

# **HOMBURG INVEST INC.**

## **NOTICE OF CREDITORS' MEETINGS, SANCTION HEARINGS**

**AND**

## **MANAGEMENT INFORMATION CIRCULAR**

**PERTAINING TO**

### **A PLAN OF COMPROMISE AND REORGANIZATION OF HOMBURG INVEST INC. AND HOMBURG SHARECO INC. PURSUANT TO THE COMPANIES' CREDITORS ARRANGEMENT ACT (CANADA) AND THE BUSINESS CORPORATIONS ACT (ALBERTA)**

**AND**

### **A PLAN OF COMPROMISE OF HOMCO REALTY FUND (61) LIMITED PARTNERSHIP PURSUANT TO THE COMPANIES' CREDITORS ARRANGEMENT ACT (CANADA)**

**May 3, 2013**

*THIS INFORMATION CIRCULAR IS BEING DISTRIBUTED TO (I) CERTAIN CREDITORS OF HOMBURG INVEST INC. AND HOMBURG SHARECO INC. IN CONNECTION WITH THE CREDITORS' MEETING CALLED TO CONSIDER THE PLAN OF COMPROMISE AND REORGANIZATION PROPOSED BY THEM AND (II) CERTAIN CREDITORS OF HOMCO REALTY FUND (61) LIMITED PARTNERSHIP IN CONNECTION WITH THE HOMCO 61 CREDITORS' MEETING CALLED TO CONSIDER A PLAN OF COMPROMISE PROPOSED BY IT, IN EACH CASE THAT ARE SCHEDULED TO BE HELD ON MAY 30, 2013 SIMULTANEOUSLY IN MONTRÉAL, QUÉBEC, CANADA AND IN UTRECHT, THE NETHERLANDS.*

*THIS INFORMATION CIRCULAR IS BASED ON INFORMATION CONTAINED IN (I) THE AMENDED AND RESTATED PLAN OF COMPROMISE AND ARRANGEMENT AS FILED WITH THE SUPERIOR COURT OF QUÉBEC BY HOMBURG INVEST INC. AND HOMBURG SHARECO INC. ON APRIL 29, 2013, AND (II) THE PLAN OF COMPROMISE AS FILED WITH THE SUPERIOR COURT OF QUÉBEC BY HOMCO REALTY FUND (61) LIMITED PARTNERSHIP ON APRIL 29, 2013, IN EACH CASE AS APPENDED TO THIS INFORMATION CIRCULAR. THESE PLANS REMAIN SUBJECT TO CHANGE AND ANY CHANGE TO THE PLANS MAY BE MATERIAL. AS A RESULT, INFORMATION CONTAINED IN THIS INFORMATION CIRCULAR MAY NOT BE COMPLETE AND MAY HAVE TO BE SUPPLEMENTED OR AMENDED. SUPPLEMENTS OR AMENDMENTS TO THIS INFORMATION CIRCULAR WILL BE FILED ON THE WEBSITE OF HOMBURG INVEST INC. AT [WWW.HOMBURGINVEST.COM](http://WWW.HOMBURGINVEST.COM) AND ON THE WEBSITE MAINTAINED BY THE COURT-APPOINTED MONITOR AT [WWW.DELOITTE.COM/CA/HOMBURG-INVEST](http://WWW.DELOITTE.COM/CA/HOMBURG-INVEST). SEE "DESCRIPTION OF THE HII/SHARECO PLAN – MODIFICATION OF THE HII/SHARECO PLAN" AND "DESCRIPTION OF THE HOMCO 61 PLAN – MODIFICATION OF THE HOMCO 61 PLAN".*

*THESE MATERIALS REQUIRE YOUR IMMEDIATE ATTENTION. YOU SHOULD CONSULT YOUR FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISORS IN CONNECTION WITH THE CONTENTS OF THESE MATERIALS.* Should you have any questions regarding voting or other procedures or should you wish to obtain additional copies of these materials, you may contact Samson Bélair/Deloitte & Touche Inc., the Court-appointed Monitor, at 1 Place Ville-Marie, Suite 3000, Montréal, Québec, Canada, H3B 4T9 (Attention: Mr. Patrick Fillion), facsimile number: (514) 393-5344, or e-mail: [homburginvestccaa@deloitte.ca](mailto:homburginvestccaa@deloitte.ca).



# HOMBURG INVEST INC.

May 3, 2013

Dear Creditors:

On behalf of the board of directors of Homburg Invest Inc. (“**HII**”), Homburg Shareco Inc. (“**Shareco**”), and HII (61) GP Inc., in its capacity as general partner of Homco Realty Fund (61) Limited Partnership (“**Homco 61**”), I am pleased to invite you to a meeting of the affected creditors of HII and Shareco (the “**HII/Shareco Meeting**”) and of the affected creditors of Homco 61 (the “**Homco 61 Meeting**”) and, collectively with the HII/Shareco Meeting, the “**Meetings**”).

The Meetings will be held concurrently on May 30, 2013 in the Lafleur room at the offices of McCarthy Tétrault LLP, Suite 2500, 1000 De La Gauchetière Street West, Montréal, Québec, Canada at **9:00 a.m. (Eastern Time)** and at Jaarbeursplein 6, Utrecht, the Netherlands at **3:00 p.m. (Central European Time)**. The affected creditors of HII/Shareco will be asked to vote on a resolution adopting the proposed joint plan of compromise and reorganization of HII and Shareco (the “**HII/Shareco Plan**”). The affected creditors of Homco 61 will be asked to vote on a separate resolution adopting the proposed plan of compromise of Homco 61 (the “**Homco 61 Plan**”) and, with the HII/Shareco Plan, the “**Plans**”).

The Plans have been prepared by HII/Shareco and Homco 61, in consultation with Samson Bélair/Deloitte & Touche Inc., the court-appointed monitor in connection with the restructuring (the “**Monitor**”), and Stichting Homburg Bonds, representing the largest group of creditors of HII and certain of its affiliates.

The Plans are the result of an extensive process that included the review of complex legal and business issues in both North America and Europe. In the context of preparing the Plans, HII and the Monitor have undertaken lengthy negotiations with the various mortgage lenders, creditors and other stakeholders. We believe that the Plans will streamline the structure and operation of the business and provide creditors with a greater economic benefit than would result from a bankruptcy and liquidation of HII and certain of its affiliates.

As the development of the Plans entered into its final stages, certain parties expressed an interest in the business and assets of the HII Group. As a result, HII and the Monitor, with the approval of the Court, initiated an investment proposal process. The purpose of this process was to determine whether any interested party could provide any additional optionality for the benefit of the creditors in the context of HII’s restructuring. As described in various press releases, this process led, at the end of March 2013, to exclusive discussions with The Catalyst Capital Group Inc., on behalf of funds managed by it (“**Catalyst**”). On April 26, 2013, HII, Shareco, Homco 61 and Catalyst entered into a restated support agreement setting forth the terms of Catalyst’s participation in the Plans.

The Plans provide for the transfer of all of HII’s core business assets to Newco, a Dutch closed-end property investment company without a separate manager whose shareholders will be the creditors. They also provide for a distribution to the affected creditors of a cash pool comprised of cash-on-hand and proceeds resulting from the disposition or realization of non-core assets. For those creditors who would prefer a cash payment instead of shares of Newco, the Plans include an option for them to receive a cash payment instead of receiving Newco shares. Creditors who elect this option will retain their right to receive their *pro rata* share of the cash pool. This is described in more detail in the Plans and this Circular.

**Your vote at the applicable Meeting is important.** Please complete and return the applicable Proxy form enclosed with this information circular. Please be sure to carefully read the instruction letter for completing the Proxy.

After careful consideration of all relevant factors relating to the Plans, the Monitor has recommended that creditors vote **FOR** the resolutions adopting the Plans, as applicable.

**After careful consideration of all relevant factors relating to the Plans, the boards of directors of HII, SHARECO and HII (61) GP INC. UNANIMOUSLY RECOMMEND that creditors vote FOR the resolutions adopting the Plans, as applicable.**

The documents relating to the Meetings are being provided in the English language as required by the Canadian Court overseeing the restructuring. For the convenience of affected creditors resident in the Netherlands, we have also attached a Dutch translation of these documents.

**The attached circular contains a detailed description and a copy of the Plans and other information concerning HII and certain of its affiliates to assist you in considering the Plans. These materials require your immediate attention. You should consult your financial, tax or other professional advisors in connection with the contents of these materials.**

If you have any questions regarding the vote or other procedures or matters with respect to the Meetings and/or the Plans, you should contact the Monitor. All questions and correspondence to the Monitor from creditors situated in Europe should be directed to:

Monitor of Homburg Invest Incorporated, *et. al.*  
c/o Deloitte Financial Advisory Services B.V.  
Antwoordnummer 45485  
1040 WD Amsterdam  
The Netherlands

Attention: Restructuring Services  
Facsimile number: +31 (0)88 288 9750  
E-mail: [homburginvestccaa@deloitte.ca](mailto:homburginvestccaa@deloitte.ca).

All questions and correspondence to the Monitor from creditors situated in North America should be directed to:

Samson Bélair/Deloitte & Touche Inc.  
Monitor of Homburg Invest Inc., *et al.*  
1 Place Ville Marie, Suite 3000  
Montréal, Québec  
Canada H3B 4T9

Attention: Mr. Patrick Fillion  
Facsimile number: (514) 393-5344  
E-mail: [homburginvestccaa@deloitte.ca](mailto:homburginvestccaa@deloitte.ca).

You can also find more information about the restructuring of HII and certain of its affiliates and the restructuring proceedings on the website of HII (<http://www.homburginvest.com/>) or on the website of the Monitor ([www.deloitte.com/ca/homburg-invest](http://www.deloitte.com/ca/homburg-invest)). Additional relevant information can be found in the Monitor's reports, which are the periodic reports filed by the Monitor with the Canadian Court and posted on both websites.

HII, Shareco and Homco 61, on behalf of all of HII's affiliates, would like to thank all creditors for their patience and continued support while HII and its affiliates have diligently pursued the most favourable outcome for all stakeholders.

Yours truly,



Jan Schöningh  
President and Chief Executive Officer  
Homburg Invest Inc.,

President  
Homburg Shareco Inc.,

and

President  
HII (61) GP Inc., in its capacity as general partner  
of Homco Realty Fund (61) Limited Partnership



**MANAGEMENT INFORMATION CIRCULAR**

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**NOTICE OF HII/SHARECO CREDITORS' MEETING  
AND HII/SHARECO SANCTION HEARING**

**CANADA**

**PROVINCE OF QUÉBEC**

**DISTRICT OF MONTRÉAL**

No.: 500-11-041305-117

**SUPERIOR COURT**

(Commercial Division)

(Sitting as a court designated pursuant to  
the *Companies' Creditors Arrangement Act*,  
R.S.C. 1985, c. C-36)

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

**Homburg Invest Inc.  
Homburg Shareco Inc.  
Churchill Estates Development Ltd.  
Inverness Estates Development Ltd.  
CP Development Ltd.  
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 (83) 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.**

Mises-en-cause

-and-

**Samson Bélair/Deloitte & Touche Inc.**

Monitor

## NOTICE OF HII/SHARECO CREDITORS' MEETING AND HII/SHARECO SANCTION HEARING

### TO: AFFECTED CREDITORS OF HOMBURG INVEST INC. AND HOMBURG SHARECO INC.

**NOTICE IS HEREBY GIVEN** that a meeting of the Affected Creditors of Homburg Invest Inc. (“**HII**”) and Homburg Shareco Inc. (“**Shareco**”) will be held simultaneously on May 30, 2013 at Montréal, Québec, Canada (the “**HII/Shareco Canadian Creditors’ Meeting**”) and at Utrecht, the Netherlands (the “**HII/Shareco European Creditors’ Meeting**”, and together with the HII/Shareco Canadian Creditors’ Meeting, the “**HII/Shareco Creditors’ Meeting**”) at the times and locations set out below, for the following purposes:

- (a) to consider and, if deemed advisable, to pass, with or without variation, a resolution (the “**Resolution**”) approving the Second Joint Amended and Restated Plan of Compromise and Reorganization of HII and Shareco pursuant to the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”) and the *Business Corporations Act* (Alberta) dated May 3, 2013 (as amended, restated, modified and/or supplemented from time to time in accordance with the terms thereof, the “**Plan**”); and
- (b) to transact such other business as may properly come before the HII/Shareco Creditors’ Meeting or any adjournment or postponement thereof.

The HII/Shareco Creditors’ Meeting is being held pursuant to an order (the “**HII/Shareco Meeting Order**”) of the Superior Court of Québec (Commercial Division) (the “**Court**”) made on April 29, 2013 by the Honourable Justice Louis J. Guoin.

Capitalized terms used and not otherwise defined in this Notice have the respective meanings given to them in the HII/Shareco Meeting Order.

The Plan contemplates the compromise of Claims of the Affected Creditors. The HII/Shareco Creditors’ Meeting will be held simultaneously in Montréal, Québec, Canada and in Utrecht, the Netherlands, on the following date and at the following times:

<u>Location</u>	<u>Date</u>	<u>Time</u>
McCarthy Tétrault LLP Suite 2500 Lafleur room 1000 De La Gauchetière Street West Montréal QC H3B 0A2	May 30, 2013	9:00 a.m. (Eastern Prevailing Time)
Jaarbeursplein 6 3521 AL Utrecht The Netherlands	May 30, 2013	3:00 p.m. (Central European Time)

Quorum for the HII/Shareco Creditors’ Meeting has been set by the HII/Shareco Meeting Order as the presence, in person or by Proxy, at the HII/Shareco Creditors’ Meeting of one Affected Creditor with a Voting Claim. Only Affected Creditors holding Voting Claims as of the HII/Shareco Record Date, being April 17, 2013, are entitled to attend and vote at the HII/Shareco Creditors’ Meeting. Notwithstanding the foregoing, none of the holders of Capital Securities Claims, Intercompany Claims, or Stichting Homburg Capital Securities shall be entitled to vote on the Resolution or attend at the HII/Shareco Creditors’ Meeting.

In order for the Plan to be approved and be binding in accordance with the CCAA, the Resolution must be approved by that number of Affected Creditors representing at least a majority in number of Voting Claims, whose Affected Claims represent at least two-thirds in value of the Voting Claims of Affected Creditors who validly vote (in person or by Proxy) on the Resolution at the HII/Shareco Creditors’ Meeting or were deemed to vote on the Resolution as provided for in the HII/Shareco Meeting Order (the “**Required Majority**”). Each Affected Creditor will be entitled to one vote at the HII/Shareco Creditors’ Meeting, which vote will have the value of such person’s Voting Claim, as determined pursuant to the Claims Process Order, the HII/Shareco Meeting Order and the Plan. Each Affected Creditor may vote at one of the HII/Shareco Canadian Creditors’ Meeting or the HII/Shareco European Creditors’ Meeting but not both. The Plan must also be sanctioned by the Court under the CCAA. Subject to satisfaction of the other conditions precedent to the implementation of the Plan, all Affected Creditors will then receive the treatment set forth in the Plan.

#### Deemed Voting in Favour of the Plan

1. Convenience Class Creditors will be deemed to vote in favour of the Plan.
2. Affected Creditors (other than Convenience Class Creditors) who make a Newco Common Shares Cash-Out Option Election will be deemed to have voted in favour of the Plan.

## Forms and Proxies

### **Convenience Class Claim Declaration**

Affected Creditors with Affected Claims that were less than or equal to CDN\$10,000 in the aggregate as at the Claims Bar Date shall (i) file with the Monitor a Convenience Class Claim Declaration pursuant to which such Affected Creditors may (a) elect to be treated as a Convenience Class Creditor and receive only the Cash Elected Amount and shall be deemed thereby to vote in favour of the Plan; (b) make a Newco Common Shares Final Cash-Out Option Election and receive an amount equal to their *pro rata* share of the Aggregate Newco Common Shares Final Cash-Out Amount, and their Pro Rata Share of the Cash Pool and the Asset Realization Cash Pool, and shall be deemed thereby to vote in favour of the Plan; or (c) elect to be treated as an Affected Creditor (other than a Convenience Class Creditor or an Electing Creditor) under the Plan, and thereby be entitled to vote their Voting Claims at the HII/Shareco Creditors' Meeting (in person or by Proxy) and to receive the rights and distributions provided for under and pursuant to the Plan, prior to 11:00 a.m. (Eastern Prevailing Time) / 5:00 p.m. (Central European Time) on May 29, 2013, or 24 hours (excluding Saturdays, Sundays and Quebec statutory holidays) prior to the time of any adjournment, postponement or rescheduling of the relevant HII/Shareco Creditors' Meeting; or (ii) deposit such Convenience Class Claim Declaration with the Chair at the relevant HII/Shareco Creditors' Meeting (or any adjournment, postponement or rescheduling thereof) immediately prior to the vote at the time specified by the Chair (the "**Election/Proxy Deadline**").

If any such Affected Creditor does not return the Convenience Class Claim Declaration to the Monitor by such deadline, they shall be deemed to have elected to receive the Cash Elected Amount and shall be deemed to vote in favour of the Plan.

### **Proxy Form**

All other Affected Creditors who desire to make a Newco Common Shares Cash-Out Option Election and receive an amount equal to their *pro rata* share of the Aggregate Newco Common Shares Final Cash-Out Amount, and their Pro Rata Share of the Cash Pool and the Asset Realization Cash Pool, and no other entitlements under the Plan and be deemed thereby to vote in favour of the Plan, must complete the bottom portion of the Proxy.

For Affected Creditors (other than those who make a Newco Common Shares Cash-Out Option Election) who wish to appoint a proxy to attend the HII/Shareco Creditors' Meeting, please complete the top portion of the Proxy. **Such Affected Creditors may attend the HII/Shareco Creditors' Meeting in person or may appoint another person as its proxyholder by inserting the name of such person in the space provided in the form of Proxy to be provided to Affected Creditors by Samson Bélair/Deloitte & Touche Inc. (the "Monitor"), or by completing another valid form of Proxy. Persons appointed as proxyholders need not be Affected Creditors.**

In order to be effective, Proxies must be (i) received by the Monitor at either of (a) 1 Place Ville Marie, Suite 3000, Montréal, Québec, Canada, H3B 4T9 (Attention: Mr. Patrick Fillion), facsimile number: (514) 393-5344, or e-mail: [homburginvestccaa@deloitte.ca](mailto:homburginvestccaa@deloitte.ca), or (b) Monitor of Homburg Invest Incorporated, et. al. Deloitte Financial Advisory Services B.V. (Attention: Restructuring Services), Antwoordnummer 45485, 1040 WD Amsterdam, facsimile number: +31 (0)882889750, or e-mail: [homburginvestccaa@deloitte.ca](mailto:homburginvestccaa@deloitte.ca); or (ii) deposited with the Chair at the HII/Shareco Creditors' Meeting, in either case prior to the Election/Proxy Deadline.

If an Affected Creditor (other than those who are deemed to vote as set out above) specifies a choice with respect to voting on the Resolution on a Proxy, the Proxy will be voted in accordance with the specification so made. **In the absence of such specification and in the event that the Monitor is appointed as proxyholder, a Proxy will be voted FOR the Resolution.**

**NOTICE IS ALSO HEREBY GIVEN** that if the Plan is approved by the Required Majority at the HII/Shareco Creditors' Meeting, HII and Shareco intend to bring a motion before the Court on or about June 5, 2013 at 9:15 a.m. (Eastern Prevailing Time) at the Court located at 1 Notre-Dame Street East, Montréal, Québec, Canada. The motion will be seeking the granting of the HII/Shareco Sanction and Vesting Order sanctioning the Plan under the CCAA and for the ancillary relief consequent upon such sanction. Any Affected Creditor that wishes to appear or be represented, and to present evidence or arguments, at such Court hearing must serve a notice of intention to appear on the Service List at least three (3) Business Days before the Court hearing. Affected Creditors wishing to object to the relief to be sought at the Court hearing must also file with the Court a written notice which notice shall include its grounds of contestation and shall effect service of same on the Service List at least three (3) Business Days prior to the hearing. A copy of the Service List may be obtained by contacting the Monitor at the particulars set out above or from the Monitor's website set out below.

This Notice is given by HII and Shareco pursuant to the HII/Shareco Meeting Order.

You may view copies of the documents relating to this process on the Monitor's website at <http://www.deloitte.com/ca/homburg-invest>.

**DATED** this 3<sup>rd</sup> day of May, 2013.

**NOTICE OF HOMCO 61 CREDITORS' MEETING  
AND HOMCO 61 SANCTION HEARING**

**CANADA**

**PROVINCE OF QUÉBEC**

**DISTRICT OF MONTRÉAL**

No.: 500-11-041305-117

**SUPERIOR COURT**

(Commercial Division)

(Sitting as a court designated pursuant to the  
*Companies' Creditors Arrangement Act*,  
R.S.C. 1985, c. C-36)

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

**Homburg Invest Inc.  
Homburg Shareco Inc.  
Churchill Estates Development Ltd.  
Inverness Estates Development Ltd.  
CP Development Ltd.  
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 (83) 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.**

**Mises-en-cause**

-and-

**Samson Bélair/Deloitte & Touche Inc.**

**Monitor**



## NOTICE OF HOMCO 61 CREDITORS' MEETING AND HOMCO 61 SANCTION HEARING

### TO: AFFECTED CREDITORS OF HOMCO REALTY FUND (61) LIMITED PARTNERSHIP

NOTICE IS HEREBY GIVEN that a meeting of the Homco 61 Affected Creditors of Homco Realty Fund (61) Limited Partnership ("Homco 61 LP") will be held simultaneously on May 30, 2013 at Montréal, Québec, Canada (the "Homco 61 Canadian Creditors' Meeting") and at Utrecht, the Netherlands (the "Homco 61 European Creditors' Meeting", and together with the Homco 61 Canadian Creditors' Meeting, the "Homco 61 Creditors' Meeting") at the locations and the times set out below, for the following purposes:

- (a) to consider and, if deemed advisable, to pass, with or without variation, a resolution (the "Homco 61 Resolution") approving the Restated Plan of Compromise of Homco 61 LP pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA") dated April 26, 2013 (as amended, restated, modified and/or supplemented from time to time in accordance with the terms thereof, the "Homco 61 Plan"); and
- (b) to transact such other business as may properly come before the Homco 61 Creditors' Meeting or any adjournment or postponement thereof.

The Homco 61 Creditors' Meeting is being held pursuant to an order (the "Homco 61 Meeting Order") of the Superior Court of Québec (Commercial Division) (the "Court") made on April 29, 2013 by the Honourable Justice Louis J. Gouin.

Capitalized terms used and not otherwise defined in this Notice have the respective meanings given to them in the Homco 61 Meeting Order.

The Homco 61 Plan contemplates the compromise of Claims of the Homco 61 Affected Creditors. The Homco 61 Creditors' Meeting will be held simultaneously in Montréal, Québec, Canada and in Utrecht, the Netherlands, on the following date and at the following times:

<u>Location</u>	<u>Date</u>	<u>Time</u>
McCarthy Tétrault LLP Suite 2500 Lafleur room 1000 De La Gauchetière Street West Montréal, QC H3B 0A2	May 30, 2013	9:00 a.m. (Eastern Prevailing Time)
Jaarbeursplein 6 3521 AL Utrecht The Netherlands	May 30, 2013	3:00 p.m. (Central European Time)

The HII/Shareco Creditors' Meeting and the Homco 61 Creditors' Meeting shall be held concurrently at the same time on the same date, provided that a vote on the Homco 61 Resolution at the Homco 61 Creditors' Meeting will not occur until the completion of the vote on the Resolution (as defined in the HII Plan) at the HII/Shareco Creditors' Meeting or any adjourned, continued or rescheduled HII/Shareco Creditors' Meeting. As such, the vote in respect of the Homco 61 Resolution at the Homco 61 Creditors' Meeting may be delayed.

Quorum for the Homco 61 Creditors' Meeting has been set by the Homco 61 Meeting Order as the presence, in person or by Proxy, at the Homco 61 Creditors' Meeting of one Homco 61 Affected Creditor with a Homco 61 Voting Claim. Only Homco 61 Affected Creditors holding Homco 61 Voting Claims as of the Homco 61 Record Date, being April 17, 2013, are entitled to attend and vote at the Homco 61 Creditors' Meeting.

In order for the Homco 61 Plan to be approved and be binding in accordance with the CCAA, the Homco 61 Resolution must be approved by that number of Homco 61 Affected Creditors representing at least a majority in number of Homco 61 Voting Claims, whose Homco 61 Affected Claims represent at least two-thirds in value of the Homco 61 Voting Claims of Homco 61 Affected Creditors who validly vote (in person or by Proxy) or were deemed to vote on the Homco 61 Resolution at the Homco 61 Creditors' Meeting as provided for in the Homco 61 Meeting Order (the "Required Majority"). Each Homco 61 Affected Creditor will be entitled to one vote at the Homco 61 Creditors' Meeting, which vote will have the value of such person's Homco 61 Voting Claim, as determined pursuant to the Claims Process Order, the HII/Shareco Meeting Order, the Homco 61 Meeting Order and the Homco 61 Plan. Each Homco 61 Affected Creditor may vote at one of the Homco 61 Canadian Creditors' Meeting or the Homco 61 European Creditors' Meeting but not both. The Homco 61 Plan must also be sanctioned by the Court under the CCAA. Subject to satisfaction of the other conditions precedent to the implementation of the Homco 61 Plan, all Homco 61 Affected Creditors will then receive the treatment set forth in the Homco 61 Plan.

#### Deemed voting in Favour of the Homco 61 Plan

Homco 61 Affected Creditors who make or are deemed to make a Newco Common Shares Cash-Out Option Election shall be deemed to have voted in favour of the Homco 61 Plan.

## Proxy Form

Homco 61 Affected Creditors with Homco 61 Affected Claims who desire to make a Newco Common Shares Cash-Out Option Election and receive their *pro rata* share of Homco 61 LP's *pro rata* share of the Aggregate Newco Common Shares Final Cash-Out Amount, and their *pro rata* share of Homco 61 LP's Pro Rata Share of the Cash Pool and the Asset Realization Cash Pool and no other entitlements under the Homco 61 Plan and be deemed thereby to vote in favour of the Homco 61 Plan, shall complete the bottom portion of the Proxy. All Homco 61 Affected Creditors who have made a Newco Common Shares Cash-Out Option Election under the HII Plan are deemed to make a corresponding election under the Homco 61 Plan and are deemed thereby to vote in favour of the Homco 61 Plan and do not need to complete a Proxy.

For Homco 61 Affected Creditors there is one form of proxy (the "Proxy"). **Such Homco 61 Affected Creditors may attend the Homco 61 Creditors' Meeting in person or may appoint another person as its proxyholder by inserting the name of such person in the space provided in the form of Proxy to be provided to Homco 61 Affected Creditors by Samson Bélair/Deloitte & Touche Inc. (the "Monitor"), or by completing another valid form of Proxy. Persons appointed as proxyholders need not be Homco 61 Affected Creditors.**

In order to be effective, Proxies must be: (i) received by the Monitor at either of (a) 1 Place Ville Marie, Suite 3000, Montréal, Québec, Canada, H3B 4T9 (Attention: Mr. Patrick Fillion), facsimile number: (514) 393-5344, or e-mail: [homburginvestcaa@deloitte.ca](mailto:homburginvestcaa@deloitte.ca) or (b) Monitor of Homburg Invest Incorporated, et. al, Deloitte Financial Advisory Services B.V. (Attention: Restructuring Services), Antwoordnummer 45485, 1040 WD Amsterdam, facsimile number: +31 (0)88 2889750, or e-mail: [homburginvestcaa@deloitte.ca](mailto:homburginvestcaa@deloitte.ca), or (ii) deposited with the Chair at the relevant Homco 61 Creditors' Meeting (or any adjournment, postponement or other rescheduling thereof), in either case prior to the Election/Proxy Deadline.

If a Homco 61 Affected Creditor specifies a choice with respect to voting on the Homco 61 Resolution on a Proxy, the Proxy will be voted in accordance with the specification so made. **In the absence of such specification and provided that the Homco 61 Affected Creditor has appointed the Monitor as its proxyholder, a Proxy will be voted FOR the Homco 61 Resolution.**

**NOTICE IS ALSO HEREBY GIVEN** that if the Homco 61 Plan is approved by the Required Majority at the Homco 61 Creditors' Meeting, Homco 61 LP intends to bring a motion before the Court on or about June 5, 2013 at 9:15 a.m. (Eastern Prevailing Time) at the Court located at 1 Notre-Dame Street East, Montréal, Québec, Canada. The motion will be seeking the granting of the Homco 61 Sanction Order sanctioning the Homco 61 Plan under the CCAA and for the ancillary relief consequent upon such sanction. Any Homco 61 Affected Creditor that wishes to appear or be represented, and to present evidence or arguments, at such Court hearing must serve a notice of intention to appear on the Service List at least three (3) Business Days before the Court hearing. Homco 61 Affected Creditors wishing to object to the relief to be sought at the Court hearing must also file with the Court a written notice which notice shall include its grounds of contestation and shall effect service of same on the Service List at least three (3) Business Days prior to the hearing. A copy of the Service List may be obtained by contacting the Monitor at the particulars set out above or from the Monitor's website set out below.

This Notice is given by Homco 61 LP pursuant to the Homco 61 Meeting Order.

You may view copies of the documents relating to this process on the Monitor's website at <http://www.deloitte.com/ca/homburg-invest>.

**DATED** this 3<sup>rd</sup> day of May, 2013.



## IMPORTANT INFORMATION

**THIS INFORMATION CIRCULAR CONTAINS IMPORTANT INFORMATION THAT SHOULD BE READ BEFORE ANY DECISION IS MADE WITH RESPECT TO THE MATTERS REFERRED TO HEREIN. ALL SUMMARIES OF AND REFERENCES TO THE HII/SHARECO PLAN AND THE HOMCO 61 PLAN IN THIS INFORMATION CIRCULAR ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCES TO THE TEXT OF THE HII/SHARECO PLAN, WHICH IS SET OUT IN APPENDIX “B” TO THIS INFORMATION CIRCULAR, AND THE HOMCO 61 PLAN, WHICH IS SET OUT IN APPENDIX “G” TO THIS INFORMATION CIRCULAR.**

**CAPITALIZED TERMS, EXCEPT AS OTHERWISE DEFINED HEREIN, ARE DEFINED IN THE SECTION ENTITLED “GLOSSARY OF TERMS”.**

No Person has been authorized to provide any information or to make any representation not contained in this Information Circular, and, if provided or made, such information or representation should not be relied upon. This Information Circular does not constitute an offer to sell, or a solicitation of an offer to purchase, the securities described in this Information Circular or the solicitation of a proxy in any jurisdiction in which such an offer or solicitation is not authorized, or to or from any Person to or from whom it is unlawful to make such offer or solicitation. Neither the delivery of this Information Circular nor any distribution of securities issued pursuant to the Plans shall, under any circumstances, create any implication that there has been no change in the information set forth herein since the date of this Information Circular.

**THE ISSUANCE OF THE NEWCO COMMON SHARES PURSUANT TO THE PLANS WILL BE EXEMPT FROM THE PROSPECTUS REQUIREMENTS UNDER APPLICABLE CANADIAN SECURITIES LEGISLATION. AS A CONSEQUENCE OF THESE EXEMPTIONS, CERTAIN PROTECTIONS, RIGHTS AND REMEDIES PROVIDED BY CANADIAN SECURITIES LEGISLATION, INCLUDING STATUTORY RIGHTS OF RESCISSION OR DAMAGES, WILL NOT BE AVAILABLE IN RESPECT OF SUCH NEW SECURITIES TO BE ISSUED IN CONNECTION WITH THE PLANS. SEE “CERTAIN REGULATORY AND OTHER MATTERS RELATING TO THE REORGANIZATION”.**

Affected Creditors and Homco 61 Affected Creditors should carefully consider the income tax consequences of the HII/Shareco Plan and Homco 61 Plan, respectively, as described herein. See “*Income Tax Considerations*”. Affected Creditors and Homco 61 Affected Creditors should not construe the contents of this Information Circular as investment, legal, tax or other advice. An Affected Creditor or Homco 61 Affected Creditor should consult its own counsel, accountants and other advisors with respect to the legal, tax, business, financial and other related consequences of the HII/Shareco Plan for such Affected Creditor or the Homco 61 Plan for such Homco 61 Affected Creditor, as applicable.

### NOTICE TO AFFECTED CREDITORS AND HOMCO 61 AFFECTED CREDITORS IN THE UNITED STATES

Neither the Plans nor the Newco Common Shares issuable in connection with the Plans have been approved or disapproved by the U.S. Securities and Exchange Commission (“SEC”) or the securities regulatory authorities in any state, nor have the SEC or the securities regulatory authorities in any state passed upon the fairness or merits of the Plans or upon the adequacy or accuracy of the information contained in this Information Circular. Any representation to the contrary is a criminal offence.

The issuance of the Newco Common Shares pursuant to the Plans will not be registered under the U.S. Securities Act of 1933, as amended (the “**1933 Act**”), and will be made in reliance on the exemption from registration set forth in section 3(a)(10) of the 1933 Act on the basis of the approval of the Court as described under “*Description of the HII/Shareco Plan – Court Approval of the Plan*” and “*Description of the Homco 61 Plan – Court Approval of the Plan*”.

HII is a corporation governed by the ABCA, Shareco is a corporation governed by the NSCA and Homco 61 LP is a limited partnership governed by the NSLPA. The solicitation of proxies by HII, Shareco and Homco 61 LP hereunder is not subject to the proxy solicitation rules of the U.S. Securities Exchange Act of 1934, as amended (the “**1934 Act**”), and the disclosure in this Information Circular differs from that of a company subject to the disclosure requirements of section 14(a) of the 1934 Act.

Financial statements and information included or incorporated by reference in this Information Circular have been prepared in accordance with IFRS, which differs from U.S. generally accepted accounting principles in certain material respects, and thus they may not be comparable to financial statements of U.S. companies.

Affected Creditors and Homco 61 Affected Creditors in the United States should be aware that the acquisition by them of Newco Common Shares pursuant to the HII/Shareco Plan and the Homco 61 Plan, respectively, may have tax consequences in both the United States and Canada, and such Affected Creditors and Homco 61 Affected Creditors are urged to consult with

their own tax advisors. The U.S. tax consequences are not described in this Information Circular. See also “*Certain Canadian Federal Income Tax Considerations*”.

The enforcement by Affected Creditors and Homco 61 Affected Creditors of civil liabilities under U.S. securities laws may be affected adversely by the fact that HII, Shareco and Homco 61 LP are governed by the ABCA, the NSCA and the NSLPA, respectively, and Newco will be governed by the laws of the Netherlands. In addition, all or some of their respective directors, officers and the experts named in this Information Circular are not residents of the United States and all or most of HII’s, Shareco’s, Homco 61 LP’s and Newco’s assets are or will be located outside the United States. You may not be able to sue an Alberta or Nova Scotia provincially incorporated or formed, or a Dutch incorporated company or any such corporation’s or limited partnership’s directors or officers in a Canadian court for violations of the civil liability provisions of the 1933 Act or the 1934 Act and it may be difficult to enforce a judgment of a U.S. court predicated on such civil liability provisions against these entities and their respective affiliates.

#### **NOTICE TO AFFECTED CREDITORS AND HOMCO 61 AFFECTED CREDITORS IN THE NETHERLANDS**

Neither the implementation of the Plans (including any issue of Newco Common Shares to Affected Creditors or Homco 61 Affected Creditors) nor the publication of this Information Circular or the submission of the HII/Shareco Plan to the HII/Shareco Creditors’ Meeting and the Homco 61 Plan to the Homco 61 Creditors’ Meeting constitute an offer of securities within the meaning of Article 5.2 of the FMSA. The potential admission to trading of the Newco Common Shares on NPEX does not qualify as an admission to trading within the meaning of the FMSA. Consequently, no prospectus within the meaning of the FMSA has been or will be published and this Information Circular has not been drafted to comply with the requirements of a prospectus within the meaning of the FMSA. The AFM has no jurisdiction to either approve or disapprove this Information Circular and has not approved or disapproved its contents in any way.

#### **FORWARD-LOOKING STATEMENTS**

This Information Circular contains forward-looking statements relating to, but not limited to, HII’s, Shareco’s and Homco 61 LP’s expectations, intentions, plans, beliefs and future prospects, as well as the expectations, intentions, plans, beliefs and future prospects of Newco, and the forecasted recovery rates of Affected Creditors and Homco 61 Affected Creditors. These forward-looking statements are identified by the use of terms and phrases such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “predict”, “project”, “will”, “would” and words and phrases of similar import, including references to assumptions.

By their nature, forward-looking statements require the reader to make assumptions and estimates and are subject to inherent risk and uncertainties. These statements are based upon our current expectations about, *inter alia*, the proposed Reorganization Transaction, the Plan Transactions, the Homco 61 Plan Transactions, the implementation of the Plans, asset valuations, the treatment of various Claims filed against the HII Group Entities, the aggregate value of Proven Claims and Homco 61 Proven Claims, cash flow forecasts, tax implications and timing. There is significant risk that predictions or conclusions expressed in or implied by these forward-looking statements may not prove to be accurate, that our assumptions or estimates may not be correct and that actual events may differ materially from such predictions or conclusions. Significant and reasonably foreseeable factors that could cause results to differ materially from our current expectations include the ones discussed under the heading “*Risk Factors*”. Forward-looking statements are subjective in many respects and reflect numerous assumptions by HII, Shareco and Homco 61 LP with respect to future events including the satisfaction of the conditions precedent to the implementation of each of the HII/Shareco Plan and the Homco 61 Plan. These factors and the other risk factors described in this Information Circular are not necessarily all of the important risk factors that could cause actual results to differ materially from those expressed in this Information Circular.

Given these uncertainties and risks, undue reliance should not be placed on such forward-looking statements. These statements are made as of the date of this Information Circular and HII, Shareco and Homco 61 LP do not undertake to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except to the extent expressly required by Applicable Law. For a further discussion of risks, see “*Risk Factors*”.

#### **EXCHANGE RATE INFORMATION**

In this Information Circular, unless otherwise indicated, all amounts are expressed in Canadian dollars. References to “\$” or “CDN\$” are to Canadian dollars, references to “US\$” are to United States dollars and references to “€” or “EUR” are to Euros. All Affected Claims which are denominated in a currency other than Canadian dollars will be converted into Canadian dollars at the noon spot rate of exchange quoted by the Bank of Canada for exchanging such currency into Canadian dollars as at the Filing Date, which rates are CDN\$0.9971:US\$1.0000 and CDN\$1.3626:€1.0000. All Homco 61 Affected Claims which are denominated in a currency other than Canadian dollars will be converted into Canadian dollars at the noon spot rate of exchange quoted by the Bank of Canada for exchanging such currency into Canadian dollars as at the Homco 61 Filing Date, which rates are CDN\$0.9960:US\$1.0000 and CDN\$1.3473:€1.0000.

