approval and Vesting Order with regard to a bulk sale by Homco 83 (Northumberland) of nine (9) of its eleven (11) remaining condominium units.
73. Further, certain other non-core properties, held by members of the HII Group which are not the object of the CCAA proceedings, have been sold or are in the process of being sold in the course of the restructuring process, in particular with regard to the real estate portfolio of HHUS in the US. The Monitor is actively involved in these sale processes and kept apprised by the HII Group.
74. The Monitor has been supervising the sale processes of all Non-Core Properties and reporting the status to the Court and the creditors in its reports, and will continue to do so after the Plan Implementation Date as provided by the HII/Shareco Plan.

Agreements with Mortgage Bondholders

75. On October 24 and October 25, 2012, meetings of the Series 4 Mortgage Bondholders, the Series 5 Mortgage Bondholders and the Series 7 Mortgage Bondholders were held in the Netherlands. At said meetings, the relevant bondholders were asked to vote on a resolution seeking to authorize the Trustees to enter into the Supplemental Indentures providing for the terms pursuant to which the secured portions of their respective Mortgage Bond Claims would be dealt with.
76. At the meetings of the Series 4 Mortgage Bondholders and the Series 7 Mortgage Bondholders, the bondholders ratified the sale processes initiated by, respectively, Homco 52 and Homco 88 in connection with the relevant mortgaged properties
77. With respect to the Series 5 Mortgage Bondholders, HII's units in Homco 69 and Homco 70 were pledged as collateral security in favour of the Series 5 Mortgage Bondholders (the "**Bond 5 Security**").
78. As the Series 5 Mortgage Bondholders voted in favour of the resolution to approve the Supplemental Indenture, the Trustees have been authorized to release the Bond 5 Security upon receipt of cash proceeds of €2.25M payable as at Plan Implementation Date (the "**Bond 5 Security Lump Sum Cash Payment**"), as well as receipt of an unsecured corporate guarantee from HII or Newco to guarantee that the aggregate consideration received by the Series 5 Mortgage Bondholders – namely the Bond 5 Security Lump Sum Cash Payment and the dividend payable, in cash or equity, – total at least 50% of their total claims as determined pursuant to the Claims Process Order and the HII/Shareco Plan.

Orders on the Treatment of Certain Claims

Capital Securities

79. HII had issued the Capital Securities pursuant to a Trust Indenture dated as of February 28, 2009 (the "**Trust Indenture**"), which were composed of 99-year unsecured and subordinated debt obligations bearing interest payable, at HII's option, in cash or by issuing a fixed number of fully paid non-assessable series of Class A Preferred Shares of HII.
80. On or about July 6, 2012, Stichting Homburg Capital Securities filed with the Monitor a proof of claim asserting an unsecured claim against HII in the amount of €29,535,152.92, subject to adjustment (the "**Capital Securities Claim**"). On February 4, 2012, the Monitor sent Stichting Homburg Capital Securities a Notice of revision or disallowance whereby the Monitor disallowed an amount equal to \$3,072,909.34 of the Capital Securities Claim relating to interest accrued after September 9, 2011 and to certain expenses.
81. Pursuant to the Capital Securities Trust Indenture, the Capital Securities Claim is deeply subordinated and, accordingly, no payment shall be made thereunder so long as any other debt of HII is outstanding. Given that there is no scenario in which all such debts will be paid in full, the Monitor determined that with respect to the balance of the Capital Securities Claim in an amount of \$37,171,690, neither Stichting Homburg Capital Securities nor the holders of the Capital Securities Claims shall be entitled to receive any distributions under the HII/Shareco Plan.
82. On April 29, 2012, the Court rendered the HII/Shareco Meeting Order providing that holders of the Capital Securities Claim shall not be entitled to receive notice nor vote at the Creditors' Meeting, and should not be entitled to receive any distribution under the HII/Shareco Plan.

Bond 6 Claim Holders

83. The HII Group and the Monitor did an extensive review of the various Intercompany Claims and flow of funds between HII and Homco 61 and of the Claims of the Bond 6 Claim Holders against HII and Homco 61. Following said analysis, HII, Shareco and Homco 61 LP, in consultation with the Monitor and considering the interests of all of their stakeholders, have determined that the fair and equitable treatment of the holders of a Homco 61 Affected Creditor HII Claim requires each such Affected Creditor's Affected Claim to be treated as set forth in the Plans (see Appendix B – "Overview of HII/Shareco Plan" for a brief description of this treatment).
84. The set off and the treatment of the Claims (including without limitation any and all Claims of Homco 61 against HII) on the basis described in the Plans will only occur if the HII/Shareco Plan and the Homco 61 Plan are implemented and will otherwise be without prejudice to the parties' rights and entitlements should this not occur.
85. The HII/Shareco Meeting Order has approved the treatment of the Bond 6 Claim Holders provided by the Plans, which remain subject to the approval of Homco 61 Plan by the creditors.

Taberna Claims

86. HII issued notes under the Taberna Indentures (as defined in the HII/Shareco Plan).
87. Wells Fargo, in its capacity of trustee to the Taberna Noteholders, set out a claim in the Proof of Claim in respect of the Taberna Indentures pursuant to the Claims Process Order (the "**Taberna Claim**").
88. On December 18, 2012, HII filed a Motion for Directions in order for the Court to determine whether the payment of any amount in relation to the Taberna Claims is subordinated to the full and complete payment of the "Senior Debt", namely the Mortgage Bond Claim and the Corporate Bond Claim. Said motion was amended on January 25, 2013. A hearing date in respect of this motion has yet to be scheduled.

Cominar Settlement

89. A number of issues and disputes were pending involving the Cominar Group and their related entities (collectively, the "**Cominar Group**"), including (i) a Motion by the Monitor for directions in relation to security granted in favour of Canmarc REIT and the Cominar Group filed an Intervention and Contestation of said motion;(ii) a Motion by the Cominar Group for an Order Preventing the Debtors to Disclaim certain Head Leases; (iii) a multiplicity of proofs of claim filed by the Cominar Group against various HII Parties, most of them litigious and/or contingent or unliquidated, pertaining to a number of different issues, totaling more than \$67M (including proofs of claim against Homco 190, Homco 191 and Homco 199 totaling more than \$18M).
90. In parallel, the Cominar Group had indicated its interest to acquire the Centron Park property (a Non-Core Asset), owned by CP.
91. On January 30, 2013, the HII Group, the Monitor and the Cominar Group reached an agreement in principle to settle the Cominar Proceedings and all the proofs of claim of the Cominar Group, and for the sale of the Centron Park property (the "**Cominar Settlement**").
92. The Cominar Settlement, which the Court prayed act of on February 6, 2013, provides that:
 - a. The Centron Park property be sold to Cominar for a purchase price of \$20.5M;
 - b. All the claims filed by the Cominar Group against the HII Parties (other than HMCI, which was then not a HII Party), whether secured or unsecured, with the exception of an indemnity claim in relation to potential land transfer taxes claimed by the City of Laval, are being settled as follows:
 - i. A lump sum payment of approximately \$6.2M paid from the amounts held in escrow with Osler, with the balance of such amounts in an amount of approximately \$14.3M (after netting the amount of approximately \$2.5M referred to hereunder), to be released in favour of HII;
 - ii. An unsecured proven claim against HII for an amount of approximately \$1.6M is being recognized; and

- iii. An assignment of HII's rights, if any, in the movable assets located in the Holman Grand Hotel.
93. On February 6, 2013, the Court prayed act of the Cominar Settlement and on March 15, 2013, the sale of the Centron Park property was completed.
 94. Following the conclusion of the Cominar Settlement, additional issues have arisen as between the Cominar Group and the HII Group, including an action instituted by the City of Laval in relation to alleged land transfer taxes owed (which is being contested by the Cominar Group and the HII Group) which could trigger an indemnity claim against Homco 190, Homco 191 or Homco 199, as well as certain allegations made by the Cominar Group to the effect that sales taxes in an amount of \$491K should be paid by HII Group in relation to the Cominar Global Settlement. In light of these additional potential claims against Homco 190, Homco 191 and/or Homco 199, it was agreed, without any admission, that a sum of \$2,491,000 would be held in trust with HII's legal counsel. The Cominar Claim, if any, in respect of said amount in trust, will be an Unaffected Claim under the HII/Shareco Plan.

Tax Issues

95. Throughout the restructuring process, thorough analyses have been conducted by HII and its legal advisors in multiple jurisdictions, in consultation with the Monitor, to assess the tax risks and consequences of certain restructuring initiatives on potential tax obligations of HII in Canada, the United States, the Netherlands, Germany and the Baltic States.
96. Such analyses have allowed the HII Group to obtain from time to time tax rulings in different jurisdictions, notably with respect to the exercise of the Options obtained to address the Control Issues. These analyses were also critical in order to develop the HII/Shareco Plan in a tax efficient manner, in the best interest of the Affected Creditors.
97. In March 2013, HII and Shareco filed with the Canadian tax authorities a request to obtain a tax ruling in relation to the transactions contemplated under the HII/Shareco Plan. It is a Condition Precedent to the implementation of the HII/Shareco Plan that this ruling be obtained. Based on preliminary communications with the tax authorities, HII anticipates that such tax ruling may be obtained in June 2013. The position of the tax authorities on this request for a ruling is unknown at this stage.
98. In addition to the above-mentioned tax ruling, it is the intention of HII, with the support of the Monitor, to obtain from the relevant tax authorities such certificate of discharge as may be required under the applicable tax laws, including in particular by section 159 of the *Income Tax Act* (Canada). No distribution of Cash under the HII/Shareco Plan (other than the disbursement of the Cash-Out Pool funded by Catalyst in relation to the Newco Common Shares Cash-Out Option) is expected to occur until such certificates are obtained. HII, with the support of the Monitor, is acting proactively to obtain said certificates in a timely manner and has already initiated discussions with Canada Revenue Agency in that regard in order to, hopefully, avoid delays in the distributions of Cash under the HII/Shareco Plan. The position of the tax authorities on this request for a certificate of discharge is unknown at this stage.

Forensic Review

99. Deloitte & Touche s.e.n.c.r.l. ("**Deloitte Forensic**") has reviewed the movements of cash in HII's bank accounts from January 1, 2006 to September 9, 2011. The objective of this review was to understand the use of funds that have transited in HII's bank accounts, analyze the use of the proceeds raised by the issuance of Bond series 4 to 11 (including in relation to the acquisitions of properties) and to review the payments and receipts related to entities controlled by Richard Homburg.
100. On January 28, 2013, Deloitte Forensic and the Monitor shared the preliminary conclusions of the forensic analysis with the Bondholders' Trustee. At the request of the Bondholders' Trustee, on February 12, 2013, the Monitor and the Deloitte's forensic team held a meeting to make a presentation to the Bondholders on the forensic analysis conducted and their findings.

Investment Proposal Process / Catalyst

101. While HII and Shareco were developing the original Plan, The Catalyst Group Inc. (“**Catalyst**”) made different proposals to the Bondholders to acquire their debt or a portion thereof. In December, Catalyst made an investment proposal to HII with the request that same be incorporated in the HII/Shareco Plan.
102. During the same period, other interested parties had also reached out to the HII Group and the Monitor regarding a potential investment proposal and had discussions with Stichting Homburg Bonds.
103. In this context, the HII Group, in consultation with the Monitor, determined that it was appropriate to set standardized terms and conditions to govern the delivery of investment proposals to and the consideration of such Investment Proposals by the HII Group Entities and the Monitor (the “**Investment Proposal Process**”).
104. On March 1, 2013, the Court rendered an order approving the Investment Proposal Process designed to determine, on an expedited basis, whether the HII Group could pursue an investment transaction that would be in the best interest of its stakeholders while not delaying the process set forth for a timely approval of the Plan.
105. On March 14, 2013, the Court approved a revised investment proposal process pursuant to which qualified investors who had submitted an investment proposal to the HII Group Entities and the Monitor on March 11, 2013, were invited to submit revised Qualified Investment Proposals.
106. On March 17, 2013, HII and the Monitor received two revised Qualified Investment Proposals. After careful review and analysis of said revised investment proposals, HII, in consultation with the Monitor, determined that none was to be considered a Selected Superior Offer.
107. On March 20, 2013, the two qualified investors who had submitted revised investment proposals to the HII Group Entities on March 17, 2013 were invited by HII and the Monitor to submit, by no later than March 24, 2013, an unconditional final Qualified Investment Proposal consisting of an offer to acquire all or part of the entitlement of Affected Creditors with Proven Claims to an equity interest in Newco upon the Plan Implementation Date.
108. As of March 24, 2013, two formal binding final Qualified Investment Proposals were received by the HII Group and the Monitor from Qualified Investors in the Investment Proposal Process.
109. On March 27, 2013, HII, in consultation with the Monitor and after careful consideration and deliberation, and review and analysis of the financial terms of each offer, decided to enter into exclusive negotiations for a 15 day period with one of the two Qualified Investors, namely Catalyst.
110. On March 28, 2013, HII began exclusive negotiations with Catalyst in order to enter into a definitive agreement setting forth amendments to the Plan, as filed on such date, intended to provide additional optionality to Affected Creditors with Proven Claims. The Monitor and Stichting Homburg Bonds also participated in the negotiations and discussions between HII and Catalyst which led to the first Catalyst Support Agreement.
111. On April 24, 2013, HII, Shareco and Homco 61, in consultation with the Monitor and Stichting Homburg Bonds, decided to terminate the Support Agreement.
112. On April 26, 2013, HII, Shareco, Homco 61 LP and Catalyst entered into a restated support agreement (the “**Restated Catalyst Support Agreement**”), which provides for amendments to the HII/Shareco Plan (along with corresponding amendments to the Homco 61 Plan). The HII/Shareco Plan and the Homco 61 Plan are described in further detail hereunder.
113. As additional consideration, the Restated Catalyst Support Agreement provides that Catalyst must 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. Payment of this amount has been made.

