

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
(Commercial Division)
(sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, R.S.C.
1985, c. C-36, as amended)

No.: 500-11-041305-117

**IN THE MATTER OF THE PLAN OF
COMPROMISE OR ARRANGEMENT OF:**

**1810040 Alberta Ltd. (formerly known as
Homburg Invest Inc. and Homburg Shareco Inc.)
North Calgary Land Ltd.
Homburg Management (Canada) Inc.**
Debtors / Petitioners

-and-

**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 (94) Limited Partnership
Homco Realty Fund (96) Limited Partnership
Homco Realty Fund (142) Limited Partnership**
Mises-en-cause

-and-

**Deloitte Restructuring Inc. (formerly known as
Samson Bélair/Deloitte & Touche Inc.)**

Monitor

APPLICATION FOR EXTENSION OF THE STAY PERIOD

(Sections 11 and 11.02 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36)

**TO THE HONOURABLE JUSTICE LOUIS J. GOUIN OR TO ONE OF THE
HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN COMMERCIAL
DIVISION IN AND FOR THE JUDICIAL DISTRICT OF MONTRÉAL, THE
PETITIONERS RESPECTFULLY SUBMIT AS FOLLOWS:**

I. INTRODUCTION

1. On September 9, 2011, the Honourable Louis J. Gouin, J.S.C. issued an order (the "**Initial Order**") pursuant to the *Companies Creditors' Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**") in respect of Homburg Invest Inc. ("**HII**"), Homburg Shareco Inc. ("**Shareco**"), Churchill Estates Development Ltd. ("**Churchill**"), Inverness Estates Development Ltd. ("**Inverness**") and CP Development Ltd. ("**CP**") (collectively the "**Initial Debtors**") as appears from the Court record;

2. Pursuant to the Initial Order, Samson Bélair/Deloitte & Touche Inc. (now known as Deloitte Restructuring Inc., the “**Monitor**”) was appointed as Monitor of the Initial Debtors and a stay of proceedings (the “**Stay of Proceedings**”) was issued from the date of the Initial Order until October 7, 2011;
3. On October 7, 2011, this Honourable Court issued an order (the “**First Extension Order**”) extending the Stay of Proceedings. Since then, this Court has further extended the Stay of Proceedings, most recently until February 27, 2015 (the “**Stay Period**”), as appears from the Court record;
4. As appears from the Initial Order and the First Extension Order, the Stay of Proceedings was initially extended in favour of the following limited partnerships: Homco Realty Fund (52) Limited Partnership (“**Homco 52**”), 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 94**”), 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 and Homco Realty Fund (199) Limited Partnership (collectively the “**Initial Mises-en-cause**”);
5. On May 31, 2012, this Court issued an order amending the Initial Order to add North Calgary Land Ltd. (“**NCLL**”) as a Petitioner and Homco Realty Fund (96) Limited Partnership (“**Homco 96**”) as an Applicant Partnership thereunder. On December 14, 2012, this Court issued a further order amending the Initial Order to add Homco Realty Fund (190) Limited Partnership and Homco Realty Fund (191) Limited Partnership as Applicant Partnerships;
6. By Order of the Court made on February 6, 2013, the Initial Order was further amended to add Homco Realty Fund (61) Limited Partnership (“**Homco 61**”) as an additional Applicant Partnership and Castello Development Ltd. (“**Castello**”) as a mise-en-cause. On March 14, 2013, the Initial Order was further amended to add Homburg Management (Canada) Inc. (“**HMCI**”) as an additional Petitioner. On April 26, 2013, this Court issued a further order amending the Initial Order to add Homco Realty Fund (83) Limited Partnership (“**Homco 83**”) as an Applicant Partnership. By subsequent Order of the Court, the stay of proceeding was discontinued in respect of Homco 122, Inverness, Homco 83, Churchill, CP and Homco 105. (NCLL, Homco 96, Homco 61, HMCI, the Initial Debtors and the Initial Mises-en-cause (excluding Homco 122, Inverness, Castello, Homco 83, Churchill, CP and Homco 105) are collectively referred to as the “**HII Group**”);
7. The HII Group respectfully requests that this Honourable Court render the orders sought herein to extend the Stay Period until November 30, 2016;

II. DISTRIBUTIONS UNDER THE PLANS OF ARRANGEMENT

8. As appears from the Court record, the Plan of Compromise and Reorganization of HII and Shareco, as amended and restated from time to time (the “**HII/Shareco Plan**”) and the restated Plan of Compromise of Homco 61 (collectively the “**Plans**”) have been

approved and sanctioned by this Honourable Court and implemented. Unless otherwise defined herein, all capitalized terms are as defined in the HII/Shareco Plan;

9. Since the last extension of the Stay Period, the Monitor proceeded with the following distributions, the whole as will be more fully described in the Forty-Fourth Report of the Monitor to be served and filed on or about the date hereof (the “**Monitor’s Forty-Fourth Report**”):
 - (a) On or about December 21, 2015, the Kai Remaining Proceeds (as will be defined in the Monitor’s Forty-Fourth Report), in the amount of approximately \$5.1 million, were distributed to the Bond 7 Claim Holders following a final judgment in the litigation relating to ranking of certain claims against Homco 88;
 - (b) On February 12, 2016, an interim distribution pursuant to the Plans, in the aggregate amount of approximately \$10.1 million, was made to Affected Creditors with Proven Claims and Homco 61 Affected Creditors with Proven Claims from the Cash Pool and the Asset Realization Cash Pool.