## SUMMARY

*This summary highlights selected information from this Information Circular to help Affected Creditors understand the HII/Shareco Plan in order to vote on the Resolution and to help Homco 61 Affected Creditors understand the Homco 61 Plan in order to vote on the Homco 61 Resolution. Affected Creditors and Homco 61 Affected Creditors should read this Information Circular carefully in its entirety to understand the terms of the HII/Shareco Plan and the Homco 61 Plan as well as the tax and other considerations that may be important to them in deciding whether to approve the HII/Shareco Plan and the Homco 61 Plan, as applicable. Affected Creditors and Homco 61 Affected Creditors should note, however, that the governing document is the HII/Shareco Plan and the Homco 61 Plan, respectively. Affected Creditors and Homco 61 Affected Creditors should also pay special attention to the "Risk Factors" section of this Information Circular. The following summary is qualified in its entirety by reference to the detailed information contained elsewhere in this Information Circular, including its Appendices. Capitalized terms used herein and not otherwise defined have the meanings given to them in the "Glossary of Terms" section of this Information Circular.*

**THIS INFORMATION CIRCULAR IS BASED ON INFORMATION CONTAINED IN THE PLANS. THESE PLANS REMAIN SUBJECT TO CHANGE AND ANY CHANGE TO THE PLANS MAY BE MATERIAL. AS A RESULT, INFORMATION CONTAINED IN THIS INFORMATION CIRCULAR MAY NOT BE COMPLETE AND MAY HAVE TO BE SUPPLEMENTED OR AMENDED. SUPPLEMENTS OR AMENDMENTS TO THIS INFORMATION CIRCULAR WILL BE FILED ON THE WEBSITE OF HOMBURG INVEST INC. AT [WWW.HOMBURGINVEST.COM](http://WWW.HOMBURGINVEST.COM) AND ON THE MONITOR'S WEBSITE AT [WWW.DELOITTE.COM/CA/HOMBURG-INVEST](http://WWW.DELOITTE.COM/CA/HOMBURG-INVEST). SEE "DESCRIPTION OF THE HII/SHARECO PLAN – MODIFICATION OF THE PLAN" AND "DESCRIPTION OF THE HOMCO 61 PLAN – MODIFICATION OF THE PLAN".**

### **Homburg Invest Inc.**

HII is an international real estate investment and development company based in Canada. HII indirectly owns and develops a diversified portfolio of quality real estate, including office, retail, industrial and residential properties in Canada, Europe (Germany, Baltics and the Netherlands) and the United States. HII also indirectly owns land assets for development in Calgary, Alberta.

### **Homburg Shareco Inc.**

Shareco is a wholly-owned subsidiary of HII formed for the purpose of raising capital for HII and is the issuer of mortgage bonds under the Mortgage Bond Trust Indenture.

### **Homco Realty Fund (61) Limited Partnership**

Homco 61 LP is a limited partnership formed under the NSLPA for the purpose of, directly or indirectly, investing in, acquiring and operating real or personal property, and assisting in obtaining, maintaining or renewing financing. Homco 61 LP has, *inter alia*, guaranteed Shareco's obligations under the Bond 6 Indenture forming part of the Mortgage Bond Trust Indenture.

### **HII/Shareco Creditors' Meeting**

Pursuant to the HII/Shareco Meeting Order, the HII/Shareco Creditors' Meeting will be held on May 30, 2013 in two locations simultaneously. The HII/Shareco Canadian Creditors' Meeting of the Affected Creditors will be held at 9:00 a.m. (Eastern Prevailing Time) at the offices of McCarthy Tétrault LLP, Suite 2500, Lafleur room, 1000 De La Gauchetière Street West in Montréal, Québec, Canada and the HII/Shareco European Creditors' Meeting will be held at 3:00 p.m. (Central European Time) at Jaarbeursplein 6 in Utrecht, the Netherlands. The purpose of the HII/Shareco Creditors' Meeting is to consider and, if thought advisable, to pass, with or without variation, the Resolution proposed by HII and Shareco. See "*Notice of HII/Shareco Creditors' Meeting and HII/Shareco Sanction Hearing*".

In order for the HII/Shareco Plan to be approved and be binding in accordance with its terms and the CCAA, the Resolution must be approved by the Required Majority, which is a majority of Affected Creditors having an Affected Claim and voting on the Resolution (in person or by Proxy or who are deemed to vote pursuant to the HII/Shareco Plan and the HII/Shareco Meeting Order) at the HII/Shareco Creditors' Meeting and representing not less than 66 and 2/3 per cent in value of the Voting Claims of the Affected Creditors voting at the HII/Shareco Creditors' Meeting. The HII/Shareco Plan must also be sanctioned by the Court. Subject to satisfaction of the other conditions precedent to the implementation of the HII/Shareco Plan, all Affected Creditors will then receive the treatment set forth in the HII/Shareco Plan. See "*Description of the HII/Shareco Plan – Creditor Approval of the HII/Shareco Plan*".

Quorum for the HII/Shareco Creditors' Meeting has been set by the HII/Shareco Meeting Order as the presence, in person or by Proxy, at the HII/Shareco Creditors' Meeting of one Affected Creditor with a Voting Claim entitled to attend and vote at the HII/Shareco Creditors' Meeting on the Resolution.

The HII/Shareco Creditors' Meeting will be held in accordance with the CCAA, the Claims Process Order, the HII/Shareco Meeting Order, the HII/Shareco Plan and any further Order of the Court. The only Persons entitled to attend the HII/Shareco Creditors' Meeting are representatives of the Homburg Group Members and Catalyst and their respective legal counsel and advisors, the Monitor and its legal counsel, the Corporate Indenture Trustees (other than Stichting Homburg Capital Securities) and their respective legal counsel and advisors, and all other Persons, including the other holders of Proxies, entitled to vote at the HII/Shareco Creditors' Meeting and their legal counsel and advisors. Any other Person may be admitted to the HII/Shareco Creditors' Meeting on invitation of the Chair. See "*Procedure for the HII/Shareco Creditors' Meeting and the Homco 61 Creditors' Meeting*".

### **Homco 61 Creditors' Meeting**

Pursuant to the Homco 61 Meeting Order, the Homco 61 Creditors' Meeting will be held on May 30, 2013 in two locations simultaneously, concurrently with the HII/Shareco Creditors' Meeting. The Homco 61 Canadian Creditors' Meeting of the Homco 61 Affected Creditors will be held at 9:00 a.m. (Eastern Prevailing Time) at the offices of McCarthy Tétrault LLP, Suite 2500, Lafleur room, 1000 De La Gauchetière Street West in Montréal, Québec, Canada and the European Creditors' Meeting will be held at 3:00 p.m. (Central European Time) at Jaarbeursplein 6 in Utrecht, the Netherlands. The purpose of the Homco 61 Creditors' Meeting is to consider and, if thought advisable, to pass, with or without variation, the Homco 61 Resolution proposed by Homco 61 LP. See "*Notice of Homco 61 Creditors' Meeting and Homco 61 Sanction Hearing*".

In order for the Homco 61 Plan to be approved and be binding in accordance with its terms and the CCAA, the Homco 61 Resolution must be approved by the Required Majority, which is a majority of Homco 61 Affected Creditors having an Homco 61 Affected Claim and voting on the Homco 61 Resolution (in person or by Proxy or who are deemed to vote pursuant to the Homco 61 Plan and the Homco 61 Meeting Order) at the Homco 61 Creditors' Meeting and representing not less than 66 and 2/3 per cent in value of the Homco 61 Voting Claims of the Homco 61 Affected Creditors voting at the Homco 61 Creditors' Meeting. The Homco 61 Plan must also be sanctioned by the Court. Subject to satisfaction of the other conditions precedent to the implementation of the Homco 61 Plan (including, *inter alia*, the implementation of the HII/Shareco Plan), all Homco 61 Affected Creditors will then receive the treatment set forth in the Homco 61 Plan. See "*Description of the Homco 61 Plan – Creditor Approval of the Homco 61 Plan*".

Quorum for the Homco 61 Creditors' Meeting has been set by the Homco 61 Meeting Order as the presence, in person or by Proxy, at the Homco 61 Creditors' Meeting of one Homco 61 Affected Creditor with a Homco 61 Voting Claim entitled to attend and vote at the Homco 61 Creditors' Meeting on the Homco 61 Resolution.

The Homco 61 Creditors' Meeting will be held in accordance with the CCAA, the Claims Process Order, the Homco 61 Meeting Order, the HII/Shareco Meeting Order, the Homco 61 Plan and any further Order of the Court. The only Persons entitled to attend the Homco 61 Creditors' Meeting are representatives of Homco 61, the Monitor, Stichting Homburg Bonds, and Catalyst and their respective legal counsel and advisors, and all other Persons, including the other holders of Proxies, entitled to vote at the Homco 61 Creditors' Meeting and their legal counsel and advisors. Any other Person may be admitted to the Homco 61 Creditors' Meeting on invitation of the Chair. See "*Procedure for the Creditors' Meeting and Homco 61 Creditors' Meeting*".

### **Entitlement to Vote on the HII/Shareco Plan**

For the purposes of considering and voting on the Resolution, only Affected Creditors with Voting Claims shall be entitled to vote their Voting Claims at the HII/Shareco Creditors' Meeting. The validity and value of the Affected Claims being determined as Voting Claims will be determined for voting purposes in accordance with the procedures set forth in the Claims Process Order, and the HII/Shareco Meeting Order, a copy of which is attached as Appendix "C" to the Information Circular.

Any person having an Unaffected Claim will not be entitled to vote on the HII/Shareco Plan at the Creditors' Meeting in respect of such Unaffected Claim.

Each Affected Creditor will be entitled to one vote at the HII/Shareco Creditors' Meeting, which vote will have the value of such person's Voting Claim, as determined pursuant to the Claims Process Order and the HII/Shareco Meeting Order. Each Affected Creditor holding a Voting Claim (other than holders of Capital Securities Claims, Stichting Homburg Capital Securities, and the Intercompany Claims) is entitled to vote at one of the HII/Shareco Canadian Creditors' Meeting or the HII/Shareco European Creditors' Meeting, but not both. None of the holders of Capital Securities Claims, Intercompany Claims, or Stichting Homburg Capital Securities shall be entitled to vote at the Creditors' Meeting.

Affected Creditors with one or more Affected Claims that were less than or equal to CDN\$10,000 in the aggregate as at the Claims Bar Date shall prior to the Election/Proxy Deadline (i) file with the Monitor a Convenience Class Claim Declaration pursuant to which such Affected Creditors may (a) elect to be treated as a Convenience Class Creditor and receive only the Cash Elected Amount and shall be deemed thereby to vote in favour of the HII/Shareco Plan, (b) make a Newco Common Shares Cash-Out Option Election and receive an amount equal to the Aggregate Newco Common Shares Final Cash-Out Amount, and their Pro Rata Share of the Cash Pool and the Asset Realization Cash Pool and no other entitlements under the HII/Shareco Plan and shall be deemed thereby to vote in favour of the HII/Shareco Plan, or (c) elect to be treated as an Affected Creditor (other than a Convenience Class Creditor or an Electing Creditor) under the Plan, and thereby be entitled to vote their Voting Claims at the HII/Shareco Creditors' Meeting (in person or by Proxy) and to receive the rights and distributions provided for under and pursuant to the HII/Shareco Plan; or (ii) deposit such Convenience Class Claim Declaration with the Chair at the relevant HII/Shareco Creditors' Meeting (or any adjournment, postponement or rescheduling thereof) before the beginning of such HII/Shareco Creditors' Meeting (or any adjournment, postponement or rescheduling thereof).

If an Affected Creditor with one or more Affected Claims that were less than or equal to CDN\$10,000 in the aggregate as at the Claims Bar Date does not return a Convenience Class Claim Declaration to the Monitor by such deadline, they will be deemed to have elected to be treated as a Convenience Class Creditor and to receive the Cash Elected Amount and no other entitlements under the HII/Shareco Plan.

All other Affected Creditors who wish to make a Newco Common Shares Cash-Out Option Election and receive an amount equal to the Aggregate Newco Common Shares Final Cash-Out Amount, and their Pro Rata Share of the Cash Pool and the Asset Realization Cash Pool and no other entitlements under the HII/Shareco Plan and be deemed thereby to vote in favour of the HII/Shareco Plan, must complete the top portion of the Proxy and return it to the Monitor or deposit it with the Chair at the relevant HII/Shareco Creditors' Meeting (or any adjournment, postponement or rescheduling thereof) prior to the Election/Proxy Deadline.

All Convenience Class Creditors and Electing Creditors shall be deemed to have voted in favour of the HII/Shareco Plan. All Affected Creditors who are also Homco 61 Affected Creditors and who have made a Newco Common Shares Cash-Out Option Election under the HII/Shareco Plan are deemed to make a corresponding election under the Homco 61 Plan and are deemed thereby to vote in favour of both the HII/Shareco Plan and the Homco 61 Plan.

No assignee or transferee of any Voting Claim who acquires such Voting Claim after April 17, 2013 (the "**HII/Shareco Record Date**") will be permitted to attend and vote at the HII/Shareco Creditors' Meeting (either in person or by Proxy). If an assignee or transferee of a Voting Claim acquires such Voting Claim prior to the HII/Shareco Record Date, they may deliver evidence satisfactory to the Monitor of its ownership of the Voting Claim and the validity of such assignment or transfer, upon which the assignee or transferee will be entitled to receive a package of materials for the HII/Shareco Creditors' Meeting and to vote at the HII/Shareco Creditors' Meeting (in person or by Proxy) to the exclusion of the transferor or assignor of such Voting Claim. In the case of the holders of the Bond 6 Unsecured Claim, the Bond 6 HII Deficiency Claim, the Corporate Bond Claims, the Mortgage Bond Trust Indenture Unsecured Claim and the Taberna Claim, the identity of the Affected Creditors having the right to vote shall be as determined by the list of holders as at the HII/Shareco Record Date to be provided by the respective Corporate Indenture Trustees to the Monitor in accordance with the HII/Shareco Meeting Order. Thereafter, such transferee or assignee shall, for all purposes, in accordance with the Claims Process Order and the HII/Shareco Meeting Order constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor in respect of such Voting Claim. For greater certainty, partial transfers or assignments of Claims shall not be recognized by HII and Shareco or the Monitor. See "*Voting at the HII/Shareco Creditors' Meeting and the Homco 61 Creditors' Meeting*".

#### **Entitlement to Vote on the Homco 61 Plan**

For the purposes of considering and voting on the Homco 61 Resolution, only Homco 61 Affected Creditors with Homco 61 Voting Claims shall be entitled to vote their Homco 61 Voting Claims at the Homco 61 Creditors' Meeting. The validity and value of the Homco 61 Affected Claims being determined as Homco 61 Voting Claims will be determined for voting purposes in accordance with the procedures set forth in the Claims Process Order, the HII/Shareco Meeting Order and the Homco 61 Meeting Order, a copy of the latter being attached as Appendix "H" to this Information Circular.

Any person having a Homco 61 Unaffected Claim will not be entitled to vote on the Homco 61 Plan at the Homco 61 Creditors' Meeting in respect of such Homco 61 Unaffected Claim.

Each Homco 61 Affected Creditor will be entitled to one vote at the Homco 61 Creditors' Meeting, which vote will have the value of such person's Homco 61 Voting Claim, as determined pursuant to the Claims Process Order and the Homco 61 Meeting Order. Each Homco 61 Affected Creditor holding a Homco 61 Voting Claim is entitled to vote at one of the Homco 61 Canadian Creditors' Meeting or the Homco 61 European Creditors' Meeting, but not both.



Homco 61 Affected Creditors with Homco 61 Affected Claims who wish to make a Newco Common Shares Cash-Out Option Election and receive an amount equal to such Homco 61 Affected Creditor's Aggregate Newco Common Shares Final Cash-Out Amount, and their *pro rata* share of Homco 61 LP's Pro Rata Share of the Cash Pool and the Asset Realization Cash Pool and no other entitlements under the Homco 61 Plan and be deemed thereby to vote in favour of the Homco 61 Plan, must complete the top portion of the Proxy and return it to the Monitor or deposit it with the Chair at the relevant Homco 61 Creditors' Meeting (or any adjournment, postponement or rescheduling thereof) prior to the Election/Proxy Deadline.

All Homco 61 Affected Creditors who have made a Newco Common Shares Cash-Out Option Election under the HII/Shareco Plan are deemed to make a corresponding election under the Homco 61 Plan and are deemed thereby to vote in favour of the Homco 61 Plan.

No assignee or transferee of any Homco 61 Voting Claim who acquires such Homco 61 Voting Claim after April 17, 2013 (the "**Homco 61 Record Date**") will be permitted to attend and vote at the Homco 61 Creditors' Meeting (either in person or by Proxy). If an assignee or transferee of a Homco 61 Voting Claim acquires such Homco 61 Voting Claim prior to the Homco 61 Record Date, they may deliver evidence satisfactory to the Monitor of its ownership of the Homco 61 Voting Claim and the validity of such assignment or transfer, upon which the assignee or transferee will be entitled to receive a package of materials for the Homco 61 Creditors' Meeting and to vote at the Homco 61 Creditors' Meeting (in person or by Proxy) to the exclusion of the transferor or assignor of such Voting Claim. In the case of the holders of the Bond 6 Homco 61 Claim, the identity of the Affected Creditors having the right to vote shall be as determined by the list of holders as at the Homco 61 Record Date to be provided by Stichting Homburg Bonds to the Monitor in accordance with the Homco 61 Meeting Order. Thereafter, such transferee or assignee shall, for all purposes, in accordance with the Claims Process Order and the Homco 61 Meeting Order constitute a Homco 61 Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor in respect of such Homco 61 Voting Claim. For greater certainty, partial transfers or assignments of Homco 61 Voting Claims shall not be recognized by Homco 61 or the Monitor. See "*Voting at the HII/Shareco Creditors' Meeting and the Homco 61 Creditors' Meeting*".

#### **Entitlement to Receive Distributions Under the HII/Shareco Plan**

Convenience Class Creditors with Proven Claims shall be entitled to receive recoveries of their Proven Claims in the form of distributions from the Cash Pool in an amount equal to the Cash Elected Amount in respect of their Convenience Class Claims, being the Canadian dollar amount that is equal to 35 per cent of such Affected Creditor's Convenience Class Claim that is a Proven Claim.

Electing Creditors with Proven Claims shall be entitled to receive recoveries of their Proven Claims in the form of distributions from the Cash-Out Pool in an amount equal to the Aggregate Newco Common Shares Final Cash-Out Amount, and distributions from the Cash Pool and the Asset Realization Cash Pool in an amount equal to such Affected Creditor's Pro Rata Share of the Cash Pool and the Asset Realization Cash Pool, pursuant to and in accordance with the Plan.

All other Affected Creditors with Proven Claims shall be entitled to receive recoveries of their Proven Claims in the form of Newco Common Shares, distributions from the Cash Pool and distributions from the Asset Realization Cash Pool in an amount equal to such Affected Creditor's Pro Rata Share of the Newco Equity Pool, the Cash Pool and the Asset Realization Cash Pool respectively, pursuant to and in accordance with the HII/Shareco Plan.

All distributions from the Cash Pool and the Asset Realization Cash Pool will be made by way of wire transfer made to the IBAN number provided by such Affected Creditor or cheque sent by prepaid ordinary mail to the address for and payable to such Affected Creditor, as specified in the Letter of Instruction, Convenience Class Claim Declaration or Proxy filed by or on behalf of such Affected Creditor with the Monitor (or in the absence thereof, as set out in such Affected Creditor's Proof of Claim)

All distributions from the Cash-Out Pool will be made by wire transfer made to the IBAN number provided by such Affected Creditor or cheque sent by prepaid ordinary mail to the address for and payable to such Affected Creditor, as specified in the Convenience Class Claim Declaration or Proxy filed by or on behalf of such Affected Creditor with the Monitor (or in the absence thereof, as set out in Affected Creditor's Proof of Claim).

Depending on the Trading Platform on which the Newco Common Shares will be admitted for trading or listing, Affected Creditors will receive either Newco Common Shares or depositary receipts issued in respect of such shares. Any depositary receipts will be issued by the NPEX Foundation in respect of the Newco Common Shares it will hold and will entitle the holder thereof to rights attached to the Newco Common Shares. Each Affected Creditor (other than a Convenience Class Creditor and an Electing Creditor) shall receive DRS Transaction Advice indicating their individual entitlement to a number of such Newco Common Shares. It is currently expected that Newco will make an application to trade the Newco Common Shares on NPEX. If and to the extent that the Newco Common Shares will be traded on NPEX, Affected Creditors (other than a Convenience Class Creditor and an Electing Creditor) will need to open an account with the Trading Platform where such depositary receipts will be held. See "*Description of the HII/Shareco Plan – Distributions and Payments*".

The Newco Common Shares (and, if applicable, the depositary receipts that will be tradable on NPEX) will be subject to a 90-day standstill period during which holders of the Newco Common Shares, or depositary receipts, will not be entitled to sell, transfer, gift, assign, pledge, hypothecate, encumber, convert or otherwise dispose of any of their Newco Common Shares, any interest or entitlement therein or any depositary receipt issued by the NPEX Foundation in respect of the Newco Common Shares. See “*Newco Common Shares – Rights and Restrictions*”.

An Affected Creditor holding a Disputed Claim will not be entitled to receive a distribution under the HII/Shareco Plan in respect of any portion thereof unless and until such Disputed Claim becomes a Proven Claim (as the case may be). See “*Description of the HII/Shareco Plan – Treatment of Affected Creditors*”.

Notwithstanding the foregoing, none of Stichting Homburg Capital Securities or holders of any Capital Securities Claims will be entitled to receive any distributions under the HII/Shareco Plan. The Bond 6 Claim Holders will be entitled to receive distributions under the HII/Shareco Plan as described below under the heading “*Summary – Homco 61 Affected Creditors*”. Any distributions on account of a Taberna Claim under the HII/Shareco Plan shall be made in accordance with the Taberna Order.

An Affected Creditor (other than a Convenience Class Creditor) may transfer or assign the whole of its Claim after the HII/Shareco Creditors’ Meeting, provided that the Monitor shall not be obliged to deal with any such transferee or assignee as an Affected Creditor unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment and a duly completed and executed Letter of Instruction, has been received by HII and the Monitor. After such time, such transferee or assignee will, for all purposes in accordance with the Claims Process Order, the HII/Shareco Meeting Order and the HII/Shareco Plan constitute an Affected Creditor and will be bound by any and all notices previously given to the transferor or assignor in respect of such Claim.

#### **Entitlement to Receive Distributions Under the Homco 61 Plan**

The principal asset of Homco 61 LP is Homco 61 LP’s entitlement to distributions under the HII/Shareco Plan (referred to herein as the HII Homco 61 Distribution).

Electing Creditors with Proven Claims shall be entitled to receive recoveries of their Proven Claims in the form of distributions from the Cash-Out Pool in an amount equal to the Aggregate Newco Common Shares Final Cash-Out Amount, and distributions from the Cash Pool and the Asset Realization Cash Pool in an amount equal to such Homco 61 Affected Creditor’s *pro rata* share of Homco 61 LP’s Pro Rata Share of the Cash Pool and the Asset Realization Cash Pool, pursuant to and in accordance with the HII/Shareco Plan and the Homco 61 Plan.

Each Homco 61 Affected Creditor with a Homco 61 Proven Claim will receive its *pro rata* share of the HII Homco 61 Distribution in the form of Newco Common Shares, distributions from the Cash Pool and distributions from the Asset Realization Cash Pool pursuant to and in accordance with the HII/Shareco Plan and the Homco 61 Plan.

All distributions from the Cash Pool and the Asset Realization Cash Pool will be made by way of wire transfer made to the IBAN number provided by such Homco 61 Affected Creditor or cheque sent by prepaid ordinary mail to the address for and payable to such Homco 61 Affected Creditor, as specified in the Letter of Instruction or Proxy filed by or on behalf of such Homco 61 Affected Creditor with the Monitor (or in the absence thereof, as set out in such Homco 61 Affected Creditor’s Proof of Claim).

All distributions from the Cash-Out Pool will be made by wire transfer made to the IBAN number provided by such Homco 61 Affected Creditor or cheque sent by prepaid ordinary mail to the address for and payable to such Homco 61 Affected Creditor, as specified in the Proxy filed by or on behalf of such Homco 61 Affected Creditor with the Monitor (or in the absence thereof, as set out in Homco 61 Affected Creditor’s Proof of Claim).

Depending on the Trading Platform on which the Newco Common Shares will be admitted for trading or listing, Homco 61 Affected Creditors will receive either Newco Common Shares or depositary receipts issued in respect of such shares. If the Newco Common Shares are admitted to trading on NPEX, any depositary receipts will be issued by the NPEX Foundation in respect of the Newco Common Shares it will hold and will entitle the holder thereof to rights attached to the Newco Common Shares. Each Homco 61 Affected Creditor (other than a Convenience Class Creditor and an Electing Creditor) shall receive DRS Transaction Advice indicating their individual entitlement to a number of such Newco Common Shares. It is currently expected that Newco will make an application to trade the Newco Common Shares on NPEX. If and to the extent that the Newco Common Shares will be traded on NPEX, Homco 61 Affected Creditors (other than a Convenience Class Creditor and an Electing Creditor) will need to open an account with the Trading Platform where such depositary receipts will be held. See “*Description of the HII/Shareco Plan – Distributions and Payments*”.

The Newco Common Shares (and, if applicable, the depositary receipts that will be tradable on NPEX) will be subject to a 90-day standstill period during which holders of the Newco Common Shares, or depositary receipts, will not be entitled to

sell, transfer, gift, assign, pledge, hypothecate, encumber, convert or otherwise dispose of any of their Newco Common Shares, any interest or entitlement therein or any depositary receipt issued by NPEX Foundation in respect of the Newco Common Shares. See “*Newco Common Shares – Rights and Restrictions*”.

A Homco 61 Affected Creditor holding a Homco 61 Disputed Claim will not be entitled to receive a distribution under the Homco 61 Plan in respect of any portion thereof unless and until such Homco 61 Disputed Claim becomes a Homco 61 Proven Claim (as the case may be). See “*Description of the Homco 61 Plan – Treatment of Affected Creditors*”.

The Bond 6 Claim Holders will be entitled to receive distributions under the Homco 61 Plan as described below under the heading “*Summary – Homco 61 Affected Creditors*”.

A Homco 61 Affected Creditor may transfer or assign the whole of its Claim after the Homco 61 Creditors’ Meeting, provided that the Monitor shall not be obliged to deal with any such transferee or assignee as a Homco 61 Affected Creditor unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment and a duly completed and executed Letter of Instruction, has been received by Homco 61 and the Monitor. After such time, such transferee or assignee will, for all purposes in accordance with the Claims Process Order, the Homco 61 Meeting Order and the Homco 61 Plan constitute a Homco 61 Affected Creditor and will be bound by any and all notices previously given to the transferor or assignor in respect of such Claim.

### **Newco Common Shares Cash-Out Option**

The HII/Shareco Plan includes an option for Affected Creditors (other than Convenience Class Creditors who have made a Convenience Class Claim Election) to receive, 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, an amount equal to such Affected Creditor’s *pro rata* share of the Aggregate Newco Common Shares Final Cash-Out Amount.

Affected Creditors (other than Convenience Class Creditors who have made a Convenience Class Claim Election) 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. The Newco Common Shares Cash-Out Option Election is made in respect of all of an Affected Creditor’s Pro Rata Share of the Newco Common Shares pursuant to the HII/Shareco Plan. See “*Voting at the HII/Shareco Creditors’ Meeting and the Homco 61 Creditors Meeting – Newco Common Shares Cash-Out Option Election*” and “*Description of the HII/Shareco Plan – Newco Common Shares Cash-Out Election*”.

The Homco 61 Plan also includes an option for Homco 61 Affected Creditors to receive, instead of all of their *pro rata* share of the Newco Common Shares forming part of the HII Homco 61 Distribution, an amount equal to such number of Newco Common Shares multiplied by the Newco Common Shares Cash-Out Price. This option is exercised by Homco 61 Affected Creditors in the same manner as described in the preceding paragraph.

The estimated recovery of Affected Creditors or Homco 61 Affected Creditors who choose the Newco Common Shares Cash-Out Option is different, and may be a lesser amount, than the estimated recovery of such creditors who do not make this choice. The Newco Common Shares Cash-Out Option provides for a payment of cash instead of Newco Common Shares. The actual recovery of Affected Creditors or Homco 61 Affected Creditors who do not exercise the Newco Common Shares Cash-Out Option will depend, in part, on the amount for which the Newco Common Shares can be sold when they become tradable. This may be greater or less than the amount included in the estimated recovery or the amount payable pursuant to the exercise of the Newco Common Shares Cash-Out Option. See “*Estimated Recovery by Affected Creditors and Electing Creditors under the HII/Shareco Plan and by Homco 61 Affected Creditors and Electing Creditors under the Homco 61 Plan*”.

The Newco Common Shares Cash-Out Option is included in the HII/Shareco Plan and the Homco 61 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.



### Estimated Recovery by Affected Creditors and Electing Creditors

The following table presents the estimated ranges of recovery rates, from each of the Cash Pool, the Asset Realization Cash Pool and the Newco Common Shares, for Affected Creditors under the Plan who are not (i) Convenience Class Creditors; or (ii) Electing Creditors. The table below shows the ranges of recovery for each series of Mortgage Bonds (HB4-HB7), the Corporate Bonds (non-asset backed bonds) and the general unsecured creditors<sup>1</sup>:

Estimated Recovery Rates of Affected Creditors	Low scenario			High scenario		
	At emergence	Post-Emergence	Total	At emergence	Post-Emergence	Total
<b>Cash</b>						
HB4 .....	6.18%	25.44%	31.62%	5.72%	39.86%	45.59%
HB5 .....	17.98%	5.73%	23.71%	18.70%	8.84%	27.54%
HB6 .....	20.56%	2.91%	23.47%	25.51%	3.86%	29.38%
HB7 .....	4.91%	40.76%	45.67%	4.11%	56.84%	60.94%
Non-asset backed bonds .....	7.76%	6.44%	14.20%	8.57%	9.94%	18.51%
Unsecured creditors .....	7.02%	5.84%	12.86%	7.74%	8.98%	16.72%
<b>Shares</b>						
HB4 .....	25.09%	0.00%	25.09%	21.70%	0.00%	21.70%
HB5 .....	27.99%	0.00%	27.99%	28.90%	0.00%	28.90%
HB6 .....	52.03%	0.00%	52.03%	51.59%	0.00%	51.59%
HB7 .....	19.93%	0.00%	19.93%	15.58%	0.00%	15.58%
Non-asset backed bonds .....	31.48%	0.00%	31.48%	32.51%	0.00%	32.51%
Unsecured creditors .....	28.50%	0.00%	28.50%	29.36%	0.00%	29.36%
<b>Total cash and shares</b>						
HB4 .....	31.27%	25.44%	56.71%	27.43%	39.86%	67.29%
HB5 .....	45.96%	5.73%	51.69%	47.61%	8.84%	56.44%
HB6 .....	72.59%	2.91%	75.50%	77.10%	3.86%	80.97%
HB7 .....	24.84%	40.76%	65.60%	19.69%	56.84%	76.52%
Non-asset backed bonds .....	39.23%	6.44%	45.68%	41.08%	9.94%	51.02%
Unsecured creditors .....	35.52%	5.84%	41.36%	37.10%	8.98%	46.08%

The estimated recovery rates presented in the table above and in this Information Circular are based on prospective financial information. This information is not fact and should not be relied upon as being necessarily indicative of future results. See “*Estimated Recovery by Affected Creditors and Electing Creditors under the HII/Shareco Plan and by Homco 61 Affected Creditors and Electing Creditors under the Homco 61 Plan*”.

The underlying assumptions and estimates used in the calculations of estimated recovery rates set forth in the table above are inherently uncertain and, though considered reasonable by HII as at the date of this Information Circular, are subject to a wide variety of significant business, economic, market, timing, financial and competitive uncertainties and contingencies. Some of the specific assumptions made for the purpose of the calculations presented in the table below include, but are not limited to, the assumptions in relation to recovery by holders of Mortgage Bond Claims and the valuation of Newco. See “*Certain Specific Assumptions*” and “*Risk Factors*”.

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

Convenience Class Creditors shall receive a Canadian dollar amount that is equal to 35 per cent of such Affected Creditors’ Convenience Class Claim that is a Proven Claim.

### Impact of Newco Common Shares Cash-Out Option Election on Estimated Recovery Rates of Electing Creditors

The Newco Common Shares Cash-Out Option entitles Affected Creditors and Homco 61 Affected Creditors to choose to receive a 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 Plans, albeit at a discount as compared to the estimated forecasted equity value of Newco.

<sup>1</sup> These numbers do not take into account distributions to Convenience Class Creditors.

Such cash payment is 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 Initial Funding Amount would be equivalent €95M, representing approximately 59% of the estimated equity value of Newco at emergence.

Since the Newco Common Shares Cash-Out Option only pertains to the right of Affected Creditors and Homco 61 Affected Creditors to receive Newco Common Shares, the Newco Common Shares Cash-Out Option Election does not affect the recovery of the Electing Creditors with regard to the Cash Pool or the Asset Realization Cash Pool.

The following table shows the impact of making the Newco Common Share Cash-Out Election on the estimated recovery rates of Electing Creditors (general unsecured creditors), in comparison to their estimated recovery rates under the Plans in the absence of a Newco Common Shares Cash-Out Option Election.

	<u>Low</u>	<u>High</u>
<b>Catalyst option</b> – Estimated recovery rates for unsecured creditors		
– Cash .....	12.86%	16.72%
– Shares (in cash) .....	16.70%	17.21%
<b>Estimated cash received</b> .....	<b><u>29.56%</u></b>	<b><u>33.93%</u></b>
<b>The HII/Shareco Plan</b> – Estimated recovery rates for unsecured creditors		
– Cash .....	12.86%	16.72%
– Shares (in shares) .....	28.50%	29.36%
<b>Estimated recovery in cash and shares per the Plan</b> .....	<b><u>41.36%</u></b>	<b><u>46.08%</u></b>

Affected Creditors and Homco 61 Affected Creditors should refer to the Monitor’s report in support of the Plans, delivered together with this Information Circular, for additional analysis that may be useful to them in deciding whether or not to make the Newco Common Shares Cash-Out Option Election.

### Equity Claims

All Persons holding Equity Claims, including the Claims of holders of HII Class A Shares and/or HII Class B Shares, will not be entitled to vote on the Resolution or the Homco 61 Resolution or attend the HII/Shareco Creditors’ Meeting or the Homco 61 Creditors’ Meeting, and will not receive any distributions under the HII/Shareco Plan or Homco 61 Plan or any other compensation on account of their Equity Claims in connection with or as a result of the transactions contemplated by the HII/Shareco Plan or the Homco 61 Plan. All Equity Claims will be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without compensation at the Effective Time and the Homco 61 Effective Time, respectively, on the Plan Implementation Date and the Homco 61 Plan Implementation Date, respectively.

### Unaffected Claims and Homco 61 Unaffected Claims

The Plans do not affect or compromise Unaffected Creditors or the Homco 61 Unaffected Creditors with respect to their Unaffected Claims and Homco 61 Unaffected Claims. Persons with Unaffected Claims and Homco 61 Unaffected Claims will not be entitled to vote or attend at the HII/Shareco Creditors’ Meeting or Homco 61 Creditors’ Meeting or receive any distributions under the Plans in respect of such Unaffected Claims and Homco 61 Unaffected Claims. Unaffected Claims and Homco 61 Unaffected Claims will be dealt with in accordance with the Plans. See “Description of the HII/Shareco Plan – Unaffected Claims” and “Description of the Homco 61 Plan – Unaffected Claims”.

### Capital Securities Claims

None of Stichting Homburg Capital Securities or the holders of the Capital Securities Claims shall be entitled to vote on the Resolution or attend the HII/Shareco Creditors’ Meeting and shall not receive any distributions under the HII/Shareco Plan. At the Effective Time on the Plan Implementation Date, the Capital Securities Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

### Homco 61 Affected Creditors

Treatment of the Homco 61 Affected Creditors (including the Bond 6 Claim Holders) under the HII/Shareco Plan and the Homco 61 Plan is conditioned upon and subject to the approval by the Required Majority of Affected Creditors and the Homco 61 Affected Creditors and the Court. If such approvals are obtained, (a) the aggregate Proven Claim of a Homco 61 Affected Creditor with a Homco 61 Affected Creditor HII Claim for voting purposes under the HII/Shareco Plan shall be the full amount of their Claim in accordance with and as provided in the HII/Shareco Meeting Order and the Homco 61 Meeting

Order, (b) the aggregate Proven Claim of a Homco 61 Affected Creditor with a Homco 61 Affected Creditor HII Claim for distribution purposes under the HII/Shareco Plan shall be their Homco 61 Affected Creditor HII Deficiency Claim, (c) the aggregate Proven Claim of Homco 61 LP for voting and distribution purposes under the HII/Shareco Plan shall be the Homco 61 Net Intercompany Claim, and (d) 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 Homco 61 Plan shall be the full amount of their Claim in accordance with and as provided in the HII/Shareco Meeting Order and the Homco 61 Meeting Order. In the event that either 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 LP for voting and distribution purposes under the HII/Shareco Plan will be determined by the Monitor and/or the Court, provided that Proven Claim of the Bond 6 Claim Holders for voting purposes under the HII/Shareco Plan will not be redetermined. At the Effective Time on the Plan Implementation Date, as applicable, Homco 61 Affected Creditor HII Claims and the Homco 61 Intercompany Claim shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

#### **Voting at the HII/Shareco Creditors' Meeting**

Affected Creditors (other than Convenience Class Creditors and those who make a Newco Common Shares Cash-Out Option Election) who wish to appoint a proxy to attend the HII/Shareco Creditors' Meeting should complete the bottom portion of the Proxy contained in the HII/Shareco Meeting Materials. **Such Affected Creditors may attend the HII/Shareco Creditors' Meeting in person or may appoint another person as its proxyholder to attend the HII/Shareco Creditors' Meeting by inserting the name of such person in the space provided in the form of Proxy provided to Affected Creditors by the Monitor, or by completing another valid form of Proxy.** Persons appointed as proxyholders need not be Affected Creditors. In order to be effective, Proxies must be received prior to the Election/Proxy Deadline (i) by the Monitor at either of (a) 1 Place Ville Marie, Suite 3000, Montréal, Québec, Canada, H3B 4T9 (Attention: Mr. Patrick Fillion), facsimile number: (514) 393-5344, or e-mail: [homburginvestccaa@deloitte.ca](mailto:homburginvestccaa@deloitte.ca), or (b) Monitor of Homburg Invest Incorporated, et. al, Deloitte Financial Advisory Services B.V., Antwoordnummer 45485, 1040 WD Amsterdam, The Netherlands (Attention: Restructuring Services), facsimile number: +31 (0)88 2889750, or e-mail: [homburginvestccaa@deloitte.ca](mailto:homburginvestccaa@deloitte.ca), or (ii) by the Chair during the relevant HII/Shareco Creditors' Meeting (or any adjournment, postponement or other rescheduling thereof), in either case prior to the Election/Proxy Deadline.

If an Affected Creditor specifies a choice with respect to voting on the Resolution on a Proxy, the Proxy will be voted in accordance with the specification so made. **In the absence of such specification and in the event that the Monitor is appointed as proxyholder, a Proxy will be voted FOR the Resolution,** provided the Proxy holder does not exercise its right to vote at the HII/Shareco Creditors' Meeting.

**Convenience Class Creditors are deemed to vote in favour of the HII/Shareco Plan and do not need to complete a Proxy.** Similarly, Electing Creditors who complete the top portion of the Proxy are deemed to vote in favour of the HII/Shareco Plan and do not need to complete the bottom form of the Proxy.

#### **Voting at the Homco 61 Creditors' Meeting**

Homco 61 Affected Creditors (other than those who make a Newco Common Shares Cash-Out Option Election) who wish to appoint a proxy to attend the Homco 61 Creditors' Meeting should complete the bottom portion of the Proxy contained in the Homco 61 Meeting Materials. **Such Homco 61 Affected Creditors may attend the Homco 61 Creditors' Meeting in person or may appoint another person as its proxyholder to attend the Homco 61 Creditors' Meeting by inserting the name of such person in the space provided in the form of Proxy provided to Homco 61 Affected Creditors by the Monitor, or by completing another valid form of Proxy.** Persons appointed as proxyholders need not be Homco 61 Affected Creditors. In order to be effective, Proxies must be received prior to the Election/Proxy Deadline (i) by the Monitor at either of (a) 1 Place Ville Marie, Suite 3000, Montréal, Québec, Canada, H3B 4T9 (Attention: Mr. Patrick Fillion), facsimile number: (514) 393-5344, or e-mail: [homburginvestccaa@deloitte.ca](mailto:homburginvestccaa@deloitte.ca), or (b) Monitor of Homburg Invest Incorporated, et. al, Deloitte Financial Advisory Services B.V., Antwoordnummer 45485, 1040 WD Amsterdam, The Netherlands (Attention: Restructuring Services), facsimile number: +31 (0)88 2889750, or e-mail: [homburginvestccaa@deloitte.ca](mailto:homburginvestccaa@deloitte.ca), or (ii) by the Chair during the relevant Homco 61 Creditors' Meeting (or any adjournment, postponement or other rescheduling thereof), in either case prior to the Election/Proxy Deadline.