Value created by the Restructuring Initiatives

114. The restructuring initiatives described hereinabove were undertaken and implemented by the HII Group, in collaboration with the Monitor, with the view to allow for a viable restructuring of the HII Group's business and, ultimately maximizing the recovery of the Affected Creditors, in comparison to a liquidation scenario.
115. The filing of the HII/Shareco Plan represents the culmination of all the restructuring initiatives described hereinabove.
116. For information purposes, the following table presents the estimated tangible value created by some of the restructuring initiatives described hereinabove. These values are divided into two categories, namely (i) those that have been completed as at the date hereof and have improved the recovery of the Affected Creditors under the Plans and (ii) those that will only materialize following the approval of the HII/Shareco Plan by the Required Majority and the Court, and the ensuing implementation of the HII/Shareco Plan.

Estimated Value of certain Restructuring Initiatives

**In Euros
(000)**

Estimated Value generated as at this date	Comments
Resolution of the Control Issues	8,825 <i>As reported in the Fifth Report (this amount represents the minimum amount; the maximum amount could be up to 30 M Euros)</i>
Disclaimer of Lease Obligations	22,556 <i>Canoxy, Jamieson and PEI Hotel (estimated net present value of savings realized)</i>
Sale of Canmarc REIT Units	25,182 <i>Incremental value resulting from the Cominar Bid (in comparison to value realized on Bought Deal prior to the Filing Date)</i>
<u>56,563</u>	
Estimated Value to be generated post Plan Implementation	
Preservation of Core Assets value	162,108 <i>Estimated equity value of Newco in comparison to estimated value of the Core Assets in a forced liquidation scenario</i>
Realization on non-core properties net of required cash investment under the HII/Shareco Plan	9,493 <i>Estimated incremental value of the remaining non-core properties in an orderly liquidation process in comparison to a forced liquidation scenario, net of the required cash investment under the HII/Shareco Plan</i>
Tax analysis/planning	Unknown <i>Subject to the position of the tax authorities on the transactions to be executed pursuant to HII/Shareco Plan</i>
<u>171,601</u>	

III. CLAIMS PROCESS AND CREDITORS' MEETINGS

117. In accordance with the Claims Process Order, the Monitor initially received 252 Claims representing a total of \$2,255,259,378 against the HII Group Entities, including Intercompany Claims as well as duplicate Claims. The Monitor, in collaboration with the HII Parties, reviewed all such Claims in conformity with the Claims Process Order.
118. While the Monitor cannot currently provide the final aggregate amount of Claims that will be accepted for distribution purposes, the Monitor has been providing and will continue to provide ongoing updates of the status of such Claims. Information relating to the status of Claims filed against HII, Shareco, Homco 61 LP, Homco 190 LP, Homco 191 LP and Homco 199 LP as at April 30, 2013 is attached as Appendix D to this Twenty-Third Report.
119. On April 29, 2013 HII and Shareco and Homco 61 obtained respective orders to convene, hold and conduct the Creditors' Meetings.

120. The HII/Shareco Creditors' Meeting and the Homco 61 Creditors' Meeting will be held concurrently (with separate voting periods) and simultaneously in Montréal, Québec and in Utrecht, the Netherlands, on May 30, 2013, at the following locations and times:

<u>Location</u>	<u>Time</u>
McCarthy Tétrault LLP Suite 2500 Lafleur Room 1000 De La Gauchetière Street West Montréal QC H3B 0A2	9:00 a.m. (Eastern Prevailing Time)
Jaarbeursplein 6 3521 AL Utrecht The Netherlands	3:00 p.m. (Central European Time)

121. At the HII/Shareco Creditors' Meeting, the Affected Creditors with Voting Claims will consider to adopt a resolution approving the HII/Shareco Plan. With respect to the Homco 61 Affected Creditors, the resolution on its Plan will not occur until a completion of the vote on the resolution of the Affected Creditors of HII/Shareco is completed.
122. The only Persons entitled to attend the Creditors' Meetings are representatives of the Homburg Group Members and their respective legal counsel and advisors, the Monitor and its legal counsel, Stichting Homburg Bonds and Wells Fargo in their capacity as Corporate Indenture Trustees and their respective legal counsel and advisors, and all other Persons, including the other holders of proxies, entitled to vote at the Creditors' Meetings and their legal counsel and advisors.
123. Each Affected Creditor who is entitled to vote at the HII/Shareco Creditors' Meeting shall be entitled to one vote equal to the dollar value of its Voting Claim. Corporate Creditors under the Corporate Indentures who have beneficial ownership of a Voting Claim as of the HII/Shareco Record Date (excluding, for greater certainty, holders of a Capital Securities Claim) shall be entitled to vote on the HII/Shareco Plan. Holders of Intercompany Claims are not entitled to vote on the Plan. Electing Creditors and Convenience Class Creditors will be deemed to vote in favour of the HII/Shareco Plan, as well as Affected Creditors who have appointed the Monitor as proxyholder and failed to vote either for or against the HII/Shareco Plan in their proxy.
124. Each Homco 61 Affected Creditor who is entitled to vote at the Homco 61 Creditors' Meeting shall be entitled to one vote equal to the dollar value of its Homco 61 Affected Claim. Bond 6 Claim Holders who have beneficial ownership of a Homco 61 Voting Claim as of the Homco 61 Record Date shall be entitled to vote on the Homco 61 Plan.
125. Both Plans rely on the Claims Process Order, the Plans and the Meeting Orders to set forth the procedures for valuation of the Voting Claims and resolving any dispute in relation thereto. The Monitor shall have the right to seek the assistance of the Court in valuing any Voting Claim and to ascertain the result of any vote on the Plans.
126. In order for each Plan to be approved, it must receive the affirmative vote of the Required Majority of the respective Unsecured Creditors' Class. Should the Plans be approved by the respective Required Majority, it is intended that approval of the Court of the Plans be sought on June 5, 2013.

IV. OVERVIEW OF THE PLANS AND RELEVANT INFORMATION PERTAINING TO NEWCO

HII/Shareco Plan

127. On April 29, 2013, the Court approved the filing of the HII/Shareco Plan. We refer the Creditors to the Plan overview annexed to this report at Appendix B which provides a summary of the significant provisions of the HII/Shareco Plan. On May 3, 2013, HII and Shareco made a modification to the HII/Shareco Plan, which modification is included in the HII/Shareco Plan included in the Meeting Materials being mailed as well as in the HII/Shareco Plan posted on the Monitor's website. Reference should be made to the HII/Shareco Plan and the Information Circular for the complete terms and implications of the HII/Shareco Plan. Capitalized terms not otherwise defined herein have the meaning ascribed to them in the HII/Shareco Plan or previous Monitor's Reports.

128. As further described in the section hereinabove and in the previous Monitor's Reports, the HII/Shareco Plan is the result of an extensive assessment of the HII Group's business and finances and of the ensuing implementation of a multiplicity of measures by the HII Group Entities, in consultation with the Monitor, in the course of the restructuring process.
129. In developing the HII/Shareco Plan, HII and Shareco have sought to achieve a fair and reasonable balance among all of their Affected Creditors while ensuring the Core Business Assets will benefit from a financial stability going forward.
130. The main purposes of the HII/Shareco Plan, all in the expectation that all Persons with an economic interest in the HII Group's business will derive a greater benefit from the implementation of the HII/Shareco Plan than would result from a liquidation of all of the HII Group's assets, may be summarized as follows:
- a. effect a compromise and settlement of all Affected Claims;
 - b. streamline the structure and operation of the Business to maintain the Core Business Assets as a core portfolio of profitable properties in Europe and to identify and assess monetization opportunities within a reasonable timeframe;
 - c. facilitate an orderly liquidation of Non-Core Business Assets over a reasonable period of time, which maximize the recovery value on these assets;
 - d. implement the Catalyst Investment; and
 - e. provide for the distribution to the Affected Creditors with Proven Claims their entitlement into the Newco Equity Pool, the Cash Pool and the Asset Realization Cash Pool and/or, as the case may be, the Cash Elected Amount in the case of Convenience Class Creditors or the Cash-Out Pool (funded by Catalyst) in the case of Electing Creditors.
131. Under the HII/Shareco Plan, the following assets are being made available for distribution to Affected Creditors with Proven Claims:
- a. Newco Equity Pool;
 - b. Cash Pool; and
 - c. Asset Realization Cash Pool.
132. As further explained in Appendix B and hereunder, Affected Creditors have the option to elect to receive a cash payment instead of their entitlement to Newco Common Shares, which cash payment is to be funded by Catalyst and represents a discount in comparison to the estimated forecasted equity value of Newco.

Homco 61 Plan

133. On April 29, 2013, the Court approved the filing of the Homco 61 Plan. For the benefit of the readers, a summary of certain of the significant provisions of the Homco 61 Plan is found in Appendix C. Reference should be made to the Homco 61 Plan and the Information Circular for the complete terms and implications of the Homco 61 Plan. Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Homco 61 Plan.
134. The decision to file the Homco 61 Plan follows an extensive review and analysis of the various Intercompany Claims between HII and Homco 61 as well as the Claims of the Bond 6 Claim Holders filed against Shareco, HII and Homco 61.
135. Homco 61's sole asset is its right in an Intercompany Claim against HII, which is purported to be recognized at a net amount of \$62,396,506 under the HII/Shareco Plan (the "**Homco 61 Net Intercompany Claim**"). The Homco 61 Plan provides that the holders of Homco 61 Proven Claims (including principally the Bond 6 Claim Holders) will be entitled to their pro rata share of the aggregate value of all non-cash and cash distributions made to Homco 61 on account of the Homco 61 Net Intercompany Claims (the "**HII Homco 61 Distribution**"), the whole subject to the approval of both plans by the respective required majority of creditors and by the court.
136. Essentially the Homco 61 Plan is a "flow through plan" allowing the Homco 61 Affected Creditors to participate in the HII/Shareco Plan and benefit from the HII Homco 61 Distribution arising from the Homco 61 Net Intercompany Claim.

Business and Financial Projections of Newco

137. As stated hereinabove and in Appendix B, Affected Creditors and Homco 61 Affected Creditors will be entitled to receive Newco Common Shares pursuant to the Plans. The Information Circular includes a detailed description of the business of Newco and of the Core Business Assets that will remain in the restructured portfolio, namely three (3) properties located in Germany, five (5) properties located in the Netherlands and 53 properties located in the Baltics.

138. The following table presents a snapshot of the Newco projected financial results that are part of the Information Circular. Readers of this Twenty-Third Report should refer to the Information Circular for more precise and detailed information in relation to these projected financial results and for the many caveats and reserves applying to the forward-looking statements.

Newco Unaudited Key Financial Highlights	Opening	6 months	12 months	12 months	12 months
Euros (000)	Jun-13	Dec-13	Dec-14	Dec-15	Dec-16
<u>Balance sheet</u>					
Investment properties	613,069	607,607	576,569	559,174	538,511
Long term debt	419,727	411,403	385,529	367,972	344,915
Total equity	170,635	174,812	179,298	191,230	206,380
<u>Income Statements</u>					
Property revenue	N/A	28,327	56,949	57,993	62,979
Income before incomes taxes	N/A	6,570	8,623	15,947	19,483
<u>Cash flows</u>					
Rent	N/A	28,509	57,708	58,779	63,763
Mortgage principal	N/A	8,909	28,264	19,274	24,702
Net Cash Flow	N/A	2,539	9,382	10,891	11,851

Catalyst Investment / Newco Common Shares Cash-Out Option / Electing Creditors

139. The HII/Shareco Plan includes an option for Affected Creditors (other than Convenience Class Creditors) to receive, instead of all of the Newco Common Shares which would otherwise be issued to them under the Plan, an amount equal to such Affected Creditor's pro rata share of the Aggregate Newco Common Shares Final Cash-Out Amount.

140. The Newco Common Shares Cash-Out Option entitles Electing Creditors to an early cash payment funded by the Catalyst Investment Initial Funding Amount, which attributes a value of €95M to the Newco Common Shares. As an illustration, should 100% of the Affecting Creditors with Proven Claims and Disputed Claims make the Newco Common Shares Cash-Out Option Election, the Catalyst Investment would be equivalent €95M, representing approximately 59% of the estimated equity value of Newco at emergence. The section on estimated recoveries hereunder provides further details.

141. Since the Newco Common Shares Cash-Out Option only pertains to the right of Affected Creditors in respect of Newco Common Shares, the Newco Common Shares Cash-Out Option Election does not affect the recovery of Electing Creditors with regard to the Cash Pool and the Asset Realization Cash Pool.

142. Affected Creditors (other than Convenience Class Creditors) may choose the Newco Common Shares Cash-Out Option by making a Newco Common Shares Cash-Out Option Election. This involves completing and returning the Cash-Out Election Form by the Election/Proxy Deadline; such election may only pertain to the entire Affected Claim of a given Affected Creditor, and may not be done in part. Electing Creditors are deemed to vote in favour of the HII/Shareco Plan.

143. The Newco Common Shares Cash-Out Option is included in the HII/Shareco Plan pursuant to the Restated Catalyst Support Agreement. Payments pursuant to the exercise of the Newco Common Shares Cash-Out Option are made from the Cash-Out Pool, which is funded by Catalyst in advance of the Plan Implementation Date.

144. No later than ten (10) days following the Plan Implementation Date, the Monitor will act as disbursing agent and disburse from the Cash-Out Pool an initial amount in partial satisfaction of the given Electing Creditor's pro rata share of the Aggregate Newco Common Shares Final Cash-Out Amount. The quantum of such initial amount will be established by the Monitor in its sole discretion and will principally depend on the quantum of outstanding Disputed Claims as at Plan Implementation Date.
145. In respect of holders of the Taberna Claim, to the extent that the Taberna Order directs that the distribution entitlement under the HII/Shareco Plan in respect of the Taberna Claim shall be remitted to any Person or Persons other than the holders of the Taberna Claim, any Newco Common Shares Cash-Out Election made by any holders of the Taberna Claim will be null and void.
146. The Catalyst Investment is conditional upon certain conditions precedent provided by the Restated Catalyst Support Agreement. Should these conditions precedent to the Catalyst Investment not be fulfilled or waived by the benefiting party, the CCAA Plan will nevertheless proceed. In such a scenario, the Electing Creditors will receive the same treatment as all other Affected Creditors with Proven Claims under the HII/Shareco Plan by receiving their Pro Rata Share of the Newco Equity Pool.