III. OPERATIONS AND RESTRUCTURING EFFORTS

10. Since the last extension of the Stay Period, the HII Group has continued to make progress in connection with the disposition of the remaining non-core properties. Highlights of the most significant activities of the HII Group are provided below;

A. Dispositions of non-core properties

11. As previously disclosed to the Court, HSBC Bank Canada (“**HSBC**”) is financing two properties in Canada: Henderson Farms (Homco 121) and Points North (NCLL);
12. As regards Points North, on or about July 29, 2015, the Monitor accepted a conditional purchase offer for Points North, with the approval of the Liquidation Advisory Committee created under the HII/Shareco Plan (the “**LAC**”). The offer is subject to an extended due diligence period, which was recently extended with LAC approval. If the transaction closes, it is anticipated that this property will generate a recovery for the HII Group, and accordingly, its creditors. HSBC is being kept apprised of the developments in the sale process. Further material developments will be reported to the Court in due course;
13. As to Henderson Farms, on January 29, 2016, this Honourable Court granted a motion by HSBC to lift the Stay of Proceedings and appoint a receiver to the assets of Homco 121 pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3. As previously disclosed to the Court, the HII Group has no economic interest therein;
14. As will be further detailed in the Monitor’s Forty-Fourth Report and as previously disclosed to the Court, in late April 2015, the Monitor learned that HII was the beneficiary of debentures issued by the Halifax Club, having a face value of \$250,000 (the “**Debentures**”). On August 31, 2015, the Court granted a motion from the Monitor to order the trustee under the Debentures to pay the Debenture proceeds (in the

approximate amount of \$273,000, including interest) to the Monitor. The amount was paid shortly thereafter and was added to the Asset Realization Cash Pool;

15. On January 29, 2016, the Court granted a motion by HSBC for transfer of certain “water rights” by NCLL to Homco 121;
16. The HII Group continues to assess certain European non-core assets. HII recently determined that the property held by Homco Realty Fund (123) Limited Partnership could generate value for the Affected Creditors under the HII/Shareco Plan. Accordingly, this property was put up for sale;

B. *Other Matters*

17. The HII Group continues to address all post-plan implementation matters, including the bankruptcies or dissolution of the various entities included in the HII Group, as appropriate, the whole with the support and assistance of the Monitor and Canadian and Dutch counsel, and with the approval of the LAC, as required under the Plans and the Sanction Orders;

IV. CONCLUSION

18. HII is of the view that providing the relief requested herein is appropriate in the present circumstances in order for the HII Group to continue to work towards finalization of its affairs, including the disposition of the few remaining non-core properties and proper wind-down of remaining entities. Accordingly, HII respectfully requests that this Honourable Court grant the extension of the Stay Period sought in the present Application;
19. As will appear from the Monitor’s Forty-Fourth Report, the Monitor supports the present Application;
20. The HII Group has acted, and continues to act, in good faith and with due diligence;
21. The present Application is well founded in fact and law.

WHEREFORE, MAY IT PLEASE THIS HONOURABLE COURT TO:

1. **GRANT** the present *Application for extension of the stay period*;
2. **EXTEND** the Stay Period (as defined in the Initial Order rendered by the Court on September 9, 2011 and as extended from time to time) to and including November 30, 2016;

THE WHOLE WITHOUT COSTS, save in the event of contestation.

MONTREAL, February 22, 2016.

Osler, Hoskin & Harcourt LLP

OSLER, HOSKIN & HARCOURT LLP

Attorneys for the Debtors and Mises-en-cause

AFFIDAVIT

I the undersigned, James F. Miles, domiciled and residing at 29 Coventry Lane, Dartmouth, Nova Scotia, B2V 2K2, solemnly declare the following:

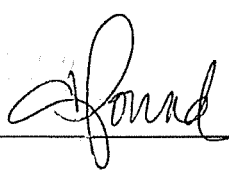
1. I am the President of 1810040 Alberta Ltd. and duly authorized representative of the Petitioners for the purpose hereof;
2. I have taken cognizance of the attached *Application for extension of the stay period*;
3. All of the facts alleged in the said application are true.

AND I HAVE SIGNED:



James F. Miles

SOLEMNLY DECLARED BEFORE ME
IN HALIFAX, NOVA SCOTIA ON THE
22ND DAY OF FEBRUARY 2016.



CHRISTINE C. POUND
A Notary Public in and for the
Province of Nova Scotia

NOTICE OF PRESENTATION

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TAKE NOTICE that the *Application for extension of the stay period* will be presented for hearing and allowance in the Superior Court, Commercial Division, at the Montréal Courthouse, 1 Notre-Dame Street East, Montréal, on February 25, 2016, at 9:00 a.m., or so soon thereafter as counsel may be heard, and in a room to be determined.

PLEASE ACT ACCORDINGLY.

MONTREAL, February 22, 2016

Osler, Hoskin & Harcourt LLP

OSLER, HOSKIN & HARCOURT LLP
Attorneys for the Debtors and Mises-en-cause

No: 500-11-041305-117

SUPERIOR COURT
(Commercial Division)

DISTRICT OF MONTRÉAL

**IN THE MATTER OF THE PLAN OF COMPROMISE
OR ARRANGEMENT OF :**

1810040 ALBERTA LTD. ET AL.

Debtors/Petitioners

**-and-
HOMCO REALTY FUND (52) LIMITED
PARTNERSHIP ET AL.**

Mises-en-cause

**-and-
DELOITTE RESTRUCTURING INC.**

Monitor

**APPLICATION FOR EXTENSION OF THE STAY
PERIOD (Sections 11 and 11.02 of the *Companies'*
Creditors Arrangement Act, R.S.C. 1985, c. C-36),
AFFIDAVIT, NOTICE OF PRESENTATION**

ORIGINAL

Code : BO 0323

o/f: 1131787

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