If a Homco 61 Affected Creditor specifies a choice with respect to voting on the Homco 61 Resolution on a Proxy, the Proxy will be voted in accordance with the specification so made. **In the absence of such specification and in the event that the Monitor is appointed as proxyholder, a Proxy will be voted FOR the Homco 61 Resolution,** provided the Proxy holder does not exercise its right to vote at the Homco 61 Creditors' Meeting.

All Homco 61 Affected Creditors who have made a Newco Common Shares Cash-Out Option Election under the HII/Shareco Plan are deemed to make a corresponding election under the Homco 61 Plan and are deemed thereby to vote in

favour of the Homco 61 Plan and do not need to complete a Proxy. Similarly, Electing Creditors under the Homco 61 Plan who complete the top portion of the Proxy are deemed to vote in favour of the Homco 61 Plan and do not need to complete the bottom form of the Proxy.

## **Background to the Plans**

### ***Events Leading to CCAA Proceedings***

As discussed in more detail below, in recent years, global economic and market conditions adversely impacted the real estate industry and in particular, HII'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. Despite the foregoing, management of HII took various steps to improve HII's financial condition including through the implementation of a strategy outlined in 2009 to spin off assets and through the disposition of HII's portfolio of Canadian income producing investment properties. Despite HII's attempts to reduce its debt and generate sufficient cash flows, as at June 30, 2011, HII still remained significantly levered and was experiencing liquidity issues.

In November 2009, the AFM and the DNB commenced mutual investigations into HII as a result of certain suspected irregularities. On April 22, 2011, HII was instructed by the AFM to remove Richard Homburg as a decision maker, and jointly instructed by the AFM and DNB to submit a plan of control regarding HII, its decision-making process and risk controls. The AFM also indicated that it was contemplating appointing a "silent monitor" under Dutch law. On August 11, 2011, HII was informed by the AFM of its intention to revoke HII's licence to operate as an investment institution in the Netherlands. On November 23, 2011, the AFM revoked HII's licence as a result of, *inter alia*, the AFM's conclusion that the integrity of Richard Homburg was not beyond doubt, the concerns of the AFM about the financial condition of HII and the fact that, in the opinion of the AFM, HII was not compliant with the AFM's instructions. HII filed an objection to this decision of the AFM, which objection is still pending as at the date hereof.

See "*Background to the Plans – Events Leading to CCAA Proceedings*".

### **CCAA Proceedings**

Given the foregoing and as a result of other events more particularly described herein, on September 9, 2011, the Petitioners (other than North Calgary and HMCI) sought and obtained the Initial Order from the Court granting the Petitioners creditor protection under the CCAA.

In addition to the Petitioners, the Initial Order originally granted protection to some of the Applicant Partnerships, namely Homco Realty Fund (52) 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, Realty Fund (105) Limited Partnership, Homco Realty Fund (121) Limited Partnership, Homco Realty Fund (122) Limited Partnership, Homco Realty Fund (142) Limited Partnership, and Homco Realty Fund (199) Limited Partnership.

Pursuant to subsequent Orders of the Court, North Calgary and HMCI were added as Petitioners, Homco 61 LP, Homco Realty Fund (96) Limited Partnership Homco, Homco Realty Fund (190) Limited Partnership and Homco Realty Fund (191) Limited Partnership were added as Applicant Partnerships and Castello Development Ltd. was added as a *mise-en-cause* entity in the CCAA Proceedings.

See "*Background to the Plans – CCAA Proceedings*".

### **Status of Claims Process**

On April 30, 2012, the Claims Process Order was issued authorizing the HII Group Entities to conduct a process of calling for and determining the Claims of their creditors. The Claims Process Order established applicable bar dates for filing Claims. This Claims Process Order was subsequently amended by further Orders of the Court to include the additional Petitioners and Applicant Partnerships referred to above as well as Castello Development Ltd.

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.

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 in its ongoing reports to the Court, which reports may be found on the Website. 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 the date hereof is attached as Appendix "D".

## **Investment Proposal Process**

Commencing in March 2013, the HII Group Entities, together with the Monitor, undertook an investment proposal process (the “**Investment Proposal Process**”) whereby they sought investment proposals from qualified investors that provided additional optionality to Affected Creditors with Proven Claims in a way that would supplement the Original Plan. In the first phase of the Investment Proposal Process, the HII Group Entities entered into confidentiality agreements with, and granted access to financial and other information to, three qualified investors, all of which submitted an investment proposal to the HII Group Entities and the Monitor on March 11, 2013.

As of March 17, 2013, the HII Group Entities and the Monitor had received two revised investment proposals from qualified investors. After careful review and analysis of the revised investment proposals, the HII Group Entities, after consultation with their advisors and the Monitor, determined that none was a Qualified Investment Proposal (as defined under “*CCAA Proceedings – Investment Proposal Process*”) that the HII Group Entities considered to be a Selected Superior Offer (as defined under “*CCAA Proceedings – Investment Proposal Process*”) for the purposes of the Investment Proposal Process. At that time, it was further decided by the HII Group Entities upon the recommendation and with the support of the Monitor that the HII Group Entities would not be entering into exclusive negotiations with any qualified investor at that time.

As of March 24, 2013, the HII Group Entities and the Monitor had received two formal, binding and unconditional final investment proposals each 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 in a manner that provided for equal recovery for all participating Affected Creditors with Proven Claims regardless of the actual percentage of such creditors electing to participate in such final investment proposal.

On March 27, 2013, the board of directors of HII considered the two final investment proposals received as a result of the Investment Proposal Process. After careful consideration and deliberation, including discussion regarding the financial terms of each offer in comparison to the Original Plan, the board of directors of HII, on the recommendation of the Monitor, approved entering into exclusive negotiations for a period of 15 days with a qualified investor, The Catalyst Group Inc., on behalf of funds managed by it (“**Catalyst**”), with a view to negotiating and settling a definitive agreement regarding the final investment proposal received from Catalyst.

On March 28, 2013, HII, Shareco and Homco 61 LP began exclusive negotiations with Catalyst with a view to negotiating and settling a definitive agreement setting forth amendments to the Original Plan, as filed on such date. The Monitor and Stichting Homburg Bonds also participated in certain negotiations and discussions between HII, Shareco, Homco 61 LP and Catalyst. On April 15, 2013, HII, Shareco and Homco 61 LP entered into a support agreement with Catalyst (the “**Original Support Agreement**”).

On April 24, 2013, after extensive negotiations relating to the Original Support Agreement, the parties were unable to agree on the required closing documentation described in the agreement. Consequently, both the Original Support Agreement and the Investment Proposal Process were terminated.

However, given the continued interest of Catalyst and the interest of HII, Shareco, Homco 61 and the Monitor in providing optionality to creditors, the parties agreed on April 25, 2013 to a brief period of negotiations to settle a limited number of outstanding points relating to the terms of the participation of Catalyst in the restructuring and to enter into a restated support agreement (the “**Restated Catalyst Support Agreement**”). On April 26, 2013, the parties entered into the Restated Catalyst Support Agreement. See “*Restated Catalyst Support Agreement*”.

## **Restated Catalyst Support Agreement**

On April 26, 2013, HII, Shareco, Homco 61 and Catalyst entered into the Restated Catalyst Support Agreement. The Restated Catalyst Support Agreement provides, among other things, that the parties thereto will amend the Original Plan in order to include an investment by Catalyst pursuant to which Affected Creditors with Proven Claims may elect to receive, instead of all of the Newco Common Shares which would otherwise be issued to them for their Proven Claims under the HII/Shareco Plan, a cash amount (the “**Catalyst Investment**”). See “*Restated Catalyst Support Agreement*”.

## **Purpose of the Plans**

The purpose of the HII/Shareco Plan is to: (a) effect a compromise, settlement and payment of all Affected Claims as finally determined for voting and distribution purposes pursuant to the Claims Process Order, the HII/Shareco Meeting Order and the HII/Shareco Plan; (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; and (d) implement the Catalyst Investment. The Purpose of the Homco 61 Plan, which is an integrated plan with the HII/Shareco Plan, is to effect a compromise, settlement and payment of all Homco 61 Affected Claims as finally determined for voting and



distribution purposes pursuant to the Claims Process Order, the HII/Shareco Meeting Order, the Homco 61 Meeting Order and the Homco 61 Plan. Each of the Plans is being put forward in the expectation that Persons with an economic interest in HII's, Shareco's and Homco 61 LP's Businesses will derive a greater benefit from the implementation of the HII/Shareco Plan and Homco 61 Plan, respectively, than would result from a bankruptcy of the Businesses in their entirety. See "*Description of the HII/Shareco Plan – Purpose*" and "*Description of the Homco 61 Plan – Purpose*".

#### **Conditions to the Implementation of the Plans**

The implementation of the Plans is conditional upon the fulfilment of certain conditions precedent. See "*Description of the HII/Shareco Plan – Conditions to the Plan Becoming Effective*" and "*Description of the Homco 61 Plan – Conditions to the Plan Becoming Effective*".

#### **Implementation of the Reorganization Transaction and Homco 61 Plan Transactions**

Both prior to and on the Plan Implementation Date and Homco 61 Plan Implementation Date, respectively, there will be, in a series of sequential steps that are set forth in detail under the headings "*Description of the HII/Shareco Plan – Pre-Plan Implementation Date Transactions*", "*Description of the HII/Shareco Plan – Plan Implementation Transactions*" and "*Description of the Homco 61 Plan – Plan Implementation Transactions*", a reorganization of the corporate and financial structure of the HII Group Entities.

On the Plan Implementation Date, (i) Convenience Class Creditors shall be entitled to receive the Cash Elected Amount on account of their Convenience Class Claims that are Proven Claims, (ii) Electing Creditors shall receive or be entitled to receive the Aggregate Newco Common Shares Final Cash-Out Amount and Cash on account of all of their Affected Claims that are Proven Claims, and (iii) all other Affected Creditors of HII and Shareco shall be entitled to receive Newco Common Shares and Cash on account of all of their Affected Claims that are Proven Claims, subject to the provisions of the HII/Shareco Plan, the HII/Shareco Meeting Order, the Claims Process Order and the HII/Shareco Sanction and Vesting Order or any other Order.

The implementation of the Homco 61 Plan is contingent on, *inter alia*, the implementation of the HII/Shareco Plan. See "*Description of the Homco 61 Plan – Homco 61 Plan Implementation Date Transactions*". On the Homco 61 Plan Implementation Date, (i) Electing Creditors shall receive or be entitled to receive the Aggregate Newco Common Shares Final Cash-Out Price and their *pro rata* share of the Cash component of the HII Homco 61 Distribution on account of all of their Homco 61 Affected Claims that are Homco 61 Proven Claims, and (ii) all other Homco 61 Affected Creditors shall receive or be entitled to receive their *pro rata* share of the HII Homco 61 Distribution on account of all of their Homco 61 Affected Claims that are Homco 61 Proven Claims, subject to the provisions of the Homco 61 Plan, the Homco 61 Meeting Order and the Claims Process Order, the Homco 61 Sanction Order and any other Order.

The holders of Equity Claims, including the holders of HII Class A Shares and/or HII Class B Shares, will not receive any distributions under the Plans. On the Plan Implementation Date, all HII's Existing Authorized Capital will be deemed to be surrendered for cancellation and shall be deemed to be cancelled without compensation as set forth in the HII/Shareco Plan. See "*Description of the HII/Shareco Plan – Equity Claims*" and "*Description of the Homco 61 Plan – Equity Claims*".

#### **Timing for Plans to Become Effective**

The following sets forth certain anticipated events and dates relating to the implementation of the Reorganization Transaction and the Homco 61 Plan Transactions contemplated by the Plans, subject to the approval of the Court. Affected Creditors and Homco 61 Affected Creditors are cautioned that the dates below may change:

April 29, 2013: .....	HII/Shareco Meeting Order and Homco 61 Meeting Order
May 30, 2013: .....	HII/Shareco Creditors' Meeting and Homco 61 Creditors' Meeting
June 5, 2013: .....	HII/Shareco Sanction and Vesting Order and Homco 61 Sanction Order
July 3, 2013: .....	Targeted Plan Implementation Date and Homco 61 Plan Implementation Date

#### **Court Approval**

If the Resolution is approved at the HII/Shareco Creditors' Meeting in accordance with the CCAA and the HII/Shareco Meeting Order, and if the Homco 61 Resolution is approved at the Homco 61 Creditors' Meeting in accordance with CCAA and the Homco 61 Meeting Order, (a) HII and Shareco intend to bring a motion before the Court at the HII/Shareco Sanction Hearing for the issuance of the HII/Shareco Sanction and Vesting Order, *inter alia*, sanctioning the HII/Shareco Plan under the CCAA and vesting title in and to the Core Business Assets (other than the Core GP Assets) in Newco and the Core GP Assets in the Newco Subsidiaries, in each case free and clear of all Encumbrances other than the Core Business Creditor Claims, and (b) Homco 61 LP intends to bring a motion before the Court at the Homco 61 Sanction Hearing for issuance of

the Homco 61 Sanction Order, *inter alia*, sanctioning the Homco 61 Plan under the CCAA, in each case on or about June 5, 2013 at 9:15 a.m. (Eastern Prevailing Time) at the Court located at 1 Notre-Dame Street East, Montréal, Québec, Canada. Any Affected Creditor or Homco 61 Affected Creditor that wishes to appear or be represented, and to present evidence or arguments, at such HII/Shareco Sanction Hearing or Homco 61 Sanction Hearing must serve a notice of intention to appear on the Service List at least three (3) Business Days before such Court hearing. Any Affected Creditor or Homco 61 Affected Creditor wishing to object to the relief to be sought at the Court hearing must also file with the Court a written notice which notice shall include its grounds of contestation and shall effect service of same the Service List at least three (3) Business Days prior to the HII/Shareco Sanction Hearing or the Homco 61 Sanction Hearing, as applicable. See “*Description of the HII/Shareco Plan – Court Approval of the HII/Shareco Plan*” and “*Description of the Homco 61 Plan – Court Approval of the Homco 61 Plan*”.

#### **Recommendation of the Monitor**

The Monitor has assisted the HII Group Entities throughout the CCAA Proceedings and in particular in the development of the Plans.

The Monitor recommends that Affected Creditors and Homco 61 Affected Creditors vote **FOR** the Resolution and the Homco 61 Resolution to approve the respective Plans.

The Monitor has advised HII, Shareco and Homco 61 LP that a copy of a Monitor’s Report relating to the Plans will be made available on the Website at least seven (7) days before the HII/Shareco Creditors’ Meeting and the Homco 61 Creditors’ Meeting in accordance with the CCAA.

See “*Recommendation of the Monitor*”.

#### **Recommendation of the Boards of Directors**

The boards of directors of HII and Shareco and Homco 61 GP, the general partner of Homco 61 LP, have met frequently, including throughout the CCAA Proceedings, to consider the alternatives available to HII, Shareco and Homco 61 LP, including the proposed Reorganization Transaction. They have received written and oral advice from management, legal counsel and their financial advisor.

**After careful consideration of all relevant factors relating to the Reorganization Transaction and the Plans, the boards of directors of HII and Shareco UNANIMOUSLY RECOMMEND that Affected Creditors vote FOR the Resolution and the board of directors of Homco 61 GP, acting in its capacity as general partner of Homco 61 LP UNANIMOUSLY RECOMMENDS that Homco 61 Affected Creditors vote FOR the Homco 61 Resolution.** See “*Recommendation of the Boards of Directors*”.

#### **Risk Factors**

Affected Creditors and Homco 61 Affected Creditors should carefully consider the information set out under “*Risk Factors*” in this Information Circular and the other information in this Information Circular before voting. This Information Circular includes, without limitation, certain risks relating to the implementation of the Plans, estimated recoveries under the Plans, the business of Newco, the financing of Newco’s activities, the structure of Newco, the Newco Common Shares, the Trading Platform and taxation matters.

#### **Income Tax Considerations**

Distributions under the Plans will be net of all applicable deductions and withholdings on account of any applicable Taxes and no distribution will be made under the HII/Shareco Plan to or on behalf of an Affected Creditor, or under the Homco 61 Plan to or on behalf of a Homco 61 Affected Creditor, unless and until such Affected Creditor or Homco 61 Affected Creditor has made arrangements satisfactory to the Monitor for the payment and satisfaction of any applicable withholding obligations imposed on the Monitor by any Taxing Authority related to such distribution.

This Information Circular does not address all income tax consequences to all Affected Creditors or Homco 61 Affected Creditors resulting from their participation in the Plans. Affected Creditors and Homco 61 Affected Creditors are urged to consult their own tax and other advisors regarding the income tax consequences of their participation in the Plans. See “*Income Tax Considerations*”.

**Exchange Listing**

It is a condition of the HII/Shareco Plan that the Trading Platform shall have confirmed in writing the admission to trading of the Newco Common Shares on the Trading Platform. It is currently expected that Newco will make an application to trade the Newco Common Shares on NPEX.

**No Advice**

Affected Creditors and Homco 61 Affected Creditors should not construe the contents of this Information Circular as investment, legal or tax advice. Affected Creditors and Homco 61 Affected Creditors should consult their own counsel, accountants, tax and other advisors as to legal, tax, business, financial and related aspects of the Plans.

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## GLOSSARY OF TERMS

Unless the context otherwise requires, the following terms have the meanings set forth below when used in this Information Circular.

**“ABCA”** means the Alberta *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended;

**“Administration Charge”** means the charge created by paragraph 42 of the Initial Order in favour of the Monitor (including in its capacity as a Trustee in Bankruptcy), the Monitor’s legal counsel, the Petitioners’ legal counsel and other advisors over the Charged Property, and having the priority provided in paragraphs 43 and 44 of the Initial Order, and as confirmed, amended and continued for the benefit of the Monitor and its legal counsel and other advisors pursuant to the HII/Shareco Sanction and Vesting Order;

**“Administrative Reserve”** means a Cash reserve approved by the Court pursuant to the HII/Shareco Sanction and Vesting Order, in an amount to be agreed by the Monitor and HII prior to the Plan Implementation Date, to be deposited by the Monitor into the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs, which Administrative Reserve shall be subject to the Reserve Adjustment;

**“Administrative Reserve Account”** means a segregated trust account established by the Monitor to hold the Administrative Reserve;

**“Administrative Reserve Costs”** means amounts outstanding on the Plan Implementation Date (or to the extent provided below, arising thereafter), including in respect of Excluded Claims, Employee Priority Claims and the Government Priority Claims, together with (i) Newco’s costs, including legal fees and disbursements, relating to the issuance of the Newco Common Shares; (ii) the Monitor’s fees and disbursements (including of its legal counsel and other advisors) in connection with the performance of its duties under the HII/Shareco Plan and in the CCAA Proceedings (both before and after the Plan Implementation Date); (iii) Bankruptcy Trustee Fees; (iv) the Bond 5 Secured Claim Cash Payment; (v) Post-Filing Trade Payables; (vi) the HSBC Secured Claim; (vii) the reasonable fees and disbursements of the members of the Liquidation Advisory Committee, in an amount to be agreed upon by such members and the Monitor; (viii) the reasonable winding-up costs and expenses of Stichting Homburg Bonds, such amounts not to exceed CDN\$35,000; (ix) the Cash Management Lender Claim; (x) payments to be made to Core Business Creditors in connection with the transfer of Core Business Assets; (xi) the costs of administration of the Homco 61 Plan; (xii) an amount equal to the Catalyst Break Fee (including in circumstances where there is any dispute as to whether such Catalyst Break Fee is payable); (xiii) the reasonable fees and disbursements of the Continuing Directors in an amount to be agreed upon by such Continuing Directors and the Monitor; and (xiv) any other reasonable amounts in respect of any other determinable contingency as the Monitor may determine in its sole discretion;

**“Affected Claim”** means any Claim against HII, Shareco, Homco 190 LP, Homco 191 LP and Homco 199 LP and includes any Intercompany Claim only against HII and Shareco (but excluding the Homco 190 Loan, the Homco 191 Loan and the Homco 199 Loan) but excludes the Unaffected Claims and the Equity Claims;

**“Affected Creditor”** means a Corporate Creditor, Non-Corporate Creditor or Convenience Class Creditor holding an Affected Claim;

**“Affected Creditors’ Charge”** means the 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 under 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 Plan, including for greater certainty the obligations to distribute the Newco Common Shares, the Cash Pool and the Asset Realization Cash Pool and to reimburse the Non-Core Business Asset Notes;

**“Affected Creditors’ Entitlement”** means the full entitlement of Affected Creditors (other than Convenience Class Creditors) under the Plan, including without limitation the entitlement of such Affected Creditors to receive Newco Common Shares and/or distributions of Cash from the Cash Pool and the Asset Realization Cash Pool;

**“AFM”** means the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*);

**“Aggregate Newco Common Shares Final Cash-Out Amount”** means an amount equal to the number of Newco Common Shares to which Electing Creditors are entitled in respect of all Affected Claims that have become Proven Claims in whole or in part within twelve (12) months following the Plan Implementation Date, multiplied by the Newco Common Shares Cash-Out Price;

**“Amalgamating Canco”** means Castello, an Alberta corporation, Holland Garden, an Alberta corporation, Homburg Invest USA, a Nova Scotia company to be continued as an Alberta corporation, and Swiss Bondco, a Nova Scotia company to be continued as an Alberta corporation, with such additions to the foregoing group as HII may determine up to the Plan Implementation Date from time to time in consultation with the Monitor, each of which is not an Insolvent Person;

**“Amalgamating Canco Creditor”** means any Person having an Amalgamating Canco Creditor Claim, which shall be an Unaffected Creditor;

**“Amalgamating Canco Creditor Claim”** means any Claim against an Amalgamating Canco, which shall be an Unaffected Claim;

**“Applicable Law”** means, in respect of any Person, property, transaction, event or other matter, any law, statute, regulation, code, ordinance, principle of common law or equity, municipal by-law, treaty or Order, domestic or foreign, applicable to that Person, property, transaction, event or other matter and all applicable requirements, requests, official directives, rules, consents, approvals, authorizations, guidelines, and policies, in each case, having the force of law, of any Governmental Authority having or purporting to have authority over that Person, property, transaction, event or other matter and regarded by such Governmental Authority as requiring compliance;

**“Applicant Partnerships”** means Homco 52 LP, Homco 61 LP, Homco 83 LP, Homco 88 LP, Homco 89 LP, Homco 92 LP, Homco 94 LP, Homco 96 LP, Homco 105 LP, Homco 121 LP, Homco 122 LP, Homco 142 LP, Homco 190 LP, Homco 191 LP, and Homco 199 LP;

**“Articles of Reorganization”** means the Articles of Reorganization to be filed by HII pursuant to section 192 of the ABCA substantially in the form set out in Schedule “A” to the HII/Shareco Plan;

**“Asset Realization Cash Pool”** means the pool of Cash created by the Monitor from Non-Core Business Asset Net Proceeds, net of the Disputed Claims (Asset Realization) Reserve, which pool of Cash shall be contributed by the Monitor to the Cash Pool Account;

**“Asset Realization Costs”** means, collectively, Liquidation Costs and the Non-Core Business Entity Creditor Claims (excluding Non-Core Bankrupt Business Entity Creditor Claims);

**“Assumption Agreement”** means the agreement between Newco and HII pursuant to which Newco becomes co-obligor with HII for the amount equal to the Newco Assumed Portion of Proven Claims and the Newco Assumed Portion of Disputed Claims, which amount shall be deemed to be equal to the Final Adjusted Newco Note Amount (and, for greater certainty, which Newco Assumed Portion of Proven Claims and the Newco Assumed Portion of Disputed Claims will be satisfied in full by the setting off contemplated in Section 12.3 of the HII/Shareco Plan), which agreement shall be in form and substance satisfactory to HII, Newco, Stichting Homburg Bonds and Catalyst, each acting reasonably, and the Monitor;

**“Bankruptcy Claim”** means any proof of claim filed or to be filed in a bankruptcy estate of a Non-Core Business Entity by HII (or, as the case may be, by the Monitor on behalf of HII) in respect of an Intercompany Claim and any distributions or dividends arising therefrom;

**“Bankruptcy Trustee Fees”** means the fees and disbursements (including legal fees and disbursements) of Deloitte acting as Trustee in Bankruptcy of any Non-Core Business Entity incorporated or formed under Canadian federal or provincial law;

**“BIA”** means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;

**“Bond 4 Claim Holders”** means collectively the holders of Series 4 bonds issued under the Bond 4 Indenture and **“Bond 4 Claim Holder”** means any one of them;

**“Bond 4 Indenture”** means the Second Supplemental Indenture dated as of November 30, 2004 between Shareco and Stichting Homburg Mortgage Bonds as supplemented or amended by, *inter alia*, the Special Supplemental Indenture to the Second Supplement Indenture dated as of August 2005 between Shareco and Stichting Homburg Bonds and the Special Supplemental Indenture between Shareco and Stichting Homburg Bonds dated November 5, 2012;

**“Bond 5 Claim”** means, collectively, the Bond 5 Secured Claim and the Bond 5 Unsecured Claim;

**“Bond 5 Claim Holders”** means, collectively, the holders of Series 5 bonds issued under the Bond 5 Indenture and **“Bond 5 Claim Holder”** means any one of them;

**“Bond 5 Indenture”** means the Third Supplemental Indenture to the Trust Indenture dated as of December 31, 2004, between Shareco and Stichting Homburg Bonds, as supplemented or amended by, *inter alia*, the Special Supplemental Indenture to the Third Supplement dated as of August, 2005, between Shareco and Stichting Homburg Bonds, and the Special Supplemental Indenture between Shareco and Stichting Homburg Bonds dated November 5, 2012;

**“Bond 5 Secured Claim”** means the secured portion of the Claim of the Bond 5 Claim Holders as provided under the Bond 5 Secured Claim Settlement Agreement, which shall be an Unaffected Claim;

**“Bond 5 Secured Claim Cash Payment”** means the sum of €2,250,000 to be distributed from the Administrative Reserve on a *pro rata* basis to each Bond 5 Claim Holder by the Monitor pursuant to the Bond 5 Secured Claim Settlement Agreement;

**“Bond 5 Secured Claim Settlement Agreement”** means the terms of settlement among Shareco and Stichting Homburg Bonds, as more particularly set out in the Special Supplemental Indenture forming part of the Bond 5 Indenture made on November 5, 2012, pursuant to which, on Plan Implementation Date, the Bond 5 Claim Holders shall receive as consideration for releasing the Bond 5 Secured Claim, the following: (i) the Bond 5 Secured Claim Cash Payment; and (ii) the Newco Bond 5 Guarantee;

**“Bond 5 Unsecured Claim”** means the aggregate Proven Claim of the Bond 5 Claim Holders net of the Bond 5 Secured Claim Cash Payment;

**“Bond 6 Claim Holders”** means collectively, the holders of Series 6 bonds issued under the Bond 6 Indenture, and **“Bond 6 Claim Holder”** means any one of them;

**“Bond 6 HII Claim”** means the amount of the Bond 6 Loan plus interest and costs to the HII Filing Date;

**“Bond 6 HII Deficiency Claim”** means the aggregate Proven Claim for distribution purposes of the Bond 6 Claim Holders against HII under the HII/Shareco Plan which shall be deemed to be an amount equal to the Bond 6 HII Claim net of the Bond 6 Homco 61 Recovered Amount;

**“Bond 6 Homco 61 Claim”** means the aggregate Proven Claim of the Bond 6 Claim Holders against Homco 61 LP arising under the Homco 61 Guarantee for voting and distribution purposes under the Homco 61 Plan, which shall be deemed to be in the amount of CDN\$47,146,111 (being principal plus interest accrued as at the Homco 61 Filing Date);

**“Bond 6 Homco 61 Recovered Amount”** means the aggregate of all Bond 6 Claim Holders’ *pro rata* shares of the HII Homco 61 Distribution recovered by such Bond 6 Claim Holders under the Homco 61 Plan on account of the Bond 6 Homco 61 Claim;

**“Bond 6 Indenture”** means the Fourth Supplemental Indenture dated July 1, 2005 to the Trust Indenture dated December 15, 2002, between Shareco and Stichting Homburg Bonds, as amended by the Special Supplemental Indenture to the Fourth Supplemental dated August, 2005, between Shareco and Stichting Homburg Bonds, and the Second Special Supplemental Indenture to the Fourth Supplemental dated November 30, 2007, between Shareco and Stichting Homburg Bonds;

**“Bond 6 Loan”** means the bonds issued by Shareco under the Bond 6 Indenture in the aggregate principal amount of €31,230,000 together with interest at the rate of 7.5% per annum;

**“Bond 7 Claim Holders”** means collectively the holders of Series 7 bonds issued under the Bond 7 Indenture and **“Bond 7 Claim Holder”** means any one of them;

**“Bond 7 Indenture”** means the Fifth Supplemental Indenture dated July 1, 2005 between Shareco and Stichting Homburg Mortgage Bonds, as supplemented or amended by inter alia the Special Supplemental Indenture to the Fifth Supplement dated as of August, 2005, between Shareco and Stichting Homburg Bonds and the Special Supplemental Indenture between Shareco and Stichting Homburg Bonds dated November 5, 2012;

**“Business”** means (a) in respect of the HII/Shareco Plan, the direct and indirect operations and activities of HII carried on in Canada, the United States and Europe, and (b) in respect of the Homco 61 Plan, the direct and indirect business operations and activities of Homco 61 LP;

**“Business Day”** means a day on which banks are open for business in the City of Montreal, Province of Quebec, but does not include a Saturday, Sunday or a statutory holiday in the Province of Quebec;

**“BV”** means a Homburg Group Member that is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands;

**“BV Preferred Shareholder”** means any body corporate or limited partnership holding preferred shares of a BV;

**“Cancelled Newco Common Shares”** has the meaning given to such term under *“Disputed Claims (Newco Shares) Reserve”*;

**“Canco”** means a Subsidiary of HII incorporated under Canadian federal or provincial law;

**“Capital Securities Claim”** means any Claim of a debenture holder or Stichting Homburg Capital Securities arising under or in connection with the debentures issued under the Capital Securities Trust Indenture;

**“Capital Securities Trust Indenture”** means the subordinated Trust Indenture dated as of February 29, 2009 between HII and Stichting Homburg Capital Securities as trustee;

**“Cash”** means cash, certificates of deposits, bank deposits, commercial paper, treasury bills and other cash equivalents, and in respect of the Homco 61 Plan, includes for greater certainty, the Cash component of the HII Homco 61 Distribution paid to Homco 61 LP pursuant to and in accordance with the HII/Shareco Plan;

**“Cash Elected Amount”** means, in respect of an Affected Creditor for which a valid Convenience Class Claim Election has been made or deemed to have been made pursuant to and in accordance with the HII/Shareco Plan, the Canadian dollar amount that is equal to 35 per cent of such Affected Creditor’s Convenience Class Claim that is a Proven Claim;

**“Cash Management Lender Claim”** means any Claim of HSBC arising under or pursuant to any agreement or other arrangements relating to the provision of cash management services to any of the HII Group Members (including ordinary course spot foreign exchange transactions), but for greater certainty shall exclude the HSBC Secured Claim;

**“Cash-Out Election Form”** means (a) in respect of the HII/Shareco Plan, the portion of the Proxy pursuant to which an Affected Creditor can elect the Newco Common Shares Cash-Out Option under and in accordance with the HII/Shareco Plan, and (b) in respect of the Homco 61 Plan, the portion of the Proxy pursuant to which a Homco 61 Affected Creditor can elect the Newco Common Shares Cash-Out Option under and in accordance with the Homco 61 Plan;

**“Cash-Out Pool”** means the Catalyst Funds delivered by Catalyst to the Monitor on the fifth (5<sup>th</sup>) Business Day prior to the Plan Implementation Date pursuant to the Restated Catalyst Support Agreement together with the Catalyst Deposit held by the Monitor, net of the Disputed Claims (Cash-Out) Reserve, such funds to be held by the Monitor in the Cash-Out Pool Account and to be distributed by the Monitor in accordance with the Restated Catalyst Support Agreement, the Plan and the HII/Shareco Sanction and Vesting Order;

**“Cash-Out Pool Account”** means a segregated interest-bearing trust account established by the Monitor to hold the Cash-Out Pool;

**“Cash Pool”** means the amount of Cash delivered by HII and Shareco to the Monitor on the Plan Implementation Date, net of the Cash Reserves, to be held in the Cash Pool Account and distributed by the Monitor in accordance with the HII/Shareco Plan and the HII/Shareco Sanction and Vesting Order;

**“Cash Pool Account”** means a segregated interest-bearing trust account established by the Monitor to hold the Cash Pool and the Asset Realization Cash Pool;

**“Cash Reserves”** means the Administrative Reserve, the Disputed Claims (Cash) Reserve, the Litigation Reserve, and the Disputed Claims (Asset Realization) Reserve, but does not include the Disputed Claims (Cash-Out) Reserve;

**“Castello”** means Castello Development Ltd., a corporation incorporated under the ABCA;

**“Catalyst”** means The Catalyst Capital Group Inc., on behalf of funds managed by it;

**“Catalyst Affected Claims”** means any Affected Claims acquired by Catalyst prior to the commencement of the Newco Common Shares Standstill Period as permitted under the provisions of the Catalyst Confidentiality Agreement;

**“Catalyst Break Fee”** means the break fee payable by the HII Group Entities to Catalyst under the Restated Catalyst Support Agreement upon termination of such agreement following acceptance by HII of a Superior Offer within the meaning of such agreement, in an amount equal to €2,137,500;

**“Catalyst Confidentiality Agreement”** means the agreement between HII, Shareco and Catalyst dated February 28, 2013 as further amended March 28, 2013, April 12, 2013 and pursuant to the terms of the Restated Catalyst Support Agreement;

**“Catalyst Deposit”** means a deposit in the amount of €10,000,000, provided by Catalyst to the Monitor pursuant to and in accordance with the Restated Catalyst Support Agreement;

**“Catalyst Final Offer”** means the final investment proposal submitted by Catalyst by letter dated March 24, 2013 under the Investment Proposal Process and attaching as Schedule “A” thereto a term sheet setting out certain of the terms and conditions of the Catalyst Investment, which offer was selected by HII as the “Selected Superior Offer” as defined in the Investment Proposal Process;

**“Catalyst Funds”** means the amount of Cash equal to the Catalyst Investment Initial Funding Amount, less the amount of the Catalyst Deposit;

**“Catalyst Investment”** means the investment to be made by Catalyst as part of the restructuring of HII, Shareco and Homco 61 pursuant to the Restated Catalyst Support Agreement;

**“Catalyst Investment Adjustment Amount”** means the amount, if any, that is equal to the Catalyst Investment Initial Funding Amount less the Aggregate Newco Common Shares Final Cash-Out Amount;

**“Catalyst Investment Initial Funding Amount”** means an amount equal to the aggregate value of all Proven Claims of Electing Creditors plus the aggregate face amount of all Disputed Claims of Electing Creditors, divided by the aggregate value of the Proven Claims of all Affected Creditors (including for greater certainty, Electing Creditors) plus the aggregate face amount of all Disputed Claims of Electing Creditors, calculated on the fifteenth (15<sup>th</sup>) day immediately prior to the Plan Implementation Date, multiplied by €95,000,000;

**“Catalyst Representations and Warranties”** means those representations and warranties of Catalyst set forth in section 5(b) of the Restated Catalyst Support Agreement;

**“CCAA”** means the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;

**“CCAA Charges”** means the Administration Charge and the Directors’ Charge;

**“CCAA Proceedings”** means the proceedings under the CCAA in respect of the HII Group Entities commenced pursuant to the Initial Order;

**“Charged Property”** means the present and future assets, rights, undertakings and properties of every nature and kind whatsoever and wherever situated, including all proceeds thereof, of the Petitioners;

**“Churchill”** means Churchill Estates Development Ltd., a corporation incorporated under the ABCA and a Petitioner;

**“Claim”** means:

- (a) in respect of the HII/Shareco Plan, any right or claim of any Person, whether or not asserted, in connection with any Indebtedness, liability or obligation of any kind whatsoever, whether reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, by Guarantee, by surety, by warranty or otherwise, and whether or not such right is executory or anticipatory in nature, including without limitation, any claim arising from or caused by the termination, disclaimer, rescission, assignment or repudiation of any contract, lease or other agreement, whether written or oral, the commission of a tort (intentional or unintentional), any breach of duty (including without limitation, any legal, statutory, equitable or fiduciary duty), any right of ownership of or title to property, employment, contract, a trust or deemed trust, howsoever created or any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any grievance, matter, action, cause or chose in action, whether existing at present or commenced in the future, based in whole or in part on facts which existed on the HII Filing Date (including a Claim which relates to any time period prior to the HII Filing Date), together with any other claims of any kind that, if unsecured, would constitute a debt provable in bankruptcy within the meaning of the BIA, and for greater certainty, a “Claim” shall include any Equity Claim, Intercompany Claim, Restructuring Claim and Subsequent Restructuring Claim, the Corporate Bond Claims, the Capital Securities Claims, the Mortgage Bond Claims, the Taberna Claim, the Shareco Creditor Claims, any Core Business Creditor Claim and any Non-Core Business Entity Creditor Claim; and
- (b) in respect of the Homco 61 Plan, any right or claim of any Person, whether or not asserted, in connection with any Indebtedness, liability or obligation of any kind whatsoever, whether reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, by Guarantee, by surety, by warranty or otherwise, and whether or not such right is executory or anticipatory in nature, including without limitation, any claim arising from or caused by the termination, disclaimer, rescission, assignment or repudiation of any contract, lease or other agreement, whether written or oral, the commission of a tort (intentional or unintentional), any breach of duty (including without limitation, any legal, statutory, equitable or fiduciary duty), any right of ownership of or title to property, employment, contract, a trust or deemed trust, howsoever created or any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any grievance, matter, action, cause or chose in action, whether existing at present or commenced in the future, based in whole or in part on facts which existed on the Homco 61 Filing Date (including a Claim which relates to any time period prior to the Homco 61 Filing Date), together with any other claims of any kind that, if unsecured, would constitute a debt provable in bankruptcy within the meaning of the BIA, and for greater certainty, a “Claim” shall include any Equity Claim and any Bond 6 Homco 61 Claim;

**“Claims Bar Date”** has the meaning ascribed to it in the Claims Process Order;

**“Claims Process Order”** means the Order of the Court made April 30, 2012 approving and implementing the claims process in respect of the HII Group Entities as further amended, restated or varied from time to time;

**“Cominar Claim”** means the Claim of Cominar Real Estate Investment Trust and/or of its related entities against Homco 190 LP, Homco 191 LP, and/or Homco 199 LP, relating to certain funds currently held in trust by Osler, Hoskin & Harcourt LLP, pursuant to a letter dated April 25, 2013 from counsel to Cominar to counsel to the HII Group Entities and the Monitor;

**“Conditions Precedent”** means the conditions precedent to HII/Shareco Plan implementation set out in section 14.4 of the HII/Shareco Plan;

**“Continuing Directors”** means all of the directors of HII, and following their resignation upon the Effective Time as provided for under the Plans, any replacement director(s);

**“Control Transfer”** has the meaning ascribed thereto under *“Newco Common Shares – Rights and Restrictions”*;

**“Convenience Class Claim”** means one or more Affected Claims of an Affected Creditor 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 has made or been deemed to have made a Convenience Class Claim Election, pursuant to and in accordance with the HII/Shareco Plan;

**“Convenience Class Claim Declaration”** means an election form, substantially in the form attached as Schedule “C” to the HII/Shareco Meeting Order, pursuant to which an Affected Creditor with one or more Affected Claims that were less than or equal to CDN\$10,000 in the aggregate as at the Claims Bar Date, may (i) make a Convenience Class Claim Election, (ii) make a Newco Common Shares Cash-Out Option Election, or (iii) make an election to be treated as an Affected Creditor (other than a Convenience Class Creditor or an Electing Creditor) under the HII/Shareco Plan and thereby be entitled to vote their Voting Claims at the HII/Shareco Creditors’ Meeting in respect of the HII/Shareco Plan and to receive the rights and distributions provided for under and pursuant to the HII/Shareco Plan;