Governance of Newco / Certain Protections to Shareholders of Newco

147. At the request of HII, the Monitor and Stichting Homburg Bonds, the Restated Catalyst Support Agreement further provides for governance mechanisms and other measures to protect the Affected Creditors with Proven Claims who will become shareholders of Newco. (i. e. those who decide not to become Electing Creditors). These include certain management and governance rules, a standstill period, a put right, a tag along right and pre-emptive rights, each applicable to different periods. These mechanisms and measures are included in the HII/Shareco Plan and explained in detail in the Information Circular, and they are briefly summarized hereunder.

Management of Newco and Governance Period

148. Newco will have a two-tier board structure consisting of a management board (*raad van bestuur*) (the "**Management Board**"), which will manage its business, and a supervisory board (*raad van commissarissen*) (the "**Supervisory Board**"), which will supervise and advise the Management Board.
149. The Management Board, which will consist of at least two members, is responsible for the day-to-day management under the supervision of the Supervisory Board. The Supervisory Board will be responsible for supervising the Management Board and the general affairs and business of Newco.
150. The period of two years starting from the Plan Implementation Date is referred to as the "**Governance Period**" during which increased protection are applicable with a view to protecting shareholders other than Catalyst. During the Governance Period, Newco shall have a Supervisory Board consisting of five members, and it shall be a requirement that at all times a majority of the Supervisory Board members be Independent. The chairperson and deputy chairperson of the Supervisory Board must be Independent members of the Supervisory Board.
151. During the Governance Period, in the interests of good governance and of shareholders (including especially shareholders other than Catalyst), certain provisions of the Articles of Association relating to the governance of Newco can only be amended at the unanimous proposal of the Supervisory Board. Other amendments of the Articles of Association during the Governance Period will require a proposal (by majority vote) of the Supervisory Board and a resolution of the General Meeting.

Standstill Period

152. The HII/Shareco Plan provides standstill period, namely a period of 90 days following Plan Implementation Date, during which no trading, in any form, of the Newco Common Shares will be possible. During this Newco Common Shares Standstill Period, the Newco Common Shares will be held in a manner appropriate to give effect to the standstill, which manner is to be agreed upon by HII, Stichting Homburg Bonds and Catalyst, acting reasonably, and the Monitor.

153. This standstill period will allow for a period of stability following the Plan Implementation Date such that initial trading of the Newco Common Shares is not negatively impacted by the process pursuant to which the Core Business Assets are transferred to Newco.

Put Right

154. At the expiry of the Newco Common Shares Standstill Period and for a period of 90 days thereafter (i.e. from the beginning of the fourth month following the Plan Implementation Date to the end of the sixth month following Plan Implementation Date), each holder of Newco Common Shares will have the right (the “**Put Right**”) to sell to Catalyst all or part of its Newco Common Shares and Catalyst shall purchase such Newco Common Shares for an amount equal to 66⅔% of the amount offered by Catalyst under the HII/Shareco Plan (i.e. the Aggregate Newco Common Shares Final Cash-Out Amount).

155. The Put Right is only applicable during the Newco Common Shares Put Right Period and is not applicable in the case that Newco is in serious financial difficulty. Also, the Put Right cannot be exercised until counsel to Newco provides Catalyst with Canadian and Dutch legal opinions to the effect that the Put Right is in compliance with applicable securities laws or until Catalyst obtains an exemption from the applicable securities regulators with respect to the Put Right.

Tag-Along Right

156. At the expiry of the Newco Common Shares Standstill Period and for a period of 180 days thereafter (i.e. from the beginning of the fourth month following the Plan Implementation Date to the end of the ninth month following Plan Implementation Date), the shareholders (other than Catalyst) of Newco will benefit from a tag-along right in the event that Catalyst would be willing to sell its position in Newco.

157. During the Newco Common Shares Tag Along Period, Catalyst shall not transfer Newco Common Shares if as a result of such transfer, a purchaser would acquire from Catalyst Newco Common Shares which, together with any other Newco Common Shares such purchaser holds, constitute in the aggregate 30% or more of the outstanding Newco Common Shares as of the effective date of the transfer, unless it follows a strict and detailed procedure effectively leading to the purchaser having to make an equivalent offer to buy the respective portion of Newco Common held by the other shareholders of Newco. This procedure is further detailed in the HII/Shareco Plan and the Information Circular.

158. The tag along provisions are only effective during the Newco Common Shares Tag Along Period, and do not apply to transfers by Catalyst to or between its wholly owned subsidiaries or affiliates (provided that such subsidiary or affiliate is, or agrees to be, bound by the same terms as Catalyst with respect to the Tag-Along Right).

Pre-Emptive Rights

159. During the Governance Period, additional Newco Common Shares may be issued pursuant to a resolution of the Management Board, which is subject to the approval of the Supervisory Board. During the Governance Period, any holder of common shares in the capital of Newco shall have a pre-emptive right on any issue of additional Newco Common Shares, namely a right to acquire a portion of said additional Newco Common Shares in a number equivalent to the pro rata of the aggregate amount of his or her Newco Common Shares at the time of issue.

160. This measure is intended to protect a shareholder from dilution as a result of the issuance of additional Newco Common Shares during the Governance Period.

V. ESTIMATED RECOVERIES PURSUANT TO THE PLANS

161. The Monitor, along with the HII Group, has been updating the estimated ranges of recoveries, based on certain variables.

162. The Monitor emphasizes that the assumptions and estimates used in the preparation of the estimated ranges of recoveries pursuant to the Plans 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, financial and competitive risks, uncertainties and contingencies. **Readers of this Twenty-Third Report should read carefully the Information Circular and, more specifically, the section under the heading “Risk Factors” and all cautionary language relating to forward-looking statements relating and to the estimated recoveries.**

Estimated Recoveries of Affected Creditors and Homco 61 Affected Creditors (who are not Electing Creditors)

163. The following tables demonstrates the estimated dividend, as at the date of this Twenty-Third Report, of the Affected Creditors and the Homco 61 Affected Creditors (who are not Electing Creditors) holding respectively Proven Claims and Homco 61 Proven Claims under the Plans:

HII Consolidated Estimated Recovery Rates of Unsecured Creditors In Euros (000)	At emergence (June 30, 2013)		Post-Emergence		Total	
	Low	High	Low	High	Low	High
	Estimated net realization value for unsecured creditors					
Cash	29,331	30,830	13,155	14,654	42,486	45,484
Net cash available from the sale of Non-Core Assets	10,606	11,918	20,033	34,907	30,639	46,825
Shares	162,108	162,108	—	—	162,108	162,108
	202,045	204,856	33,188	49,561	235,233	254,417
Unsecured creditors	568,780	552,130	—	—	568,780	552,130
Estimated dividend	35.52%	37.10%	5.83%	8.98%	41.36%	46.08%
In cash	7.02%	7.74%	5.83%	8.98%	12.86%	16.72%
In shares	28.50%	29.36%	0.00%	0.00%	28.50%	29.36%
Estimated Recovery Rates of Affected Creditors	At emergence		Post-Emergence		Total	
	Low	High	Low	High	Low	High
	Cash		Cash		Cash	
HB4	6.18%	5.72%	25.44%	39.86%	31.62%	45.59%
HB5	17.98%	18.70%	5.73%	8.84%	23.71%	27.54%
HB6	20.56%	25.51%	2.91%	3.86%	23.47%	29.38%
HB7	4.91%	4.11%	40.76%	56.84%	45.67%	60.94%
Non-asset backed bonds	7.76%	8.57%	6.44%	9.94%	14.20%	18.51%
Unsecured creditors	7.02%	7.74%	5.84%	8.98%	12.86%	16.72%
	Shares (in shares)		Shares (in shares)		Shares (in shares)	
HB4	25.09%	21.70%	0.00%	0.00%	25.09%	21.70%
HB5	27.99%	28.90%	0.00%	0.00%	27.99%	28.90%
HB6	52.03%	51.59%	0.00%	0.00%	52.03%	51.59%
HB7	19.93%	15.58%	0.00%	0.00%	19.93%	15.58%
Non-asset backed bonds	31.48%	32.51%	0.00%	0.00%	31.48%	32.51%
Unsecured creditors	28.50%	29.36%	0.00%	0.00%	28.50%	29.36%
	Total		Total		Total	
HB4	31.27%	27.43%	25.44%	39.86%	56.71%	67.29%
HB5	45.96%	47.61%	5.73%	8.84%	51.69%	56.44%
HB6	72.59%	77.10%	2.91%	3.86%	75.50%	80.97%
HB7	24.84%	19.69%	40.76%	56.84%	65.60%	76.52%
Non-asset backed bonds	39.23%	41.08%	6.44%	9.94%	45.68%	51.02%
Unsecured creditors	35.52%	37.10%	5.84%	8.98%	41.36%	46.08%
Homco 61 – Plan						
<u>Unsecured creditors</u>						
Cash	8.85%	9.39%	7.36%	10.89%	16.21%	20.28%
Shares (in shares)	35.92%	35.62%	0.00%	0.00%	35.92%	35.62%
Total	44.77%	45.01%	7.36%	10.89%	52.13%	55.90%

Estimated Recoveries of Electing Creditors (Newco Common Shares Cash-Out Option)

164. As explained above, the Plans provide that the Affected Creditors and Homco 61 Affected Creditors may make the Newco Common Shares Cash-Out Option Election entitling them to an early cash payment – no later than ten (10) Business Days following the Plan Implementation Date – instead of all of the Newco Common Shares which would otherwise be issued to them for their Proven Claims (for distribution purposes) under the Plan, albeit at a discount as compared to the estimated forecasted equity value of Newco.
165. Since the Newco Common Shares Cash-Out Option only pertains to the right of Affected Creditors in respect of Newco Common Shares, the Newco Common Shares Cash-Out Option Election does not affect the recovery of Affected Creditors with regard to the Cash Pool and the Asset Realization Cash Pool.
166. The following table shows the estimated dividend for unsecured creditors, all in cash, listed in this Twenty Third Report considering the Newco Common Shares Cash-Out Option Election.
167. The Monitor emphasizes that the different business, economic, market, timing, financial and competitive risks, uncertainties and contingencies stated in the Information Circular and in the previous section which are related to the recovery pursuant to the Plans, are still relevant and applicable in the context of the estimated recovery of the Electing Creditors, with the exception of the risks related to Newco.
168. The following tables demonstrates the estimated dividend, as at the date of this Twenty-Third Report, of the Electing Creditors under the Plans:

Estimated Recovery Rates of Electing Creditors

	<u>At Emergence</u>		<u>Post Emergence</u>		<u>Total</u>	
	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>
	<u>Cash</u>		<u>Cash</u>		<u>Cash</u>	
HB4	6.18%	5.72%	25.44%	39.86%	31.62%	45.59%
HB5	17.98%	18.70%	5.73%	8.84%	23.71%	27.54%
HB6	20.56%	25.51%	2.91%	3.86%	23.47%	29.38%
HB7	4.91%	4.11%	40.76%	56.84%	45.67%	60.94%
Non-asset backed bonds	7.76%	8.57%	6.44%	9.94%	14.20%	18.51%
Unsecured creditors	7.02%	7.74%	5.84%	8.98%	12.86%	16.72%
	<u>Shares (in cash)</u>		<u>Shares (in cash)</u>		<u>Shares (in cash)</u>	
HB4	14.70%	12.72%	0.00%	0.00%	14.70%	12.72%
HB5	16.40%	16.94%	0.00%	0.00%	16.40%	16.94%
HB6	30.49%	30.23%	0.00%	0.00%	30.49%	30.23%
HB7	11.68%	9.13%	0.00%	0.00%	11.68%	9.13%
Non-asset backed bonds	18.45%	19.05%	0.00%	0.00%	18.45%	19.05%
Unsecured creditors	16.70%	17.21%	0.00%	0.00%	16.70%	17.21%
	<u>Total</u>		<u>Total</u>		<u>Total</u>	
HB4	20.88%	18.44%	25.44%	39.86%	46.32%	58.31%
HB5	34.38%	35.64%	5.73%	8.84%	40.11%	44.48%
HB6	51.05%	55.74%	2.91%	3.86%	53.96%	59.61%
HB7	16.59%	13.24%	40.76%	56.84%	57.35%	70.07%
Non-asset backed bonds	26.21%	27.62%	6.44%	9.94%	32.65%	37.56%
Unsecured creditors	23.72%	24.95%	5.84%	8.98%	29.56%	33.93%
Homco 61 – Plan						
<u>Unsecured creditors</u>						
Cash	8.85%	9.39%	7.36%	10.89%	16.21%	20.28%
Shares (in cash)	21.05%	20.87%	0.00%	0.00%	21.05%	20.87%
Total	29.90%	30.26%	7.36%	10.89%	37.26%	41.15%

VI. ESTIMATED LIQUIDATION ANALYSIS

169. If HII is unable to implement the HII/Shareco Plan or if the HII/Shareco Plan is not approved by the Required Majority or the Court, the Stay may be lifted. Affected Claims would be payable and HII would not have the financial resources to meet its obligations. Accordingly, it is the Monitor's view that this would likely result in applications by the HII, Shareco and Homco 61 or their creditors under the CCAA, the *Bankruptcy and Insolvency Act* or other statutes to allow their creditors to realize on the assets of the HII Parties. In the Monitor's view, such proceedings would essentially lead to a forced liquidation of the assets.
170. The Monitor, with the assistance of HII, has prepared for comparison purposes a forced liquidation analysis of the HII Group's assets.
171. The Monitor emphasizes that the different business, economic, market, timing, financial and competitive risks, uncertainties and contingencies stated in the Information Circular and in the previous section which are related to the recovery pursuant to the Plans, are still relevant and applicable in the context of the estimated recovery of the Electing Creditors, with the exception of the risks related to Newco in the case of the liquidation scenario and the Newco Common Shares Cash-Out Option (Catalyst Option).
172. The following summary compares the estimated aggregate value of the assets of HII in a liquidation scenario with the estimated aggregate value of the assets under the Newco Common Shares Cash-Out Option (Catalyst Option) and under the HII/Shareco Plan:

Estimated aggregate value of the assets of HII In Euros (000)	Estimated aggregate value of the assets of HII					
	Liquidation Scenario	Catalyst Option		Plan		
		Low	High	Low	High	
Cash and Non-Core Assets	82,816	73,125	92,309	73,125	92,309	
Core Assets	—	95,000	95,000	162,108	162,108	
	82,816	168,125	187,309	235,233	254,417	
	(in cash)	(in cash)	(in cash)	(in cash & shares)	(in cash & shares)	

173. The following summary compares the estimated recovery rates of Affected Creditors in a liquidation scenario with the estimated recovery rates under the HII/Shareco Plan:

Estimated Recovery Rates of Affected Creditors	Estimated Recovery Rates in a Liquidation Scenario	Estimated Recovery Rates			
		considering Catalyst's Option		Rates per CCAA Plan	
		Low	High	Low	High
	Cash	Cash	Cash	Cash	Cash
HB4	28.03%	31.62%	45.59%	31.62%	45.59%
HB5	15.56%	23.71%	27.54%	23.71%	27.54%
HB6	31.43%	23.47%	29.38%	23.47%	29.38%
HB7	41.54%	45.67%	60.94%	45.67%	60.94%
Non-asset backed bonds	15.56%	14.20%	18.51%	14.20%	18.51%
Unsecured creditors	14.15%	12.86%	16.72%	12.86%	16.72%
	Core Assets	Liquidation Value		Shares (in shares)	
	(in cash)	Shares (in cash)		Shares (in shares)	
HB4	0.00%	14.70%	12.72%	25.09%	21.70%
HB5	0.00%	16.40%	16.94%	27.99%	28.90%
HB6	0.00%	30.49%	30.23%	52.03%	51.59%
HB7	0.00%	11.68%	9.13%	19.93%	15.58%
Non-asset backed bonds	0.00%	18.45%	19.05%	31.48%	32.51%
Unsecured creditors	0.00%	16.70%	17.21%	28.50%	29.36%

Estimated Recovery Rates of Affected Creditors	Total	Total		Total	
HB4	28.03%	46.32%	58.31%	56.71%	67.29%
HB5	15.56%	40.11%	44.48%	51.69%	56.44%
HB6	31.43%	53.96%	59.61%	75.50%	80.97%
HB7	41.54%	57.35%	70.07%	65.60%	76.52%
Non-asset backed bonds	15.56%	32.65%	37.56%	45.68%	51.02%
Unsecured creditors	14.15%	29.56%	33.93%	41.36%	46.08%

Homco 61 – Plan	Cash	Cash		Cash	
Unsecured creditors	Unknown	16.21%	20.28%	16.21%	20.28%

	Core Assets Liquidation Value (in cash)				
	Value (in cash)	Shares (in cash)		Shares (in shares)	
Unsecured creditors	Unknown	21.05%	20.88%	35.92%	35.62%

	Total	Total		Total	
Unsecured creditors	Unknown	37.26%	41.16%	52.13%	55.90%

174. The same assumptions were used in order to estimate the recovery rates under each scenario. These assumptions 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, financial and competitive risk, uncertainties and contingencies (with the exception of the risks related to Newco in the case of the liquidation scenario and the Newco Common Shares Cash-Out Option (Catalyst Option)). Litigation risks would also be important in the context of a liquidation scenario, notably with regard to the treatment of certain claims, including in particular of the Homco 61 Net Intercompany Claim and the claim of the Bond 6 Claim Holders, that are being settled and compromised following a definitive, specific and objective treatment under the Plans.

175. Also, specific assumptions regarding certain specific issues pending in the context of the claims process were made. As more fully explained in Appendix D of this Twenty-Third Report, these assumptions are subject to change following the completion of the claims process, which may have a material impact on the recoveries.

176. Finally, certain assumptions have been made with regard to the liquidation scenario, including the following:

- a. The main assets to be realized in a liquidation scenario are the cash on hand and the real estate properties owned by HII directly or indirectly;
- b. The liquidation value of the cash on hand is recovered at its full value. The cash on hand in a liquidation scenario is greater than in the estimated recovery rates under the HII/Shareco Plan. This situation is explained by the fact that HII would not invest in certain of the Core Assets in order to preserve or maximize their value prior to the transfer to Newco;
- c. The estimated liquidation value of the Core Assets represents the “forced liquidation value” established by third party appraisals. The appraisals take into account, amongst other things, a short marketing period, a limited due diligence period and current market conditions. In addition, in a liquidation scenario, HII would not make any capital payment against loans that are currently secured by the core properties. These factors combined explain the reduced value of the core properties in a liquidation scenario as compared to the estimated recovery rates according to the Plans; and
- d. The estimated liquidation value of the non-core properties is based on recent offers received by the HII Group in the course of the sale process and on the level of interest currently generated in the market by these properties. The estimated liquidation value is mainly lower due to a limited marketing period and a limited due diligence period.

177. The above analysis demonstrates that, based on the information available to the Monitor in relation to the liquidation values of the core and non-core properties of the HII Group and subject to the assumptions used, the Monitor believes that a liquidation of the HII Group's assets would result in a lower recovery for the Affected Creditors than their estimated recovery under the HII/Shareco Plan, whether they decide to become Electing Creditors or not.

VII. TIMING OF DISTRIBUTIONS UNDER THE PLANS

178. The timing of the distributions under the Plans is directly dependent on the timing of the Plan Implementation Date. As of the date of this Twenty-Third Report, the targeted Plan Implementation Date is July 3, 2013, but this date is dependent on the timing relating to the fulfilment or waiver in accordance with the HII/Shareco Plan.

179. On the Initial Distribution Date, which will be on the Plan Implementation Date or shortly thereafter, the Newco Common Shares forming the Newco Equity Pool will be issued to (i) Affected Creditors with Proven Claims who are not Electing Creditors, (ii) the Monitor or its designate on behalf of the holders of Disputed Claims for the purpose of establishing the Disputed Claims (Newco Shares) Reserve (as described hereunder), and (iii) Catalyst in respect of the Proven Claims of the Electing Creditors (as described hereunder).

180. Notwithstanding the foregoing, the HII/Shareco Plan provides that such Newco Common Shares shall in fact be held in a manner appropriate to give effect to the Newco Common Shares Standstill Period, namely a period of 90 days following Plan Implementation Date during which no trading, in any form, of the Newco Common Shares will be possible.

1. From and after the Plan Implementation Date, the Monitor will make distributions from time to time from the Cash Pool and the Asset Realization Cash Pool to each Affected Creditor with a Proven Claim in the amount of such Affected Creditor's Pro Rata Share of the Cash Pool and Asset Realization Cash Pool (or, in the case of Convenience Class Creditors, in the amount of the applicable Cash Elected Amount). In the case of the holders of the Mortgage Bond Claim and of the Corporate Bond Claim, the initial distribution will be net of their respective Pro Rata Share of the Stichting Advances.

181. The timing of the distributions from the Cash Pool and the Asset Realization Cash Pool will be subject to certain constraints which are not directly under the control of HII and Shareco and the Monitor, including in particular the necessity to obtain relevant certificates of discharge from the tax authorities. Although all efforts will be made by HII and the Monitor to obtain the required certificates in the shortest delay possible, the timing of the issuance of said certificates will not be under the control of HII and the Monitor.

182. Further, the timing of distributions, in part, from the Cash Pool and the Asset Realization Cash Pool will be subject to the final resolution of all Disputed Claims and, in the case of the Asset Realization Cash Pool, the realization of all the Non-Core Business Assets.

2. The timing of the distributions to the Homco 61 Affected Creditors with Proven Claims under the Homco 61 Plan is the same as above, as such distributions are coming from the Homco 61's distribution under the HII/Shareco.

VIII. THE MONITOR'S RECOMMENDATIONS WITH RESPECT TO THE PLANS AND COMMENTS WITH RESPECT TO THE NEWCO COMMON SHARES CASH-OUT OPTION

183. The HII parties commenced formal restructuring proceedings more than 20 months ago. Since entering into CCAA Proceedings, and as stated previously in this Twenty-Third Report and in previous reports issued by the Monitor, the HII parties have implemented multiple restructuring initiatives in order to develop a viable plan of arrangement allowing Affected Creditors with Proven Claims to maximize their recovery, as compared to a liquidation scenario, by receiving their distribution in respect of the Cash Pool, the Asset Realization Cash Pool and the Newco Equity Pool.

184. As described earlier in this Twenty-Third Report, the recovery to the Affected Creditors and Homco 61 Affected Creditors under the HII/Shareco Plan and Homco 61 Plan is estimated to be greater than their likely recovery in a liquidation scenario. Furthermore, HII and Shareco's restructured operations will likely enhance the value of the restructured portfolio.

185. It is the Monitor's view that the HII Parties have acted in good faith and with due diligence in their efforts to develop a restructuring plan for the benefit of all stakeholders. The Monitor believes the HII/Shareco Plan and the Homco 61 Plan will produce a more favourable result for the Affected Creditors and Homco 61 Affected Creditors as a whole than a liquidation of the Assets.
186. Accordingly, the Monitor recommends that Affected Creditors vote for the resolution to approve the HII/Shareco Plan, and that the Homco 61 Affected Creditors vote for the resolution to approve the Homco 61 Plan.
187. As for the Newco Common Shares Cash-Out Option, the Monitor makes no recommendation, but wishes to make the following observations:
- a. The Monitor has supported the Restated Catalyst Support Agreement (and the Second Amended and Restated HII/Shareco Plan) because it does not deprive the Affected Creditors with Proven Claims of any rights under the HII/Shareco Plan, while providing them with a reasonable option to receive an early cash payment instead of Newco Common Shares;
 - b. The decision to become an Electing Creditor entails a waiver to obtain any benefit that may be generated by the waiving the possibility of realization of the equity value of Newco;
 - c. As elaborated in this Twenty-Third Report, the forecasted equity value of Newco is higher than the amount attributed to the Newco Common Shares under the Newco Common Shares Cash-Out Option (the latter amount representing 59% of the forecasted equity value of Newco);
 - d. The decision to become an Electing Creditor provides certainty as it ensures the receipt a cash payment, instead of the Newco Common Shares, no later than 10 days after the Plan Implementation Date, albeit at a discount in comparison to the estimated fore casted equity value of Newco; and
 - e. Accordingly, the decision the decision to become an Electing Creditor or not is a personal decision and will depend on each Affected Creditor's personal investment preferences, views and opinions.

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

DATED AT MONTREAL, this 8th day of May, 2013.



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 (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.

APPENDIX B

Overview of the HII/Shareco Plan

1. The present Appendix to the Twenty-Third Report contains a summary overview of the HII/Shareco Plan prepared by the Monitor to facilitate the Affected Creditors' comprehension of the structure, implementation and main features of same. The purpose of this summary overview is to highlight key elements and present a brief recapitulation of the HII/Shareco Plan. This document is in no way intended to replace the HII/Shareco Plan. Persons reading this Appendix should not in any way rely upon it in a vacuum and should refer to the Meeting Materials, including in particular the HII/Shareco Plan and the Information Circular, for more precise and detailed information.

Treatment of Creditors

Classification of Creditors

2. All Affected Creditors will constitute a single class for purposes of both voting and receiving distributions under the HII/Shareco Plan.
3. The Affected Creditors have been notionally divided into the following two groups: "Corporate Creditors" and "Non-Corporate Creditors". This notional division has no impact on the Affected Creditors' voting or distribution rights and is rather intended to address the income tax consequences resulting from the settlement of their claims.
4. Unaffected Creditors and holders of the Capital Securities Claim will not be entitled to vote on the HII/Shareco Plan or attend the meeting (in such capacities).

Treatment of Affected Creditors

5. As indicated in the Report, the following assets are being made available for distribution to Affected Creditors with Proven Claim pursuant to the HII/Shareco Plan:
 - a. Newco Equity Pool;
 - b. Cash Pool; and
 - c. Asset Realization Cash Pool.

Newco Equity Pool

6. The HII/Shareco Plan provides for the incorporation of Newco, a Dutch closed-end property investment company. The HII/Shareco Plan further provides for the transfer to Newco of the Core Business Assets, namely HII's indirect interests in certain real estate properties in Germany, the Netherlands and the Baltic States, subject to the continuing Core Homco Liabilities and claims of Core Business Creditors.
7. As part of this transfer transaction, Newco will issue that number of Newco Common Shares to each Affected Creditor (other than a Convenience Class Creditor or an Electing Creditor) with a Proven Claim equal to its Pro Rata Share of all issued Newco Common Shares (being the Newco Equity Pool), so that such Affected Creditors, along with Catalyst in relation to the Newco Common Shares to which it will be entitled depending on the number of Electing Creditors, will become the shareholders of Newco.
8. Newco shall also issue Newco Common Shares to the Monitor or its designate to permit the Monitor to establish the Disputed Claims (Newco Shares) Reserve described below.

Cash Pool

9. The HII/Shareco Plan authorizes HII and Shareco to aggregate all of their existing Cash on the HII/Shareco Plan Implementation Date and to deliver such Cash to the Monitor, net of the Cash Reserves described below, to create the Cash Pool.
10. From and after the Plan Implementation Date, the Monitor will make distributions from time to time from the Cash Pool to (i) each Convenience Class Creditor with a Proven Claim, in the amount of their Cash Elected Amount and (ii) each other Affected Creditor with a Proven Claim in the amount of such Affected Creditor's Pro Rata Share of such Cash Pool (after distributions to Convenience Class Creditors).