**“Convenience Class Claim Election”** means an election or deemed election pursuant to which an Affected Creditor with one or more Affected Claims that were less than or equal to CDN\$10,000 in the aggregate as at the Claims Bar Date has elected by the Election/Proxy Deadline or been deemed to elect to receive only the Cash Elected Amount and is thereby deemed to vote in favour of the HII/Shareco Plan in respect of such Affected Claims and to receive no other entitlements under the HII/Shareco Plan;

**“Convenience Class Creditor”** means a Person having a Convenience Class Claim;

**“Core Business Assets”** means the (i) the Core Homco Assets, (ii) HII’s limited partnership interest in Homco 86 LP and Homco 87 LP, (iii) property acquired by HII from or on the dissolution of a Core Homco, (iv) the Core GP Assets, (v) the shares of Homburg Baltic held by HII, and (vi) the Homburg Baltic Intercompany Loan;

**“Core Business Creditor Claim”** means any Core Homco Creditor Claim, Core BV Creditor Claim and Homburg Baltic Creditor Claim, which for greater certainty shall not include any Claim of such Creditor against HII or Shareco;

**“Core Business Creditors”** means collectively the Core Homco Creditors, the Core BV Creditors and the Homburg Baltic Creditors;

**“Core Business Entity”** means any Core BV, Core Homco GP and Core Homco;

**“Core BV”** means Valbonne 2 BV, Coët BV, Homco 86 BV, Homco 87 BV, and Valbonne 5 BV, with such additions of any BV to the foregoing group as HII may determine up to the Plan Implementation Date from time to time in consultation with the Monitor;

**“Core BV Creditor”** means a Person having a Core BV Creditor Claim, which shall be an Unaffected Creditor;

**“Core BV Creditor Claim”** means any Claim against a Core BV which shall be an Unaffected Claim;

**“Core GP Assets”** means each of HII 86 GP’s and HII 87 GP’s interests in its respective Core Homcos;

**“Core Homco”** means Homco 69 LP, Homco 70 LP, Homco 86 LP, Homco 87 LP, and Homco 110 LP, with such additions to the foregoing group as HII may determine up to the Plan Implementation Date from time to time in consultation with the Monitor and subject to the consent of Catalyst, acting reasonably;

**“Core Homco Assets”** means the Property of a Core Homco, including shares of Core BVs;

**“Core Homco Creditor”** means a Person having a Core Homco Creditor Claim, which shall be an Unaffected Creditor;

**“Core Homco Creditor Claim”** means any Claim against a Core Homco (but for greater certainty excludes the Bond 5 Claim), which shall be an Unaffected Claim;

**“Core Homco GP”** means the corporate general partner of a Core Homco other than HII, 69 GP Inc., HII 70 GP Inc. and HII 110 GP Inc. and for greater certainty excludes Homburg Limited Partnership Management Inc.;

**“Core Homco Liabilities”** means all secured and unsecured obligations and liabilities of a Core Homco as at the Plan Implementation Date, but excluding amounts owing to the Bond 6 Claim Holders;

**“Corporate Bond Claim”** means any Claim of a debenture holder or Stichting Homburg Bonds arising under or in connection with the debentures issued under the Corporate Bond Trust Indenture;

**“Corporate Bond Proven Claim”** means a Corporate Bond Claim that is a Proven Claim;

**“Corporate Bond Trust Indenture”** means collectively, a Trust Indenture dated as of May 31, 2006, between HII and Stichting Homburg Bonds, a Supplemental Indenture dated as of October 31, 2006, between HII and Stichting Homburg Bonds, a Second Supplemental Indenture dated as of December 21, 2006 between HII and Stichting Homburg Bonds, a Third Supplemental Indenture dated as of February 15, 2007 between HII and Stichting Homburg Bonds, and a Fourth Supplemental Indenture dated as of January 15, 2008 between HII and Stichting Homburg Bonds;

**“Corporate Creditor”** means a Person having a Corporate Creditor Claim, other than a Convenience Class Creditor;

**“Corporate Creditor Claim”** means the Bond 5 Unsecured Claim, the Bond 6 HII Deficiency Claim, the Corporate Bond Claims, the Mortgage Bond Trust Indenture Unsecured Claim, the Taberna Claim, the Capital Securities Claims, and such other Claim against HII and Shareco that HII and Shareco in consultation with the Monitor shall determine from time to time should be categorized as a Corporate Creditor Claim up to and including the Plan Implementation Date;

**“Corporate Creditor Disputed Claim”** means the face amount of a Disputed Claim of a Corporate Creditor;

**“Corporate Creditor Proven Claim”** means a Proven Claim of a Corporate Creditor;

**“Corporate Indenture Trustees”** means, collectively, Stichting Homburg Capital Securities, Stichting Homburg Bonds and Wells Fargo in their respective capacities as trustees under the Corporate Indentures;

**“Corporate Indentures”** means, collectively, the Mortgage Bond Trust Indenture, the Corporate Bond Trust Indenture, the Taberna Indentures and the Capital Securities Trust Indenture;

“**Court**” means the Quebec Superior Court (Commercial Division) or any appellate court seized with jurisdiction in the CCAA Proceedings, as the case may be;

“**CP Development**” means CP Development Ltd., a corporation incorporated under the ABCA and a Petitioner;

“**CRA**” means the Canada Revenue Agency;

“**Creditor**” means any Person asserting an Affected Claim or an Unaffected Claim and may, where the context requires, include the assignee of such Claim or a personal representative, agent, mandatary, trustee, interim receiver, receiver, receiver and manager, liquidator or other Person acting on behalf of such Person;

“**Creditor Cause of Action**” means any and all claims, actions, causes of action, demands, suits, rights, entitlements, litigation, arbitration, proceeding, hearing or complaint, whether known or unknown, reduced to judgment or not reduced to judgment, liquidated or unliquidated, contingent or non-contingent, matured or unmatured, disputed or undisputed, secured or unsecured, assertable directly or derivatively, in law, equity or otherwise, based in whole or in part on any act or omission or other event occurring at any time, whether before, on or after the HII Filing Date which may be asserted by or on behalf of the Creditors or any representative thereof (including Stichting Homburg Bonds); provided however that in no event shall a Creditor Cause of Action include a Claim being released by the HII/Shareco Plan;

“**Deloitte**” means Samson Bélair/Deloitte & Touche Inc.;

“**Director**” means any former, present or future director or officer (or any individual serving in a similar capacity) of a body corporate (or similar entity) and any Person deemed to be a director or officer of a body corporate under section 11.03(3) of the CCAA;

“**Directors’ Charge**” means the charge granted pursuant to paragraph 26 of the Initial Order in favour of the Directors as such term is therein defined, in the Charged Property to the extent of the aggregate amount of CDN\$2,000,000 as security for the indemnity provided in paragraph 25 of the Initial Order, having the priority set out in paragraphs 43 and 44 of such Order which shall be amended in accordance with the terms of the HII/Shareco Plan and the HII/Shareco Sanction and Vesting Order;

“**Disposition Notice**” has the meaning ascribed thereto under “*Newco Common Shares – Rights and Restrictions*”;

“**Disputed Claim**” means that portion of an Affected Claim of an Affected Creditor in respect of which a Proof of Claim has been filed in accordance with the Claims Process Order, and any motion appealing any disallowance thereof has been made within the period required under the Claims Process Order, and which is the subject of negotiation with the Monitor or adjudication before the Court, and that at any particular time, has not been finally determined to be a Proven Claim in whole or in part, or is subject to a revision or disallowance that is contested in accordance with the Claims Process Order, the HII/Shareco Meeting Order, or other Order made in the CCAA Proceedings and as such is not a Proven Claim in whole or in part, and in the case of Disputed Claims of Electing Creditors, the face amount of any Disputed Claim of such Electing Creditor shall be deemed to be no greater than the face amount of such Claim on the date the Plans were filed;

“**Disputed Claims (Asset Realization) Reserve**” means the Cash reserve to be established by the Monitor from and after the Plan Implementation Date 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 (other than a Convenience Class Creditor) holding a Disputed Claim, to be held by the Monitor in the Disputed Claims Reserve Account pending resolution of the Disputed Claims for distribution in accordance with the HII/Shareco Plan, which Disputed Claims (Asset Realization) Reserve shall be subject to the Reserve Adjustment;

“**Disputed Claims (Cash) Reserve**” means the Cash reserve to be established on the Plan Implementation Date by the Monitor in an amount equal to the aggregate of each Pro Rata Share of any remaining Affected Creditor holding a Disputed Claim, and as approved by the Court under the HII/Shareco Sanction and Vesting Order, which Cash reserve shall be held by the Monitor in the Disputed Claims Reserve Account for distribution in accordance with the HII/Shareco Plan, which Disputed Claims (Cash) Reserve shall be subject to the Reserve Adjustment;

“**Disputed Claims (Cash-Out) Reserve**” means the Cash reserve to be established on the Plan Implementation Date by the Monitor from the Catalyst Funds and the Catalyst Deposit in an amount equal to the aggregate face amount of the Disputed Claims of the Electing Creditors, divided by an amount equal to the aggregate of all Proven Claims of Affected Creditors plus the face amount of the aggregate of the Disputed Claims of the Electing Creditors, multiplied by the Catalyst Investment Initial Funding Amount, and as approved by the Court under the HII/Shareco Sanction and Vesting Order, which Disputed Claims (Cash-Out) Reserve shall be held by the Monitor in the Disputed Claims (Cash-Out) Reserve Account for distribution in accordance with the HII/Shareco Plan;

“**Disputed Claims (Cash-Out) Reserve Account**” means a segregated interest bearing trust account established by the Monitor to hold the Disputed Claims (Cash-Out) Reserve;

“**Disputed Claims (Newco Shares) Reserve**” means the reserve of Newco Common Shares held by the Monitor established pursuant to section 5.1 of the HII/Shareco Plan on the Plan Implementation Date, consisting of that number of Newco Common Shares in an amount equal to the aggregate of the Pro Rata Share of the Newco Equity Pool of each Affected Creditor (other than a Convenience Class Creditor) holding a Disputed Claim, for distribution or cancellation in accordance with the HII/Shareco Plan;

**“Disputed Claims Reserve Account”** means a segregated interest bearing trust account established by the Monitor to hold the Disputed Claims (Asset Realization) Reserve and the Disputed Claims (Cash) Reserve;

**“Distribution Date”** means the date or dates from time to time set in accordance with the provisions of the HII/Shareco Plan at the sole and absolute discretion of the Monitor to effect distributions in respect of the Proven Claims of Affected Creditors, including the Final Distribution Date but excluding the Initial Distribution Date;

**“Distribution Materials Record Date”** means a date to be determined by HII and the Monitor which date shall be posted on the Website and shall be not less than twenty-one (21) days prior to the Plan Implementation Date;

**“DNB”** means the Netherlands Central Bank (*De Nederlandsche Bank*);

**“DRS Account”** means the account of an Affected Creditor (other than a Convenience Class Creditor) or the Monitor or its designate in the name of HII in respect of the Disputed Claims (Newco Shares) Reserve) administered by the Trading Platform or (as the case may be) a bank or broker, who qualifies directly or indirectly as an admitted institution to the book entry system maintained by or connected to the Trading Platform in which such Affected Creditor is entitled to receive Newco Common Shares pursuant to and in accordance with the HII/Shareco Plan in book-entry form;

**“DRS Transaction Advice”** means a statement delivered by Newco or its agent, as applicable or similar notice appropriate to the Trading Platform, (the cost of which shall be treated as an Administrative Reserve Cost) on the Initial Distribution Date and each subsequent Distribution Date, as applicable, to or as directed by an Affected Creditor (other than a Convenience Class Creditor), or the Monitor or its designate, as applicable, indicating the number of Newco Common Shares registered or to be registered in the name of such Affected Creditor, or the Monitor or its designate, as applicable, as directed by such Affected Creditor or the Monitor or its designate, as applicable, in book-entry form in a DRS Account;

**“Effective Time”** means 12:01 a.m. on the Plan Implementation Date (and for greater certainty on 12:01 a.m. on the first day of the Plan Implementation Date in the event such date occurs over more than one day) or such other time on such date as HII and the Monitor shall determine or as otherwise ordered by the Court but in any event such Effective Time shall occur prior to the Homco 61 Effective Time as defined under the Homco 61 Plan;

**“Electing Creditor”** means:

- (a) in respect of the HII/Shareco Plan, an Affected Creditor who has validly elected the Newco Common Shares Cash-Out Option in its Cash-Out Election Form or the Convenience Class Claim Declaration; and
- (b) in respect of the Homco 61 Plan, a Homco 61 Affected Creditor who has validly elected the Newco Common Shares Cash-Out Option in its Cash-Out Election Form;

**“Election Period”** means the period from the date of the mailing of the HII/Shareco Meeting Materials to Affected Creditors to Election/Proxy Deadline;

**“Election/Proxy Deadline”** means:

- (a) in respect of the HII/Shareco Plan, the deadline for making any of a Convenience Class Claim Election, a Newco Common Shares Cash-Out Option Election, and for submitting Proxies in accordance with the HII/Shareco Meeting Order; and
- (b) in respect of the Homco 61 Plan, the deadline for making a Newco Common Shares Cash-Out Option Election, and for submitting Proxies in accordance with the Homco 61 Meeting Order;

**“Employee Priority Claim”** means of the following Claims of Employees and former or inactive employees of HII and Shareco:

- (a) Claims equal to the amounts that such Employees and former or inactive employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if HII and Shareco had become bankrupt on the Filing Date; and
- (b) Claims for wages, salaries, commissions or compensation for services rendered by them after the Filing Date and on or before the Plan Implementation Date together with, in the case of travelling salespersons, disbursements properly incurred by them in and about the Business during the same period;

**“Employees”** means any and all (i) employees of the HII Group Entities who are actively at work (including full-time, part-time or temporary employees), and (ii) employees of the HII Group Entities who are on approved leaves of absence (including maternity leave, parental leave, short-term disability leave, workers’ compensation and other statutory leaves);

**“Encumbrance”** means any charge, mortgage, lien, pledge, claim, restriction, security interest, security agreement, hypothecation, assignment, deposit arrangement, hypothec, lease, rights of others including without limitation Transfer Restrictions, deed of trust, trust or deemed trust, lien, financing statement, preferential arrangement of any kind or nature whatsoever, including any title retention agreement, or any other arrangement or condition which in substance secures payment or performance of any obligations, action, claim, demand or equity of any nature whatsoever, execution, levy, charge or other financial or monetary claim, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, or other encumbrance, whether created or arising by agreement, statute or



otherwise at law, attaching to property, interests or rights and shall be construed in the widest possible terms and principles known under the law applicable to such property, interests or rights and whether or not they constitute specific or floating charges as those terms are understood under Applicable Laws, including, without limiting the generality of the foregoing: (i) the CCAA Charges and (ii) the Plan Charges;

“**Equity Claim**” shall have the meaning ascribed thereto in section 2 of the CCAA;

“**Excluded Claim**” means:

- (a) in respect of the HII/Shareco Plan, (i) any Claim secured by the CCAA Charges; (ii) the KERP Claims; (iii) Claims in respect of Administrative Reserve Costs; and (iv) any other Claim ordered by the Court to be treated as an Excluded Claim; and
- (b) in respect of the Homco 61 Plan, (i) any Claim secured by the CCAA Charges (ii) Homco 61 Post-Filing Trade Payables; and (iii) any other Claim ordered by the Court to be treated as an Excluded Claim;

“**Expiry Date**” has the meaning ascribed thereto under “*Newco Common Shares – Rights and Restrictions*”;

“**Filing Date**” means September 9, 2011;

“**Final Adjusted Newco Note Amount**” means the amount equal to the final fair market value of the Core Business Assets other than the Core GP Assets, less the Newco Bond 5 Guarantee Value, finally determined to be owing from Newco to HII under the Newco Note, which Final Adjusted Newco Note Amount shall not be less than €75,000,000 and shall not exceed €225,000,000;

“**Final Distribution Date**” means such date after all of the Non-Core Business Assets have been realized and all of the Disputed Claims finally resolved, that the Monitor shall determine in its sole and absolute discretion or the Court shall otherwise order;

“**Final Order**” means a final Order of the Court, the implementation, operation or effect of which shall not have been stayed, varied, vacated or subject to pending appeal and as to which Order any appeal periods relating thereto shall have expired;

“**FMSA**” means the Dutch Financial Markets Supervision Act (“*Wet op het financieel toezicht*”);

“**Foundation Entities**” has the meaning ascribed thereto in section 13.1 of the HII/Shareco Plan;

“**Funding Order**” means the Order of the Court made January 15, 2012, in the CCAA Proceedings with respect to the Stichting Advances;

“**Governance Period**” means the period between the Plan Implementation Date up to and including the date which is the second anniversary of the Plan Implementation Date;

“**Governmental Authority**” means any domestic or foreign government, including any federal, provincial, state, territorial or municipal government, and any government department, body, ministry, agency, tribunal, commission, board, court, bureau or other authority exercising or purporting to exercise executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government including without limitation any Taxing Authority, the AFM and DNB;

“**Government Priority Claims**” means all Claims of Governmental Authorities in respect of amounts that are outstanding and that are of a kind that could be subject to a demand on or before the Final Distribution Date under:

- (a) subsections 224(1.2) and 224(1.3) of the ITA;
- (b) any provision of the *Canada Pension Plan* or the *Employment Insurance Act* (Canada) that refers to subsection 224(1.2) of the ITA and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or employee’s premium or employer’s premium as defined in the *Employment Insurance Act* (Canada), or a premium under Part VII.1 of that Act, and of any related interest, penalties or other amounts; or
- (c) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the ITA, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:
  - (i) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the ITA; or
  - (ii) is of the same nature as a contribution under the *Canada Pension Plan* if the province is a “province providing a comprehensive pension plan” as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a “provincial pension plan” as defined in that subsection;

**“Guarantee”** of a Person means:

- (a) in respect of the HII/Shareco Plan, any Liability of that Person under any guarantee, agreement, endorsement (other than for collection or deposit in the ordinary course of business of that Person), discount with recourse or other obligation to pay, purchase, repurchase or otherwise be or become liable or obligated upon or in respect of any Indebtedness of any other Person to indemnify or hold harmless any Person from or against any losses, liabilities or damages, in circumstances intended to enable the Person to incur or pay any Indebtedness or to comply with any agreement relating thereto or otherwise to assure or protect Creditors against loss in respect of the Indebtedness; and
- (b) In respect of the Homco 61 Plan, any Liability of that Person under any guarantee, agreement, endorsement (other than for collection or deposit in the ordinary course of business of that Person), discount with recourse or other obligation to pay, purchase, repurchase or otherwise be or become liable or obligated upon or in respect of any Indebtedness of any other Person to indemnify or hold harmless any Person from or against any losses, liabilities or damages, in circumstances intended to enable the Person to incur or pay any Indebtedness or to comply with any agreement relating thereto or otherwise to assure or protect Homco 61 Creditors against loss in respect of the Indebtedness;

**“Hearing”** means the Court hearing of HII’s and Shareco’s motion for the HII/Shareco Sanction and Vesting Order;

**“HII”** means Homburg Invest Inc., a corporation incorporated under the ABCA including any successors by amalgamation;

**“HII 86 GP”** means HII (86) GP Inc.;

**“HII 86 GP Liabilities”** means all secured and unsecured obligations and liabilities of HII 86 GP as at the Plan Implementation Date;

**“HII 87 GP”** means HII (87) GP Inc.;

**“HII 87 GP Liabilities”** all secured and unsecured obligations and liabilities of HII 87 GP as at the Plan Implementation Date;

**“HII Assets”** means all Property of HII;

**“HII Baltic Subco”** means a company incorporated under the NSCA, all of the shares of which are held by HII;

**“HII Class A Preferred Shares”** means the authorized but not issued Class A preferred shares of HII;

**“HII Class A Shares”** means the issued and outstanding Class A subordinate voting shares of HII;

**“HII Class B Preferred Shares”** means the authorized but not issued Class B preferred shares of HII;

**“HII Class B Shares”** means the issued and outstanding Class B multiple voting shares of HII;

**“HII Co-obligation Note”** means the demand, adjustable, non-interest bearing promissory note issued by HII to Newco, the principal amount of which shall be deemed to be equal to the Final Adjusted Newco Note Amount, and such HII Co-obligation Note shall be secured by the Newco Co-obligation Charge;

**“HII’s Existing Authorized Capital”** means, collectively, the HII Class A Preferred Shares, the HII Class A Shares, the HII Class B Preferred Shares, and the HII Class B Shares;

**“HII Filing Date”** means September 9, 2011;

**“HII Group”** means the Petitioners, the Applicant Partnerships and Castello Development Ltd.;

**“HII Group Entity”** means any member of the HII Group;

**“HII Homco 61 Distribution”** means the aggregate value of all non-Cash and Cash distributions made to Homco 61 LP under the HII/Shareco Plan on account of the Homco 61 Net Intercompany Claim (for greater certainty being its Pro Rata Share of Newco Common Shares, the Cash Pool and the Asset Realization Cash Pool);

**“HII Loan”** means the loan by HII to Homco 61 LP evidenced by the Homco 61 Note, in the amount of CDN\$65,197,177 as at the HII Filing Date (and as at the Homco 61 Filing Date was CDN\$71,597,837.15);

**“HII New Common Shares”** means the new class of common shares of HII to be authorized and issued to Newco pursuant to section 12.3(k)(ii) of the HII/Shareco Plan;

**“HII US Subco”** means a company incorporated under the NSCA, all the shares of which are held by HII;

**“HII/Shareco Canadian Creditors’ Meeting”** means a meeting of the Affected Creditors called in Montréal, Québec, Canada convened simultaneously and forming one meeting with the HII/Shareco European Creditors’ Meeting for the purpose of considering and voting in respect of the HII/Shareco Plan pursuant to the CCAA, as the same may be adjourned or rescheduled, as the case may be;

**“HII/Shareco Creditors’ Meeting”** means, collectively, the HII/Shareco Canadian Creditors’ Meeting and the HII/Shareco European Creditors’ Meeting;

**“HII/Shareco European Creditors’ Meeting”** means a meeting of the Affected Creditors called in Utrecht, the Netherlands convened simultaneously and forming one meeting with the HII/Shareco Canadian Creditors’ Meeting for the purpose of considering and voting in respect of the HII/Shareco Plan pursuant to the CCAA, as the same may be adjourned or rescheduled, as the case may be;

**“HII/Shareco Meeting Materials”** has the meaning ascribed thereto in section 13 of the HII/Shareco Meeting Order;

**“HII/Shareco Meeting Order”** means the Order, substantially in the form set out in Schedule “C” to the HII/Shareco Plan, to be made by the Court under the CCAA that, among other things, sets the date for the HII/Shareco Creditors’ Meeting, approves the HII/Shareco Meeting Materials, and contains the Restated Catalyst Support Agreement Approval, as same may be amended, restated or varied from time to time;

**“HII/Shareco Plan”** means the Second Joint Amended and Restated Plan of Compromise and Reorganization filed by HII and Shareco under the CCAA and the ABCA, as such HII/Shareco Plan may be amended, varied or supplemented from time to time by HII and Shareco and Catalyst acting reasonably, as approved by the Monitor, all in accordance with the terms hereof;

**“HII/Shareco Record Date”** means April 17, 2013, or such other date as may be determined by the Monitor and communicated in accordance with the HII/Shareco Meeting Order;

**“HII/Shareco Sanction and Vesting Order”** means the Order to be granted by the Court as contemplated under the HII/Shareco Plan which, *inter alia*, approves and sanctions the HII/Shareco Plan and the transactions contemplated thereunder, vests title in and to the Core Business Assets (other than the Core GP Assets) in Newco and the Core GP Assets in the Newco Subsidiaries respectively, free and clear of all Encumbrances other than the Core Business Asset Creditor Claims and grants the Plan Charges, which shall be a Final Order;

**“HII/Shareco Sanction Hearing”** means the Court hearing of HII’S and Shareco’s motion for the HII/Shareco Sanction and Vesting Order in respect of the HII/Shareco Sanction Motion;

**“HII/Shareco Sanction Motion”** has the meaning set forth in paragraph 59 of the HII/Shareco Meeting Order;

**“HLPM”** means Homburg L.P. Managements Incorporated, a corporation incorporated under the NSCA;

**“HMCI”** means Homburg Management (Canada) Inc., a corporation incorporated under the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended, and a Petitioner;

**“Holland Garden”** means Holland Garden Development Ltd., a corporation incorporated under the ABCA;

**“Homburg Baltic”** means Homburg Baltic LP Inc., a corporation incorporated under the NSCA;

**“Homburg Baltic Creditor”** means a Person having a Homburg Baltic Creditor Claim, which shall be an Unaffected Creditor;

**“Homburg Baltic Creditor Claim”** means any Claim against Homburg Baltic, which shall be an Unaffected Claim;

**“Homburg Baltic Intercompany Loan”** means the receivable obligations owing from Homburg Baltic to HII as at the HII Filing Date;

**“Homburg Baltic Limited Partnership Creditor”** means a secured or unsecured Creditor of any of the Homburg Baltic Limited Partnerships, which shall be an Unaffected Creditor;

**“Homburg Baltic Limited Partnership Creditor Claim”** means any Claim of a Homburg Baltic Limited Partnership Creditor against a Homburg Baltic Limited Partnership, which shall be an Unaffected Claim;

**“Homburg Baltic Limited Partnerships”** means the following limited partnerships formed under the laws of the Baltic States: Kub Homburg NT, Kub Homburg LT Baltijos Investicijos 1, Kub Homburg LT Baltijos Investicijos 2, Homburg LV Investments KS, Homburg Baltic (ES) Investments UU, and Homburg Baltic (ES) AST Investments UU;

**“Homburg Group Member”** means any body corporate or limited partnership directly or indirectly owned by HII wherever incorporated or formed;

**“Homburg Invest USA”** means Homburg Invest (USA) Limited, a company incorporated under the NSCA and to be continued as an Alberta corporation;

**“Homburg US”** means Homburg (US) Incorporated, a company incorporated under the NSCA;

**“Homburg US Intercompany Loan”** means all amounts loaned or advanced by HII to the receivable obligations owing from Homburg US on the Plan Implementation Date;

**“Homburg US Intercompany Loan (No Value)”** means an amount equal to the difference between the Homburg US Intercompany Loan and the fair market value of such loan, as at the Plan Implementation Date;

**“Homburg US Intercompany Loan Note (Value)”** means a priority promissory note having a principal amount equal to the difference between the Homburg US Intercompany Loan and the Homburg US Intercompany Loan (No Value);

“**Homco**” means a Homburg Group Member limited partnership formed under the NSLPA and as more particularly set out on and defined in Schedule “D” to the HII/Shareco Plan;

“**Homco 61 Administrative Reserve Costs**” means all amounts on account of Homco 61 Employee Priority Claims, Government Priority Claims and the Homco 61 Post-Filing Trade Payables;

“**Homco 61 Affected Claim**” means any Claim against Homco 61 LP, including for greater certainty, the Bond 6 Homco 61 Claim, but excluding the Homco 61 LP Unaffected Claims and Homco 61 Equity Claims;

“**Homco 61 Affected Creditor**” means a Creditor with a Homco 61 Affected Claim under the Homco 61 Plan, including for greater certainty a Bond 6 Claim Holder;

“**Homco 61 Affected Creditors’ Entitlement**” means the full entitlement of Homco 61 Affected Creditors under the Homco 61 Plan, including without limitation the entitlement of such Homco 61 Affected Creditors to receive Newco Common Shares and/or distributions of Cash from the Cash Pool and the Asset Realization Cash Pool, and “Homco 61 Affected Creditor’s Entitlement” means the full entitlement of a Homco 61 Affected Creditor;

“**Homco 61 Affected Creditor HII Claim**” means an Affected Claim against HII pertaining to the same obligation as a Homco 61 Affected Claim whether by Guarantee or otherwise, including for greater certainty the Bond 6 HII Claim;

“**Homco 61 Affected Creditor HII Deficiency Claim**” means the aggregate Proven Claim of any holder of a Homco 61 Affected Creditor HII Claim for distribution purposes under the Plan, which shall be deemed to be an amount equal to each such holder’s Homco 61 Affected Creditor HII Claim less its Homco 61 Recovered Amount, including for greater certainty the Bond 6 HII Deficiency Claim;

“**Homco 61 Affected Creditor’s Pro Rata Share**” means each Homco 61 Affected Creditor’s *pro rata* share of the HII Homco 61 Distribution;

“**Homco 61 Canadian Creditors’ Meeting**” means a meeting of the Homco 61 Affected Creditors called in Montréal, Québec, Canada convened simultaneously and forming one meeting with the Homco 61 European Creditors’ Meeting for the purpose of considering and voting in respect of the Homco 61 Plan pursuant to the CCAA, as the same may be adjourned or rescheduled, as the case may be;

“**Homco 61 Claims Bar Date**” means the claims bar date for Claims against Homco 61 LP as set out in the Claims Process Order;

“**Homco 61 Conditions Precedent**” means the conditions precedent to the implementation of the Homco 61 Plan as set out in section 8.3 of the Homco 61 Plan;

“**Homco 61 Creditor**” means any Person asserting a Homco 61 Affected Claim or a Homco 61 Unaffected Claim and may, where the context requires, include the assignee of such Claim or a personal representative, agent, mandatary, trustee, interim receiver, receiver, receiver and manager, liquidator or other Person acting on behalf of such Person;

“**Homco 61 Creditors’ Meeting**” means, collectively, the Homco 61 Canadian Creditors’ Meeting and the Homco 61 European Creditors’ Meeting;

“**Homco 61 Disputed Claim**” means that portion of a Homco 61 Affected Claim of a Homco 61 Affected Creditor in respect of which a Homco 61 Proof of Claim has been filed in accordance with the Claims Process Order, and which is the subject of negotiation with the Monitor or adjudication before the Court, and that at any particular time, has not been finally determined to be a Homco 61 Proven Claim in whole or in part, or is subject to a revision or disallowance that is contested in accordance with the Claims Process Order, the Homco 61 Meeting Order, or any other Order made in the CCAA Proceedings and as such is not a Homco 61 Proven Claim in whole or in part and in the case of Homco 61 Disputed Claim of Electing Creditors, the face amount of any Homco 61 Disputed Claim of such Electing Creditor shall be deemed to be no greater than the face amount of such Claim on April 29, 2013;

“**Homco 61 Distribution Date**” means the date or dates from time to time set in accordance with the provisions of the Homco 61 Plan at the sole and absolute discretion of the Monitor to effect distributions in respect of the Homco 61 Proven Claims, including the Homco 61 Final Distribution Date but excluding the Homco 61 Initial Distribution Date;

“**Homco 61 Effective Time**” means 12:02 a.m. on the Homco 61 Plan Implementation Date or such other time on such date Homco 61 and the Monitor shall determine or as otherwise ordered by the Court but in any event immediately following the Effective Time under the HII/Shareco Plan;

“**Homco 61 Employee Priority Claim**” means of the following Claims of Homco 61 Employees and former or inactive employees of Homco 61 LP:

- (a) Claims equal to the amounts that such Homco 61 Employees and former or inactive employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if Homco 61 LP had become bankrupt on the Homco 61 Filing Date; and
- (b) Claims for wages, salaries, commissions or compensation for services rendered by them after the Homco 61 Filing Date and on or before the Homco 61 Plan Implementation Date together with, in the case of travelling salespersons, disbursements properly incurred by them in and about the Business during the same period;

**“Homco 61 Employees”** means any and all (i) employees of Homco 61 LP who are actively at work (including full-time, part-time or temporary employees), and (ii) employees of Homco 61 LP who are on approved leaves of absence (including maternity leave, parental leave, short-term disability leave, workers’ compensation and other statutory leaves);

**“Homco 61 European Creditors’ Meeting”** means a meeting of the Homco 61 Affected Creditors called in Utrecht, the Netherlands convened simultaneously and forming one meeting with the Homco 61 Canadian Creditors’ Meeting for the purpose of considering and voting in respect of the Homco 61 Plan pursuant to the CCAA, as the same may be adjourned or rescheduled, as the case may be;

**“Homco 61 Filing Date”** means February 6, 2013;

**“Homco 61 Final Distribution Date”** means such date, after all of the Homco 61 Disputed Claims are finally resolved, that the Monitor shall determine in its sole and absolute discretion or the Court shall otherwise order;

**“Homco 61 Government Priority Claims”** means all Claims of Governmental Authorities in respect of amounts that are outstanding and that are of a kind that could be subject to a demand on or before the Homco 61 Final Distribution Date under:

- (a) subsections 224(1.2) and 224(1.3) of the ITA;
- (b) any provision of the *Canada Pension Plan* or the *Employment Insurance Act* (Canada) that refers to subsection 224(1.2) of the ITA and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or employee’s premium or employer’s premium as defined in the *Employment Insurance Act* (Canada), or a premium under Part VII.1 of that Act, and of any related interest, penalties or other amounts; or
- (c) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the ITA, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:
  - (i) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the ITA; or
  - (ii) is of the same nature as a contribution under the *Canada Pension Plan* if the province is a “province providing a comprehensive pension plan” as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a “provincial pension plan” as defined in that subsection;

**“Homco 61 GP”** means HII (61) GP Inc.;

**“Homco 61 GP Named Directors”** means Jan Schöningh and James F. Miles;

**“Homco 61 Guarantee”** means the guarantee of Shareco’s obligations under the Bond 6 Indenture granted by Homco 61 LP in favour of Stichting Homburg Bonds dated July 1, 2005;

**“Homco 61 Initial Distribution Date”** means the Initial Distribution Date under the HII/Shareco Plan, or such other date as determined by the Monitor in its sole discretion under the Homco 61 Plan;

**“Homco 61 Intercompany Claim”** means the aggregate gross amount owing by HII to Homco 61 LP as reflected in the books and records of HII and Homco 61 LP in the amount of CDN\$127,593,683 as at the HII Filing Date;

**“Homco 61 LP”** means Homco Realty Fund (61) Limited Partnership, a limited partnership formed under the NSLPA;

**“Homco 61 Meeting Order”** means the Order, substantially in the form set out in Schedule “A” to the Homco 61 Plan, to be made by the Court under the CCAA that, among other things, sets the date for the Homco 61 Creditors’ Meeting, as same may be amended, restated or varied from time to time;

**“Homco 61 Net Intercompany Claim”** means the amount of CDN\$62,396,506 being the amount of the Homco 61 Intercompany Claim, after reduction pursuant to set-off effected under the HII/Shareco Plan by the amount of the HII Loan, and which amount shall be Homco 61 LP’s deemed Proven Claim against HII under the HII/Shareco Plan;

**“Homco 61 Note”** means the demand promissory note dated July 4, 2005 evidencing the HII Loan, issued by Homco 61 LP to HII and pledged by HII to Shareco as security for the Shareco Loan and subsequently assigned by Shareco to Stichting Homburg Bonds;

**“Homco 61 Plan”** means the Homco 61 original plan, as amended by this Restated Plan of Compromise filed by Homco 61 LP under the CCAA, as such Homco 61 Plan may be amended, varied or supplemented from time to time by Homco 61 LP as approved by HII, Homco 61 LP, and Catalyst acting reasonably and by the Monitor, all in accordance with the terms thereof;

**“Homco 61 Plan Implementation Date”** means the Business Day or Business Days on which all of the Homco 61 Conditions Precedent have been fulfilled or, to the extent permitted pursuant to the terms and conditions of the Homco 61 Plan, waived, as evidenced by the Monitor’s Homco 61 Plan Implementation Date Certificate to be filed with the Court;



**“Homco 61 Plan Released Party”** means a Person who is released pursuant to section 7.1 of the Homco 61 Plan, including for greater certainty a Homco 61 Released Party (as defined therein) and a non-Homco 61 Released Party (as defined therein);

**“Homco 61 Plan Sanction Date”** means the date that the Homco 61 Sanction Order is made by the Court;

**“Homco 61 Plan Transactions”** means the steps or transactions considered necessary or desirable to give effect to the transactions contemplated in the Homco 61 Plan, including those set out in article 6 of the Homco 61 Plan, which steps and transactions may include one or more incorporations, mergers, amalgamations, consolidations, arrangements, continuations, restructurings, conversions, liquidations, winding ups, dissolutions, transfers, reorganizations, repayments, redemptions, exchanges, cancellations, offsets, compromises, releases, discharges or other transactions;

**“Homco 61 Post-Filing Trade Payables”** means post-Homco 61 Filing Date trade payables (excluding, for greater certainty any Tax Claims) that were incurred by Homco 61 LP (i) after the Homco 61 Filing Date and before the Homco 61 Plan Implementation Date, (ii) in the ordinary course of Business, and (iii) in compliance with the Initial Order and other Orders issued in connection with the CCAA Proceedings;

**“Homco 61 Proof of Claim”** means the form to be completed and filed by a Homco 61 Creditor, pursuant to the Claims Process Order, by the applicable Homco 61 Claims Bar Date setting forth its applicable Claim;

**“Homco 61 Proven Claim”** means a Claim of a Homco 61 Affected Creditor as finally determined for voting and distribution purposes in accordance with the Claims Process Order, the Homco 61 Plan and the Homco 61 Meeting Order;

**“Homco 61 Record Date”** means April 17, 2013, or such other date as may be determined by the Monitor and communicated in accordance with the Homco 61 Meeting Order;

**“Homco 61 Recovered Amount”** means the *pro rata* share of the HII Homco 61 Distribution recovered by a holder of a Homco 61 Affected Creditor HII Claim under the Homco 61 Plan on account of its Homco 61 Proven Claim, including for greater certainty the Bond 6 Homco 61 Recovered Amount;

**“Homco 61 Resolution”** means the resolution approving the Homco 61 Plan presented to the Homco 61 Affected Creditors for consideration at the Homco 61 Creditors’ Meeting, substantially in the form set out in Appendix “F” hereto;

**“Homco 61 Sanction Hearing”** means the Court hearing of Homco 61 LP’s motion for the Homco 61 Sanction Order in respect of the Homco 61 Sanction Motion;

**“Homco 61 Sanction Motion”** has the meaning set forth at paragraph 43 of the Homco 61 Meeting Order;

**“Homco 61 Sanction Order”** means the Order to be granted by the Court as contemplated under the Homco 61 Plan which, *inter alia*, approves and sanctions the Homco 61 Plan and the transactions contemplated thereunder, which shall be a Final Order;

**“Homco 61 Unaffected Claims”** means the Excluded Claims, the Homco 61 Employee Priority Claims and the Homco 61 Government Priority Claims;

**“Homco 61 Unaffected Creditors”** means a Creditor who has a Homco 61 Unaffected Claim, but only in respect of and to the extent of such Homco 61 Unaffected Claim;

**“Homco 61 Unsecured Creditors’ Class”** means the sole class of Homco 61 Affected Creditors entitled to vote on the Homco 61 Plan at the Homco 61 Creditors’ Meeting;

**“Homco 61 Voting Claim”** means the amount of the Homco 61 Affected Claim of a Homco 61 Affected Creditor as finally determined for voting purposes in accordance with paragraph 30 of the Claims Process Order, the HII/Shareco Meeting Order and the Homco 61 Meeting Order entitling such Homco 61 Affected Creditor to vote at the Homco 61 Creditors’ Meeting in accordance with the provisions of the HII/Shareco Meeting Order, the Homco 61 Meeting Order, the Homco 61 Plan and the CCAA, and includes, for greater certainty, a Homco 61 Proven Claim;

**“Homco 69 LP Valbonne 2 BV Intercompany Loan”** means all amounts loaned or advanced by Valbonne 2 BV to Homco 69 LP as at the HII Filing Date;

**“Homco 70 LP Coët BV Intercompany Loan”** means all amounts loaned or advanced by Coët BV to Homco 70 LP as at the HII Filing Date;