Asset Realization Cash Pool

Non-Core Business Assets

11. The HII/Shareco Plan provides that the Monitor will liquidate or realize on the value of the Non-Core Business Assets for the benefit of the Affected Creditors with Proven Claims (other than Convenience Class Creditors). The Non-Core Business Assets principally consists of HII's rights, as principal unsecured creditor and/or as shareholder or limited partner, in the Non-Core Business Entities.
12. The HII Group Entities and the Monitor have retained brokers who are assisting the Monitor with the marketing and sale of the Non-Core Business Entities' real estate properties in which there is value for HII, namely most HII Group Entities' real estate properties located in Canada and the United States. Certain of the said properties have already been sold during the course of the CCAA proceedings (as described hereinabove), and the sale processes for the others are continuing and will continue after Plan Implementation Date. It is estimated that these sale processes will be completed within 12 to 18 months from the date of this Twenty-Third Report.
13. The Monitor will consult with the Liquidation Advisory Committee and keep it apprised regarding the liquidation or realization of the Non-Core Business Assets, and will seek their approval of the terms of any proposed sale of properties.
14. The gross proceeds realized from such sales will first be used to pay the Liquidation Costs and, in the case of any solvent Non-Core Business Entity, the Non-Core Business Entity Creditors, to form the Non-Core Business Asset Net Proceeds that will consist of the Asset Realization Cash Pool. In the case of insolvent Non-Core Business Entities, it is possible that bankruptcy filings of said entities occur before or after the sale of the relevant properties, such that the realization by HII is made through its Bankruptcy Claim in the respective bankruptcy process.

Litigation Claims

15. On the Plan Implementation Date, the HII/Shareco Plan provides that all Litigation Claims will be administered by the Monitor for and behalf of Affected Creditors. The Monitor, on the direction of the Liquidation Advisory Committee, will be empowered to investigate and assess any Litigation Claim or Creditor Cause of Action.
16. The Monitor will be authorized but not obligated to prosecute and/or settle any Litigation Claim on prior consultation with and with the approval of the Liquidation Advisory Committee.

Liquidation Advisory Committee

17. The Liquidation Advisory Committee will be constituted at Plan Implementation Date and will be comprised of three individuals, one of whom will be nominated by HII, one of whom will be nominated by Stichting Homburg Bonds and one of whom will be nominated by Catalyst. It is intended that the members of the Liquidation Advisory Committee will be remunerated for their reasonable fees and expenses from the Administrative Reserve in such amounts to be agreed upon by the Liquidation Advisory Committee and the Monitor.

Contributions to the Asset Realization Cash Pool

18. Any Non-Core Business Asset Net Proceeds (including Litigation Proceeds) will be contributed by the Monitor to the Asset Realization Cash Pool (net of the Disputed Claims (Asset Realization) Reserve). The Monitor will periodically report to the Court as to the status and the recovery amounts derived from the liquidation or sale of the Non-Core Business Assets and the pursuit of Litigation Claims for the benefit of Affected Creditors with Proven Claims.

Treatment of Certain Affected Claims

Mortgage Bond Claim

Bond 4 Claim Holders and Bond 7 Claim Holders

19. The Bond 4 Claim Holders and the Bond 7 Claim Holders are Affected Creditors under the HII/Shareco Plan and shall be entitled to vote and to receive distributions under the HII/Shareco Plan in respect of their respective Mortgage Bond Trust Indenture Unsecured Claims once such claims become Proven Claims.
20. The entire Mortgage Bond Claims of the Bond 4 Claim Holders and of the Bond 7 Claim Holders against HII and Shareco are being compromised, released and discharged pursuant to the HII/Shareco Plan, but the

Claims of the Bond 4 Claim Holders and the Bond 7 Claim Holders against, respectively, Homco 52 and Homco 88, are not affected by the HII/Shareco Plan. Such Claims against respectively Homco 52 and Homco 88 will be paid to the Bond 4 Claim Holders and the Bond 7 Claim Holders, in accordance with their rank, out of the proceeds of sale of the Homburg Springs East (Homco 52) and Kai (Homco 88) properties.

21. At this stage, it is not anticipated that the Homburg Springs East (Homco 52) and Kai (Homco 88) properties will be sold at the time of the Creditors' Meeting, such that the amount of the Claims of the Bond 4 Claim Holders and of the Bond 7 Claim Holders for voting purposes will be established at, respectively, \$14,000,000 and \$9,300,000, in conformity with the applicable Supplemental Indentures dated November 5, 2012.

Bond 5 Claim Holders

22. The Bond 5 Claim Holders are Affected Creditors and shall be entitled to vote and to receive distributions under the HII/Shareco Plan in respect of the Bond 5 Unsecured Claim.
23. The Bond 5 Secured Claim, in an amount of €2,250,000 pursuant to the Bond 5 Secured Claim Settlement Agreement (namely the applicable Supplemental Indenture dated November 5, 2012), is an Unaffected Claim under the HII/Shareco Plan, and the Bond 5 Claim Holders will receive the Bond 5 Secured Claim Cash Payment in accordance with the Bond 5 Secured Claim Settlement Agreement (namely the Supplemental Indenture dated November 5, 2012 further described in the Twenty-Third Report) and the HII/Shareco Plan.

Bond 6 Claim Holders / Holders of Homco 61 Affected Creditor HII Claim

24. The treatment of Homco 61 and the Homco 61 Affected Creditors under the HII/Shareco Plan and the Homco 61 Plan is conditioned upon and subject to the approval by the respective Required Majority of Affected Creditors and Homco 61 Affected Creditors and the Court.
25. If such approvals are obtained:
 - a. the aggregate Proven Claim of a Homco 61 Affected Creditor with a Homco 61 Affected Creditor HII Claim (including in particular a Bond 6 Claim Holder) for voting purposes under the HII/Shareco Plan will be the full amount of its Proven Claim (namely, in the case of a Bond 6 Claim Holder, the amount of its Bond 6 HII Claim);
 - b. the aggregate Proven Claim of a Homco 61 Affected Creditor with a Homco 61 Affected Creditor HII Claim (including in particular a Bond 6 Claim Holder) for distribution purposes under the HII/Shareco Plan will be the amount of its Homco 61 Affected Creditor HII Deficiency Claim; and
 - c. the aggregate Proven Claim of Homco 61 for distribution purposes under the HII/Shareco Plan shall be the Homco 61 Net Intercompany Claim.
26. In the event that either the HII/Shareco Plan or the Homco 61 Plan is not approved by the applicable Required Majority and the Court, the aggregate Proven Claim of the Homco 61 Affected Creditors with a Homco 61 Affected Creditor HII Claim for voting and distribution purposes under the HII/Shareco Plan and the Homco 61 Plan and the aggregate Proven Claim of Homco 61 for voting and distribution purposes under the HII/Shareco Plan will be determined by the Monitor and/or the Court, provided that the Proven Claim of the Bond 6 Claim Holders for voting purposes under the HII/Shareco Plan will not be re-determined.

Stichting Advances

27. Each holder of a Proven Claim that is a Corporate Bond Claim or a Mortgage Bond Claim will receive on the Initial Distribution Date a distribution that is net of an amount equal to his or her Pro Rata Share (excluding the holders of the Capital Securities Claim) of the Stichting Advances.

Taberna Claim / Taberna Order

28. The Persons entitled to vote on the Taberna Claim will be determined in accordance with the Taberna Indentures.
29. The HII/Shareco Plan provides that the entitlement to a distribution in relation to the Taberna Claim, allegedly subordinated to the Mortgage Bond Claim and to the Corporate Bond Claim, will be determined by the Taberna Order.

Capital Securities Claim

30. Pursuant to the HII/Shareco Meeting Order and the HII/Shareco Plan, the holders of the Capital Securities Claims will not be entitled to vote nor to receive any distribution on account of the Capital Securities Claim under the HII/Shareco Plan.

Intercompany Claims

31. Holders of Intercompany Claims are not entitled to vote on the HII/Shareco Plan. Intercompany Claims that are not Unaffected Claims will receive the same treatment as all other Proven Claims.

Disputed Claims

32. Affected Creditors with Disputed Claims will only be entitled to vote on the HII/Shareco Plan to the extent that, as the case may be, they have a Voting Claim in accordance with the Claims Process Order, the HII/Shareco Meeting Order and the HII/Shareco Plan.
33. Affected Creditors with Disputed Claims will not be entitled to receive any distributions under the HII/Shareco Plan until such time as their Disputed Claims become Proven Claims (as the case may be) in accordance with the Claims Process Order, the HII/Shareco Meeting Order and the HII/Shareco Plan. Such distributions to Affected Creditors with Disputed Claims will be managed through the various reserves created under the HII/Shareco Plan, further discussed hereunder.

Catalyst Investment / Newco Common Shares Cash-Out Option / Treatment of Electing Creditors

34. As described in the Twenty-Third Report, the HII/Shareco Plan includes an option for Affected Creditors (other than Convenience Class Creditors) to receive, instead of all of the Newco Common Shares which would otherwise be issued to them under the HII/Shareco Plan, an amount equal to such Affected Creditor's pro rata share of the Aggregate Newco Common Shares Final Cash-Out Amount.

Treatment of Convenience Class Creditors

35. An Affected Creditor holding a Convenience Class Claim, namely one or more Affected Claims that were less than or equal to Cdn\$10,000 in the aggregate as at the Claims Bar Date in respect of which the relevant Affected Creditor, is deemed to be a Convenience Class Creditor, unless it chooses to be an Electing Creditor or an Affected Creditor (other than a Convenience Class Creditor or an Electing Creditor).
36. Convenience Class Creditors will be entitled to receive, as a sole distribution under the HII/Shareco Plan to be made on the Initial Distribution Date, the applicable Cash-Elected Amount, namely an amount representing 35% of their respective Convenience Class Claim that is a Proven Claim.
37. The total distribution to Convenience Class Creditors is not material, representing a maximum amount of approximately \$35K in the aggregate. This treatment is deemed to be fair and reasonable as being more convenient for the Affected Creditors who will be subject to it, namely small Canadian creditors.
38. Convenience Class Creditors are deemed to vote in favour of the HII/Shareco Plan.

Treatment of Unaffected Creditors

39. The HII/Shareco Plan also contemplates a number of Unaffected Claims which are not being affected by said plan.
40. Unaffected Creditors will not be entitled to vote on the HII/Shareco Plan, attend the HII/Shareco Creditors' Meeting, make a Convenience Class Claim Election, a Newco Common Shares Cash-Out Option Election or receive any distributions under the HII/Shareco Plan, with respect to their Unaffected Claims.
41. Unaffected Creditors with respect to their Unaffected Claims generally fall into four categories:
 - a. Secured claims that are not purported to be compromised under the HII/Shareco Plan. This category includes the Employee Priority Claims and the Government Priority Claims which will be paid out of the Administrative Reserve on or after the Plan Implementation Date in accordance with the HII/Shareco Plan and the requirements of the CCAA. In addition, this category includes the HSBC Secured Claim, the Cash Management Lender Claims and the KERP Claim, all of which will be paid out of the Administrative Reserve on or after the Plan Implementation Date, as well as the Bond 5 Secured Claim which will be satisfied by the Bond 5 Secured Claim Cash Payment in accordance with the Bond 5 Secured Claim Settlement Agreement and the HII/Shareco Plan.
 - b. Claims against Homburg Group Members other than HII, Shareco, Homco 190 LP, Homco 191 LP and Homco 199 LP. The claims against Homburg Group Members will continue after the Plan Implementation Date. This second category also includes (i) the Core Business Entity Creditor Claims, which shall be assumed by Newco on the Plan Implementation Date, and (ii) the Non-Core Business Entity Creditor Claims, which will entitle the holders thereof to their entitlements to any proceeds of

liquidation of the Non-Core Business Assets prior to distribution of same to the Affected Creditors, other than in the case of bankruptcies of the given Non-Core Business Entity in which case the distribution will be done pursuant to the Bankruptcy and Insolvency Act;

- c. Intercompany Claims between Homco 190 LP, Homco 191 LP, Homco 199 LP and HII, namely the Homco 190 Loan, the Homco 191 Loan, and the Homco 199 Loan. These Claims are being paid and settled in the course of the Plan Transactions.
 - d. The Cominar Claim, being a Claim of the Cominar Group against Homco 190 LP, Homco 191 LP, and/or Homco 199 LP for a maximum amount of approximately \$2,500,000, relating to certain funds currently held in trust by Osler, Hoskin & Harcourt LLP, pursuant to a letter dated April 25, 2013 from counsel to the Cominar Group to counsel to the HII Group Entities and the Monitor. This Claim may or may not be valid; a portion of it (\$2,000,000) being subject to a contingency and the other portion being currently reviewed by the Monitor.
42. Claims that are Unaffected Claims of any HII Group Entity will remain the obligation of such HII Group Entity and will not become obligations of any other entity, including Newco.

Equity Claims

43. On the Plan Implementation Date, in conformity with the CCAA, all Persons holding Equity Claims will not be entitled to receive any distributions whatsoever under the HII/Shareco Plan.
44. At the Effective Time on the Plan Implementation Date, all of HII's Existing Authorized Capital shall be deemed to be surrendered for cancellation without compensation and all Equity Claims will be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

Reserves

45. The HII/Shareco Plan contemplates the establishment of a number of reserves including:
- a. the Administrative Reserve, a Cash reserve for the purpose of paying the Administrative Reserve Costs;
 - b. the Disputed Claims (Cash) Reserve, a Cash reserve in an amount equal to the aggregate of each Pro Rata Share of any remaining Affected Creditor holding a Disputed Claim as at Plan Implementation Date;
 - c. the Disputed Claims (Asset Realization) Reserve, a Cash reserve to be established from the Non-Core Business Asset Net Proceeds in an amount equal to the aggregate of each Pro Rata Share of any remaining Affected Creditor holding a Disputed Claim as at Plan Implementation Date as at any relevant date;
 - d. the Litigation Reserve, a Cash reserve in an amount of \$500,000 to be established for the purpose of paying the Litigation Reserve Costs;
 - e. the Disputed Claims (Newco Shares) Reserve, a reserve of Newco Common Shares in an amount equal to the Pro Rata Share of the Newco Equity Pool of each Affected Creditor holding a Disputed Claim as at Plan Implementation Date, for eventual distribution or cancellation in accordance with the HII/Shareco Plan; and
 - f. the Disputed Claims (Cash-Out) Reserve, a Cash reserve to be established from the Catalyst Funds and the Catalyst Deposit in an amount equal to the aggregate of the pro rata Share of the Newco Equity Pool of each Affected Creditor holding a Disputed Claim, for eventual distribution or cancellation in accordance with the HII/Shareco Plan.
46. The quantum of the reserves has not yet been established, except for the Litigation Reserve which is established at an amount of \$500,000 pursuant to the HII/Shareco Plan. HII and Shareco intend to finalize the amounts of the reserves, with the consent of the Monitor.
47. The HII/Shareco Plan provides that the Monitor may from time to time increase the Cash Reserves, namely the Administrative Reserve, the Disputed Claims (Cash) Reserve, the Litigation Reserve and the Disputed Claims (Asset Realization Reserve), as it determines to be necessary and desirable, in its sole discretion. Any Reserve Adjustment shall be funded from the Cash Pool Account on or after the Plan Implementation Date and allocated to the applicable Cash Reserve.
48. Any balance remaining in the Cash Reserves as at the Final Distribution Date will be contributed to the Cash Pool for the purposes of distribution by the Monitor.

Plan Transactions

49. The HII/Shareco Plan provides for a series of Plan Transactions to be completed on the Plan Implementation Date, with the view to, inter alia, effecting the transfer of the Core Business Assets to Newco, amalgamating HII and Shareco and dissolving certain Homcos, the whole in the most efficient manner from a corporate and fiscal standpoint.
50. The HII/Shareco Plan and the Information Circular provides further details relating to the structure, implementation and sequence of the Plan Transactions.

Plan Charges

51. The HII/Shareco Plan provides for a number of “Plan Charges”. These include certain charges already in place pursuant to the Initial Order, and certain others to be created by the HII/Shareco Sanction and Vesting Order. Here is a brief description of the Plan Charges, presented in the order of priority of said charges:
 - a. The Administration Charge: this is a charge against the assets of the Petitioners created pursuant to the Initial Order in favour of the Petitioners’ legal counsel and other advisors, the Monitor (including in its capacity as a Trustee in Bankruptcy) and its legal counsel as a security for their professional fees and disbursements, to the extent of the aggregate amount of \$2M;
 - b. The Liquidation Charge: this a charge against the Non-Core Business Assets (namely HII’s rights, as a creditor and/or limited partner or shareholder of the Non-Core Business Entities) to be created pursuant to the HII/Shareco Sanction and Vesting Order in favour of the Monitor as security for the Liquidation Costs;
 - c. The Directors’ Charge: this is a charge against the assets of the Petitioners created pursuant to the Initial Order in favour of the Directors in the Charged Property to the extent of the aggregate amount of \$2M (this charge will only continue to the benefit of the Continuing Directors); and
 - d. The Affected Creditors’ Charge: this is a charge against the Cash Pool, the Non-Core Business Assets, the Asset Realization Cash Pool and any surplus remaining in the Cash Reserves after payment of the Administrative Reserve Costs, to be created pursuant to the HII/Shareco Sanction and Vesting Order in favour of the Affected Creditors as security for any and all obligations of HII and Shareco under the HII/Shareco Plan.
52. Following the Plan Implementation Date, when the Core Business Assets will have been transferred to Newco, none of these charges will attach to the Core Business Assets.

Conditions Precedent

Conditions Precedent to the Catalyst Investment

53. There are certain conditions precedent to the implementation of the Catalyst Investment under the Restated Catalyst Support Agreement which are included by reference in the HII/Shareco Plan.
54. Certain conditions precedent are for the benefit of Catalyst; others are for the benefit of HII, Shareco and Homco 61; finally, certain others are mutual, that is, for the benefit of HII, Shareco, Homco 61 LP and Catalyst. In order for the Catalyst Investment to be completed, the conditions precedent must be fulfilled to the satisfaction of, or waived by, the parties whom benefit from them.
55. It should be noted that should the conditions precedent to the Catalyst Investment not be fulfilled or waived, the HII/Shareco Plan will nevertheless proceed. In such a scenario, the Electing Creditors will receive the same treatment as all other Affected Creditors with Proven Claims under the HII/Shareco Plan by receiving their Pro Rata Share of the Newco Equity Pool.

Conditions Precedent to Plan Implementation

56. Before the HII/Shareco Plan can be implemented, certain Conditions Precedent set out by the HII/Shareco Plan must be fulfilled or waived. The consent of Catalyst is necessary for the waiver of certain Conditions Precedent.
57. The following represents a high level summary of certain outstanding key conditions that remain to be fulfilled before the HII/Shareco Plan can be implemented and HII and Shareco are able to emerge from these CCAA Proceedings (the balance of the conditions which are required to be fulfilled or waived before implementation are described in detail in the HII/Shareco Plan and in the Information Circular):
 - (a) All of the Pre-Plan Implementation Date Transactions shall have been effected in their entirety.

- (b) The requisite number of all Affected Creditors as determined by the Monitor shall have fulfilled all applications and registrations and shall have received all such registrations and authorizations as shall be required to allow such Affected Creditors to receive and trade any Newco Common Shares to which such Affected Creditors may be entitled in and through the Trading Platform.
- (c) HII and Shareco shall have satisfied their respective Post-Filing Trade Payables in the ordinary course or provision shall have been made in respect thereof in the Administrative Reserve to the satisfaction of the Monitor.
- (d) All material consents, declarations, rulings, certificates or approvals of or by any Governmental Authority as may be considered necessary by HII, Shareco and the Monitor in respect of the Plan Transactions shall have been obtained, including:
 - (i) the issuance of a licence by the AFM to Newco;
 - (ii) the approval of the Newco Prospectus by the applicable regulator or the Trading Platform (as applicable) in connection with the admission to trading of the Newco Common Shares; and
 - (iii) the Trading Platform shall have confirmed in writing the admission to trading of the Newco Common Shares on the Trading Platform.
- (e) HII shall have obtained the necessary consents of the Core Business Creditors relating to the transfer of the Core Business Assets to Newco or the Newco Subsidiaries, as applicable.
- (f) The HII/Shareco Plan shall have been approved by the Required Majority at the HII/Shareco Creditors' Meeting.
- (g) The HII/Shareco Sanction and Vesting Order shall have been granted by the Court in form satisfactory to HII and Shareco and the Monitor, and shall be in full force and effect and not reversed, stayed, varied, modified or amended.

Releases

- 58. The HII/Shareco Plan provides of releases for any claims in favour of the following parties: HII, Shareco, Homco 190 LP, Homco 191 LP, and Homco 199 LP, their respective employees (including the Named Officers serving as a legal representative of HLPM at the request of HII), legal counsel and agents, the "Named Directors", as well as Catalyst (solely in its capacity as an investor under the Restated Catalyst Support Agreement), Stichting Homburg Bonds, Stichting Homburg Capital Securities, Stichting CanTrust and 1028167 Alberta Ltd., the Monitor, Deloitte, and their respective directors (including current directors), officers, employees, advisors, legal counsel and agents.
- 59. The Named Directors are the following present and former directors and officers of the HII Group Entities: Jan Schöningh, James F. Miles, Walter Fitzgerald, Hartmut Fromm, Philip O'Brien, Edward Ovsenny, Jan Hielke Lamsma, Jan-Willem Wattel, Stephen Rosenhek, Jelle Martens, Peter van Jaarsveld and Rico Tel, in their capacities as directors and officers.
- 60. The Named Directors have voluntarily remained in office as Directors of HII during the CCAA Proceedings and have been instrumental in all aspects throughout the CCAA Proceedings, including in the development of the HII/Shareco Plan and the restructuring of HII generally. Accordingly, it is therefore appropriate that the Named Directors receive the benefit of the release referred to in Article 11 of the HII/Shareco Plan.
- 61. Any present or former officers or directors of the HII Group Entities who are not Named Directors are not being released pursuant to the HII/Shareco Plan.

APPENDIX C

Overview of Homco 61 Plan

1. The present Appendix to the Twenty-Third Report contains a summary overview of the Homco 61 Plan prepared by the Monitor to facilitate the Homco 61 Affected Creditors' comprehension of the structure, implementation and main features of same. The purpose of this summary overview is to highlight key elements and present a brief recapitulation of the Homco 61 Plan. This document is in no way intended to replace the Homco 61 Plan. Persons reading the this Appendix should not in any way rely upon it in a vacuum and should refer to the Meeting Materials, including in particular the Homco 61 Plan and the Information Circular, for more precise and detailed information.
2. As indicated in the Twenty-Third Report, the Homco 61 Plan is essentially a "flow through plan" allowing the Homco 61 Affected Creditors to participate in the HII/Shareco Plan and benefit from the HII Homco 61 Distribution arising from the Homco 61 Net Intercompany Claim.
3. The purpose of the Homco 61 Plan is to effect a compromise and settlement of all Homco 61 Affected Claims and to allow the Homco 61 Affected Creditors to receive their pro rata share of the HII Homco 61 Distribution. All Homco 61 Affected Creditors constitute a single class for purposes of both voting and receiving distributions under the Homco 61 Plan.
4. The compromise, settlement and payment of the Homco 61 Affected Claims will be effected on a coordinated basis for administrative efficiency with the compromise, settlement and payment of Affected Claims under the HII/Shareco Plan.
5. The Homco 61 Affected Creditors will thus be entitled, to the extent of their pro rata share of the Homco 61 Distribution, to the Newco Equity Pool, Cash Pool and Asset Realization Cash Pool constituted under the HII/Shareco Plan. No new pools will be created under the Homco 61 Plan.
6. The Homco 61 Affected Creditors will also be entitled, to the extent of their pro rata share of the Homco 61 Distribution, to make a Newco Common Shares Cash-Out Option.
7. For convenience purposes, the Monitor is entitled to use the same reserves as the ones created under the HII/Shareco Plan for effecting the administration and determination of Homco 61 Affected Claims.
8. The Homco 61 Plan does not affect the Homco 61 Unaffected Claims, namely the Claims served by the CCAA Charges, the Post-Filing Trade Payables, the Homco 61 Employee Priority Claims and the Homco 61 Government Priority Claims. Homco 61 Creditors with Homco 61 Unaffected Claims will not be entitled to make a Newco Common Shares Cash-Out Option Election, to vote on the Homco 61 Plan, attend at the Homco 61 Creditors' Meeting or to receive any Homco 61 Affected Creditors' Entitlement under the Homco 61 Plan.
9. The HII/Shareco Plan provides for releases for any claims in favour of the following parties: HII, Shareco, Homco 190 LP, Homco 191 LP, and Homco 199 LP, their respective employees (including the Named Officers serving as a legal representative of HLPM at the request of HII), legal counsel and agents, the "Named Directors", as well as Catalyst (solely in its capacity as an investor under the Restated Catalyst Support Agreement), Stichting Homburg Bonds, Stichting Homburg Capital Securities, Stichting CanTrust and 1028167 Alberta Ltd., the Monitor, Deloitte, and their respective directors (including current directors), officers, employees, advisors, legal counsel and agents.
10. The Named Directors are the following present and former directors and officers of the HII Group Entities: Jan Schöningh, James F. Miles, Walter Fitzgerald, Hartmut Fromm, Philip O'Brien, Edward Ovsenny, Jan Hielke Lamsma, Jan-Willem Wattel, Stephen Rosenhek, Jelle Martens, Peter van Jaarsveld and Rico Tel, in their capacities as directors and officers.
11. The Homco 61 Plan provides for releases for any claims in favour of the following parties: Homco 61 LP, Homco 61 GP, their respective employees, legal counsel and agents, the "Homco GP Named Directors", Stichting Homburg Bonds, the Monitor, and their respective directors (including current directors), officers, employees, advisors, legal counsel and agents.
12. The Homco 61 Named Directors are the following present and former directors and officers of the HII Group Entities: Jan Schöningh and James F. Miles, in their capacities as directors and officers. Any present or former officers or directors of the HII Group Entities who are not Homco 61 GP Named Directors are not being released pursuant to the Homco 61 Plan.
13. Implementation of the Homco 61 Plan is subject to a number of Homco 61 Conditions Precedent, including in particular the approval of the HII/Shareco Plan by the applicable Required Majority and the Court, and ensuing implementation of the HII/Shareco Plan. Should the HII/Shareco Plan not be implemented, the Homco 61 Plan will not be either.