**“Homco 86 LP HII Intercompany Loan”** means all amounts loaned or advanced by HII to Homco 86 LP as at the HII Filing Date;

**“Homco 86 LP Homco 86 BV Intercompany Loan”** means all amounts loaned or advanced by Homco 86 BV to Homco 86 LP as at the Plan Implementation Date;

**“Homco 87 LP HII Intercompany Loan”** means all amounts loaned or advanced by HII to Homco 87 LP as at the HII Filing Date;

**“Homco 87 LP Homco 87 BV Intercompany Loan”** means all amounts loaned or advanced by Homco 87 BV to Homco 87 LP as at the Plan Implementation Date;

**“Homco 110 LP HII Intercompany Loan”** means all amounts loaned or advanced by HII to Homco 110 LP as at the HII Filing Date;

**“Homco 110 LP Valbonne 5 BV Intercompany Loan”** means all amounts loaned or advanced by Valbonne 5 BV to Homco 110 LP as at the HII Filing Date;

**“Homco 190 Loan”** means the intercompany loan from Homco 190 LP to Homco 199 LP as evidenced by the Homco 190 Loan Promissory Note;

**“Homco 190 Loan Promissory Note”** means the promissory note dated May 25, 2010, delivered by Homco 199 LP to Homco 190 LP;

**“Homco 190 LP”** means Homco Realty Fund (190) Limited Partnership, a limited partnership formed under the NSLPA;

**“Homco 191 Loan”** means the intercompany loan from Homco 191 LP to Homco 199 LP as evidenced by the Homco 191 Loan Promissory Note;

**“Homco 191 Loan Promissory Note”** means the promissory note dated May 25, 2010, delivered by Homco 199 LP to Homco 191 LP;

**“Homco 191 LP”** means Homco Realty Fund (191) Limited Partnership, a limited partnership formed under the NSLPA;

**“Homco 199 Cash Amount”** means the amount of Cash held by Homco 199 LP on the Plan Implementation Date;

**“Homco 199 Loan”** means all amounts loaned or advanced by Homco 199 LP to HII and outstanding as at the Plan Implementation Date;

**“Homco 199 LP”** means Homco Realty Fund (199) Limited Partnership, a limited partnership formed under the NSLPA;

**“Homco GP”** means the corporate general partner of a Homco other than a Core Homco and for greater certainty excluding HLPM;

**“HSBC”** means HSBC Bank Canada;

**“HSBC Secured Claim”** means the claim of HSBC against HII secured by HII’s personal and movable property pursuant to a general security agreement dated July 5, 2001 and a hypothec on movable property dated December 16, 2010, to the extent of the amount of such security, subject to such security being valid and enforceable;

**“Incorporation Foundation”** means a Dutch foundation (*Stichting*) incorporated solely for the purposes of incorporating Newco and acting as initial shareholder of Newco preference shares in accordance with the Pre-Plan Implementation Date Transactions;

**“Indebtedness”** of a Person means, without duplication:

- (a) all debts and liabilities of that Person for borrowed money;
- (b) all debts and liabilities of that Person representing the deferred acquisition cost of property and services; and
- (c) all Guarantees given by that Person;

**“Independent”** means:

- (a) in respect of an individual, that such individual or his or her spouse, registered partner as referred to in section 1:80a of the Dutch Civil Code or other life companion, foster child or relative by blood or marriage up to the second degree, is not a current or former employee, board member, officer, advisor or holder of more than one percent of the shares in a Relevant Entity; and
- (b) in respect of a legal entity, that
  - (i) such entity is not a direct or indirect shareholder of a Relevant Entity or otherwise controls a Relevant Entity;
  - (ii) such entity is not, directly or indirectly, held or controlled by a Relevant Entity;
  - (iii) such entity is not an advisor to the Relevant Entity; and
  - (iv) all of its current and former employees, board members and officers are Independent in the meaning of (i) above;

**“Information Circular”** means the information circular prepared by HII on behalf of HII, Shareco and Homco 61 LP and any schedules or appendices thereto (including the HII/Shareco Plan and the Homco 61 Plan), as may be amended, restated or varied from time to time, together with any other documents required by the Court in connection with the calling and holding of the HII/Shareco Creditors’ Meeting and the Homco 61 Creditors’ Meeting to consider and approve the HII/Shareco Plan and the Homco 61 Plan respectively;



**“Initial Distribution Date”** means a date on or after the Plan Implementation Date as the Monitor shall have determined in its sole discretion, or such other date as specified in the HII/Shareco Sanction and Vesting Order;

**“Initial Order”** means the Order of the Court under the CCAA obtained by the Petitioners on September 9, 2011 and as same may be amended, restated or varied from time to time;

**“Insolvent Person”** means a Person the aggregate of whose property is not, at a fair valuation, sufficient, or, if disposed of at a fairly conducted sale under legal process, would not be sufficient, to enable payment of all its obligations, due and accruing due, or who is unable to meet its obligations generally as they become due;

**“Intercompany Claims”** means any Claim of HII or any Homburg Group Member against HII or any other Homburg Group Member, whether or not recorded in the usual and ordinary course in the books and records of the applicable Person;

**“Inverness”** means Inverness Estates Development Ltd., a corporation incorporated under the ABCA and a Petitioner;

**“Investment Proposal Process”** means the process approved by Order of the Court made on March 1, 2013, as amended by further Order of the Court made on March 14, 2013, providing for standard terms and conditions governing the delivery of investment proposals to HII and the Monitor;

**“ITA”** means the *Income Tax Act* (Canada) R.S.C. 1985, c. 1 (Fifth Supp.), as amended and any regulations thereunder;

**“KERP Claim”** means a claim of any Person under the KERPS;

**“KERP Fund”** means the monies held by the Monitor to pay the KERP Claims;

**“KERPS”** means the Key Employee Retention Plans approved by paragraph 32 of the Initial Order as amended and extended from time to time;

**“Letter of Instruction”** means:

- (a) in respect of the HII/Shareco Plan, a form to be completed by Affected Creditors (other than Convenience Class Creditors) that is to be delivered by such Affected Creditors to the Monitor in accordance with the Plan, which form shall set out (i) the registration details for the issuance of the Newco Common Shares to such Affected Creditors required for the Trading Platform; (ii) the address to which such Affected Creditors’ DRS Transaction Advices (or similar notices for the Trading Platform) and other notices are to be mailed, and (if applicable) to which cash distributions in cheque form are to be delivered; and (iii) the IBAN number and other details for the account of such Affected Creditors to which cash distributions in wire transfer form are to be delivered; and
- (b) in respect of the Homco 61 Plan, a form to be completed by the Homco 61 Affected Creditors that is to be delivered by such Homco 61 Affected Creditors to the Monitor in accordance with the Homco 61 Plan, which form shall be the same as the form of Letter of Instruction under the HII/Shareco Plan;

**“Liabilities”** of a Person means all Indebtedness, obligations and other liabilities of that Person whether absolute, accrued, contingent, fixed or otherwise, or whether due or to become due;

**“Limited Partnership Agreement”** means an agreement between HII, as sole limited partner, and the relevant general partner or general partners of a Homco;

**“Liquidation Advisory Committee”** means the committee to be created under the HII/Shareco Sanction and Vesting Order, comprised of three individual members, one of whom shall be nominated by Stichting Homburg Bonds, one of whom shall be nominated by Catalyst, and one of whom shall be nominated by HII, with the powers, entitlements and duties set out therein and in the HII/Shareco Plan;

**“Liquidation Charge”** means a prior ranking Charge created pursuant to the HII/Shareco Sanction and Vesting Order against the Non-Core Business Assets in favour of the Monitor as security for the Liquidation Costs;

**“Liquidation Costs”** means the costs of liquidation or realization of the Non-Core Business Assets, including professional fees and disbursements;

**“Litigation Claim”** means any and all claims, actions, causes of action, demands, suits, rights, entitlements, litigation, arbitration, proceeding, hearing or complaint, whether known or unknown, reduced to judgment or not reduced to judgment, liquidated or unliquidated, contingent or non-contingent, matured or unmatured, disputed or undisputed, secured or unsecured, assertable directly or derivatively, in law, equity or otherwise, based in whole or in part on any act or omission or other event occurring at any time, whether before, on or after the HII Filing Date which may be asserted by or on behalf of (i) HII, Shareco, Homco 190 LP, Homco 191 LP and Homco 199 LP against any and all third parties; or (ii) the Monitor, pursuant to section 36.1 of the CCAA, or sections 95 to 101 of the BIA; provided however that in no event shall a Litigation Claim be a Claim being released by the HII/Shareco Plan;

**“Litigation Proceeds”** any proceeds or settlement or judgment arising from the Litigation Claims, net of any Litigation Reserve Costs;

**“Litigation Reserve”** means a Cash reserve in the amount of Five Hundred Thousand (\$500,000) dollars, approved by the Court in the HII/Shareco Sanction and Vesting Order, which reserve shall be established and deposited by the Monitor into the Litigation Reserve Account for the purpose of paying the Litigation Reserve Costs;

**“Litigation Reserve Account”** means a segregated interest bearing trust account established by the Monitor to hold the Litigation Reserve;

**“Litigation Reserve Costs”** means professional fees, disbursements, judicial or extrajudicial costs or solicitor client costs of the Monitor (including of its legal counsel and other advisors) relating to the investigation and assessment of Creditor Causes of Action or Litigation Claims and the litigation or settlement of Litigation Claims;

**“Material Adverse Change”** means any event, circumstance, occurrence, fact, condition, change or effect that would be materially adverse to the Core Business Assets, the Non-Core Business Assets, the security affecting the Core Business Assets and Non-Core Business Assets or any third party secured claims affecting same, or the results of operations or conditions (financial or otherwise) of the Core Business Entities (taken as a whole), provided however, that any event, circumstances, occurrence, fact, condition, change or effect:

- (a) relating to, or arising from, general economic conditions;
- (b) relating to, or arising from, any change in the global, national or regional political conditions (including the outbreak of hostilities or acts of terrorism) or any change in Applicable Laws;
- (c) relating to, or arising from, any emergency in the geographic area where the HII Group Entities operate (including a power outage);
- (d) relating to fluctuations in the earnings or liabilities of the HII Group Entities, taken as a whole, during the period commencing on January 1, 2013 and ending on the Plan Implementation Date; and
- (e) relating to, or arising from, any litigation matters relating to Disputed Claims;

shall be deemed not to constitute a “Material Adverse Change” and shall not be considered in determining whether a “Material Adverse Change” has occurred;

**“Monitor”** means Deloitte in its capacity as Court-appointed Monitor pursuant to the Initial Order;

**“Monitor’s Homco 61 Plan Completion Certificate”** means the certificate substantially in the form attached as Schedule “C” to the Homco 61 Sanction Order to be filed by the Monitor with the Court;

**“Monitor’s Homco 61 Plan Implementation Date Certificate”** means the certificate substantially in the form appended as Schedule “A” to the Homco 61 Sanction Order to be filed by the Monitor with the Court declaring that all of the Homco 61 Conditions Precedent to implementation of the Homco 61 Plan have been satisfied or waived in accordance with the Homco 61 Sanction Order;

**“Monitor’s Plan Completion Certificate”** means the certificate substantially in the form attached as Schedule “D” to the HII/Shareco Sanction and Vesting Order to be filed by the Monitor with the Court;

**“Monitor’s Plan Implementation Date Certificate”** means a certificate substantially in the form appended as Schedule “A” to the HII/Shareco Sanction and Vesting Order to be filed by the Monitor with the Court and declaring that all of the Conditions Precedent to implementation of the HII/Shareco Plan have been satisfied or waived and that all right, title and interest in and to the Core Business Assets (other than the Core GP Assets) and the Core GP Assets have vested absolutely in Newco and the Newco Subsidiaries respectively, free and clear of all Encumbrances, other than Core Business Creditor Claims, in accordance with the HII/Shareco Sanction and Vesting Order;

**“Mortgage Bond Claim”** means any Claim of a debenture holder or Stichting Homburg Bonds arising under or in connection with the debentures issued under the Mortgage Bond Trust Indenture;

**“Mortgage Bond Proven Claim”** means a Mortgage Bond Claim that is a Proven Claim;

**“Mortgage Bond Trust Indenture”** means, collectively, a Trust Indenture dated as of December 15, 2002, between Shareco and Stichting Homburg Bonds, a Second Supplemental Indenture dated as of November 30, 2004, between Shareco and Stichting Homburg Bonds, a Third Supplemental Indenture dated as of December 31, 2004, between Shareco and Stichting Homburg Bonds, a Fourth Supplemental Indenture dated as of July 4, 2005, between Shareco and Stichting Homburg Bonds, a Fifth Supplemental Indenture dated as of July 1, 2005, between Shareco and Stichting Homburg Bonds, a Special Supplemental Indenture to the Second Supplement dated as of November 5, 2012, between Shareco and Stichting Homburg Bonds, a Special Supplemental Indenture to the Third Supplement dated as of August, 2005, between Shareco and Stichting Homburg Bonds, a Special Supplemental Indenture to the Third Supplement dated as of November 5, 2012, between Shareco and Stichting Homburg Bonds, a Special Supplemental Indenture to the Fourth Supplement dated August, 2005, between Shareco and Stichting Homburg Bonds, a Second Special Supplemental Indenture to the Fourth Supplement dated November 30, 2007, between Shareco and Stichting Homburg Bonds, and a Special Supplemental Indenture to the Fifth Supplement dated as of November 5, 2012, between Shareco and Stichting Homburg Bonds, all of which are governed by the laws of the Province of Nova Scotia, the obligations under which are secured by the Mortgage Bond Trust Indenture Security;

**“Mortgage Bond Trust Indenture Security”** means the security and Guarantees, if any, granted by HII, Shareco and/or any Homburg Group Member, to the holders of notes issued under different series of the Mortgage Bond Trust Indenture, determined by the Monitor or the Court to be valid and opposable;

**“Mortgage Bond Trust Indenture Unsecured Claim”** means the aggregate amount outstanding as at the Filing Date in respect of each series of bonds issued under the Mortgage Bond Trust Indenture (including interest only accrued to the Filing Date) after realization of the Mortgage Bond Trust Indenture Security, as applicable, but excluding with respect to the Bond 5 Claim Holders and the Bond 6 Claim Holders, respectively, the Bond 5 Unsecured Claim and the Bond 6 HII Deficiency Claim;

**“Named Director”** means the following present and former directors and officers of the HII Group Entities: Jan Schönningh, 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;

**“Named Officers”** means Jan Schönningh and James F. Miles;

**“Newco”** means a closed end property investment company without a separate manager (*beleggingsmaatschappij zonder aparte beheerder*) to be formed under the laws of the Netherlands in the Pre-Plan Implementation Date Transactions for purposes of the HII/Shareco Plan, including its subsidiaries if the context so requires;

**“Newco Assumed Portion of Corporate Creditor Disputed Claims”** means that portion of all Corporate Creditor Disputed Claims in respect of which Newco becomes a co-obligor with HII, the amount of which shall be deemed to be that percentage of the Final Adjusted Newco Note Amount equal to the amount that the aggregate of each Corporate Creditor’s pro rata share of the Newco Assumed Portion of Disputed Claims is of the Newco Assumed Portion of Disputed Claims;

**“Newco Assumed Portion of Corporate Creditor Proven Claims”** means that portion of all Corporate Creditor Proven Claims in respect of which Newco becomes a co-obligor with HII, the amount of which shall be deemed to be that percentage of the Final Adjusted Newco Note Amount equal to the amount that the aggregate of each Corporate Creditor’s pro rata share of the Newco Assumed Portion of Proven Claims is of the Newco Assumed Portion of Proven Claims;

**“Newco Assumed Portion of Disputed Claims”** means an amount equal to the Newco Assumed Portion of Non-Corporate Creditor Disputed Claims and the Newco Assumed Portion of Corporate Creditor Disputed Claims, which amount shall be subsequently adjusted to equal the finally determined value, if any, of such Creditors’ Proven Claims;

**“Newco Assumed Portion of Non-Corporate Creditor Disputed Claims”** means that portion of all Non-Corporate Creditor Disputed Claims in respect of which Newco becomes a co-obligor with HII, the amount of which shall be deemed to be that percentage of the Final Adjusted Newco Note Amount equal to the amount that the aggregate of each Non-Corporate Corporate Creditor’s pro rata share of the Newco Assumed Portion of Disputed Claims is of the Newco Assumed Portion of Disputed Claims;

**“Newco Assumed Portion of Non-Corporate Creditor Proven Claims”** means that portion of all Non-Corporate Creditor Proven Claims in respect of which Newco becomes a co-obligor with HII, the amount of which shall be deemed to be that percentage of the Final Adjusted Newco Note Amount equal to the amount that the aggregate of each Non-Corporate Creditor’s pro rata share of the Newco Assumed Portion of Proven Claims is of the Newco Assumed Portion of Proven Claims;

**“Newco Assumed Portion of Proven Claims”** means an amount equal to the Newco Assumed Portion of Non-Corporate Creditor Proven Claims and the Newco Assumed Portion of Corporate Creditor Proven Claims;

**“Newco Bond 5 Guarantee”** means the unsecured guarantee given by HII to Stichting Homburg Bonds for the benefit of the Bond 5 Claim Holders (including Electing Creditors) guaranteeing that all such Bond 5 Claim Holders shall receive under the HII/Shareco Plan or otherwise, distributions of Cash (including the Bond 5 Secured Claim Cash Payment) and Newco Common Shares, all of which such consideration shall have an aggregate minimum value equal to 50 per cent of the Bond 5 Claim, such value to be calculated in accordance with the Bond 5 Secured Claim Settlement Agreement (including for greater certainty, all Bond 5 Claim Holders whether or not they are Electing Creditors);

**“Newco Bond 5 Guarantee Value”** means the fair market value of the Newco Bond 5 Guarantee on the Plan Implementation Date;

**“Newco Common Shares”** means the common shares issued by Newco pursuant to the Plans, which will be voting and participating rateably, and the monetary value of which for distribution purposes shall be determined as at Plan Implementation Date, or as the context requires, depositary receipts for these shares tradable via the Trading Platform;

**“Newco Common Shares Cash-Out Option”** means:

- (a) in respect of the HII/Shareco Plan, the option available for Affected Creditors (other than Convenience Class Creditors who have made a Convenience Class Claim Election) to receive, 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, an amount equal to such Affected Creditor’s *pro rata* share of the Aggregate Newco Common Shares Final Cash-Out Amount; and
- (b) in respect of the Homco 61 Plan, the option available for Homco 61 Affected Creditors to receive, instead of all of their *pro rata* share of the Newco Common Shares forming part of the HII Homco 61 Distribution, an amount equal to such number of Newco Common Shares multiplied by the Newco Common Shares Cash-Out Price;

**“Newco Common Shares Cash-Out Option Election”** means:

- (a) in respect of the HII/Shareco Plan, an election pursuant to which an Affected Creditor (other than a Convenience Class Creditor who has made a Convenience Class Claim Election) has validly elected by the Election/Proxy Deadline the Newco Common Shares Cash-Out Option in respect of all of its Pro Rata Share of the Newco Common Shares pursuant to its Cash-Out Election Form and is thereby deemed to vote in favour of the Plan in respect of such Electing Creditor’s Voting Claim; and
- (b) in respect of the Homco 61 Plan, election pursuant to which a Homco 61 Affected Creditor has validly elected by the Election/Proxy Deadline to receive the Newco Common Shares Cash-Out Option in respect of all of its *pro rata* share of the Aggregate Newco Common Shares forming part of the HII Homco 61 Distribution pursuant to its Cash-Out Election Form and is thereby deemed to vote in favour of the Homco 61 Plan in respect of such Electing Creditor’s Homco 61 Voting Claim;

**“Newco Common Shares Cash-Out Price”** means the finally determined price per Newco Common Share, for the benefit of Electing Creditors who validly make the Newco Common Shares Cash-Out Option Election (including for greater certainty Affected Creditors with Disputed Claims that become Proven Claims under the Plan who validly make such election), based on an aggregate maximum price of €95,000,000 for 100% of the total Newco Common Shares to which Affected Creditors with Proven Claims (for distribution purposes) after final resolution of all Disputed Claims (including for greater certainty Disputed Claims of Electing Creditors) become entitled;

**“Newco Common Shares Put Right Period”** means the period from and after the date which is ninety one (91) calendar days following the Plan Implementation Date up to and including the date that is ninety (90) calendar days following such date;

**“Newco Common Shares Standstill Period”** means the period beginning on the Initial Distribution Date to and including the date that is ninety (90) calendar days following the Plan Implementation Date;

**“Newco Common Shares Tag Along Period”** means the period from and after the date which is ninety-one (91) calendar days following the Plan Implementation Date up to and including the date that is one hundred and eighty (180) calendar days following such date;

**“Newco Co-obligation Charge”** means a priority charge against the Core Business Assets (other than the Core GP Assets), and any proceeds arising therefrom, which charge shall secure the obligations of HII to Newco under the HII Co-obligation Note;

**“Newco Equity Pool”** means all of the Newco Common Shares to be issued by Newco on the Plan Implementation Date pursuant to the Plans. The number of Newco Common Shares to be issued on the Plan Implementation Date shall be agreed by Newco, HII, and the Monitor prior to the Plan Implementation Date;

**“Newco Equity Pool (Final)”** means immediately following the final resolution of all Disputed Claims, the number of Newco Common Shares issued pursuant to the Plans which shall be equal to the Newco Equity Pool less the number of Cancelled Newco Common Shares as at such time;

**“Newco Equity Pool (Interim)”** means, at the time of determination, the number of Newco Common Shares issued pursuant to the Plans which shall be equal to the Newco Equity Pool less the number of Cancelled Newco Common Shares as at such time;

**“Newco Incorporation Loan”** means the non-interest-bearing loan in the amount of €225,000 lent by HII from its Cash to the Incorporation Foundation for the purposes of incorporating Newco prior to the Plan Implementation Date pursuant to the Plan Transactions under the HII/Shareco Plan;

**“Newco Incorporation Loan Note”** means the promissory note delivered by the Incorporation Foundation to HII to evidence the Newco Incorporation Loan;

**“Newco Initial Supervisory Board”** means the initial supervisory board of Newco, which shall be composed pursuant to the terms of the Restated Catalyst Support Agreement;

**“Newco Management Board”** means the management board of Newco, constituted in accordance with the Restated Catalyst Support Agreement by no later than May 31, 2013;

**“Newco Note”** means the demand adjustable non-interest bearing unsecured promissory note to be issued by Newco in favour of HII as partial consideration for the transfer of Core Business Assets (other than Core GP Assets) by HII to Newco, the principal amount of which shall be deemed to be equal to the Final Adjusted Newco Note Amount;

**“Newco Prospectus”** means a prospectus filed by or on behalf of Newco as required (whether by Applicable Law or by the relevant regulations of the Trading Platform) for the purposes of listing the Newco Common Shares on the Trading Platform;

**“Newco Shareholder Rights Agreement”** means an agreement between Newco on behalf of the holders of Newco Common Shares and Catalyst, implementing the Put Right and the Tag Along Right, in form satisfactory to HII, Catalyst, Stichting Homburg Bonds, acting reasonably, and the Monitor;

**“Newco Subsidiaries”** means the private limited liability companies (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands to receive the interests of Homco 86 GP and Homco 87 GP in each of their respective Core Homcos;

**“Newco Un-Assumed Portion of Corporate Creditor Proven Claims”** means that portion of all Corporate Creditor Proven Claims less the Newco Assumed Portion of Corporate Creditor Proven Claims;

**“Newco Un-Assumed Portion of Non-Corporate Creditor Proven Claims”** means that portion of all Non-Corporate Creditor Proven Claims less the Newco Assumed Portion of Non-Corporate Creditor Proven Claims;

**“Newco Un-Assumed Portion of Proven Claims”** means the Newco Un-Assumed Portion of Non-Corporate Creditor Proven Claims and the Newco Un-Assumed Portion of Corporate Creditor Proven Claims;

**“Non-Core Bankrupt Business Entity Creditor Claim”** means a Non-Core Business Entity Creditor Claim against a Non-Core Business Entity that has been assigned or petitioned into bankruptcy;

**“Non-Core Business Asset Gross Proceeds”** means the proceeds realized from the liquidation or realization of Non-Core Business Assets;

**“Non-Core Business Asset Net Proceeds”** means the Non-Core Business Asset Gross Proceeds, net of the Asset Realization Costs;

**“Non-Core Business Asset Notes”** means, collectively, Note A (Non-Corporate Creditor) and Note B (Corporate Creditor);

**“Non-Core Business Assets”** means the HII Assets that are not Core Business Assets, including Bankruptcy Claims and Litigation Proceeds;

**“Non-Core Business Entity”** includes (i) any Cancos, other than any Amalgamating Canco and Homburg Baltic, and (ii) any Homco other than a Core Homco;

**“Non-Core Business Entity Creditor”** means a Person having a Non-Core Business Entity Creditor Claim, which shall be an Unaffected Creditor;

**“Non-Core Business Entity Creditor Claim”** means any Claim against a Non-Core Business Entity (which for greater certainty shall not include any Claim of a Non-Core Business Entity Creditor against HII or Shareco), which shall be an Unaffected Claim;

**“Non-Corporate Creditor”** means a Person having a Non-Corporate Creditor Claim, other than a Convenience Class Creditor;

**“Non-Corporate Creditor Claim”** means any unsecured Claim against HII and Shareco that is not a Corporate Creditor Claim;

**“Non-Corporate Creditor Disputed Claim”** means the face value of a Disputed Claim of a Non-Corporate Creditor;

**“Non-Corporate Creditor Proven Claim”** means a Proven Claim of a Non-Corporate Creditor;

**“North Calgary”** means North Calgary Land Ltd., a corporation incorporated under the ABCA and a Petitioner;

**“Note A (Non-Corporate Creditor)”** means the certificate of indebtedness being a global non-interest bearing variable note issued by HII and held by the Monitor on behalf of each holder of a Non-Corporate Creditor Proven Claim having a principal amount equal to the Non-Corporate Creditor’s Pro Rata Share of the Asset Realization Cash Pool, which note shall be secured by the Affected Creditors’ Charge;

**“Note B (Corporate Creditor)”** means the certificate of indebtedness being a global non-interest bearing variable note issued by HII and held by the Monitor on behalf of each holder of a Corporate Creditor Proven Claim having a principal amount equal to the Corporate Creditor’s Pro Rata Share of the Asset Realization Cash Pool, which note shall be secured by the Affected Creditors’ Charge;

**“Notice of Final Distribution”** means:

- (a) in respect of the HII/Shareco Plan, a notice to Affected Creditors to be published at least 30 days in advance of the Final Distribution Date in the *Globe and Mail*, the *Calgary Herald* and the *Halifax Chronicle Herald* (English version) and *De Volkskrant*, *De Telegraaf*, the *NRC* and *Het Financieele Dagblad* (all published in the Netherlands) (Dutch version) notifying Affected Creditors of the Final Distribution Date, substantially in the form of Schedule “C” to the HII/Shareco Sanction and Vesting Order; and
- (b) in respect of the Homco 61 Plan, a notice to Homco 61 Affected Creditors to be published at least thirty (30) days in advance of the Homco 61 Final Distribution Date in the *Globe and Mail*, the *Calgary Herald* and the *Halifax Chronicle Herald* (English version) and *De Volkskrant*, *De Telegraaf*, the *NRC* and *Het Financieele Dagblad* (all published in the Netherlands) (Dutch version) notifying Homco 61 Affected Creditors of the Homco 61 Final Distribution Date, substantially in the form of Schedule “B” to the Homco 61 Sanction Order;

**“NPEX”** means the online trading platform serviced by *Nederlandsche Participatie Exchange B.V.*;



“**NPEX Foundation**” means *Stichting Bewaarbedrijf NPEX*.

“**NSCA**” means the Nova Scotia *Companies Act*, R.S., c. 81, as amended;

“**NSLPA**” means Nova Scotia *Limited Partnerships Act*, R.S., c. 259, as amended;

“**Offer**” has the meaning ascribed to it under “*Newco Common Shares – Rights and Restrictions*”;

“**Order**” means any order of the Court, or any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority;

“**Original Catalyst Support Agreement**” means the support agreement entered into on April 15, 2013 among HII, Shareco, Homco 61 and Catalyst, which was terminated on April 24, 2013.

“**Original Plan**” means the joint Plan of Compromise and Reorganization under and pursuant to the CCAA and the ABCA dated February 5, 2013 and filed with the Court on February 6, 2013 by HII and Shareco;

“**Person**” is to be broadly interpreted and includes an individual, a partnership, a corporation, a trust, a joint venture, any Governmental Authority, any trade union, any employee association or any incorporated or unincorporated entity or association of any nature and the executors, administrators, or other representatives of an individual in such capacity;

“**Petitioners**” means HII, Shareco, Churchill, Inverness, CP Development, North Calgary and HMCI, and each of them being a “**Petitioner**”;

“**Plan Charges**” means the Administration Charge, the Directors’ Charge, the Affected Creditors’ Charge and the Liquidation Charge as continued and amended by and created by the HII/Shareco Sanction and Vesting Order and with the exception of the Directors’ Charge, are intended to survive the Plan Implementation Date, but shall not include the Newco Co-obligation Charge;

“**Plan Filing Date**” means the date on which the HII/Shareco Plan is filed with the Court;

“**Plan Implementation Date**” means the Business Day or Business Days on which all of the Conditions Precedent to the implementation of the HII/Shareco Plan have been fulfilled or, to the extent permitted pursuant to the terms and conditions of the HII/Shareco Plan, waived, as evidenced by the Monitor’s Plan Implementation Date Certificate to be filed with the Court;

“**Plan Sanction Date**” means the date that the HII/Shareco Sanction and Vesting Order is made by the Court;

“**Plan Transactions**” means the steps or transactions considered necessary or desirable to give effect to the transactions contemplated in the HII/Shareco Plan, including those set out in section 12.3 of the HII/Shareco Plan, which transactions may include one or more incorporations, mergers, amalgamations, consolidations, arrangements, continuations, restructurings, conversions, liquidations, winding ups, dissolutions, transfers, reorganizations, repayments, redemptions, exchanges, cancellations, offsets, compromises, releases and discharges or other transactions, and “**Plan Transaction**” means any individual transaction step;

“**Plan Transactions Notice**” means one or more notices setting out and detailing substantially all of the Plan Transactions to be posted on the Website on or before the Plan Transactions Notice Filing Date with notice of such posting in each instance forthwith provided to the Service List (as such notice may thereafter be modified, amended, varied or supplemented in accordance with the HII/Shareco Plan) provided that a final Plan Transactions Notice will be posted on the Website no later than the day immediately before the Plan Implementation Date with notice of such posting forthwith provided to the Service List;

“**Plan Transactions Notice Filing Date**” means the date which shall be at least ten (10) days prior to the date set forth in the HII/Shareco Meeting Order as the deadline for the return of Proxies to the Monitor in connection with the HII/Shareco Creditors’ Meeting, which date shall be confirmed by a notice posted on the Website and forthwith provided to the Service List;

“**Plans**” means, collectively, the HII/Shareco Plan and the Homco 61 Plan;

“**Post-Filing Trade Payables**” means post-Filing Date trade payables excluding for greater certainty any Tax Claims that were incurred by the HII Group Entities (i) after the Filing Date and before the Plan Implementation Date, (ii) in the ordinary course of business, and (iii) in compliance with the Initial Order and other Orders issued in connection with the CCAA Proceedings;

“**Pre-Plan Implementation Date Transactions**” means those transactions to be effected prior to the Plan Implementation Date, including, without limitation, the transactions that are more particularly described in Schedule “B” to the HII/Shareco Plan;

“**Principal Claim**” has the meaning ascribed thereto in section 3.10 of the HII/Shareco Plan and section 3.10 of Homco 61 Plan;

“**Proof of Claim**” means the form to be completed and filed by a Creditor, pursuant to the Claims Process Order, by the applicable Claims Bar Date setting forth its applicable Claim;



**“Property”** means all present and future assets, shares, units, rights, undertakings, and properties of any Person, whether Real Property or personal property, moveable or immovable, tangible or intangible, of any nature and kind whatsoever and wherever situated, and whether held directly or indirectly, and which for greater certainty shall include Real Property Interests, and including all proceeds thereof;

**“Pro Rata Share”** means at the applicable time:

- (a) with respect to the Newco Common Shares, the Cash Pool and the Asset Realization Cash Pool, that fraction that is equal to (i) the amount of the Affected Creditor’s Proven Claim (or where appropriate, the face value of the Affected Creditor’s Disputed Claim), divided by (ii) the sum of: (A) the aggregate amount of all Proven Claims held by Affected Creditors (other than Convenience Class Creditors); and (B) the aggregate amount of all Disputed Claims held by Affected Creditors (other than Convenience Class Creditors); and
- (b) with respect to the Stichting Advances, that portion of the Stichting Advances that is equal to: (i) the amount of the Corporate Bond Proven Claim or the Mortgage Bond Proven Claim, divided by (ii) the aggregate of all amounts constituting Proven Claims of Affected Creditors (other than Convenience Class Creditors);

**“Proven Claim”** means a Claim of an Affected Creditor finally determined for voting and distribution purposes in accordance with the Claims Process Order, the Plans and the HII/Shareco Meeting Order;

**“Proxy”** means the proxy form enclosed with this Information Circular to be sent or otherwise made available to, in relation to the HII/Shareco Meeting, the Affected Creditors in accordance with the HII/Shareco Meeting Order or, in relation to the Homco 61 Meeting, the Homco 61 Affected Creditors in accordance with the Homco 61 Meeting Order;

**“Purchaser”** has the meaning ascribed to it under *“Newco Common Shares – Rights and Restrictions”*;

**“Put Right”** has the meaning ascribed thereto under *“Newco Common Shares – Rights and Restrictions”*;

**“Real Property”** means lands, tenements and hereditaments excluding leases;

**“Real Property Interests”** means any direct or indirect legal, beneficial or equitable interest in Real Property wherever situate;

**“Released Party”** means a Person who is released pursuant to section 13.1 of the HII/Shareco Plan, including for greater certainty an HII Released Party (as defined therein) and a non-HII Released Party (as defined therein);

**“Relevant Entity”** means (i) HII, (ii) any individual or legal entity that directly or indirectly holds more than ten percent of the Newco Common Shares, (iii) any legal entity or fund managed or controlled by or on behalf of a Supervisory Board member, (iv) any legal entity or fund in which a legal entity or fund as referred to under (iii) directly or indirectly participates for at least ten percent and (v) any group company in the meaning of section 2:24b Dutch Civil Code of either (i), (ii), (iii) or (iv).

**“Reorganization Transaction”** means the sequential steps to be effected on the Plan Implementation Date as set out in section 12.3 of the HII/Shareco Plan, as amended by any Plan Transactions Notice;

**“Required Majority”** means:

- (a) in respect of the HII/Shareco Plan, a majority in number of Affected Creditors who represent at least two-thirds in value of the Voting Claims of such Affected Creditors who actually vote on the Resolution (in person or by Proxy) at the HII/Shareco Creditors’ Meeting or were deemed to vote on the Resolution; and
- (b) in respect of the Homco 61 Plan, a majority in number of Homco 61 Affected Creditors who represent at least two-thirds in value of the Homco 61 Voting Claims of such Homco 61 Affected Creditors who actually vote on the Homco 61 Resolution (in person or by Proxy) at the Homco 61 Creditors’ Meeting;

**“Reserve Adjustment”** means an increase in one or more Cash Reserves, as applicable, in such amount(s) as the Monitor may determine to be necessary or desirable, in its sole and unfettered discretion, which increase shall be funded from the Cash Pool Account on or after the Plan Implementation Date and allocated by the Monitor to the applicable Cash Reserve;

**“Reserves”** means the Cash Reserves, the Disputed Claims (Newco Shares) Reserve and the Disputed Claims (Cash-Out) Pool;

**“Resolution”** means the resolution approving the HII/Shareco Plan presented to the Affected Creditors for consideration at the HII/Shareco Creditors’ Meeting, substantially in the form set out in Appendix “A” hereto;

**“Restated Catalyst Support Agreement”** means the restated support agreement entered into by HII, Shareco, Homco 61 LP and Catalyst dated April 26, 2013, as required under and in accordance with the Investment Proposal Process, governing the Catalyst Investment;

**“Restated Catalyst Support Agreement Approval”** means the Order of the Court approving the Restated Catalyst Support Agreement, including, *inter alia*, the Catalyst Break Fee;

**“Restructuring Claim”** means any Claim arising as a result of or in connection with the disclaimer, rescission, repudiation, termination or restructuring by any HII Group Entity of any contract, lease or other agreement or obligation, including any employment agreement, after the HII Filing Date but on or before April 30, 2012; provided that “Restructuring Claim” shall not include an Excluded Claim or Subsequent Restructuring Claim;

**“RETT”** means “real estate transfer taxes” and includes any taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever imposed by any Governmental Authority, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority in respect thereof, levied on, or measured by, transfers of land and buildings and other structures, including component parts, as well as other property assimilated to real or immovable property for these purposes;

**“Service List”** means the service list posted on the Website, as may be amended from time to time;

**“Shareco”** means Homburg Shareco Inc., a corporation incorporated under the NSCA and a Petitioner;

**“Shareco Creditor”** means a Person having a Shareco Creditor Claim;

**“Shareco Creditor Claim”** means any Claim against Shareco, and in the case of Stichting Homburg Bonds, means the Mortgage Bond Trust Indenture Unsecured Claim;

**“Shareco Loan”** means the loan by Shareco to HII as evidenced by the demand promissory note dated July 4, 2005 issued by HII to Shareco;

**“Stay of Proceedings”** means the stay of proceedings created by the Initial Order as amended and extended by further Orders of the Court from time to time;

**“Stichting Advances”** means all amounts advanced by the Petitioners to counsel and advisors to the Corporate Indenture Trustees (other than Stichting Homburg Capital Securities) from time to time pursuant to the Funding Order;

**“Stichting Homburg Bonds”** means the trustee under the Corporate Bond Trust Indenture and the Mortgage Bond Trust Indenture (formerly Stichting Homburg Mortgage Bond);

**“Stichting Homburg Capital Securities”** means the trustee under the Capital Securities Trust Indenture;

**“Subsequent Restructuring Claim”** means any Claim arising as a result of or in connection with the disclaimer, rescission, repudiation, termination or restructuring by any HII Group Entity of any contract, lease or other agreement, including any employment agreement, after April 30, 2012;

**“Subsidiary”** shall have the same meaning as such term is used in the ABCA;

**“Swiss Bondco”** means Swiss Bondco Inc., a company that is incorporated under the NSCA to be continued as an Alberta corporation;

**“Taberna Claim”** means the aggregate Claim as set out in the Proof of Claim filed by Wells Fargo (in respect of the Taberna Indentures) pursuant to the Claims Process Order;

**“Taberna Indentures”** means, collectively: (i) an Indenture dated July 26, 2006 for the issuance of US\$20,000,000 of notes due 2036 between HII and Wells Fargo, (ii) an Indenture dated July 26, 2006 for the issuance of €25,000,000 of notes due 2036 between HII and Wells Fargo, (iii) an Exchange Agreement dated February 28, 2011 among HII, Taberna Preferred Funding VIII, Ltd., Taberna Europe CDO I P.L.C and Taberna Europe CDO II P.L.C., (iv) an Amended and Restated Supplemental Indenture dated February 28, 2011 for the issuance of US\$12,000,000 due 2036 between HII and Wells Fargo on behalf of the Taberna VI noteholders; (v) an Indenture dated February 28, 2011 for the issuance of US\$8,000,000 of notes due 2036 between HII and Wells Fargo on behalf of the Taberna VIII noteholders; and (vi) an Indenture dated February 28, 2011 for the issuance of €25,000,000 of notes due 2036 between HII and Wells Fargo on behalf of the Taberna Europe I noteholders and the Taberna Europe II noteholders;

**“Taberna Order”** means a Final Order of the Court addressing the distribution entitlement of the holders of the Taberna Claim under the HII/Shareco Plan in respect of the Taberna Claim and authorizing and directing HII and the Monitor to rely on such Order in connection with the HII/Shareco Plan;

**“Tag Along Right”** has the meaning ascribed thereto under “*Newco Common Shares – Rights and Restrictions*”;

**“Tax”** means any and all taxes including all income, sales, use, goods and services, harmonized sales, value added, capital gains, RETT, alternative, net worth, transfer, profits, withholding, payroll, employer health, excise, franchise, real property, and personal property taxes and other taxes, customs, duties, fees, levies, imposts and other assessments or similar charges in the nature of a tax including Canada Pension Plan and provincial pension plan contributions, employment insurance and unemployment insurance payments and workers’ compensation premiums, together with any instalments with respect thereto, and any interest, penalties, fines, fees, other charges and additions with respect thereto;

**“Tax Claims”** means:

- (a) in respect of the HII/Shareco Plan, claims of any Taxing Authorities against HII and Shareco arising from and after the Plan Implementation Date; and

- (b) in respect of the Homco 61 Plan, claims of any Taxing Authorities against Homco 61 LP and Homco 61 GP arising from and after the Homco 61 Plan Implementation Date;
- “Tax Obligation”** means any amount of Tax owing by a Person to a Taxing Authority including RETT;
- “Tax Statutes”** means the ITA, the *Excise Tax Act* (Canada) R.S.C. c.E-15 as amended and any regulations thereunder, the *Alberta Corporate Tax Act*, and the *Tax Administration Act* (Quebec), and any other similar, federal, provincial or territorial tax legislation;
- “Taxing Authorities”** means anyone of Her Majesty the Queen, Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, the Canada Revenue Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof and any Canadian or non-Canadian government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, and “Taxing Authority” means any one of the Taxing Authorities, as well as any corresponding taxing authorities of a foreign jurisdiction including Valsts Ieņēmumu Dienests (Latvia), Maksu- ja Tolliamet (Estonia), Valstybinė mokesčių inspekcija prie Lietuvos Respublikos finansų ministerijos (Lithuania), the Belastingdienst (Netherlands) and the Finanzamt (Germany);
- “Trading Platform”** means the online trading platform serviced by Nederlandsche Participatie Exchange B.V. or such other trading platform as agreed by Stichting Homburg Bonds, HII and Catalyst, acting reasonably, and the Monitor;
- “Transfer”** has the meaning ascribed to it under “*Newco Common Shares – Rights and Restrictions*”;
- “Transfer Restrictions”** means any and all restrictions on the transfer of shares, limited partnership or other units or interests in Real Property including rights of first refusal, rights of first offer, shotgun rights, purchase options, change of control consent rights, puts or forced sales provisions or similar rights of shareholders or lenders in respect of such interests;
- “Trustee in Bankruptcy”** means any trustee in bankruptcy, interim receiver, receiver, receiver and manager, custodian, sequestrator, administrator, monitor or liquidator or any other Person with similar powers that is appointed in respect of any member of the HII Group Entities or of any Property;
- “Unaffected Claims”** means the Excluded Claims, the Employee Priority Claims, the Government Priority Claims, the Cash Management Lender Claims, the Bond 5 Secured Claim, the HSBC Secured Claim, the Cominar Claim, the Amalgamating Canco Creditor Claims, the Core Business Creditor Claims, the Non-Core Business Entity Creditor Claims, the Homburg Baltic Limited Partnership Creditor Claims, the Homco 190 Loan, the Homco 191 Loan, the Homco 199 Loan, and the Administrative Reserve Costs;
- “Unaffected Creditors”** means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim;
- “Un-Assumed Portion of Corporate Creditor Proven Claim”** means that portion of each Corporate Creditor’s Proven Claim in respect of which Newco does not become a co-obligor with HII;
- “Un-Assumed Portion of Non-Corporate Creditor Proven Claim”** means that portion of each Non-Corporate Creditor’s Proven Claim in respect of which Newco does not become a co-obligor with HII;
- “Un-Assumed Portion of Proven Claims”** means the aggregate of the Un-Assumed Portion of Non-Corporate Creditor Proven Claims and the Un-Assumed Portion of Corporate Creditor Proven Claims;
- “Unsecured Creditors’ Class”** means the sole class of Affected Creditors entitled to vote on the HII/Shareco Plan at the HII/Shareco Creditors’ Meeting;
- “Valbonne 2 BV”** means Valbonne Real Estate 2 BV;
- “Valbonne 5 BV”** means Valbonne Real Estate 5 BV;
- “Voting Claim”** means the amount of the Affected Claim of an Affected Creditor as finally determined for voting purposes in accordance with paragraph 30 of the Claims Process Order and the HII/Shareco Meeting Order entitling such Affected Creditor to vote at the HII/Shareco Creditors’ Meeting in accordance with the provisions of the HII/Shareco Meeting Order, the HII/Shareco Plan and the CCAA, and includes, for greater certainty, a Proven Claim;
- “Website”** means <http://www.deloitte.com/ca/homburg-invest>;
- “Wells Fargo”** means Wells Fargo Bank, N.A. the trustee under the Taberna Indentures; and
- “Withholding Obligation”** has the meaning ascribed thereto in section 9.13(c) of the HII/Shareco Plan and section 5.6 of the Homco 61 Plan.