Appendix D

Homburg Invest Inc. Claim Process Summary As of April 30, 2013

<u>(CND\$)</u>	<u>Amount Filed or Amended</u>	<u>Amount Reduced or Withdrawn</u>	<u>Amount Rejected</u>	<u>Amount Accepted</u>
Trade Creditors				
A-1 Vacuum Sales & Services Ltd.	33,428.47	—	4,701.74	28,726.73(1)
AG Electric	2,682.12	—	—	2,682.12
Austin McQuaid Inc.	202.13	—	—	202.13
Charlottetown Area Development Corp	876.40	—	—	876.40
CNW Group	4,344.14	—	—	4,344.14
Cougar Contractors Ltd.	270,933.60	—	69,852.30	201,081.30(1)
Day Nite Neon Signs Ltd.	63,410.16	—	—	63,410.16
DBA Solar Electric Inc.	414,137.54	—	23,457.27	390,680.27(1)
Delta Prince Edward	4,750.82	—	—	4,750.82
Fitzgerald and Snow	1,740,039.01	—	126,500.48	1,613,538.53(1)
Grant Thornton LLP- Halifax	153,595.72	—	—	153,595.72
Inverness Real Estate Condo Corporation 0628168	63,400.00	—	—	63,400.00
Island Coastal Services Ltd.	15,712.65	—	—	15,712.65
J & S Sheet Metal	262,484.45	—	—	262,484.45
Kaba Ilco Inc._c/o Fairway Associates	13,703.94	—	—	13,703.94
Mity-Lite Inc.	31,175.94	—	9,645.21	21,530.73(1)
Mystique Mechanical	4,078,867.60	—	4,078,867.60	— (1)
Norton Rose	22,656.75	—	—	22,656.75
Nova Scotia Securities Commission	86,400.00	—	—	86,400.00
Precision Mechanical Inc.	340,311.11	—	4,385.00	335,926.11(1)
Province of PEI (Property Tax)	79,539.46	—	—	79,539.46
Queens County condominium Corp.	4,500,000.00	—	4,500,000.00	— (1)
Revenu Quebec	82,170.57	—	—	82,170.57
Richmar Northumberland Limited Partnership	5,000.00	—	5,000.00	— (1)
Servicemaster	11,304.32	—	10,069.92	1,234.40(1)
Stewart McKelvey	4,054.00	—	—	4,054.00
ThyssenKrupp Elevator	121,857.03	—	—	121,857.03
Town and Country Uniforms	8,033.29	—	—	8,033.29
Vipond Fire Protection	116,040.61	—	5,250.00	110,790.61(1)
WHW Architects Inc.	35,073.51	—	15,334.17	19,739.34(1)
XPI Inc	2,500.00	—	2,500.00	— (1)
ABM Integrated Solutions	2,639.25	—	—	2,639.25
A-City Sprinkler	4,411.81	—	—	4,411.81
All Trades Property Management	6,509.06	—	—	6,509.06
AML Communications	225.55	—	—	225.55
bcIMC Realty Corporation	8,366.30	—	—	8,366.30
Blue Riband Uniforms Inc.	773.70	—	—	773.70
Broadridge ICS	4,182.15	—	—	4,182.15
CANADIAN Springs (Char)	1,954.51	—	—	1,954.51
Central Plasticworks	1,427.84	—	—	1,427.84
Computer Resource Charlottetown	2,718.53	—	—	2,718.53
CPNA Inc (2967-6822 Québec Inc.)	39,929.28	—	—	39,929.28
Cudmore Hospitality Consulting Inc.	412.96	—	—	412.96
Denis Office Supplies (UE)	3,956.57	—	—	3,956.57
Dramis Network Cableing Ltd.	68,510.78	—	—	68,510.78
Fitzpatrick, Valerie	528.59	—	—	528.59
Gemini Screen Print & Embroidery	1,052.94	—	—	1,052.94
Island Chemicals Inc.	1,495.16	—	—	1,495.16

Homburg Invest Inc.
Claim Process Summary
As of April 30, 2013

<i>(CND\$)</i>	Amount Filed or Amended	Amount Reduced or Withdrawn	Amount Rejected	Amount Accepted
James C. Johnson Associates Inc.	70,941.72	—	2,077.59	68,864.13(1)
Lowther Refrigeration Ltd.	11,291.28	—	—	11,291.28
MacArthur's Appliances	4,446.25	—	—	4,446.25
Marble Renewal Alberta	1,564.50	—	—	1,564.50
McInnes Cooper	128,812.99	—	—	128,812.99
Gordie Kirkpatrick dba MRE Enterprises	15,797.73	—	2,090.20	13,707.53(1)
Office Interiors Inc	10,470.07	—	—	10,470.07
Pater Audio	577.50	—	—	577.50
Prevail Creative	3,984.80	—	—	3,984.80
Pro Max 2000	626.33	—	—	626.33
Provincial Tax Commissioner	66,531.61	—	—	66,531.61
R & M Rubber Stamp Co.	26.39	—	—	26.39
Revenu Quebec	1,802.79	—	—	1,802.79
RJ Bartlett Engineering Ltd.	1,617.00	—	—	1,617.00
Robertson & Associates Engineering Ltd.	1,470.00	—	—	1,470.00
Rothschild (Canada) Ltd.	589,046.97	—	—	589,046.97
Royal Construction Limited	6,090.00	—	—	6,090.00
S.M.P.C. Inc.	157.63	—	—	157.63
Simmons Canada Inc.	58,737.54	—	—	58,737.54
Sweet Spot Marketing	2,750.00	—	—	2,750.00
Taylor Realities Limited	79,634.86	—	—	79,634.86
West Prince Sand and Gravel LTD.	617.00	—	—	617.00
WM&M Williams Murphy & MacLeod	66,141.25	—	—	66,141.25
<i>Sub-total</i>	13,840,916.53	—	8,859,731.48	4,981,185.05
<i>Bonds and Corporate</i>				
Stichting HB and Stichting HCSA	2,100,000.00	—	2,100,000.00	— (3)
Stichting HCSA	40,244,599.36	—	40,244,599.36	— (4)
Stichting Homburg Bonds-HMB_4	29,471,737.68	13,663,405.33	1,808,332.35	14,000,000.00(12)
Stichting Homburg Bonds-HMB_5	29,471,737.68	—	1,808,332.34	27,663,405.34(13)
Stichting Homburg Bonds-HMB_6	45,997,119.83	—	2,822,299.81	43,174,820.02(14)
Stichting Homburg Bonds-HMB_7	45,882,601.58	33,854,125.95	2,728,475.63	9,300,000.00(15)
Stichting Homburg Bonds- HMB_8,9,10,11	455,073,846.26	—	26,756,024.45	428,317,821.81(16)
HSBC Bank Canada	25,971,574.69	9,463,413.51	—	16,508,161.18(9)
Wells Fargo Bank, N.A.	54,508,217.95	—	—	54,508,217.95(5)
<i>Sub-total</i>	728,721,435.03	56,980,944.79	78,268,063.94	593,472,426.30
<i>Restructuring</i>				
Arcan Resources Ltd.	2,162,303.98	—	152,225.21	2,010,078.77(1)
BOS Solutions Ltd	261,036.26	—	49,112.38	211,923.88(1)
Canadian Tubular Services Inc.	79,992.09	—	16,467.09	63,525.00(1)
CE Franklin Ltd.	95,869.39	—	95,869.39	— (1)
Jennings Capital	81,061.75	—	—	81,061.75(1)
Key West Projects	270,253.74	—	270,253.74	— (1)
Logan Completion System Inc.	108,392.78	—	108,392.78	— (1)

Homburg Invest Inc.
Claim Process Summary
As of April 30, 2013

<i>(CND\$)</i>	Amount Filed or Amended	Amount Reduced or Withdrawn	Amount Rejected	Amount Accepted
MHI Funds Mgmt	107,254.70	—	27,454.70	79,800.00(1)
Moe Hannah McNeil LLP	180,512.80	—	148,414.56	32,098.24(1)
PennWest Petroleum Ltd	31,686,200.36	—	28,175,006.71	3,511,193.65(1)
Persta Ressources Ltd.	408,717.35	—	55,625.56	353,091.79(1)
Premier Petroleum Corp	324,708.11	—	137,850.11	186,858.00(1)
SPT_Neotechnology Consultants Ltd.	198,341.43	—	24,797.43	173,544.00(1)
Statoil	39,750,916.16	—	14,816,589.69	24,934,326.47(3)
STX Energy Canada Inc.	392,519.41	—	42,098.66	350,420.75(1)
Surge Energy Inc.	290,862.78	—	85,862.78	205,000.00(1)
Taqa North Ltd.	4,740,431.61	—	1,493,512.46	3,246,919.15(1)
The Cadillac Fairview Corporation Ltd.	256,496.96	—	96,875.19	159,621.77(1)
Tucker Energy Services Canada inc.	340,944.11	—	80,773.30	260,170.81(1)
Vitol BV	34,463.96	—	—	34,463.96(1)
<i>Sub-total</i>	81,771,279.73	—	45,877,181.74	35,894,097.99
<i>Cominar</i>				
Dyne Holdings Ltd	1,365,594.00	1,365,594.00	—	— (10)
Dyne Holdings Ltd	2,210,926.00	2,210,926.00	—	— (10)
Dyne Holdings Ltd.	15,213,612.28	15,213,612.28	—	— (10)
Dyne Holdings Ltd.	4,112,207.84	4,112,207.84	—	— (10)
Dyne Holdings Ltd.	12,007,957.56	10,807,957.56	—	1,200,000.00(10)
HCR LP (CP Calgary).	1,597,817.67	1,204,897.01	—	392,920.66(10)
Homburg Canada REIT Management Inc.	7,500,000.00	7,500,000.00	—	— (10)
Homburg Canada REIT Management Inc.	10,715,081.72	10,715,081.72	—	— (10)
Homburg Canada REIT Management Inc.	2,843,937.18	2,843,937.18	—	— (10)
Homburg Canada REIT Management Inc.	114,915.03	114,915.03	—	— (10)
Homburg Canada REIT Management Inc.	4,749,264.47	4,749,264.47	—	— (10)
Homco130	4,714,359.00	4,714,359.00	—	— (10)
<i>Sub-total</i>	67,145,672.75	65,552,752.09	—	1,592,920.66
<i>Intercos</i>				
Coet BV	12,784,784.66	12,784,784.66	—	—
Homburg Invest USA Ltd.	707,815.46	—	—	707,815.46
Homco Realty Fund (116) BV	1,048,795.74	1,048,795.74	—	—
Homco Realty Fund (117) BV	90,814.88	90,814.88	—	—
Homco Realty Fund (119) BV	933,144.06	933,144.06	—	—
Homco Realty Fund (61) LP	127,593,683.00	65,197,177.00	—	62,396,506.00(11)
Homco Realty Fund (62) LP	500,000.00	500,000.00	—	—
Homco Realty Fund (67) LP	16,261.00	—	—	16,261.00
Homco Realty Fund (71) LP	635,491.31	—	—	635,491.31
Homco Realty Fund (84) BV	3,502,213.32	3,502,213.32	—	—
Homco Realty Fund (85) BV	8,017,383.69	8,017,383.69	—	—
Homco Realty Fund (86) BV	3,155,657.26	3,155,657.26	—	—
Homco Realty Fund (87) BV	1,879,607.07	1,879,607.07	—	—
Homco Realty Fund (98) LP	617,491.00	—	—	617,491.00
Homco Realty Fund (69) LP	1,014,081.00	—	—	1,014,081.00
Homco Realty Fund (70) LP	305,652.00	—	—	305,652.00
Homco Realty Fund (102) LP	563,897.00	—	—	563,897.00

Homburg Invest Inc.
Claim Process Summary
As of April 30, 2013

<i>(CND\$)</i>	<u>Amount Filed or Amended</u>	<u>Amount Reduced or Withdrawn</u>	<u>Amount Rejected</u>	<u>Amount Accepted</u>
Homco Realty Fund (199) LP	160,635,734.00	—	—	160,635,734.00
Homco Realty Fund (190) LP	5,454,433.00	—	—	5,454,433.00
Holland Gardens Dev. Ltd.	1,257,378.77	—	—	1,257,378.77
Homburg Management (Canada) Inc.	10,025,152.00	—	—	10,025,152.00
Shareco	141,781,326.34	—	—	141,781,326.34(6)
Swiss Bond Co	217,197.68	—	—	217,197.68
Valbone Real Estate 2 BV	3,242,735.83	3,242,735.83	—	—
Valbone Real Estate 5 BV	143,062,278.93	143,062,278.93	—	—
Sub-total	629,043,009.00	243,414,592.44	—	385,628,416.56
Others				
163086 CANADA INC.	340,138.67	—	216,610.80	123,527.87(2)
DEGI Homburg Harris LP	11,191,349.93	—	TBD	TBD(2)
City of Charlottetown	431,000.00	—	428,910.50	2,089.50(1)
FGH Bank N.V	6,813,000.00	—	TBD	TBD(2)
Homburg Canada Inc.	3,307,575.00	—	TBD	TBD(2)
Homco Realty Fund (68) LP	40,717,935.34	—	TBD	TBD(2) (7)
Island Investment Development Inc.	29,114,745.00	—	TBD	TBD(17)
Minister of national revenue	2,914,108.74	—	1,864,807.26	1,049,301.48(2)(8)
Valbone Real Estate BV	62,567,226.30	—	TBD	TBD(2) (7)
Sub-total	157,397,078.98	—	2,510,328.56	1,174,918.85
TOTAL	1,677,919,392.02	365,948,289.32	135,515,305.72	1,022,743,965.41

- (1) The Monitor sent a Notice of Revision or Disallowance in respect to this claim, and the delay to file a Motion in appeal of such Notice has now expired, such that the determination of the Monitor has now become final.
- (2) The review of this claim by the Monitor is not completed. A Notice of Revision or Disallowance may be sent by the Monitor. The amount shown in the column "Amount Accepted" represents the Monitor's estimation of this claim as per April 30, 2013, or the reference "TBD" when such estimation has yet to be made.
- (3) The Monitor sent a Notice of Revision or Disallowance in relation to this claim and, within the prescribed delay, the claimant filed a Motion in appeal of the Notice of Revision or Disallowance. The amount shown in the column "Amount Accepted" reflects the position of the Monitor with respect to this claim, as reflected by the Notice of Revision or Disallowance.
- (4) The Monitor sent a Notice of Revision or Disallowance in relation to this claim and, within the prescribed delay, Stichting Homburg Capital Securities had originally filed a Motion in appeal of said Notice. The Notice disallowed a portion of this claim, in an amount of \$3,072,909, pertaining to post-filing interest and to expenses incurred by Stichting Homburg Bonds and Stichting Homburg Capital Securities advanced by HII pursuant to the Order of the Court dated February 15, 2012. Further, the Notice provided that this claim was subordinated to all other unsecured claims, such that holders of such claim would not be entitled to voting and distribution rights, as provided by the HII/Shareco Plan. On March 14, 2013, the Court prayed act of the withdrawal of the Motion in appeal and, accordingly, the HII/Shareco Meeting Order confirms that the Capital Securities Holders have no voting and distribution rights.
- (5) The treatment of this claim, regarding as to whether it is subordinated to certain "Senior Debt" or not, will be determined by the Taberna Order.
- (6) This claim is expected to be eliminated by the amalgamation of HII and Shareco pursuant to the HII/Shareco Plan.
- (7) The review of these claims is not completed. Either none or only one of these two claims, which are closely intertwined (at least in relation to the claim of Homco 68 which is "included" in the claim of Valbonne), is expected to be accepted.
- (8) No Notice of Revision or Disallowance has yet been sent in respect of this claim, as the amount shown in the column "Amount Accepted" has been paid through retention of amounts payable to HII after the Filing Date. HII, in consultation with the Monitor, continues to assess its rights in this regard.