## MANAGEMENT INFORMATION CIRCULAR

This Information Circular is furnished in connection with (a) the solicitation of Proxies by and on behalf of management of HII and Shareco for use at the HII/Shareco Creditors' Meeting to be held on May 30, 2013 at 9:00 a.m. (Eastern Prevailing Time) at Montréal, Québec, Canada and at 3:00 p.m. (Central European Time) at Utrecht, the Netherlands, as set forth in the final Notice of HII/Shareco Creditors' Meeting and HII/Shareco Sanction Hearing; and (b) the solicitation of Proxies by and on behalf of management of Homco 61 LP for use at the Homco 61 Creditors' Meeting to be held concurrently with the HII/Shareco Creditors' Meeting on May 30, 2013 at 9:00 a.m. (Eastern Prevailing Time) at Montréal, Québec, Canada and at 3:00 p.m. (Central European Time) at Utrecht, the Netherlands, as set forth in the final Notice of Homco 61 Creditors' Meeting and Homco 61 Sanction Hearing.

All summaries of and references to the HII/Shareco Plan and the Homco 61 Plan in this Information Circular are qualified in their entirety by reference to the complete text of the HII/Shareco Plan and the Homco 61 Plan. A copy of the HII/Shareco Plan is attached as Appendix "B" to this Information Circular and a copy of the Homco 61 Plan is attached as Appendix "G" to this Information Circular. Affected Creditors and Homco 61 Affected Creditors are urged to carefully read the full text of the HII/Shareco Plan and the Homco 61 Plan, respectively. All summaries of and references to other documents entered into in connection with the HII/Shareco Plan and Homco 61 Plan are qualified in their entirety by the definitive documents to which they relate.

The Monitor has advised HII, Shareco and Homco 61 LP that a copy of the Monitor's Report relating the HII/Shareco Plan and the Homco 61 Plan will be made available on the Website at least seven (7) days before the HII/Shareco Creditors' Meeting and the Homco 61 Creditors' Meeting in accordance with the CCAA.

### PROCEDURE FOR THE HII/SHARECO CREDITORS' MEETING AND THE HOMCO 61 CREDITORS' MEETING

The HII/Shareco Creditors' Meeting and Homco 61 Creditors' Meeting will be convened, held and conducted in accordance with the HII/Shareco Meeting Order, the Homco 61 Meeting Order and any further Order of the Court, notwithstanding the provisions of any other agreement or instrument, including any provision of the Corporate Indentures. The Homco 61 Creditors' Meeting will be convened, held and conducted concurrently with the HII/Shareco Creditors' Meeting, provided that the Homco 61 Affected Creditors' will not vote on the Homco 61 Resolution until after such time as the Affected Creditors' vote on the Resolution is concluded.

A representative of the Monitor will act as the Chair of each of the HII/Shareco Creditors' Meeting and the Homco 61 Creditors' Meeting and decide all matters relating to the conduct of the HII/Shareco Creditors' Meeting and Homco 61 Creditors' Meeting. With respect to the HII/Shareco Creditors' Meeting, HII and Shareco or any Affected Creditor may appeal any decision of the Chair to the Court within three (3) Business Days of such decision. Similarly, with respect to the Homco 61 Creditors' Meeting, Homco 61 LP or any Homco 61 Affected Creditor may appeal any decision of the Chair to the Court within three (3) Business Days of such decision. The Monitor may appoint scrutineers for the supervision and tabulation of the attendance at, quorum at and votes cast at the HII/Shareco Creditors' Meeting and the Homco 61 Creditors' Meeting and may appoint any Person to as secretary at the HII/Shareco Creditors' Meeting and the Homco 61 Creditors' Meeting.

The only Persons entitled to attend and speak at the HII/Shareco Creditors' Meeting are representatives of the Homburg Group Members and Catalyst and their respective legal counsel and advisors, the Monitor and its legal counsel, the 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 HII/Shareco Creditors' Meeting and their legal counsel and advisors. Any other Person may be admitted to the HII/Shareco Creditors' Meeting on the invitation of the Chair.

The only Persons entitled to attend and speak at the Homco 61 Creditors' Meeting are representatives of Homco 61 and its legal counsel and advisors, the Monitor and its legal counsel, Stichting Homburg Bonds and Catalyst and their respective legal counsel and advisors, and all other Persons, including the other holders of Proxies, entitled to vote at the Homco 61 Creditors' Meeting and their legal counsel and advisors. Any other Person may be admitted to the Homco 61 Creditors' Meeting on the invitation of the Chair.

Quorum for the HII/Shareco Creditors' Meeting has been set by the HII/Shareco Meeting Order as the presence, in person or by Proxy, at the HII/Shareco Creditors' Meeting of one Affected Creditor with a Voting Claim entitled to vote at the HII/Shareco Creditors' Meeting on the Resolution. Similarly, quorum for the Homco 61 Creditors' Meeting has been set by the Homco 61 Meeting Order as the presence, in person or by Proxy, at the Homco 61 Creditors' Meeting of one Homco 61 Affected Creditor with a Homco 61 Voting Claim entitled to vote at the Homco 61 Creditors' Meeting on the Homco 61 Resolution.

If the requisite quorum is not present at the HII/Shareco Creditors' Meeting, or the HII/Shareco Creditors' Meeting is postponed by the vote of the majority in value of Affected Creditors holding Voting Claims present in person or by Proxy at the HII/Shareco Creditors' Meeting, then the Chair will adjourn the HII/Shareco Creditors' Meeting to such time and place as the Chair deems necessary or desirable. Similarly, if the requisite quorum is not present at the Homco 61 Creditors' Meeting,

the Homco 61 Creditors' Meeting is postponed by the vote of the majority in value of Homco 61 Affected Creditors holding Voting Claims present in person or by Proxy at the Homco 61 Creditors' Meeting, or the HII/Shareco Creditors' Meeting is postponed as described above, then the Chair will adjourn the Homco 61 Creditors' Meeting to such time and place as the Chair deems necessary or desirable. The Chair may also adjourn, postpone or otherwise reschedule the HII/Shareco Creditors' Meeting or the Homco 61 Creditors' Meeting as the Chair deems necessary or desirable. The Chair will decide on the manner of giving notice to Affected Creditors and Homco 61 Affected Creditors of any adjournment, postponement or rescheduling of the HII/Shareco Creditors' Meeting or the Homco 61 Creditors' Meeting, and may solely post a notice thereof on the Website.

In order for the HII/Shareco Plan to be binding on Affected Creditors in accordance with its terms and the CCAA, the Resolution must be approved by the Required Majority. In order for the Homco 61 Plan to be binding on Homco 61 Affected Creditors in accordance with its terms and the CCAA, the Homco 61 Resolution must be approved by the Required Majority. With respect to the HII/Shareco Creditors' Meeting in respect of the HII/Shareco Plan, each Affected Creditor (other than holders of Capital Securities Claims, Intercompany Claims and Stichting Homburg Capital Securities) will be entitled to one vote at one but not both of the HII/Shareco Canadian Creditors' Meeting and the HII/Shareco European Creditors' Meeting, which vote will have the value of such Affected Creditor's Voting Claim, as determined pursuant to the Claims Process Order and the HII/Shareco Meeting Order. With respect to the Homco 61 Creditors' Meeting in respect of the Homco 61 Plan, each Homco 61 Affected Creditor will be entitled to one vote at one but not both of the Homco 61 Canadian Creditors' Meeting and the Homco 61 European Creditors' Meeting, which vote will have the value of such Homco 61 Affected Creditor's Homco 61 Voting Claim, as determined pursuant to the Claims Process Order, the HII/Shareco Meeting Order and the Homco 61 Meeting Order.

The HII/Shareco Plan and the Homco 61 Plan must also be sanctioned by the Court under the CCAA. Subject to the satisfaction of the other conditions precedent to the implementation of the HII/Shareco Plan and the Homco 61 Plan, all Affected Creditors will be treated in the manner set forth in the HII/Shareco Plan and all Homco 61 Affected Creditors will be treated in the manner set forth in the Homco 61 Plan.

## **VOTING AT THE HII/SHARECO CREDITORS' MEETING AND THE HOMCO 61 CREDITORS' MEETING**

### **Classification of Affected Creditors and Homco 61 Affected Creditors**

For the purposes of considering and voting on the Resolution and receiving distributions under the HII/Shareco Plan, Affected Creditors will constitute one class, the "Unsecured Creditors' Class".

For the purposes of considering and voting on the Homco 61 Resolution and receiving distributions under the Homco 61 Plan, Homco 61 Affected Creditors will constitute one class, the "Homco 61 Unsecured Creditors' Class".

### **Determination of Claims**

The procedure for determining the validity and value of the Claims of Affected Creditors and Homco 61 Affected Creditors for voting and distribution purposes will be as set forth in the Claims Process Order, the HII/Shareco Meeting Order, a copy of which is attached as Appendix "C" to this Information Circular and the Homco 61 Meeting Order, a copy of which is attached as Appendix "H" to this Information Circular.

The Claims Process Order, the HII/Shareco Meeting Order and the Homco 61 Meeting Order provide for, among other things: (a) a Claims Bar Date prior to which Affected Creditors were required to file their Proofs of Claim in order to be entitled to vote on the Resolution and to receive distributions pursuant to the HII/Shareco Plan; (b) a Homco 61 Claims Bar Date prior to which Homco 61 Affected Creditors were required to file their Homco 61 Proofs of Claim in order to be entitled to vote on the Homco 61 Resolution and to receive distributions pursuant to the Homco 61 Plan; (c) the procedures pursuant to which the validity and value of Affected Claims and Homco 61 Affected Claims are to be determined for voting and distribution purposes, including the procedures by which any Affected Claims and Homco 61 Affected Claims that were disputed would be adjudicated and resolved for voting and distribution purposes; and (d) the conversion of Claims denominated in a foreign currency into Canadian dollars. Where an Affected Creditor or Homco 61 Affected Creditor has a Disputed Claim or Homco 61 Disputed Claim, as applicable, that has not been resolved prior to the HII/Shareco Creditors' Meeting or Homco 61 Creditors' Meeting, as applicable, the Monitor may determine such Affected Creditor's or Homco 61 Affected Creditor's Claim for voting purposes prior to the HII/Shareco Creditors' Meeting or Homco 61 Creditors' Meeting, as applicable. **All Affected Creditors and Homco 61 Affected Creditors should refer to the Claims Process Order, the HII/Shareco Meeting Order and the Homco 61 Meeting Order for a complete description of the procedures pursuant to which values will be ascribed to Affected Claims and Homco 61 Affected Claims for both voting and distribution purposes.**

All Affected Claims which are denominated in a currency other than Canadian dollars will be converted into Canadian dollars at the noon spot rate of exchange quoted by the Bank of Canada for exchanging such currency into Canadian dollars as at the Filing Date, which rate is CDN\$1.3626:€ 1.0000, and CDN\$0.9971:US\$1.0000.



All Homco 61 Affected Claims which are denominated in a currency other than Canadian dollars will be converted into Canadian dollars at the noon spot rate of exchange quoted by the Bank of Canada for exchanging such currency into Canadian dollars as at the Homco 61 Filing Date, which rate is CDN\$0.9960:US\$1.0000 and CDN\$1.3473:€1.0000.

#### **Entitlement to Vote**

The validity and value of Affected Claims and Homco 61 Affected Claims will be determined for voting purposes in accordance with the procedures set forth in the Claims Process Order, the HII/Shareco Meeting Order, a copy of which is attached as Appendix "C" to this Information Circular and the Homco 61 Meeting Order, a copy of which is attached as Appendix "H" to this Information Circular.

Affected Creditors with one or more Affected Claims that were less than or equal to CDN\$10,000 in the aggregate as at the Claims Bar Date shall prior to the Election/Proxy Deadline:

- (a) file with the Monitor a Convenience Class Claim Declaration pursuant to which such Affected Creditors may (a) elect to be treated as a Convenience Class Creditor and receive the Cash Elected Amount and be thereby deemed to vote in favour of the Plan, (b) make a Newco Common Shares Cash-Out Option Election and receive an amount equal to the Aggregate Newco Common Shares Final Cash-Out Amount, and their Pro Rata Share of the Cash Pool and the Asset Realization Cash Pool and no other entitlements under the Plan, and shall be deemed thereby to vote in favour of the Plan, or (c) elect to be treated as an Affected Creditor (other than a Convenience Class Creditor or an Electing Creditor) and to receive the rights and distributions provided for under and pursuant to the HII/Shareco Plan and thereby be entitled to vote its Voting Claim at the HII/Shareco Creditors' Meeting in respect of the HII/Shareco Plan; or
- (b) deposit such Convenience Class Claim Declaration with the Chair at the relevant HII/Shareco Creditors' Meeting (or any adjournment, postponement or rescheduling thereof) before the beginning of such HII/Shareco Creditors' Meeting (or any adjournment, postponement or rescheduling thereof).

If an Affected Creditor with one or more Affected Claims that were less than or equal to CDN\$10,000 in the aggregate as at the Claims Bar Date does not return a Convenience Class Claim Declaration to the Monitor by such deadline, they will be deemed to have elected to be treated as a Convenience Class Creditor and to receive the Cash Elected Amount and no other entitlements under the HII/Shareco Plan.

Affected Creditors with Affected Claims that were greater than CDN \$10,000 in the aggregate as at the Claims Bar Date (including Affected Creditors with Disputed Claims which have become Proven Claims) are not entitled to make a Convenience Class Claim Election. They are however entitled to:

- (a) make a valid Newco Common Shares Cash-Out Option Election on or before the Election/Proxy Deadline and thereby shall be an Electing Creditor and shall be deemed to vote in favour of the HII/Shareco Plan and shall be entitled to receive an amount equal to the Aggregate Newco Common Shares Final Cash-Out Amount, and their Pro Rata Share of the Cash Pool and the Asset Realization Cash Pool and no other entitlements under the HII/Shareco Plan; or
- (b) receive the rights and distributions provided for under and pursuant to the HII/Shareco Plan and vote their respective Voting Claims at the HII/Shareco Creditors' Meeting in respect of the HII/Shareco Plan.

#### **All Convenience Class Creditors and Electing Creditors shall be deemed to have voted in favour of the HII/Shareco Plan.**

Any Electing Creditor under the HII/Shareco Plan that is also a Homco 61 Affected Creditor shall be deemed to have made a corresponding Newco Common Shares Cash-Out Option Election under the Homco 61 Plan and to thereby be an Electing Creditor under the Homco 61 Plan.

Similarly, all Homco 61 Affected Creditors are entitled to:

- (a) make a valid Newco Common Shares Cash-Out Option Election on or before the Election/Proxy Deadline and thereby shall be an Electing Creditor and shall be deemed to vote in favour of the Homco 61 Plan and shall be entitled to receive an amount equal to the Aggregate Newco Common Shares Final Cash-Out Amount, and their *pro rata* share of Homco 61 LP's Pro Rata Share of the Cash Pool and the Asset Realization Cash Pool and no other entitlements under the Homco 61 Plan; or
- (b) receive the rights and distributions provided for under and pursuant to the Homco 61 Plan and vote their respective Homco 61 Voting Claims at the Homco 61 Creditors' Meeting in respect of the Homco 61 Plan.

#### **All Electing Creditors under the Homco 61 Plan shall be deemed to have voted in favour of the Homco 61 Plan.**

Only Affected Creditors (other than holders of Capital Securities Claims, Intercompany Claims and Stichting Homburg Capital Securities) as of the HII/Shareco Record Date, being April 17, 2013, will be entitled to provide instructions relating to voting or attend the HII/Shareco Creditors' Meeting. Only Homco 61 Affected Creditors as of the Homco 61 Record Date, being April 17, 2013, will be entitled to provide instructions relating to voting or attend the Homco 61 Creditors' meeting.

The solicitation of votes from and the procedures for voting by the Affected Creditors and Homco 61 Affected Creditors will be conducted in accordance with the HII/Shareco Meeting Order and the Homco 61 Meeting Order. Each Affected Creditor and Homco 61 Affected Creditor will be entitled to one vote, which vote will be equal to the dollar value of its Voting Claim or Homco 61 Voting Claim, respectively.

Each Affected Creditor (other than holders of Capital Securities Claims, Intercompany Claims and Stichting Capital Securities) holding a Disputed Claim will be entitled to attend the Creditors' Meeting and will be entitled to one vote at the Creditors' Meeting. Similarly, each Homco 61 Affected Creditor holding a Homco 61 Disputed Claim will be entitled to attend the Homco 61 Creditors' Meeting and will be entitled to one vote at the Homco 61 Creditors' Meeting. The value of such votes will be determined in accordance with the Claims Process Order, the HII/Shareco Meeting Order and the Homco 61 Meeting Order. The Monitor will keep a separate record of votes cast by Affected Creditors holding Disputed Claims and by Homco 61 Affected Creditors holding Homco 61 Disputed Claims and will report to the Court with the results at the Sanction Hearing and the Homco 61 Sanction Hearing. The votes cast in respect of any Disputed Claims or Homco 61 Disputed Claims will NOT be counted for any purpose at the Creditors' Meeting or Homco 61 Creditors' Meeting, as applicable.

No assignee or transferee of any Voting Claim or Homco 61 Voting Claim who acquires such Voting Claim or Homco 61 Voting Claim after the HII/Shareco Record Date or Homco 61 Record Date, respectively, will be permitted to attend and vote at the HII/Shareco Creditors' Meeting or the Homco 61 Creditors' Meeting (in each case either in person or by Proxy). If an assignee or transferee of a Voting Claim or Homco 61 Voting Claim acquires such Voting Claim or Homco 61 Voting Claim prior to the HII/Shareco Record Date or Homco 61 Record Date, respectively, they may deliver evidence satisfactory to the Monitor of its ownership of the Voting Claim or Homco 61 Voting Claim, as applicable, and the validity of such assignment or transfer in accordance with the HII/Shareco Meeting Order and the Homco 61 Meeting Order, upon which the assignee or transferee will be entitled to receive a package of materials for the HII/Shareco Creditors' Meeting or Homco 61 Creditors' Meeting, as applicable, and to vote (in person or by Proxy) at the HII/Shareco Creditors' Meeting or Homco 61 Creditors' Meeting, respectively, to the exclusion of the transferor or assignor of such Voting Claim or Homco 61 Voting Claim, respectively. In the case of the holders of the Bond 6 Unsecured Claim, the Bond 6 HII Deficiency Claim, the Corporate Bond Claims, the Mortgage Bond Trust Indenture Unsecured Claim and the Taberna Claim, the identity of the Affected Creditors having the right to vote shall be as determined by the list of holders as at the HII/Shareco Record Date to be provided by the respective Corporate Indenture Trustees to the Monitor in accordance with the HII/Shareco Meeting Order. Thereafter, such transferee or assignee shall, for all purposes, in accordance with the Claims Process Order and the HII/Shareco Meeting Order constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor in respect of such Voting Claim. For greater certainty, partial transfers or assignments of Claims shall not be recognized by HII and Shareco or the Monitor.

Any Person having an Unaffected Claim, an Intercompany Claim, a Capital Securities Claim or an Equity Claim (including holders of HII Class A Shares and/or HII Class B Shares) will not be entitled to vote at the Creditors' Meeting in respect of such Unaffected Claim, Intercompany Claim or Equity Claim, as applicable. Any Person having a Homco 61 Unaffected Claim or Equity Claim will not be entitled to vote at the Homco 61 Creditors' Meeting in respect of such Homco 61 Unaffected Claim or Equity Claim.

#### **Entitlement to Receive Distributions**

The validity and value of Affected Claims and Homco 61 Affected Claims will be determined for distribution purposes in accordance with the Claims Process Order, the HII/Shareco Meeting Order or the Homco 61 Meeting Order, as applicable, the CCAA and the HII/Shareco Plan or Homco 61 Plan, as applicable. An Affected Creditor holding a Disputed Claim and a Homco 61 Affected Creditor holding a Homco 61 Disputed Claim will not be entitled to receive a distribution under the HII/Shareco Plan or Homco 61 Plan, respectively, in respect of any portion thereof unless and until such Disputed Claim or Homco 61 Disputed Claim becomes a Proven Claim or Homco 61 Proven Claim (as the case may be).

Notwithstanding the foregoing, none of Stichting Homburg Capital Securities or the holders of Capital Securities Claims will be entitled to vote at or attend the Creditors' Meeting or receive any distribution under the HII/Shareco Plan. The Bond 6 Claim Holders will be entitled to receive distributions under the HII/Shareco Plan solely in respect of the Bond 6 HII Deficiency Claim. Any Person having a Taberna Claim shall receive distributions on account of such Taberna Claim under the HII/Shareco Plan in accordance with the Taberna Order.

An Affected Creditor (other than a Convenience Class Creditor) or a Homco 61 Affected Creditor, respectively, may transfer or assign the whole of its Claim after the HII/Shareco Creditors' Meeting or Homco 61 Creditors' Meeting, respectively, provided that the Monitor shall not be obliged to deal with any such transferee or assignee as an Affected Creditor or Homco 61 Affected Creditor, as applicable, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment and a duly completed and executed Letter of Instruction, has been received by HII or Homco 61 LP, as applicable, and the Monitor. After such time, such transferee or assignee will, for all purposes in accordance with the Claims Process Order, the HII/Shareco Meeting Order or the Homco 61 Meeting Order, as applicable, and the HII/Shareco Plan or the Homco 61 Plan, as applicable, constitute an Affected Creditor or Homco 61 Affected Creditor, as applicable, and will be bound by any and all notices previously given to the transferor or assignor in respect of such Claim.

## Newco Common Shares Cash-Out Option Election

Affected Creditors may elect the Newco Common Shares Cash-Out Option in their Cash-Out Election Form (forming the bottom part of the Proxy for the HII/Shareco Meeting) or Convenience Class Claim Declaration. Homco 61 Affected Creditors may likewise elect the Newco Common Shares Cash-Out Option in their Cash-Out Election Form (forming the bottom part of the Proxy for the Homco 61 Meeting). Affected Creditors and Homco 61 Affected Creditors who validly elect this option are referred to as Electing Creditors. See “*Description of the HII/Shareco Plan – Newco Common Shares Cash-Out Option*”, “*Description of the Homco 61 Plan – Newco Common Shares Cash-Out Option*”, and “*Estimated Recovery by Affected Creditors and Electing Creditors under the HII/Shareco Plan and by Homco 61 Affected Creditors and Electing Creditors under the Homco 61 Plan*”.

Where an Electing Creditor validly makes a Newco Common Shares Cash-Out Option Election under the HII/Shareco Plan, Catalyst shall not and shall be deemed never to have acquired or held any right, title or interest in the Affected Claim of such Electing Creditor, and such Electing Creditor shall be deemed to have received its Affected Creditors’ Entitlement, and to have assigned, transferred and sold its entitlement to receive any Newco Common Shares to be issued to such Affected Creditor under and pursuant to the HII/Shareco Plan to Catalyst in consideration for its *pro rata* share of the Aggregate Newco Common Shares Final Cash-Out Amount. For greater certainty the Newco Common Shares Cash-Out Option Election may only be made in respect of all of the Electing Creditor’s entitlement to receive Newco Common Shares under the HII/Shareco Plan. Such Electing Creditor shall be deemed to agree to waive that portion of its Disputed Claim, if any, relating to post-Filing Date interest accruing on its Affected Claim as and from April 26, 2013, and be deemed to agree that the face amount of any Disputed Claim of such Electing Creditor shall be deemed to be no greater than the face amount of such Claim as set out in such Electing Creditor’s Proof of Claim on April 26, 2013 for purposes of determining such Electing Creditor’s respective Affected Creditors’ Entitlement. Catalyst shall not be entitled to make a Newco Common Share Cash-Out Option Election in respect of its Catalyst Affected Claims.

Where an Electing Creditor validly makes a Newco Common Shares Cash-Out Option Election under the Homco 61 Plan, (a) Homco 61 LP shall be deemed to make a corresponding election in respect of such Electing Creditor’s Newco Common Shares Cash-Out Option Election, (b) Catalyst shall not and shall be deemed never to have acquired or held any right, title or interest in the Homco 61 Affected Claim of such Electing Creditor, and (c) such Electing Creditor shall be deemed to have received its *pro rata* share of Homco 61 LP’s Pro Rata Share of Newco Common Shares and to have assigned, transferred and sold its entitlement to receive any Newco Common Shares to be issued to such Homco 61 Affected Creditor under and pursuant to the Homco 61 Plan to Catalyst in consideration for the Aggregate Newco Common Shares Final Cash-Out Amount.

Notwithstanding the foregoing, in the event that the Taberna Order confirms that the Taberna Claim is subordinated to payment in full of the Mortgage Bond Claims and the Corporate Bonds Claims, any Newco Common Shares Cash-Out Option Election made by any holders of the Taberna Claim shall be null and void.

## Solicitation of Proxies

Solicitation of Proxies will be primarily by mail, and may be supplemented by telephone or other personal contact by the directors, officers, employees or agents of HII, Shareco and Homco 61 LP and the costs of such solicitation will be borne by HII, Shareco and Homco 61 LP as a cost of the CCAA Proceedings. The form of Proxy is relevant for voting purposes only and the completion and delivery of a form of Proxy by an Affected Creditor or Homco 61 Affected Creditor will not affect any distribution proposed to be made to such Affected Creditor or Homco 61 Affected Creditor under the HII/Shareco Plan or Homco 61 Plan, if implemented.

## Appointment and Revocation of Proxies

There is one form of Proxy for Affected Creditors (other than Convenience Class Creditors) and one form of Proxy for Homco 61 Affected Creditors. **An Affected Creditor or Homco 61 Affected Creditor may attend the HII/Shareco Creditors’ Meeting or Homco 61 Creditors’ Meeting, respectively, in person or may appoint another person as its proxyholder by inserting the name of such person in the space provided in the form of Proxy provided to Affected Creditors and Homco 61 Affected Creditors by the Monitor, or by completing another valid form of Proxy. Persons appointed as proxyholders need not be Affected Creditors or Homco 61 Affected Creditors.** Proxies must be received prior to the Election/Proxy Deadline (i) by the Monitor at either of (a) 1 Place Ville Marie, Suite 3000, Montréal, Québec, Canada, H3B 4T9 (Attention: Mr. Patrick Fillion), facsimile number: (514) 393-5344, or e-mail: [homburginvestccaa@deloitte.ca](mailto:homburginvestccaa@deloitte.ca), or (b) Monitor of Homburg Invest Incorporated, et. al, Deloitte Financial Advisory Services B.V., Antwoordnummer 45485, 1040 WD Amsterdam, The Netherlands (Attention: Restructuring Services), facsimile number: +31 (0)88 288 9750, or e-mail: [homburginvestccaa@deloitte.ca](mailto:homburginvestccaa@deloitte.ca), or (ii) by the Chair during the relevant HII/Shareco Creditors’ Meeting or Homco 61 Creditors’ Meeting, as applicable (or any adjournment, postponement or other rescheduling thereof), in either case prior to the Election/Proxy Deadline.

If multiple Proxies are received from the same person with respect to the same Claims prior to the Election/Proxy Deadline, the latest dated validly executed Proxy timely received by the Monitor will supersede and revoke an earlier received

Proxy. However, if a holder of Claims casts Proxies received by the Monitor dated with the same date, but which are voted inconsistently, such Proxies will not be counted. After the Election/Proxy Deadline, no Proxy may be withdrawn or modified (a) without the prior consent of HII and Shareco with respect to the HII/Shareco Creditors' Meeting, except in the case of an Affected Creditor voting in person at the HII/Shareco Creditors' Meeting, and (b) without the prior consent of Homco 61 LP with respect to the Homco 61 Creditors' Meeting, except in the case of a Homco 61 Affected Creditor voting in person at the Homco 61 Creditors' Meeting. If an Affected Creditor or Homco 61 Affected Creditor, respectively, validly submits a Proxy to the Monitor and subsequently attends the HII/Shareco Creditors' Meeting or Homco 61 Creditors' Meeting, respectively, and votes in person inconsistently, such Affected Creditor's or Homco 61 Affected Creditors' vote at the HII/Shareco Creditors' Meeting or Homco 61 Creditors' Meeting, as applicable, will supersede and revoke the earlier received Proxy.

Convenience Class Creditors are deemed to vote in favour of the HII/Shareco Plan, and as such, do not need to complete or submit a Proxy form.

### **Signature of Form of Proxy**

A Proxy must be executed by the Affected Creditor or Homco 61 Affected Creditor, as applicable, or by his or her attorney duly authorized in writing or, where the Affected Creditor or Homco 61 Affected Creditor is not an individual, by a duly authorized officer or attorney of such Affected Creditor or Homco 61 Affected Creditor with an indication of the title of such officer or attorney.

### **Voting**

Each Affected Creditor in the Unsecured Creditors' Class who is entitled to vote at the HII/Shareco Creditors' Meeting, pursuant to and in accordance with the Claims Process Order, the HII/Shareco Meeting Order, the HII/Shareco Plan and the CCAA, shall be entitled to one vote equal to the dollar value of its Affected Claim determined as a Voting Claim. Corporate Creditors under the Corporate Indentures who have beneficial ownership of a Voting Claim as of the HII/Shareco Record Date (other than holders of a Capital Securities Claim) shall be entitled to vote on the HII/Shareco Plan at the HII/Shareco Creditors' Meeting pursuant to and in accordance with the HII/Shareco Meeting Order. Holders of Intercompany Claims shall not be entitled to vote on the HII/Shareco Plan.

Each Homco 61 Affected Creditor in the Homco 61 Unsecured Creditors' Class who is entitled to vote at the Homco 61 Creditors' Meeting, pursuant to and in accordance with the Claims Process Order, the HII/Shareco Meeting Order, the Homco 61 Meeting Order, the Homco 61 Plan and the CCAA, shall be entitled to one vote equal to the dollar value of its Homco 61 Affected Claim determined as a Homco 61 Voting Claim.

Convenience Class Creditors and Electing Creditors shall be deemed to vote in favour of the HII/Shareco Plan and the Homco 61 Plan, as applicable.

In the case of the Homco 61 Affected Creditors including Bond 6 Claim Holders, if a Homco 61 Affected Creditor elects the Newco Common Shares Cash-Out Option under the HII/Shareco Plan, Homco 61 LP will be deemed to make a corresponding election in respect of such Homco 61 Affected Creditor's *pro rata* share of the HII Homco 61 Distribution under the Homco 61 Plan and such Homco 61 Affected Creditor will be deemed to vote in favour of both the HII/Shareco Plan and the Homco 61 Plan.

### **Voting of Proxies**

Each Affected Creditor or Homco 61 Affected Creditor, as applicable, who has a right to vote at the HII/Shareco Creditors' Meeting or the Homco 61 Creditors' Meeting has the right to appoint a person (who need not be an Affected Creditor or a Homco 61 Affected Creditor) to attend, act and vote for and on their behalf and such right may be exercised by inserting in the space provided in the Proxy the name of the person to be appointed, or to select a representative of the Monitor or Stichting Homburg Bonds as its proxyholder. If no proxyholder is selected, the Homco 61 Affected Creditor will be deemed to have appointed any officer of Samson Bélair/Deloitte & Touche Inc., in its capacity as Monitor, or such other person as Samson Bélair/Deloitte & Touche Inc. may designate, as proxyholder of the Affected Creditor or Homco 61 Affected Creditor, with power of substitution, to attend on behalf of and act for the Affected Creditor or Homco 61 Affected Creditor at the HII/Shareco Creditors' Meeting or the Homco 61 Creditors' Meeting, to be held in connection with the Plans and at any and all adjournments, postponements or other reschedulings thereof.

If an Affected Creditor or Homco 61 Affected Creditor, as applicable, specifies a choice with respect to voting on the Resolution or Homco 61 Resolution, as applicable, on a Proxy, the Proxy will be voted in accordance with the specification so made. **In the absence of such specification and in the event that the Monitor is appointed as Proxyholder, a Proxy will be voted FOR the Resolution or Homco 61 Resolution, as applicable,** provided the Proxy holder does not exercise its right to vote at the HII/Shareco Creditors' Meeting or Homco 61 Creditors' Meeting, as applicable. Affected Creditors or Homco 61 Affected Creditors, as applicable, should complete and submit their Proxies in accordance with the instructions for completion of Proxy included in the Proxy.

### **Exercise of Discretion of Proxyholder**

The Proxy confers discretionary authority on the individuals designated in the Proxy with respect to any amendments or variations to the matters identified in the Notice of HII/Shareco Creditors' Meeting and HII/Shareco Sanction Hearing or Notice of Homco 61 Creditors' Meeting and Homco 61 Sanction Hearing, as applicable, the Information Circular and the HII/Shareco Plan or Homco 61 Plan, as applicable and any other matters that may properly come before the HII/Shareco Creditors' Meeting or Homco 61 Creditors' Meeting, as applicable (or any adjournment, postponement or rescheduling thereof).

### **Interest of Management and Others**

Management of HII, Shareco and Homco 61 LP are unaware of any material interest of any current director or officer of HII, Shareco or Homco 61 GP, or any associate or affiliate of any such individual, in any transaction since the beginning of the last completed financial year of HII, Shareco and Homco 61 LP or in any proposed transaction or in connection with the Reorganization Transaction that has materially affected or will materially affect HII, Shareco or Homco 61 LP. Except for the KERPS, there are no agreements or arrangements between HII, Shareco and Homco 61 GP and any of their current directors and officers or employees in respect of the Reorganization Transaction or the Homco 61 Plan Transactions.

## **BACKGROUND TO THE PLANS**

### **Events Leading to CCAA Proceedings**

#### ***Financial Condition of HII***

HII is an international real estate investment and development company based in Canada. HII was incorporated under the ABCA. HII's head office is located in Dartmouth, Nova Scotia, its registered office is located in Calgary, Alberta and its chief place of business is located in Montreal, Quebec. HII indirectly owns and develops a diversified portfolio of quality real estate, including office, retail, industrial and hospitality properties in Canada, Europe (Germany, the Baltics and the Netherlands) and the United States. The HII Class A Shares and the HII Class B Shares were delisted from the TSX on October 21, 2011. Prior to November 23, 2011, HII was licensed in the Netherlands as an investment institution. The listing of HII on NYSE Euronext Amsterdam was terminated as of March 13, 2013.

Shareco is a wholly-owned subsidiary of HII formed under the NSCA for the sole purpose of raising capital for HII and is the issuer of mortgage bonds under the Mortgage Bond Trust Indenture.

Homco 61 LP is a limited partnership formed under the NSLPA for the purpose of, directly or indirectly, investing in, acquiring and operating real or personal property, and assisting in obtaining, maintaining or renewing financing. Homco 61 LP has, inter alia, guaranteed Shareco's obligations under the Bond 6 Indenture forming part of the Mortgage Bond Trust Indenture.

As at the Filing Date of September 9, 2011, HII derived approximately 85% of its property revenue from Europe and approximately 15% from North America. In addition, HII had 13 development projects located in Alberta and Prince Edward Island, of which 7 of those development projects were under construction or in the final stages of development planning on the Filing Date.

Throughout the past years, global economic and market conditions have continued to adversely impact the real estate industry and in particular HII'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. HII's properties sustained high vacancy rates primarily due to the bankruptcies of major tenants, including, most notably, the loss of former tenant Quelle GmbH which declared bankruptcy and vacated an industrial property in Nurnberg, Germany. High vacancy rates combined with reduced renewal rental rates and decreasing property values resulted in a significant decline in revenue generation for HII.

Revenue from HII's development and investment properties also markedly decreased and led to negative cash flows as a result of the global economic crisis. As at June 30, 2011, the company had \$235.3 million invested in investment properties under development for resale that were not yet income producing. This was reinforced by a general decrease in the over-all demand for new space as well as a lack of financing available for development projects. For HII, loss in revenue resulted in a corresponding working capital deficit as at June 30, 2011 of approximately \$48.2 million.

In the past years, management of HII have taken steps to improve HII's financial condition. In December 2009, HII outlined a strategy to spin off assets into four geographically based companies and a development company. On May 25, 2010, HII sold its portfolio of Canadian income producing investment properties to Homburg Canada REIT ("HCREIT"), an unincorporated open-ended real estate investment trust for cash proceeds of \$114.5 million in units in HCREIT. This represented the divestiture of 24 office properties, 66 retail properties, 12 residential properties, and 8 industrial properties of HII.



Despite attempts to reduce debt through the creation of HCREIT to hold HII's eligible Canadian income producing real estate properties and related mortgage debt, HII was significantly levered with a debt to equity ratio of 30.76:1 as at June 30, 2011 (by contrast, HII's debt to equity ratio as at December 31, 2010 was 16.55:1). As at June 30, 2011, HII's debt consisted of \$1,426.7 million in fixed rate debt and \$333.4 million in floating rate debt, including \$42.8 million in demand and short term loans which were repayable in less than one year.

In addition to the foregoing, the liquidity of HII was compromised by significant interest obligations to certain bondholders in 2011 and 2012. From late 2011 through June 2012, in addition to regularly scheduled principal payments, HII faced upcoming maturities of certain of its bonds issued under the Mortgage Bond Trust Indenture totalling €102.5 million (\$144.0 million). HII had no means to fulfill these obligations except through a liquidation of its assets. Given HII's considerable debt obligations as well as its decreasing revenue and cash flow generation, HII's interest expense ratios, expectations that values of properties would continue to deteriorate and loan to value ratios were unsustainable. HII could no longer continue in the normal course and meet its obligations as they became due.

### ***Revocation of Licence by the AFM***

In November 2009, the AFM and the DNB commenced joint investigations into HII as a result of certain suspected irregularities. On April 22, 2011, HII received an instruction from the AFM ordering it to remove HII's controlling shareholder, Richard Homburg, as a decision maker and a person of influence in HII until his integrity was considered beyond doubt. Notwithstanding the AFM's instruction, the board of directors of HII was not legally able to reduce Richard Homburg's control or compel him to reduce control over HII through his shareholdings. Accordingly, despite efforts to conform to the AFM instruction to the extent permitted by Canadian law, HII was unable to fully comply with such AFM instruction.

On April 22, 2011, the AFM and the DNB issued a joint instruction (the "**Joint Instruction**") ordering HII to submit an adequate plan of control regarding HII, its decision making process and risk controls. The AFM also indicated that it was contemplating appointing a "silent monitor" as a regulatory tool under Dutch law to supervise the Joint Instruction. HII informed the AFM, however, that under Canadian law and in particular given the legal obligations of HII's directors under applicable corporate and securities laws, it would be prevented from appointing a silent monitor.

On August 11, 2011, the AFM advised HII that it intended to revoke its licence to operate as an investment institution in the Netherlands as a result of, *inter alia*, the following: (i) Richard Homburg, whose integrity according to the AFM was not beyond doubt, still had a substantial influence over HII and as such, HII had not complied with the Joint Instruction regarding the AFM's plan of control; (ii) the AFM expressed concerns regarding the financial situation of HII considering, amongst other things, the fact that various bonds would have had to be redeemed by HII by the end of 2011; and (iii) according to the AFM, HII made it impossible for the AFM to carry out its supervision duties, including because it was not possible for the AFM to impose a silent monitor. The AFM indicated that the laws of Canada were, in this respect, impeding its supervision of HII. HII was given until September 19, 2011 to respond to the AFM's intention to revoke its licence. On November 23, 2011, the AFM revoked HII's licence. HII filed an objection which is still pending as at the date hereof.

### ***Non-Binding Proposals of Richard Homburg***

On May 11, 2011, HII announced that its board of directors had received a non-binding proposal from Richard Homburg and Homburg Canada Incorporated ("**Homburg Canada**"), a private company indirectly controlled by Richard Homburg, which purported to eliminate Richard Homburg's control block in HII, internalize management and optimize HII's consolidated balance sheet. The board of directors of HII established an independent committee of the board (the "**Independent Committee**") to consider the proposal and any alternatives available to HII. The Independent Committee engaged independent legal and financial advisors to assist it.

On June 7, 2011, Mr. Homburg submitted a revised non-binding proposal (the "**Revised Non-Binding Proposal**") to privatize HII through the acquisition by Homburg Canada of all of the issued and outstanding shares of HII not owned or controlled by Mr. Homburg.

Ultimately, after careful consideration, including the report and recommendation of the Independent Committee, HII determined that the Revised Non-Binding Proposal was not in the best interests of HII as it could not be implemented as proposed. To the knowledge of HII, the financing required for the implementation of the Revised Non-Binding Proposal was never committed. Furthermore, the Revised Non-Binding Proposal involved the use of HII's most liquid assets, namely the units of HCREIT, as a means to finance the privatization which, if implemented would have seriously impaired HII's financial flexibility and accordingly HII's creditors.

On July 29, 2011, Homburg Canada announced its intention to launch a takeover bid offer for all of the issued and outstanding shares of HII not owned or controlled, directly or indirectly, by Homburg Canada.

On August 26, 2011, Homburg Canada issued a news release stating that it would not follow through on its announced intention to make an offer for all outstanding shares of HII not already owned or controlled, directly or indirectly, by Homburg Canada.

## **CCAA Proceedings**

### ***Initial Order***

Shortly thereafter, on September 9, 2011, the Petitioners (other than North Calgary and HMCI) sought and obtained the Initial Order from the Superior Court of Québec (Commercial Division) granting the Petitioners creditor protection under the CCAA.

In addition, the Initial Order originally granted protection under the CCAA to the following Applicant Partnerships: Homco Realty Fund (52) 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 (105) Limited Partnership, Homco Realty Fund (121) Limited Partnership, Homco Realty Fund (122) Limited Partnership, Homco Realty Fund (142) Limited Partnership, and Homco Realty Fund (199) Limited Partnership.

Pursuant to the Initial Order, the Court, *inter alia*, appointed Deloitte as Monitor and the Stay of Proceedings was issued, originally, from the date of the Initial Order until October 7, 2011. Under the Initial Order, the HII Group Entities were provided with the authority to, among other things, continue operating the HII Group Entities' business (subject to Monitor and/or Court approval for certain activities), and file with the Court and submit to their creditors a plan of compromise or arrangement under the CCAA in order to operate an orderly restructuring of the HII Group Entities business and financial affairs, in accordance with the terms of the Initial Order.

### ***Claims Process Order***

On April 30, 2012, the Court issued the Claims Process Order establishing a process to identify and quantify claims of creditors of the HII Group Entities in the CCAA Proceedings.

### ***Addition of Petitioners and Applicant Partnerships***

On May 31, 2012, the Court issued an Order amending the Initial Order to add North Calgary Land Ltd. as a Petitioner and Homco Realty Fund (96) Limited Partnership as an Applicant Partnership thereunder and ordering that the Claims Process Order applied to such entities *mutatis mutandis*, with certain modifications.

On December 14, 2012, the Court issued an Order further amending the Initial Order to add each of Homco Realty Fund (190) Limited Partnership and Homco Realty Fund (191) Limited Partnership as additional Applicant Partnerships thereunder and ordering that the Claims Process Order applied to such entities *mutatis mutandis*, with certain modifications.

On February 6, 2013, the Court issued a further Order amending the Initial Order to add Homco 61 LP as an additional Applicant Partnership and Castello Development Ltd. as a *mise-en-cause* entity thereunder and ordering that the Claims Process Order applied to such entities *mutatis mutandis*, with certain modifications.

On March 14, 2013, the Court issued a further Order amending the Initial Order to add HMCI as an additional Petitioner and ordering that the Claims Process Order applied to HMCI *mutatis mutandis*, with certain modifications.

### ***Extension Orders***

On October 7, 2011, this Honourable Court issued an Order extending the Stay of Proceedings. The Court has since issued additional Orders further extending the Stay of Proceedings, most recently until April 26, 2013.

### ***Purchase Agreement***

On January 12, 2012, the Court approved a purchase agreement between, on the first part, HII and certain related entities, and, on the second part, HLP, Richard Homburg and certain related entities, which, *inter alia*, allowed the HII Group Entities to acquire the management business in relation to their properties and to address the control issues outlined to the Court in the various Monitor Reports filed in the CCAA Proceedings and relating to the limited partnership structure of the HII Group.

### ***Sale Approval Orders***

On January 20, 2012, the Court approved the transaction and conveyance of units held indirectly by HII in the capital of Canmarc Real Estate Investment Trust ("Canmarc REIT") through a tender thereof to Cominar Real Estate Investment Trust ("Cominar REIT") for cash consideration of no less than \$16.50 per unit. The transaction resulted in net proceeds, less commission, of \$145,438,789. Of this amount, \$21,331,478 (together with accrued interest thereon) was held in trust by Osler, Hoskin & Harcourt LLP, in its capacity as custodian of certain units of Canmarc REIT that had been pledged by Homco 199 LP to Canmarc REIT. Pursuant to an agreement between the HII Group Entities and Cominar REIT (as the controlling party of Canmarc REIT), a portion of such funds have been released to Cominar REIT and the remainder of such funds have been released to the HII Group.

On April 11, 2012, the Court approved the sale of Inverness condominium units to Grande Prairie Place Enterprise (1996) Inc. for an aggregate consideration of \$3,840,000.

On February 6, 2013, the Court approved the sale of the property owned by Homco Realty Fund (92) Limited Partnership to Mogema B.V. for aggregate consideration of € 6,125,000. On such date, the Court also approved the sale of the property owned by C.P. Development Ltd. to Cominar REIT through its nominee HCR LT (CP Calgary) Inc. for aggregate consideration of \$20,500,000.

### ***Investment Proposal Process***

After the filing of the Original Plan, several parties reached out to the HII Group and the Monitor to indicate their interest in pursuing a transaction with the HII Group. The HII Group, in consultation with the Monitor, decided that it was necessary and appropriate to determine on an expedited basis (without delaying the proposed process for timely approval of the Original Plan) whether the HII Group should pursue an investment transaction that would provide for a better recovery to its stakeholders than would be available under the Original Plan.

On March 1, 2013, the Court approved standardized terms and conditions governing the delivery of investment proposals to the HII Group Entities and the Monitor and the consideration of such investment proposals by the HII Group Entities and the Monitor by way of an investment proposal process (the “**Investment Proposal Process**”).

Pursuant to the Investment Proposal Process, the HII Group Entities and the Monitor sought investment proposals from qualified investors that provided additional optionality to Affected Creditors with Proven Claims in a way that would supplement the Original Plan (a “**Qualified Investment Proposal**”).

In order to qualify as Qualified Investment Proposals pursuant to the Investment Proposal Process, investment proposals submitted to the HII Group Entities were required to consist of a duly authorized and executed unconditional term sheet describing the terms and conditions of the proposed transaction, which was to include (i) details regarding the proposed equity and debt structure of the HII Group Entities following completion of the proposed transaction, (ii) any anticipated regulatory approvals required to close the transaction and anticipated timeframe and any anticipated impediments for obtaining such approvals, (iii) any conditions to closing of the proposed transaction, (iv) the material terms and provisions of any ancillary agreements required, and (v) any other terms or conditions that the qualified investor believed to be material to the proposed transaction, and, in the case of a proposed acquisition of the assets of the HII Group Entities, (vi) the purchase price expressed in Canadian dollars (including liabilities to be assumed by the qualified investor), (vii) the assets expected to be included in the proposed transaction, and (viii) the structure and financing of the proposed transaction. Furthermore, qualified investors had to provide written evidence of a firm, irrevocable commitment of financing for the proposed transaction, various acknowledgments and representations to the HII Group Entities and a refundable deposit of CDN\$2,000,000.00.

Further to the Investment Proposal Process, the HII Group Entities entered into confidentiality agreements with, and granted access to financial and other information to, three qualified investors, all of which submitted an investment proposal to the HII Group Entities and the Monitor on March 11, 2013.

On March 14, 2013, the Court approved a revised investment proposal process (the “**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, by no later than March 17, 2013, a Qualified Investment Proposal which would provide further alternatives to Affected Creditors with Proven Claims upon the implementation of the Plans.

The Revised Investment Proposal Process, as amended, provided that the HII Group Entities, in consultation with their advisors and the Monitor, were entitled to select the most favourable Qualified Investment Proposal, taking into account, among other things, (i) the amount and nature of the consideration, (ii) the proposed assumption of liabilities, if any, (iii) the ability of the qualified investor to close the proposed transaction, (iv) the proposed closing date and the likelihood, extent and impact of any potential delays in closing and (v) the impact of the proposed transaction on stakeholders of the HII Group Entities, all considered in the context of and in comparison with the estimated recoveries under the Plans (the “**Selected Superior Offer**”).

On March 17, 2013, the HII Group Entities and the Monitor received two revised Qualified Investment Proposals. After careful review and analysis of the revised investment proposals, the HII Group Entities, after consultation with their advisors and the Monitor, determined that neither of them qualified as a Qualified Investment Proposal that the HII Group Entities considered to be a Selected Superior Offer for the purposes of the Investment Proposal Process. At that time, it was further decided by the HII Group Entities, upon the recommendation and with the support of the Monitor, that the HII Group Entities not be enter into exclusive negotiations with any qualified investor at that time.

On March 20, 2013, the two qualified investors who had submitted revised investment proposals to the HII Group Entities and the Monitor on March 17, 2013 were invited by the HII Group Entities 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 in a manner that provided for equal recovery for all participating Affected Creditors with Proven Claims regardless of the actual percentage of such creditors electing to participate in such final investment proposal.

As of March 24, 2013, two formal binding final Qualified Investment Proposals were received by the HII Group Entities and the Monitor from qualified investors in the Investment Proposal Process.

On March 27, 2013, the board of directors of HII considered the two formal binding final investment proposals received by HII and the Monitor from qualified investors as a result of the Investment Proposal Process. After careful consideration and deliberation, including discussion regarding the financial terms of each offer in comparison to the Original Plan, the Monitor recommended to the board of directors of HII for approval, and the board of directors of HII approved, entering into exclusive negotiations for a period of 15 days with a qualified investor, The Catalyst Group Inc., on behalf of funds managed by it ("**Catalyst**"), with a view to negotiating and settling a definitive agreement regarding the final investment proposal received from Catalyst.

On March 28, 2013, HII, Shareco and Homco 61 LP began exclusive negotiations with Catalyst with a view to negotiating and settling a definitive agreement setting forth amendments to the Original Plan, as filed on such date. The Monitor and Stichting Homburg Bonds also participated in certain negotiations and discussions between HII and Catalyst.

On April 15, 2013, HII, Shareco and Homco 61 entered into the Original Support Agreement with Catalyst. On April 24, 2013, after extensive negotiations relating to the Original Support Agreement, the parties were unable to agree on the required closing documentation described in the agreement. Consequently, both the Original Support Agreement and the Investment Proposal Process were terminated.

However, given the continued interest of Catalyst and the interest of HII, Shareco, Homco 61 and the Monitor in providing optionality to creditors, the parties agreed on April 25, 2013 to a brief period of negotiations to settle a limited number of outstanding points relating to the terms of the participation of Catalyst in the restructuring and to enter into a restated support agreement (the "**Restated Catalyst Support Agreement**"). On April 26, 2013, the parties entered into the Restated Catalyst Support Agreement. See "*Restated Catalyst Support Agreement*".

#### ***Restated Catalyst Support Agreement***

The Restated Catalyst Support Agreement provides for the support by Catalyst of the HII/Shareco Plan and the amendments required to the Original Plan relating to Catalyst's participation, including, most importantly, the Newco Common Shares Cash-Out Option, and certain provisions relating to the rights of holders of Newco Common Shares and the governance of Newco. See "*Description of the HII/Shareco Plan – Newco Common Shares Cash-Out Option*", "*Description of the HII/Shareco Plan – Newco Common Shares Cash-Out Option*", and "*Newco Common Shares – Rights and Restrictions*".

The Restated Catalyst Support Agreement also provides that on the Plan Implementation Date, the Initial Newco Supervisory Board will have five (5) members consisting of a member selected by Catalyst in its sole discretion, subject to any approval (if required) by the AFM, a member designated by Stichting Homburg Bonds in its sole discretion, subject to any approval (if required) by the AFM, and three (3) independent members, one of which shall be selected by Catalyst following an independent search process. The remaining two (2) independent members shall be selected by a search committee (the "**Search Committee**") comprised of three (3) members: one (1) member selected by Catalyst; one (1) member selected by HII; and one (1) member selected by Stichting Homburg Bonds.

The Restated Catalyst Support Agreement further provides that the Search Committee shall also select individual nominees for the management board of Newco on a consensus basis and, in the event of disagreement among the members of the Search Committee, by majority vote.

The Restated Catalyst Support Agreement is subject to a number of conditions and covenants, including approval of the Plans by the relevant Affected Creditors. The agreement may also be terminated in certain circumstances, including but not limited to: (i) by the mutual written agreement of the parties to the agreement; (ii) by HII, Shareco and Homco 61, if a Superior Offer (as defined in the Restated Catalyst Support Agreement) is accepted by HII, Shareco and Homco 61; or (iii) by Catalyst in the event the HII/Shareco Plan is not approved by the creditors or not sanctioned by the Court.

Upon the termination of the Restated Catalyst Support Agreement in accordance with the terms thereof, the agreement shall be of no further force or effect and no party shall have any further liability thereunder except in the event of a termination of the Catalyst Support Agreement by HII, Shareco and Homco 61 and solely in the event where such parties accept a Superior Offer (as defined in the Restated Catalyst Support Agreement), in which event the HII Group Entities shall promptly pay to Catalyst a break fee of an amount equal to €2,137,500 in full and final payment of any damages it may claim resulting from such termination, which shall constitute Catalyst's sole and exclusive remedy for termination under the Restated Catalyst Support Agreement.

### **Meeting Orders**

On April 29, 2013, HII and Shareco obtained the HII/Shareco Meeting Order which provides for, among other things: (a) acceptance of the filing of the HII/Shareco Plan with the Court; (b) classification of the Affected Creditors; (c) calling the HII/Shareco Creditors' Meeting; (d) procedures for the conduct of the HII/Shareco Creditors' Meeting; and (e) treatment of certain claims relating to HII, Homco 61 and Bond 6 Claim Holders under both the HII/Shareco Plan and the Homco 61 Plan, and (f) setting the date for the hearing to sanction the HII/Shareco Plan. A copy of the HII/Shareco Meeting Order is attached as Appendix "C" to this Information Circular.

On the same date, Homco 61 LP obtained the Homco 61 Meeting Order which provides for, among other things: (a) acceptance of the filing of the Homco 61 Plan with the Court; (b) classification of the Homco 61 Affected Creditors; (c) calling the Homco 61 Creditors' Meeting; (d) procedures for the conduct of the Homco 61 Creditors' Meeting; and (e) setting the date for the hearing to sanction the Homco 61 Plan. A copy of the Homco 61 Meeting Order is attached as Appendix "H" to this Information Circular.

### **DESCRIPTION OF THE HII/SHARECO PLAN**

**The following is a summary only of certain material terms of the HII/Shareco Plan. Creditors are urged to read the HII/Shareco Plan of its entirety. A copy of the HII/Shareco Plan is attached as Appendix "B" to this Information Circular.**

**THE HII/SHARECO PLAN REMAINS SUBJECT TO CHANGE AND ANY CHANGE TO THE HII/SHARECO PLAN MAY BE MATERIAL. AS A RESULT, INFORMATION CONTAINED IN THIS INFORMATION CIRCULAR MAY NOT BE COMPLETE AND MAY HAVE TO BE SUPPLEMENTED OR AMENDED. SUPPLEMENTS OR AMENDMENTS TO THIS INFORMATION CIRCULAR WILL BE FILED ON THE WEBSITE OF HOMBURG INVEST INC. AT [WWW.HOMBURGINVEST.COM](http://WWW.HOMBURGINVEST.COM) AND ON THE MONITOR'S WEBSITE. SEE "*DESCRIPTION OF THE HII/SHARECO PLAN – MODIFICATION OF THE PLAN*".**

**All Homco 61 Creditors holding Homco 61 Affected Claims should read this section of the Information Circular as well as the next section in this Information Circular describing the Homco 61 Plan to understand the treatment of their Homco 61 Affected Claims hereunder and thereunder. See "*Description of the Homco 61 Plan*".**

#### **Purpose**

The purpose of the HII/Shareco Plan is to: (i) effect a compromise, settlement and payment of all Affected Claims as finally determined for voting and distribution purposes pursuant to the Claims Process Order, the HII/Shareco Meeting Order and the HII/Shareco Plan; (ii) 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; (iii) facilitate an orderly liquidation of Non-Core Business Assets over a reasonable period of time; and (iv) implement the catalyst investment; all in the expectation that all Persons with an economic interest in HII's Business will derive a greater benefit from the implementation of the HII/Shareco Plan than would result from a bankruptcy of the Business in its entirety.

The HII/Shareco Plan is the result of an extensive review of the available alternatives by the HII Group Entities, the Monitor and their respective legal and financial advisors to address the HII Group Entities' financial condition and to maximize recovery for the Affected Creditors under the circumstances. Management is of the view that the Affected Creditors will derive a greater benefit from the implementation of the HII/Shareco Plan than they would from a bankruptcy of the Business in its entirety.

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 maintaining a financial stability with respect to the Core Business Assets.

#### **Impact of the HII/Shareco Plan**

The HII/Shareco Plan will compromise the unsecured debt of HII and Shareco (other than Unaffected Claims) and streamline the structure and operation of the Business to maintain and transfer to Newco the Core Business Assets as a core portfolio of profitable properties in Europe. In addition, the HII/Shareco Plan will facilitate an orderly liquidation of the Non-Core Business Assets over a reasonable period of time with a view to maximizing the realization value for the benefit of the Affected Creditors with Proven Claims. The HII/Shareco Plan eliminates holding entities where it was determined that these entities were no longer required and also creates a simpler and more efficient corporate structure in which the Core Business Assets, situated in Europe, are held directly by an entity in Europe, where the majority of its shareholders reside.



### Timing for HII/Shareco Plan to Become Effective

The following sets forth certain anticipated events and dates in the contemplated timeline relating to the implementation of the HII/Shareco Plan within the CCAA Proceedings. Affected Creditors are cautioned that the dates below may change.

September 9, 2011	Grant of Initial Order
April 29, 2013	HII/Shareco Meeting Order
May 15, 2013	Deadline for mailing or otherwise making available the Notice of HII/Shareco Creditors' Meeting and HII/Shareco Sanction Hearing and related meeting materials to Affected Creditors
May 29, 2013	Deadline for Affected Creditors to return Convenience Class Claim Declarations or Proxies, as applicable, to the Monitor
May 30, 2013	HII/Shareco Creditors' Meeting to be convened and held simultaneously in Montréal, Québec, Canada and in Utrecht, the Netherlands Affected Creditors can deposit Convenience Class Claims Declarations or Proxies, as applicable, with the Chair, at the HII/Shareco Creditors' Meeting, immediately prior to the vote
June 5, 2013	Targeted date for the Court Hearing in respect of HII/Shareco Sanction and Vesting Order in Montreal, Québec, Canada
July 3, 2013	Targeted HII/Shareco Plan Implementation Date

### Creditor Approval of the HII/Shareco Plan

In order for the HII/Shareco Plan to be approved and binding on the Affected Creditors in accordance with its terms and the CCAA, the Resolution to approve the HII/Shareco Plan must first be approved by the Required Majority, which is a majority in number of the Affected Creditors having an Affected Claim and voting on the Resolution (in person or by proxy) at the HII/Shareco Creditors' Meeting and representing not less than 66 and 2/3 per cent in value of the Affected Claims of the Affected Creditors voting at the HII/Shareco Creditors' Meeting or deemed to vote on the Resolution. The HII/Shareco Plan must also be sanctioned by the Court.

### Court Approval of the HII/Shareco Plan

Prior to the mailing of this Information Circular, HII and Shareco obtained the HII/Shareco Meeting Order providing for the calling and holding of the HII/Shareco Creditors' Meeting and other related procedural matters. A copy of the HII/Shareco Meeting Order is attached as Appendix "C" to this Information Circular. The CCAA requires that the HII/Shareco Plan be sanctioned by the Court after having been approved by the Required Majority.

Subject to the approval of the Resolution in respect of the HII/Shareco Plan by the Required Majority of the Affected Creditors, the HII/Shareco Sanction Hearing in respect of the HII/Shareco Sanction and Vesting Order is scheduled to take place on or about June 3, 2013 at 9:15 am (Eastern Prevailing Time) at the Court located at 1 Notre-Dame Street East, Montréal, Québec, Canada. Any Affected Creditor that wishes to appear or be represented, and to present evidence or arguments, at the HII/Shareco Sanction Hearing must serve a notice of intention to appear on the Service List at least three (3) Business Days before the Sanction Hearing. Affected Creditors wishing to object to the relief to be sought at the HII/Shareco Sanction Hearing must also file with the Court a written notice which notice shall include its grounds of contestation and shall effect service of same the Service List at least three (3) Business Days prior to the Sanction Hearing.

The authority and discretion of the Court is very broad under the CCAA. HII's and Shareco's legal counsel has advised the HII Group Entities that the Court will consider, among other things, the fairness and reasonableness of the terms and conditions of the HII/Shareco Plan.

Interested parties should consult their legal advisors with respect to the legal rights available to them in relation to the HII/Shareco Plan and the HII/Shareco Sanction Hearing. If the HII/Shareco Sanction Hearing date is postponed, adjourned or otherwise rescheduled, the HII and Shareco will provide notice of the new date by issuance of a news release. Persons who wish to receive individual notification of the date of any postponed, adjourned or otherwise rescheduled Sanction Hearing by facsimile or electronic mail should contact the Monitor at 1 Place Ville-Marie, Suite 3000, Montreal, Quebec H3B 4T9 (Attention: Mr. Patrick Fillion), facsimile number: (514) 393-5344 or e-mail: [homburginvestccaa@deloitte.ca](mailto:homburginvestccaa@deloitte.ca) and provide a facsimile number or e-mail address.

The HII/Shareco Sanction and Vesting Order, if granted, will constitute the basis for the section 3(a)(10) exemption from the 1933 Act with respect to the Newco Common Shares to be issued in connection with the HII/Shareco Plan. Prior to the HII/Shareco Sanction Hearing, the Court will be advised that the Newco Common Shares will be issued in reliance on the section 3(a)(10) exemption.

## **Treatment of Affected Creditors**

### ***Classification of Affected Creditors***

The HII/Shareco Plan only affects unsecured creditors of HII and Shareco (other than Unaffected Creditors). These Affected Creditors form one class for purposes of both voting and receiving distributions under the HII/Shareco Plan. Affected Creditors with Convenience Class Claims (referred to as Convenience Class Creditors) will receive the Cash Elected Amount in respect of their Convenience Class Claims. Electing Creditors with Proven Claims will receive the Aggregate Newco Common Shares Final Cash-Out Amount and their Pro Rata Share of distributions from the Cash Pool and the Asset Realization Cash Pool in respect of their Affected Claims. All other Affected Creditors with a Proven Claim will receive their Pro Rata Share of Newco Common Shares and distributions from the Cash Pool and the Asset Realization Cash Pool under the HII/Shareco Plan. All Affected Claims under the HII/Shareco Plan will be compromised, settled, released and discharged on the Plan Implementation Date.

The Affected Creditors (other than Convenience Class 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. The division of the Affected Creditors into Corporate Creditors and Non-Corporate Creditors is intended to address the income tax consequences resulting from the settlement of their claims.

### ***Distributions to Affected Creditors***

Convenience Class Creditors will receive recoveries through a cash distribution under the HII/Shareco Plan from the Cash Pool in an amount equal to the Cash Elected Amount, being the Canadian dollar amount that is equal to 35 per cent of their Convenience Class Claims that are Proven Claims. Electing Creditors will receive recoveries through a cash distribution under the HII/Shareco Plan from the Cash-Out Pool in an amount equal to the Aggregate Newco Common Shares Final Cash-Out Amount, as well as their Pro Rata Share of distributions from the Cash Pool and the Asset Realization Cash Pool.

All other Affected Creditors with a Proven Claim will receive recoveries through their Pro Rata Share of distributions under the HII/Shareco Plan, in full satisfaction of their Affected Claims, from three recovery sources, namely (i) Newco Common Shares, (ii) the Cash Pool and (iii) the Asset Realization Cash Pool. The distributions from these sources will be administered by Newco, with respect to the Newco Common Shares, and by the Monitor with respect to the Cash Pool and the Asset Realization Cash Pool on Distribution Dates to be set by the Monitor from time to time in accordance with the HII/Shareco Plan and the HII/Shareco Sanction and Vesting Order.

None of Stichting Homburg Capital Securities or the holders of Capital Securities Claims shall be entitled to receive any distribution under the HII/Shareco Plan. The Capital Securities Claims shall be fully, finally and forever compromised, released, discharged, cancelled and barred under the HII/Shareco Plan.

The Bond 6 Claim Holders will be entitled to receive distributions under the HII/Shareco Plan as described below under the heading "*Description of the HII/Shareco Plan – Homco 61 LP and Homco 61 Affected Creditors*".

HII, Shareco and the Monitor shall comply with the Taberna Order in making any distributions to Affected Creditors on account of the Taberna Claim under the HII/Shareco Plan.

No distributions shall be made to holders of Disputed Claims until such Disputed Claims become Proven Claims in whole or in part in accordance with the HII/Shareco Plan and the Claims Process Order.

Affected Creditors will not receive their full distribution under the HII/Shareco Plan until the Final Distribution Date, when all of the Non-Core Business Assets will have been realized and all the Disputed Claims finally resolved.

If any distribution made to an Affected Creditor is returned to the Monitor as undeliverable or is not cashed, no further distributions to such Affected Creditor shall be made until the Monitor is notified of such Affected Creditor's current address or wire transfer particulars. In the event that the Monitor does not receive a complete Letter of Instruction allowing for the Newco Common Shares to be remitted to such Affected Creditor prior to the Final Distribution Date, these Newco Common Shares will be returned to Newco for cancellation and no consideration will be payable to the Affected Creditor in respect of such cancelled Newco Common Shares. An Affected Creditor shall not be entitled to receive interest on undelivered distributions. The Monitor will publish a notice of the Final Distribution Date in various newspapers in accordance with the HII/Shareco Sanction and Vesting Order and the HII/Shareco Plan. All claims for undeliverable or un-cashed distributions under the HII/Shareco Plan must be made on or before the deadline specified in such notice, after which date the Proven Claims with respect to any such unclaimed or un-cashed distribution will be forever discharged and forever barred without any compensation.

#### **(i) Newco Common Shares**

As more particularly described below, the HII/Shareco Plan and the HII/Shareco Meeting Order provides for the incorporation of Newco, a Dutch closed-end property investment company without a separate manager, by the Incorporation Foundation to be financed by a loan from HII/Shareco to the Incorporation Foundation. HII will transfer certain solvent

European core assets to Newco (Core Business Assets), subject to the continuing Core Homco Liabilities and claims of Core Business Creditors. 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, so that the Affected Creditors (other than Convenience Class Creditors and Electing Creditors) will become the shareholders of Newco.

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.

(ii) Cash Pool

The HII/Shareco Plan authorizes HII and Shareco to aggregate all of their existing Cash on the Plan Implementation Date and to deliver such Cash to the Monitor, net of the Cash Reserves described below, to create the Cash Pool. The Cash Pool shall be held in escrow in a separate interest-bearing account by the Monitor (the Cash Pool Account). 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).

(iii) The Asset Realization Cash Pool

The HII/Shareco Plan and the HII/Shareco Sanction and Vesting Order authorize the Monitor to market the Non-Core Business Assets (in consultation with the Liquidation Advisory Committee), and to liquidate and realize on the value of the Non-Core Business Assets (on obtaining the prior approval of the Liquidation Advisory Committee), for the benefit of the Affected Creditors (other than Convenience Class Creditors) subject to the satisfaction of any Non-Core Business Entity Creditor Claims against such Non-Core Business Assets together with Liquidation Costs.

The HII Group Entities have retained brokers who will assist the Monitor with the liquidation of the Non-Core Business Assets in accordance with the HII/Shareco Plan. In such regard, it is contemplated that the HII/Shareco Sanction and Vesting Order will authorize the Monitor, inter alia, to run one or more sales processes for the disposition of the Non-Core Business Assets such that the market will dictate the sale prices of said Non-Core Business Assets. It is estimated that these sale processes will be completed within 12 to 18 months from the date of the Information Circular.

In addition, on the Plan Implementation Date, the HII/Shareco Plan and the HII/Shareco Sanction and Vesting Order (if obtained) provide 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. As reported in the 19<sup>th</sup> report of the Monitor dated February 8, 2013, and filed with the Court, Deloitte & Touche s.e.n.c.r.l. has mostly completed its forensic review of the movements of cash in HII's bank accounts from January 1, 2006 to September 9, 2011.

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. The Liquidation Advisory Committee will be a committee created under and pursuant to the HII/Shareco Sanction and Vesting Order 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.

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.

Each Affected Creditor (other than a Convenience Class Creditor) shall receive distributions from time to time from the Monitor in the amount of its Pro Rata Share of such Asset Realization Cash Pool. Each such Affected Creditor's entitlement to such future distributions shall be evidenced by global, non-interest bearing, variable notes issued by HII to the Monitor, to hold on behalf of such Affected Creditors with Proven Claims. The entitlement of such Affected Creditors to future Non-Core Business Asset Net Proceeds shall be secured by the Affected Creditors' Charge.

(iv) The Cash-Out Pool

The HII/Shareco Plan contemplates that Catalyst will provide the Monitor with the necessary funds to fund the Newco Common Shares Cash-Out Option, which funds shall be delivered by Catalyst to the Monitor on the fifth (5<sup>th</sup>) Business Day Prior to the Plan Implementation Date. The Monitor will segregate such funds and the deposit provided by Catalyst under the Investment Proposal Process, net of the Disputed Claims (Cash-Out) Reserve described below, into the Cash-Out Pool. The Monitor will make distributions from time to time from the Cash-Out Pool to each Electing Creditor with a Proven Claim, in the amount of their Aggregate Newco Common Shares Final Cash-Out Amount. See "*Newco Common Shares Cash-Out Option*" below.

### ***Treatment of Disputed Claims***

Affected Creditors with Disputed Claims shall 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 Plan.

### **Newco Common Shares Cash-Out Option**

The HII/Shareco Plan includes an option for Affected Creditors (other than Convenience Class Creditors who have made a Convenience Class Claim Election) to receive, 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, an amount equal to such Affected Creditor's *pro rata* share of the Aggregate Newco Common Shares Final Cash-Out Amount.

Affected Creditors (other than Convenience Class Creditors who have made a Convenience Class Claim Election) 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. The Newco Common Shares Cash-Out Option Election is made in respect of all of an Affected Creditor's Pro Rata Share of the Newco Common Shares pursuant to the HII/Shareco Plan. For additional details regarding the Cash-Out Election Form, see "*Voting at the HII/Shareco Creditors' Meeting and the Homco 61 Creditors' Meeting – Newco Common Shares Cash-Out Option Election*".

The estimated recovery of Affected Creditors who choose the Newco Common Shares Cash-Out Option is different, and may be a lesser amount, than the estimated recovery of Affected Creditors who do not make this choice. The Newco Common Shares Cash-Out Option provides for a payment of cash instead of Newco Common Shares. The actual recovery of Affected Creditors who do not exercise the Newco Common Shares Cash-Out Option will depend, in part, on the amount for which the Newco Common Shares can be sold when they become tradable. This may be greater or less than the amount included in the estimated recovery or the amount payable pursuant to the exercise of the Newco Common Shares Cash-Out Option. See "*Estimated Recovery by Affected Creditors and Electing Creditors under the HII/Shareco Plan and by Homco 61 Affected Creditors and Electing Creditors under the Homco 61 Plan*".

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.

The HII/Shareco Plan describes how the Cash-Out Pool will be created and funded. Within two (2) Business Days following the Election/Proxy Deadline, HII and the Monitor will advise Catalyst of the aggregate of (i) the amount of Proven Claims of Electing Creditors who have validly elected the Newco Common Shares Cash-Out Option, (ii) the amount of Disputed Claims of Electing Creditors who have validly elected the Newco Common Shares Cash-Out Option, and (iii) the total Proven Claims of all Affected Creditors, and shall provide to Catalyst all information reasonably required to verify such amounts.

On the fifth (5<sup>th</sup>) Business Day prior to the Plan Implementation Date, the HII/Shareco Plan provides that Catalyst will deliver the Catalyst Investment Initial Amount (net of the Deposit) to the Monitor by way of wire transfer(s) in accordance with wire transfer instructions provided by the Monitor at least three (3) Business Days before such date.

The Catalyst Investment Initial Amount so delivered above and the Deposit, net of the Disputed Claims (Cash-Out) Reserve which shall be segregated as described in more detail below, shall be held in trust by the Monitor until the Plan Implementation Date, whereupon such funds shall form the Cash-Out Pool. The Monitor shall hold the Cash-Out Pool in the Cash-Out Pool Account for distribution to Electing Creditors with Proven Claims and Disputed Claims (to the extent such Disputed Claims subsequently become Proven Claims) pursuant to and in accordance with Article 9 of the HII/Shareco Plan.

### ***Distribution Mechanics – Cash-Out Pool***

From and after the Plan Implementation Date, and in any event no later than ten (10) Business Days following the Plan Implementation Date, the Monitor shall act as a disbursing agent and shall disburse to each Electing Creditor with a Proven Claim as at the Plan Implementation Date who has validly exercised the Newco Common Shares Cash-Out Option Election, an initial amount in the Monitor's sole discretion in partial satisfaction of each such Electing Creditor's respective *pro rata* share of the Aggregate Newco Common Shares Final Cash-Out Amount.

The Monitor shall not make the disbursements above to each such Electing Creditor, but shall hold such amounts in escrow until the Newco Common Shares in respect of such Aggregate Newco Common Shares Final Cash-Out Amount is to be paid have been issued and delivered to the Monitor in trust for the benefit of Catalyst (subject only to the expiry of the Newco Common Shares Standstill Period), and for greater certainty, upon actual delivery of such Newco Common Shares to the Monitor, the Monitor shall make the disbursements above to each Electing Creditor.

From and after the date of initial disbursements referenced above, the Monitor will make, pursuant to the HII/Shareco Plan, further partial contributions from time to time from the Disputed Claims (Cash-Out) Reserve to the Cash-Out Pool as Disputed Claims of Electing Creditors who have validly exercised the Newco Common Shares Cash-Out Option Election are resolved.

If a Disputed Claim of an Electing Creditor is finally determined in accordance with the Claims Process Order, the Plan, and the HII/Shareco Meeting Order prior to the expiry of such twelve (12) months period following the Plan Implementation Date, then: (i) the Monitor shall make the appropriate adjustment to the Cash-Out Pool and to the Disputed (Cash-Out) Reserve, on prior written notice to Catalyst; and (ii) the Monitor shall make a disbursement from the Cash-Out Pool to such Electing Creditor in respect of its Proven Claim in accordance with this section, and Catalyst shall become entitled to receive from the Monitor (i) those Newco Common Shares in respect of which such Electing Creditor was otherwise entitled in accordance with section 9.2 of the HII/Shareco Plan, (which number of Newco Common Shares would have been such Electing Creditor's Pro Rata Share of the Newco Equity Pool (Interim) at such time), and (ii) any corresponding payment as a result of the adjustment made in section 9.3(d)(i) of the HII/Shareco Plan.