- (9) This claim is in relation to certain loans to certain HII Group Entities pursuant to which HII is a guarantor. This claim is secured by HII's movable assets and is treated as an "Unaffected Claim" under the Plan. The quantum of this claim continues to be reviewed and is a moving target as it is dependent on the sale of the HII Group Entities' real estate assets that are respectively securing the loans being guaranteed by HII; the quantum of this claim was reduced by the reimbursement of the loan to CP following the sale of CP's property. It is expected that the realization proceeds of the security over the real estate properties granted as security in relation to this claim will fully reimburse this claim.
- (10) All claims, whether secured or unsecured, filed by entities related to Cominar REIT (the "Cominar Group") against the HII Group Entities (other than HMCI), were the object of a settlement pursuant to which, *inter alia*, (i) a lump sum payment of \$6,264,038 was made by the HII Group Entities to the Cominar Group; (ii) proofs of unsecured claims against HII in respective amounts of \$1,200,000 and \$392,920.66 were accepted and (iii) all other claims of the Cominar Group against the HII Group Entities (other than HMCI) were settled finally and forever. Also, an amount of \$2,000,000 is kept in trust in relation to the indemnification by Homco 190, Homco 191 and Homco 199 of a claim made by the City of Laval for alleged land transfer taxes along with an amount of \$491,324.50 in relation to alleged sales taxes owed by Homco 190, 191 and/or Homco 199 in relation to the settlement. The Cominar Claim in relation to these amounts held in trust with Osler constitute an Unaffected Claim under the HII/Shareco Plan.
- (11) The Motion to obtain the HII/Shareco Meeting Order further describes the background of this claim. Conditionally to the approval and implementation of both the HII/Shareco Plan and of the Homco 61 Plan, Homco 61 LP will be entitled to a claim against HII in an amount of \$62,396,505, namely the "Homco 61 Net Intercompany Claim", as defined under the Plans.
- (12) The amount shown in the column "Amount Accepted" represents the amount of the Voting Claim agreed upon pursuant to a Supplement to the applicable Mortgage Bond Trust Indenture dated November 5, 2012. The amount of the Claim for distribution purposes will be in conformity with the HII/Shareco Meeting Order and the HII/Shareco Plan, namely the amount owed in principal and interest as of the HII Filing Date (\$27,663,405.33) less the net amount to be realized from the Mortgage Bond Trust Indenture Security granted by Homco Realty Fund (52) Limited Partnership.
- (13) The amount shown in the column "Amount Accepted" represents the amount of the Claim in capital and interest as at the HII Filing Date. Pursuant to the HII/Shareco Meeting Order and the HII/Shareco Plan, a portion of this Claim, in an amount of EUR2,250,000, represents an Unaffected Claim, in conformity with the applicable Mortgage Bond Trust Indenture dated November 5, 2012.
- (14) The amount shown in the column "Amount Accepted" represents the amount of the Voting Claim pursuant to the HII/Shareco Meeting and the HII/Shareco Plan. The Claim of the Bond 6 Claim Holders for distribution purposes under the HII/Shareco Meeting Order and the HII/Shareco Plan is a "deficiency claim" such that it will be netted against their pro rata share of the Homco 61 Distribution (namely the value of the distribution received by Homco 61 LP under the HII/Shareco Plan).
- (15) The amount shown in the column "Amount Accepted" represents the amount of the Voting Claim agreed upon pursuant to a Supplement to the applicable Mortgage Bond Trust Indenture dated November 5, 2012. The amount of the Claim for distribution purposes will be in conformity with the HII/Shareco Meeting Order and the HII/Shareco Plan, namely the amount owed in principal and interest as of the HII Filing Date (\$43,154,125.95) less the net amount to be realized from the Mortgage Bond Trust Indenture Security granted by Homco Realty Fund (88) Limited Partnership.
- (16) The amount shown in the column "Amount Accepted" represents the amount of the Claim for voting and distribution purposes pursuant to the HII/Shareco Meeting Order and the HII/Shareco Plan, namely the amount owed in principal and interest as of the HII Filing Date.
- (17) On March 21, 2013, the Monitor had sent a Notice of Review or Disallowance in relation to a portion of this claim. Since then, the Monitor has received new information in relation to this claim and, accordingly, is currently reviewing whether said new information will have an impact on the treatment of this claim.
- (18) In a liquidation scenario, there would be a risk that the Intercompany Claims be the object of lengthy litigation and it is not possible to determine the outcome of same.

**Homburg Shareco
Claim Process Summary
As of April 30, 2013**

<u>(CND\$)</u>	<u>Amount Filed or Amended</u>	<u>Amount Reduced or Withdrawn</u>	<u>Amount Rejected</u>	<u>Amount Accepted</u>
<i>Bonds and Corporate</i>				
Stichting Homburg Bonds-HMB_4	29,471,737.68	—	1,808,332.35	27,663,405.33(1)
Stichting Homburg Bonds-HMB_5	29,471,737.68	—	1,808,332.34	27,663,405.34(1)
Stichting Homburg Bonds-HMB_6	45,997,119.83	—	2,822,299.81	43,174,820.02(1)
Stichting Homburg Bonds-HMB_7	<u>45,882,601.58</u>	<u>—</u>	<u>2,728,475.63</u>	<u>43,154,125.95(1)</u>
TOTAL	<u>150,823,196.77</u>	<u>—</u>	<u>9,167,440.13</u>	<u>141,655,756.64</u>

- (1) The amount shown in the column “Amount Accepted” represents the amount of the Claim in capital and interest as at the HII Filing Date, in conformity with the HII/Shareco Meeting Order and the HII/Shareco Plan. This Claim is also made against HII. Since Shareco’s sole asset is its claim against HII and that same will be eliminated by the amalgamation of Shareco and HII under the HII/Shareco Plan, no “double recovery” is expected in relation to this Claim.

Homco Realty Fund (61) LP
Claim Process Summary
As of April 30, 2013

<u>(CND\$)</u>	<u>Amount Filed or Amended</u>	<u>Amount Reduced or Withdrawn</u>	<u>Amount Rejected</u>	<u>Amount Accepted</u>
Trade Creditors				
A1 Concrete Cutting & Coring (1985) Ltd	42,903.74	—	TBD	TBD
Alberta Glass Company Inc.	21,167.89	—	TBD	TBD
Porter Tile & Marble (1991) Ltd	80,656.80	—	TBD	TBD
	<u>144,728.43</u>	<u>—</u>	<u>TBD</u>	<u>TBD</u>
Bonds and Corporate				
Homburg Mortgage Bonds—serie 6	51,191,326.17	—	4,045,215.17	47,146,111.00(1)
Intercos				
Homburg Invest Inc.	65,197,177.00	65,197,177.00	—	— (2)
Others				
DEGI Homburg Harris LP	11,191,349.93	—	TBD	TBD(3)
TOTAL	<u>127,724,581.53</u>	<u>65,197,177.00</u>	<u>TBD</u>	<u>TBD</u>

- (1) This claim included post-filing interest as of February 15, 2013, as well as expenses incurred by Stichting Homburg Bonds and Stichting Homburg Capital Securities advanced by HII pursuant to the Order of the Court dated February 15, 2012. The amount shown in the column “Amount Accepted” represents the amount of the Bond 6 Homco 61 Claim provided in the Homco 61 Meeting Order rendered on April 29, 2013 and in the Homco 61 Plan.
- (2) The Motion to obtain the HII/Shareco Meeting Order further describes the background of this claim. Conditionally to the approval and implementation of both the HII/Shareco Plan and of the Homco 61 Plan, Homco 61 LP will be entitled to a claim against HII in an amount of \$62,396,505, namely the “Homco 61 Net Intercompany Claim”, as defined under the Plans.
- (3) This claim is being reviewed by the Monitor, in collaboration with Homco 61.

Homco Realty Fund (190) LP
Claim Process Summary
As of April 30, 2013

<u>(CND\$)</u>	<u>Amount Filed or Amended</u>	<u>Amount Reduced or Withdrawn</u>	<u>Amount Rejected</u>	<u>Amount Accepted</u>
<i>Cominar</i>				
Homburg Canada Reit LP	4,749,264	4,749,264	—	— (1)
Cominar Real Estate Investment Trust	3,593,937	3,593,937	—	— (1)
Cominar Real Estate Investment Trust	<u>114,915</u>	<u>114,915</u>	<u>—</u>	<u>— (1)</u>
<i>Sub-total</i>	8,458,117	8,458,117	—	—
<i>Intercos</i>				
Homburg Invest Inc.	<u>5,454,433</u>	<u>5,454,433</u>	<u>—</u>	<u>—</u>
TOTAL	<u>13,912,550</u>	<u>13,912,550</u>	<u>—</u>	<u>—</u>

- (1) All claims, whether secured or unsecured, filed by entities related to Cominar REIT (the “Cominar Group”) against the HII Group Entities (other than HMCI), were the object of a settlement pursuant to which, inter alia, (i) a lump sum payment of \$6,264,038 was made by the HII Group Entities to the Cominar Group; (ii) proofs of unsecured claims against HII in respective amounts of \$1,200,000 and \$392,920.66 were accepted and (iii) all other claims of the Cominar Group against the HII Group Entities (other than HMCI) were settled finally and forever. Also, an amount of \$2,000,000 is kept in trust in relation to the indemnification by Homco 190, Homco 191 and Homco 199 of a claim made by the City of Laval for alleged land transfer taxes along with an amount of \$491,324.50 in relation to alleged sales taxes owed by Homco 190, 191 and/or Homco 199. The Cominar Claim in relation to these amounts held in trust with Osler constitute an Unaffected Claim under the HII/Shareco Plan.

Homco Realty Fund (191) LP
Claim Process Summary
As of April 30, 2013

<u>(CND\$)</u>	<u>Amount Filed or Amended</u>	<u>Amount Reduced or Withdrawn</u>	<u>Amount Rejected</u>	<u>Amount Accepted</u>
<i>Cominar</i>				
Cominar Real Estate Investment Trust	4,749,264	4,749,264	—	— (1)
Cominar Real Estate Investment Trust	<u>10,897,707</u>	<u>10,897,707</u>	<u>—</u>	<u>— (1)</u>
<i>Sub-total</i>	15,646,972	15,646,972	—	—
<i>Intercos</i>				
Homburg Invest Inc.	<u>2,629,229</u>	<u>—</u>	<u>—</u>	<u>2,629,229</u>
TOTAL	<u>18,276,201</u>	<u>15,646,972</u>	<u>—</u>	<u>2,629,229</u>

- (1) All claims, whether secured or unsecured, filed by entities related to Cominar REIT (the “Cominar Group”) against the HII Group Entities (other than HMCI), were the object of a settlement pursuant to which, inter alia, (i) a lump sum payment of \$6,264,038 was made by the HII Group Entities to the Cominar Group; (ii) proofs of unsecured claims against HII in respective amounts of \$1,200,000 and \$392,920.66 were accepted and (iii) all other claims of the Cominar Group against the HII Group Entities (other than HMCI) were settled finally and forever. Also, an amount of \$2,000,000 is kept in trust in relation to the indemnification by Homco 190, Homco 191 and Homco 199 of a claim made by the City of Laval for alleged land transfer taxes along with an amount of \$491,324.50 in relation to alleged sales taxes owed by Homco 190, 191 and/or Homco 199. The Cominar Claim in relation to these amounts held in trust with Osler constitute an Unaffected Claim under the HII/Shareco Plan.

**Homco Realty Fund (199) LP
Claim Process Summary
As of April 30, 2013**

<u>(CND\$)</u>	<u>Amount Filed or Amended</u>	<u>Amount Reduced or Withdrawn</u>	<u>Amount Rejected</u>	<u>Amount Accepted</u>
<i>Cominar</i>				
Dyne Holdings Limited	1,365,594	1,365,594	—	— (1)
Dyne Holdings Limited	2,210,926	2,210,926	—	— (1)
Homco Realty Fund (130) LP	4,714,359	4,714,359	—	— (1)
HCR LP (CP Calgary)	455,774	455,774	—	— (1)
Homburg Canada Reit LP	114,915	114,915	—	— (1)
Homburg Canada Reit LP	4,749,264	4,749,264	—	— (1)
<i>Sub-total</i>	<u>13,610,832</u>	<u>13,610,832</u>	<u>—</u>	<u>—</u>
<i>Intercos</i>				
Homburg Invest (190) LP	95,530,165	—	—	95,530,165
Homburg Invest (191) LP	118,585,019	—	—	118,585,019
TOTAL	<u>227,726,016</u>	<u>13,610,832</u>	<u>—</u>	<u>214,115,184</u>

- (1) All claims, whether secured or unsecured, filed by entities related to Cominar REIT (the “Cominar Group”) against the HII Group Entities (other than HMCI), were the object of a settlement pursuant to which, inter alia, (i) a lump sum payment of \$6,264,038 was made by the HII Group Entities to the Cominar Group; (ii) proofs of unsecured claims against HII in respective amounts of \$1,200,000 and \$392,920.66 were accepted and (iii) all other claims of the Cominar Group against the HII Group Entities (other than HMCI) were settled finally and forever. Also, an amount of \$2,000,000 is kept in trust in relation to the indemnification by Homco 190, Homco 191 and Homco 199 of a claim made by the City of Laval for alleged land transfer taxes along with an amount of \$491,324.50 in relation to alleged sales taxes owed by Homco 190, 191 and/or Homco 199. The Cominar Claim in relation to these amounts held in trust with Osler constitute an Unaffected Claim under the HII/Shareco Plan.