From time to time, the Monitor shall make further disbursements from the Cash-Out Pool in its sole discretion to the Electing Creditors with Proven Claims in respect of and to be credited towards their pro rata share of the Aggregate Newco Common Shares Final Cash-Out Amount.

Once the Disputed Claims of all Affected Creditors (including the Disputed Claims of the Electing Creditors) have been finally resolved, and any funds in the Disputed Claims Cash-Out Reserve contributed to the Cash-Out Pool as described above, the Newco Common Shares Cash-Out Price shall be determined. The Monitor shall act as disbursing agent and shall make final disbursements from the Cash-Out Pool such amount as is required to satisfy each Electing Creditors' entitlement to receive the Aggregate Newco Common Share Cash-Out Price. Following the satisfaction in full of all such Electing Creditors' entitlements, the Monitor shall remit any balance remaining in the Cash-Out Pool to Catalyst.

All such distributions will be made by way of wire transfer to the bank account and IBAN number provided by such Electing Creditor or cheque sent by prepaid ordinary mail to the address for and payable to such Electing Creditor, each as particularly specified in the Convenience Class Claim Declaration or Proxy filed by or on behalf of such Electing Creditor, as applicable. In the absence thereof, the Monitor will send a cheque to the address listed in such Affected Creditor's Proof of Claim.

With respect to an Affected Creditor with a Proven Claim who has validly made a Newco Common Shares Cash-Out Option Election, Catalyst shall receive a distribution of such Affected Creditor's Pro Rata Share of the Newco Equity Pool (Final) and sections 9.2 and 10.2(a) of the HII/Shareco Plan relating to the distribution mechanics of Newco Common Shares and interim distribution dates shall apply *mutatis mutandis* to Catalyst, provided that the Newco Common Shares issued by Newco to Catalyst shall be held by the Monitor in trust for the benefit of Catalyst and shall not be delivered to Catalyst until the expiry of the Newco Common Shares Standstill Period. Any interest payable on funds in the Cash-Out Pool and the Disputed Claims Cash-Out Reserve shall be for the account of Catalyst.

### **Equity Claims**

On the Plan Implementation Date, all Persons holding Equity Claims, including Equity Claims of the holders of HII Class A Shares and HII Class B Shares, shall not be entitled to receive any distributions whatsoever under the HII/Shareco Plan. 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.

### **Capital Securities Claims**

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 debt will be paid in full, the Monitor determined that 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.

On February 11, 2013, counsel for Stichting Homburg Capital Securities served a motion in appeal of the Monitor's determination with respect to the claim of Stichting Homburg Capital Securities. On March 14, 2013, a hearing was scheduled with regard to such motion in appeal and, at this hearing, the Court took notice of the withdrawal of said motion by counsel for Stichting Homburg Capital Securities and of the fact that the notice of revision and disallowance rendered by the Monitor in respect of the Capital Securities Claim had become final.

In these circumstances, at the Effective Time on the Plan Implementation Date, the Capital Securities Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.



## **Holder of Series 4 Bonds and Series 7 Bonds**

Stichting Homburg Bonds and the holders of the Series 4 Bonds and Series 7 Bonds are Affected Creditors under the Plan and shall be entitled to vote and to receive distributions under the Plan in respect of their respective Mortgage Bond Trust Indenture Unsecured Claims once such claims become Proven Claims.

## **Bond 5 Claim Holders**

Stichting Homburg Bonds and the Bond 5 Claim Holders are Affected Creditors and shall be entitled to vote and to receive distributions under the Plan in respect of the Bond 5 Unsecured Claim. For greater certainty, the Bond 5 Secured Claim is an Unaffected Claim under the Plan and the Bond 5 Secured Claim Holders shall receive the Bond 5 Secured Claim Cash Payment in accordance with the Bond 5 Secured Claim Settlement Agreement.

## **Homco 61 LP and Homco 61 Affected Creditors**

Treatment of Homco 61 LP 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 Required Majority of Affected Creditors and the Homco 61 Affected Creditors and the Court. If such approvals are obtained, (a) the aggregate Proven Claim of a Homco 61 Affected Creditor for voting purposes under the HII/Shareco Plan shall be the full amount of their Claim in accordance with and as provided in the HII/Shareco Meeting Order and the Homco 61 Meeting Order, (b) the aggregate Proven Claim of a Homco 61 Affected Creditor with a Homco 61 Affected Creditor HII Claim for distribution purposes under the HII/Shareco Plan shall be their Homco 61 Affected Creditor HII Deficiency Claim, (c) the aggregate Proven Claim of Homco 61 LP for voting and distribution purposes under the HII/Shareco Plan shall be the Homco 61 Net Intercompany Claim and (d) 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 Homco 61 Plan shall be the full amount of their Claim in accordance with and as provided in the HII/Shareco Meeting Order and the Homco 61 Meeting Order.

In the event that either 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 LP for voting and distribution purposes under the HII/Shareco Plan will be determined by the Monitor and/or the Court, provided that Proven Claim of the Bond 6 Claim Holders for voting purposes under the HII/Shareco Plan will not be redetermined. At the Effective Time on the Plan Implementation Date, as applicable, Homco 61 Affected Creditor HII Claims and the Homco 61 Intercompany Claim shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

## **Unaffected Claims**

The HII/Shareco Plan does not affect the Unaffected Claims. Creditors with Unaffected Claims 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. Nothing in the HII/Shareco Plan will affect any Homburg Group Member's rights and defences, both legal and equitable, with respect to any Unaffected Claims, including all rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Claims. 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.

Unaffected Creditors with respect to their Unaffected Claims generally fall into four categories:

- (1) 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.
- (2) 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.
- (3) 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.

- (4) 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.

### **Newco Common Shares – Rights and Restrictions**

The Restated Catalyst Support Agreement provides that the holders of Newco Common Shares will benefit from the following rights and be subject to the following restrictions, as more fully set forth in the Plan and the Newco Shareholder Rights Agreement:

#### ***Standstill***

During the Newco Common Shares Standstill Period, no holder of Newco Common Shares shall, directly or indirectly: (i) sell, transfer, gift, assign, pledge, hypothecate, encumber, convert or otherwise dispose of any of its Newco Common Shares or any interest or entitlement therein (including any depositary receipt issued by NPEX Foundation in respect of the Newco Common Shares), or endorse any security, enter into any agreement, arrangement, or understanding in connection therewith, except that Catalyst may transfer its rights to the Newco Common Shares held in escrow with the Monitor to the extent Catalyst is managing the Newco Common Shares on behalf of a fund, to another fund managed by Catalyst, if the Catalyst Representations and Warranties remain true and correct in all respects after such transfer, and provided however that such transfer shall not release Catalyst from any of its obligations under the Restated Catalyst Support Agreement; (ii) deposit any of its Newco Common Shares into a voting trust (except a voting trust approved by the Newco Initial Supervisory Board or prior to the constitution of such board, by HII and the Monitor acting reasonably, or grant (or permit to be granted) any proxies, or powers of attorney or attorney in fact, or enter into a voting agreement, understanding or arrangement with respect to the voting of its Newco Common Shares; or (iii) list or seek approval for the listing of the Newco Common Shares on any stock exchange (other than NPEX) to the extent such admission to trading is effective during the Newco Common Shares Standstill Period.

#### ***Put Right***

During the Newco Common Shares Put Right Period, each holder of Newco Common Shares shall 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 66 2/3% of the Aggregate Newco Common Shares Final Cash-Out Amount for each Newco Common Share purchased by Catalyst; provided that: (i) Catalyst shall not have any obligation to purchase any Newco Common Shares following the Newco Common Shares Put Right Period or if Newco is unable to pay its debts as such debts become due, or is, or is adjudged or declared to be, or admits to being, bankrupt or insolvent, or suspends the conduct of, or ceases to carry on, its business or operations; and (ii) such Put Right may not be exercised by any holder of Newco Common Shares unless counsel to Newco has provided Catalyst with Canadian and Dutch legal opinions satisfactory to Catalyst acting reasonably that such Put Right is in compliance with applicable securities laws or Catalyst has obtained, at HII’s expense, exemptive relief from the applicable securities regulators with respect to the Put Right.

#### ***Tag Along Right***

During the Newco Common Shares Tag Along Period, subject to sections 11.1(c)(ii),(iii), and (iv) of the HII/Shareco Plan, Catalyst shall not directly or indirectly sell, trade, transfer or otherwise dispose of Newco Common Shares (“**Transfer**”) if as a result of such Transfer, a Person individually or together with its affiliates and Persons acting jointly or in concert therewith (a “**Purchaser**”), would acquire from Catalyst Newco Common Shares which, together with any other Newco Common Shares, held by such Person, constitutes in the aggregate thirty (30%) per cent or more of the outstanding Newco Common Shares as of the effective date of the Transfer (a “**Control Transfer**”).

Catalyst may effect a Control Transfer to the Purchaser within five (5) Business Days following the Expiry Date (as defined below) strictly in accordance with the terms set out in the Disposition Notice (as defined below) if: (A) at least twenty-one (21) Business Days prior to the date specified for completion of the Control Transfer, it gives notice in writing (a “**Disposition Notice**”) to the Newco Initial Supervisory Board of the number of Newco Common Shares to be subject to the Control Transfer, the name and address of the Purchaser, the consideration per Newco Common Share, and any other material terms and conditions pursuant to which the Control Transfer is to be effected, and (B) the Purchaser shall have made an Offer (as defined below) to each other registered holder of Newco Common Shares. An “**Offer**” means an offer to purchase Newco Common Shares by the Purchaser that (I) is made in compliance with applicable corporate and securities legislation and the requirements of any stock exchange on which the Newco Common Shares are then listed; (II) is in writing; (III) provides for a date by which Newco Common Shares tendered to the Offer will be accepted and purchased in accordance with the terms and conditions of the Offer, provided that such date shall not be less than twenty (20) Business Days following the mailing of such written offer, (the “**Expiry Date**”); and (IV) is identical to the offer to purchase Newco Common Shares set out in the Disposition Notice, including with respect to price per Newco Common Share, form of consideration, and the percentage of Newco Common Shares held by each other shareholder of Newco to be acquired by the Purchaser. For greater certainty, if

the Offer is for less than all the outstanding Newco Common Shares and a greater number of Newco Common Shares are tendered to the Offer then the Purchaser is bound to acquire under the Offer (and for this purpose all of the Newco Common Shares of Catalyst subject to the Control Transfer shall be included), the Purchaser shall take up and pay for Newco Common Shares proportionately according to the number of Newco Common Shares deposited by each shareholder (including Catalyst).

Catalyst may Transfer Newco Common Shares to or between its wholly owned subsidiaries or affiliates (provided that such subsidiary or affiliate is, or agrees to be, bound by the terms of this section and that such Transfer does not relieve Catalyst of any of its obligations under section 11.1(c) of the HII/Shareco Plan).

The foregoing tag along provisions shall be effective during the Newco Common Shares Tag Along Period, following which such provisions shall expire and be of no force or effect.

### ***Pro Rata Participation***

The Restated Catalyst Support Agreement also provides that from and after the Plan Implementation Date to and including the date which is the second anniversary of the Plan Implementation Date, upon any issuance by Newco of additional Newco Common Shares (excluding, for greater certainty, any distribution of Newco Common Shares to the Affected Creditors or Catalyst pursuant to the HII/Shareco Plan) each existing holder of Newco Common Shares shall be entitled to purchase such Newco Common Shares from Newco on a *pro rata* basis with any other existing holders of Newco Common Shares that elect to purchase such Newco Common Shares.

### **Distribution and Payments**

#### ***Distributions to Affected Creditors***

The Affected Creditors with Proven Claims shall receive the distributions provided herein in full satisfaction of such Proven Claims in accordance with the terms of the Plans, and on the Plan Implementation Date, all Affected Claims will be affected and compromised, settled, released and discharged in accordance with the terms of the Plans, the HII/Shareco Sanction and Vesting Order and the CCAA.

From and after the Plan Implementation Date, subject to the Newco Common Shares Standstill Period, (i) each Convenience Class Creditor with a Proven Claim for distribution purposes who has validly made a Convenience Class Claim Election shall receive, from the Cash Pool, the Cash Elected Amount in respect of its Convenience Class Claim, (ii) each Affected Creditor with a Proven Claim for distribution purposes who has validly made a Newco Common Shares Cash-Out Option Election shall be treated as an Electing Creditor and shall receive: (A) for such Electing Creditor's entitlement to Newco Common Shares, an amount equal to the Newco Common Shares Cash-Out Price multiplied by that number of Newco Common Shares which would have otherwise been issued to such Electing Creditor under the Plan (which number of shares would have been its Pro Rata Share of the Newco Equity Pool); and; and (B) such Electing Creditor's respective Pro Rata Share of the Cash Pool and the Asset Realization Cash Pool, (iii) each Affected Creditor with a Proven Claim who is not an Electing Creditor (including for greater certainty Catalyst in respect of Catalyst Affected Claims) or a Convenience Class Creditor shall receive its respective Pro Rata Share of the Newco Equity Pool, the Cash Pool and the Asset Realization Cash Pool, and (iv) Catalyst shall receive the Newco Common Shares of the Electing Creditors with Proven Claims who have made a Newco Common Shares Cash-Out Option Election (which number of shares would have been such Electing Creditors' Pro Rata Share of the Newco Equity Pool), and those provisions of the HII/Shareco Plan that apply to Affected Creditors (other than the Convenience Class Creditors) shall apply to Catalyst in respect of the foregoing distributions *mutatis mutandis* except as otherwise provided for herein.

#### ***Distribution Mechanics – Newco Common Shares***

In order for the Monitor to facilitate the distribution by Newco of Newco Common Shares to Affected Creditors (other than Convenience Class Creditors) with Proven Claims on the Initial Distribution Date, the Monitor will send a blank Letter of Instruction on or before the Distribution Materials Record Date to each Affected Creditor (other than a Convenience Class Creditor) who has a Proven Claim and who is not an Electing Creditor, and each Affected Creditor (other than a Convenience Class Creditor) with a Disputed Claim (whether or not such Affected Creditor is an Electing Creditor), to the address specified in such Affected Creditor's Proof of Claim (or as evidenced by any assignment or transfer of an Affected Claim in accordance with the Claims Process Order, the HII/Shareco Meeting Order and the HII/Shareco Plan). For all Affected Creditors that are Corporate Creditors (other than holders of Capital Securities Claims), the Monitor will send a blank Letter of Instruction to each Corporate Indenture Trustee to be completed by such Corporate Indenture Trustee on behalf of the Corporate Creditors.

Each Affected Creditor (other than a Convenience Class Creditor), including each Corporate Creditor's Corporate Indenture Trustee, will deliver an executed Letter of Instruction to the Monitor at least seven days before the Plan Implementation Date or such later date as the Monitor may agree.

Catalyst shall deliver to the Monitor a duly completed Letter of Instruction in respect of its Catalyst Affected Claims, as well as in respect of the Affected Creditors' Entitlements to which it is entitled under the HII/Shareco Plan, which must be

received by the Monitor at least seven (7) days before the Plan Implementation Date or such other date as the Monitor and Catalyst may agree.

From and after the Plan Implementation Date, the Monitor will deliver a direction to Newco or its agent, as applicable, directing Newco or its agent, as applicable, to issue Newco Common Shares to (i) Affected Creditors (other than Convenience Class Creditors) with Proven Claims who are not Electing Creditors, (ii) Catalyst, or (iii) the Monitor or its designate in respect of Affected Creditors with Disputed Claims whether or not such Affected Creditors with Disputed Claims are Electing Creditors, pursuant to and in accordance with the HII/Shareco Plan. The Monitor's direction will be based on the executed Letters of Instruction delivered to the Monitor prior to the Plan Implementation Date, and will include the registration and delivery details of each Affected Creditor entitled to receive Newco Common Shares and the number of Newco Common Shares to be issued by Newco to each Affected Creditor listed on the direction.

No fractional Newco Common Shares will be issued to Affected Creditors. Rather, recipients of Newco Common Shares will have their share entitlements adjusted downwards to the nearest whole number of Newco Common Shares to eliminate any such fractions and no compensation will be given for the fractional interest.

If an Affected Creditor (other than a Convenience Class Creditor) does not return a Letter of Instruction to the Monitor at least seven days before the Plan Implementation Date or such later date as the Monitor may agree, such Affected Creditor will be deemed to direct the Monitor to cause its Newco Common Shares to be recorded by the Trading Platform in its electronic trading system in accordance with the information set out in such Affected Creditor's Proof of Claim (and otherwise in Newco's shareholder register). In the event that such information set out in the Affected Creditor's Proof of Claim or a letter of instruction is incomplete such that it does not allow the Monitor to cause such Affected Creditor's Newco Common Shares to be recorded in accordance with the rules of the Trading Platform, such Newco Common Shares, once issued, shall be held in escrow by the Monitor and be distributed by the Monitor once the Letter of Instruction is received with appropriate information after the Newco Common Shares Standstill Period. The Monitor shall exercise reasonable steps in its discretion to obtain any missing Letter of Instruction or to determine any missing information contained therein.

#### ***Distribution Mechanics – Trading Platform***

It is a condition of the HII/Shareco Plan that the Trading Platform shall have confirmed in writing the admission to trading of the Newco Common Shares on the Trading Platform. It is currently expected that Newco will make an application to trade the Newco Common Shares on NPEX. There can be no assurance that NPEX will be the Trading Platform.

If the Newco Common Shares are admitted to trading on NPEX, Newco or its agent, as applicable (at the expense of HII), will cause NPEX to make the required entries recording the total number of Newco Common Shares that are to be issued to all Affected Creditors (other than Convenience Class Creditors but including Catalyst in respect of Catalyst Affected Claims) with Proven Claims pursuant to and in accordance with the HII/Shareco Plan and to Catalyst (in respect of the Newco Common Shares in respect of which an Electing Creditor with a Proven Claim made a Newco Common Shares Cash-Out Option Election), and shall send to such Affected Creditor and Catalyst a DRS Transaction Advice to the address of such Affected Creditor specified in such Affected Creditor's Letter of Instruction. Affected Creditors (other than a Convenience Class Creditor) will need to open an NPEX account with NPEX Foundation where their interests in relation to the Newco Common Shares will be held.

With respect to Disputed Claims (other than Convenience Class Claims), Newco or its agent, as applicable, will cause NPEX to record in its electronic trading system the total number of Newco Common Shares or depositary receipts issued in respect of such Newco Common Shares that are to be issued to the Monitor or its designate in respect of such Disputed Claims of Affected Creditors whether or not they are Electing Creditors, and that are to be contributed to the Disputed Claims (Newco Shares) Reserve. Newco or its agent, as applicable, will deliver to the Monitor a DRS Transaction Advice in respect of such distributions.

All Newco Common Shares shall in fact be held in the manner appropriate to the Trading Platform to give effect to the Newco Common Shares Standstill Period, such manner of holding to be agreed to by HII, Stichting Homburg Bonds and Catalyst, acting reasonably, and the Monitor. Such Newco Common Shares shall be delivered to the proper recipients thereof upon the expiration of the Newco Common Shares Standstill Period in accordance with the HII/Shareco Plan.

#### ***Distribution Mechanics – Cash Pool***

On the Plan Implementation Date, HII and Shareco will deliver the Cash Pool to the Monitor by way of wire transfer in accordance with the wire transfer instructions provided by the Monitor. The Monitor will hold the Cash Pool in escrow in a separate interest-bearing account, being the Cash Pool Account, for distributions to Affected Creditors with Proven Claims and Disputed Claims (to the extent such Disputed Claims subsequently become Proven Claims).

On the Initial Distribution Date and/or one or more subsequent Distribution Dates as may be set by the Monitor from time to time, the Monitor shall make a distribution from the Cash Pool to each Convenience Class Creditor with a Proven Claim in an amount equal to their Cash Elected Amount. Following such distributions on the Initial Distribution Date or such

subsequent Distribution Date, as applicable, the Monitor shall make a distribution from the Cash Pool to all other Affected Creditors with a Proven Claim in an amount that, together with any distributions previously made on account of such Affected Claims, is equal to such Affected Creditor's Pro Rata Share of the Cash Pool.

All such distributions will be made by way of wire transfer to the bank account and IBAN number provided by such Affected Creditor or cheque sent by prepaid ordinary mail to the address for and payable to such Affected Creditor, each as particularly specified in the Convenience Class Claim Declaration, Proxy or Letter of Instruction filed by or on behalf of such Affected Creditor, as applicable. In the absence thereof, the Monitor will send a cheque to the address listed in such Affected Creditor's Proof of Claim.

Affected Creditors with a Proven Claim that is a Corporate Bond Claim or a Mortgage Bond Claim will receive a distribution from the Cash Pool (after distributions to Convenience Class Creditors) in the amount of its Pro Rata Share of the Cash Pool that is net of an amount equal to each such holder's Pro Rata Share of the Stichting Advances.

#### ***Distribution Mechanics – Asset Realization Cash Pool***

The Monitor shall hold the Non-Core Business Asset Notes on behalf of the Affected Creditors (other than Convenience Class Creditors) with Proven Claims until such time as the Asset Realization Cash Pool has been distributed in full by the Monitor.

The Asset Realization Cash Pool shall be distributed by the Monitor, on behalf of and for the account of HII, on a Distribution Date as follows: (i) each Affected Creditor (other than a Convenience Class Creditor) with a Proven Claim shall receive a distribution by the Monitor from the Asset Realization Cash Pool in the amount of its Pro Rata Share of such Asset Realization Cash Pool in accordance with the Letter of Instruction or Proxy filed by or on behalf of such Affected Creditor (or in the absence thereof in accordance with such Affected Creditor's Proof of Claim); and (ii) upon each distribution on a Distribution Date, the amounts evidenced under each of the Non-Core Business Asset Notes shall be reduced by the amounts of such distributions to such Affected Creditors.

#### **Reserves**

##### ***The Administrative Reserve***

On the Plan Implementation Date, HII and Shareco will deliver an amount of Cash equal to the Administrative Reserve Costs to the Monitor by way of wire transfer in accordance with the wire transfer instructions provided by the Monitor. Such amounts will be contributed by the Monitor to and shall form the Administrative Reserve which will be held by the Monitor in a separate Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs.

Any remaining balance in the Administrative Reserve Account on the Final Distribution Date will be contributed by the Monitor to the Cash Pool for distribution to Affected Creditors with Proven Claims and Disputed Claims (to the extent such Disputed Claims subsequently become Proven Claims).

The Monitor and its legal counsel and advisors, as well as the legal counsel and advisors to the HII Entities, will be remunerated out of the Administrative Reserve, such reserve to be approved by the Court pursuant to the HII/Shareco Sanction and Vesting Order. The Monitor will periodically report to the Court as to its receipts and disbursements in connection with the implementation of the HII/Shareco Plan, including the quantum of such legal and advisory fees and expenses. Such reports will also address, *inter alia*, the recovery amounts derived from the liquidation or sale of the Non-Core Business Assets to date and the status of the pursuit of Litigation Claims, if any, for the benefit of Affected Creditors. The Court will continue to retain oversight over the foregoing as part of the CCAA Proceedings.

On the Plan Implementation Date, the Monitor shall continue to hold the KERP Fund for payment in accordance with the KERPS and shall pay the KERPS to the holders of proven KERP Claims in accordance with their entitlements.

##### ***Disputed Claims (Cash) Reserve***

On the Plan Implementation Date, HII and Shareco will deliver the Disputed Claims (Cash) Reserve to the Monitor by way of wire transfer in accordance with the wire transfer instructions provided by the Monitor. The Disputed Claims (Cash) Reserve will be held in trust by the Monitor in a separate Disputed Claims Reserve Account for the purpose of paying amounts to Affected Creditors in respect of their Disputed Claims which have become Proven Claims in accordance with the HII/Shareco Plan, the Claims Process Order and the HII/Shareco Meeting Order. On the Final Distribution Date, any remaining balance in the Disputed Claims (Cash) Reserve (once all Disputed Claims have been finally determined) will be contributed by the Monitor to the Cash Pool for distribution to Affected Creditors with Proven Claims and Disputed Claims (to the extent such Disputed Claims subsequently become Proven Claims).

##### ***Disputed Claims (Cash-Out) Reserve***

On the Plan Implementation Date, the Monitor shall segregate the Disputed Claims (Cash-Out) Reserve and shall hold the Disputed Claims (Cash-Out) Reserve in the Disputed Claims (Cash-Out) Reserve Account for the purpose of paying



amounts to Electing Creditors in respect of the portion of their Disputed Claims, if any, which have become Proven Claims within twelve (12) months following the Plan Implementation Date in accordance with the Plan, the Claims Process Order and the HII/Shareco Meeting Order.

If a Disputed Claim of an Electing Creditor is finally determined in accordance with the Claims Process Order, the HII/Shareco Plan, and the HII/Shareco Meeting Order prior to the expiry of such twelve (12) month period following the Plan Implementation Date, then (i) the Monitor shall make the appropriate adjustment to the Cash-Out Pool and to the Disputed (Cash-Out) Reserve, on prior written notice to Catalyst, (ii) the Monitor shall make a disbursement to such Electing Creditor in respect of its Proven Claims under “*Distribution Mechanics – Cash-Out Pool*” and Catalyst shall become entitled to receive from the Monitor those Newco Common Shares in respect of which such Electing Creditor was otherwise entitled in accordance with the HII/Shareco Plan. See “*Distribution Mechanics – Newco Common Shares*”, and (iii) the Monitor shall make any further disbursement from the Cash-Out Pool to such Electing Creditor in respect of its Proven Claim, and Catalyst shall become entitled to receive from the Monitor those Newco Common Shares in respect of which such Electing Creditor was otherwise entitled, and any corresponding adjustment referenced above.

If a Disputed Claim of an Electing Creditor for which a Newco Common Shares Cash-Out Option Election has been made does not become a Proven Claim in whole or in part within the twelve (12) month period following the Plan Implementation Date, any such election shall be null and void under the Plan and such Affected Creditor shall not be treated as an Electing Creditor under the Plan. The Monitor and Catalyst will make any appropriate adjustments to the Newco Common Shares Cash-Out Price.

Within thirty (30) days following final determination by the Monitor of the Aggregate Newco Common Shares Final Cash-out Amount, the Monitor shall pay to Catalyst the Catalyst Investment Adjustment Amount, if any.

#### ***Litigation Reserve***

On the Plan Implementation Date, HII and Shareco will deliver the Litigation Reserve to the Monitor by way of wire transfer in accordance with the wire transfer instructions provided by the Monitor. The Litigation Reserve will be held in trust by the Monitor in a separate Litigation Reserve Account for the purpose of paying Litigation Reserve Costs. Any remaining balance in the Litigation Reserve Account on the Final Distribution Date will be contributed by the Monitor with the approval of the Liquidation Advisory Committee to the Cash Pool for distribution to Affected Creditors (other than Convenience Class Creditors) with Proven Claims and Disputed Claims (to the extent such Disputed Claims subsequently become Proven Claims).

#### ***Disputed Claims (Newco Shares) Reserve***

On the Plan Implementation Date, the Monitor will establish the Disputed Claims (Newco Shares) Reserve from the Newco Common Shares issued to the Monitor or its designate pursuant to and in accordance with the HII/Shareco Plan. The Disputed Claims (Newco Shares) Reserve will be held by the Monitor on behalf of and for the purposes of distributing such Newco Common Shares to Affected Creditors (other than Convenience Class Creditors or Electing Creditors) whose Disputed Claims become Proven Claims in accordance with the HII/Shareco Plan, the Claims Process Order and the HII/Shareco Meeting Order. The Monitor or its designate will hold the Newco Common Shares issued to it on the Initial Distribution Date in respect of an Affected Creditor’s Disputed Claim pursuant to the HII/Shareco Plan and will have no authority to transfer Newco Common Shares to any Person other than in accordance with the HII/Shareco Plan. The Monitor or its designate shall have no personal liability relating to holding the Newco Common Shares in the Disputed Claims (Newco Shares) Reserve, including without limitation for any loss arising out of fluctuations in the market value of the Newco Common Shares while held in the Disputed Claims (Newco Shares) Reserve, other than its obligation to transfer shares from the Disputed Claims (Newco Shares) Reserve pursuant to and in accordance with the HII/Shareco Plan. The Monitor or its designate shall not exercise any voting rights in respect of the Newco Common Shares. Any remaining Newco Common Shares in respect of all or part of a Disputed Claim that is determined to not be a Proven Claim that are not distributed from the Disputed Claims (Newco Shares) Reserve will be transferred at that time by the Monitor or its designate to Newco for cancellation for no consideration (such cancelled shares the “**Cancelled Newco Common Shares**”).

#### ***Disputed Claims (Asset Realization) Reserve***

The Monitor will establish the Disputed Claims (Asset Realization) Reserve from the Non-Core Business Asset Net Proceeds in an amount equal to the aggregate of each Pro Rata Share of any remaining Affected Creditors (other than Convenience Class Creditors) holding Disputed Claims. The Disputed Claims (Asset Realization) Reserve will be held in trust by the Monitor in the Disputed Claims Reserve Account for the purpose of paying amounts to such Affected Creditors whose Disputed Claims become Proven Claims in accordance with the HII/Shareco Plan, the Claims Process Order and the HII/Shareco Meeting Order.

#### ***Reserve Adjustments***

The Monitor may from time to time increase the Cash Reserves 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.

### **Pre-Plan Implementation Date Transactions**

The HII/Shareco Plan contemplates that the following series of pre-Plan Implementation Date steps shall occur prior to the Effective Time as a condition precedent to implementation of the HII/Shareco Plan, certain of which steps may have already occurred or may be approved by the HII/Shareco Sanction and Vesting Order prior to the Plan Implementation Date:

#### ***Incorporation of Newco and Newco Subsidiaries***

- (a) HII will lend €225,000 to the Incorporation Foundation, the loan proceeds of which will be used by the Incorporation Foundation to subscribe for the initial share capital of Newco.
- (b) The Incorporation Foundation will incorporate Newco under the laws of the Netherlands by subscribing for preference shares for the subscription price of €225,000.
- (c) Newco shall have such characteristics (including capital structure protective measures and governance) as shall be appropriate in view of its size, the Trading Platform on which its shares are traded and its activities and as shall protect Newco and its stakeholders against undue interference, all in accordance with Applicable Law.
- (d) Newco shall adopt such governance policies and measures as are necessary to comply with (A) the Alternative Investment Fund Managers Directive and the regulations thereunder, and (B) the Dutch Corporate Governance Code, to the extent that such compliance does not conflict with the terms of the Restated Catalyst Support Agreement or is otherwise unanimously agreed to by the Newco Initial Supervisory Board.
- (e) Newco shall incorporate two subsidiaries to receive the Core GP Assets.
- (f) For greater certainty, if the Restated Catalyst Support Agreement is validly terminated prior to the Plan Implementation Date, Catalyst shall have no representation on the Newco Initial Supervisory Board or the Newco Management Board.

#### ***Collapsing of BV Preferred Share Structure***

- (g) Each BV Preferred Shareholder will transfer its preferred shares of a Core BV to its respective co-shareholder Homco other than the BV Preferred Shareholders of Coët BV and Valbonne 2 BV.
- (h) Hofer Corporation NV will transfer its preferred shares of Valbonne 2 BV to Stichting Coeval.
- (i) Torvel BV will transfer its preferred shares of Coët BV to Stichting Coeval.

#### ***Voluntary Bankruptcies***

- (j) In their discretion, HII and the Monitor may determine whether any Homburg Group Member is an Insolvent Person, and will cause it to file an assignment into bankruptcy under the BIA or similar step under foreign bankruptcy legislation, naming Deloitte or any other Person as Trustee in Bankruptcy as applicable.

#### ***Core BV Upstream Loans***

- (k) In their discretion, HII and the Monitor may determine to repay or satisfy a Core BV's intercompany loans or advances owing from its sole common shareholder Core Homco, including without limitation by way of return of capital, dividend in kind, payment, set-off and forgiveness of debt.

#### ***HII Downstream Loans***

- (l) In their discretion, HII and the Monitor may determine to convert HII downstream loans or advances owing from Core Homcos into units of such Core Homcos.

#### ***Information Circular***

- (m) HII will prepare this Information Circular and will cause this Information Circular to be sent or otherwise made available to Affected Creditors in accordance with the HII/Shareco Meeting Order and any other Persons as may be required by the Court or under Applicable Law.

### **Plan Implementation Transactions**

The HII/Shareco Plan contemplates a series of steps leading to an overall reorganization of the HII Group Entities. Each of the following transactions contemplated by and provided for under the HII/Shareco Plan will take effect, and will be deemed to take effect, on the Plan Implementation Date beginning at the Effective Time. To the extent that any of these steps change, HII and Shareco shall provide to the Monitor one or more Plan Transactions Notices, which shall be posted on the Website prior to the Plan Implementation Date. All of the actions, documents and agreements necessary to implement all of the following transactions, as amended by any Plan Transactions Notice, must be in place and be final and irrevocable prior to

the Effective Time and will then be held in escrow and will be released and deemed to take effect in the order specified below, as amended by any Plan Transactions Notice, without any further act or formality:

A. Phase One

***Homco 69 LP and Homco 70 LP: BV Preferred Share Structure***

- (a) HII and the Monitor will determine prior to the Plan Implementation Date that the Plan Transaction Steps will include one of the following two transactions, which will be deemed to occur in the sequence herein provided:

(A) Amendment of BV Preferred Shares

- (i) HII (69) GP Inc. on behalf of Homco 69 LP will agree with Stichting Coeval to amend article 28.4 of the articles of association of Valbonne 2 pursuant to which the aggregate liquidation entitlement of the 1,200 preferred shares of Valbonne 2 held by Stichting Coeval will be increased to an amount up to but not exceeding €50,000, in consideration for which Stichting Coeval will pay to Homco 69 LP a cash amount up to but not exceeding €50,000.
- (ii) As approved by shareholders' resolution, the articles of association of Valbonne 2 will be amended to reflect the increased liquidation entitlement of the preferred shares.
- (iii) In satisfaction of the cash consideration payable as described in paragraph (i), Stichting Coeval will issue an interest-bearing promissory note payable to Homco 69 LP in the principal amount of such cash consideration ("**Homco 69 Note A**").
- (iv) HII (70) GP Inc. on behalf of Homco 70 LP will agree with Stichting Coeval to amend article 28.4 of the articles of association of Coët BV pursuant to which the aggregate liquidation entitlement of the 1,080 preferred shares of Coët BV held by Stichting Coeval will be increased to an amount up to but not exceeding €50,000, in consideration for which Stichting Coeval will pay to Homco 70 LP a cash amount up to but not exceeding €50,000.
- (v) As approved by shareholders' resolution, the articles of association of Coët BV will be amended to reflect the increased liquidation entitlement of the preferred shares.
- (vi) In satisfaction of the cash consideration payable as described in paragraph (iv), Stichting Coeval will issue an interest-bearing promissory note payable to Homco 70 LP in the principal amount of such cash consideration ("**Homco 70 Note A**").

or

(B) Sale of BV Ordinary Shares

- (vii) HII (69) GP Inc. on behalf of Homco 69 LP will sell and transfer 956 of the 18,800 issued and outstanding ordinary shares of Valbonne 2 to Stichting Coeval for fair market value consideration.
- (viii) In satisfaction of the fair market value consideration payable in (i), Stichting Coeval will issue to Homco 69 LP an interest-bearing promissory note in the principal amount equal to the sale price (the "**Homco 69 Note B**").
- (ix) As approved by shareholders' resolution, all of the 1,260 issued and outstanding preferred shares of Valbonne 2 held by Stichting Coeval will be cancelled.
- (x) HII (70) GP Inc. on behalf of Homco 70 LP will sell and transfer 860 of the 16,920 issued and outstanding ordinary shares of Coët BV to Stichting Coeval for fair market value consideration.
- (xi) In satisfaction of the fair market value consideration in (x), Stichting Coeval will issue to Homco 70 LP an interest-bearing promissory note in the principal amount equal to the sale price (the "**Homco 70 Note B**").
- (xii) As approved by shareholders' resolution, all of the issued and outstanding preferred shares of Coët BV held by Stichting Coeval will be cancelled.

***Homburg US Transactions***

- (b) HII will incorporate HII US Subco under the NSCA and HII will subscribe for ten (10) common shares of HII US Subco for CDN\$10.
- (c) Homburg US shall issue to HII the Homburg US Intercompany Loan Note (Value) as partial payment of the Homburg US Intercompany Loan (the balance of such loan being the Homburg US Intercompany Loan (No Value));
- (d) HII will transfer the Homburg US Intercompany Loan (No Value) to HII US Subco for that number of additional common shares of HII US Subco equal to the fair market value of the Homburg US Intercompany Loan (No Value).

- (e) HII will transfer its common shares of HII US Subco to Homburg US in consideration for that number of additional shares of Homburg US equal to the fair market value of such transferred common shares.
- (f) HII US Subco will be wound up into Homburg US pursuant to section 137 of the NSCA, and the Homburg US Intercompany Loan (No Value) will be deemed to be extinguished.
- (g) For greater certainty, the Homburg US Intercompany Loan Note (Value) shall remain owing by Homburg US to HII.

***Intercompany Amalgamations – Shareco and Amalgamating Cancos***

- (h) Each of Shareco, Homburg Invest USA and Swiss Bondco will be exported from the NSCA and imported to Alberta under the ABCA.
- (i) The stated capital accounts for Shareco and each Amalgamating Cancos shall be and shall be deemed to be reduced to zero for no consideration.
- (j) Shareco and each Amalgamating Cancos will collectively undertake a short form vertical amalgamation pursuant to section 184 of the ABCA with HII and will continue as amalgamated HII, and the Continuing Directors will be deemed to be the Directors of amalgamated HII, and the Shareco Creditor Claims and the Amalgamating Cancos Creditor Claims shall be assumed by amalgamated HII, and only the Amalgamating Cancos Creditor Claims will be Unaffected Claims.
- (k) HII shall file Articles of Amalgamation to give effect to the short form vertical amalgamation of Shareco and each Amalgamating Cancos with HII as more particularly set out above, with the name of the amalgamated entity to be a corporate number assigned under the ABCA;
- (l) The Continuing Directors will have and be deemed to have the benefit of the Directors' Charge in connection with their serving as Directors of amalgamated HII and the Directors' Charge shall be deemed to attach to the property of amalgamated HII.

***Homburg Baltic Luxembourg Continuance***

- (m) Homburg Baltic will be exported from the NSCA and imported into Luxembourg under Luxembourg's Commercial Companies' Act, 1915.

***BV Intercompany Loans***

- (n) Homco 69 LP shall be deemed to repay the principal amount of the Homco 69 LP Valbonne 2 BV Intercompany Loan as follows:
  - (i) Valbonne 2 BV shall declare to Homco 69 LP a dividend in an amount equal to the principal amount of the Homco 69 LP Valbonne 2 BV Intercompany Loan, such dividend to be paid by a demand promissory note in like amount.
  - (ii) Homco 69 LP and Valbonne 2 BV shall be deemed to set off the amount of the above demand promissory note against the principal amount of the Homco 69 LP Valbonne 2 BV Intercompany Loan and both obligations shall be deemed to be and shall be extinguished.
  - (iii) Valbonne 2 BV shall forgive the accrued and unpaid interest owing by Homco 69 LP on the Homco 69 LP Valbonne 2 BV Intercompany Loan.
- (o) Homco 70 LP shall be deemed to repay the principal amount of Homco 70 LP Coët BV Intercompany Loan as follows:
  - (i) Coët BV shall declare to Homco 70 LP a dividend in an amount equal to the principal amount of the Homco 70 LP Coët BV Intercompany Loan, such dividend to be paid by a demand promissory note in like amount.
  - (ii) Homco 70 LP and Coët BV shall be deemed to set off the amount of the above demand promissory note against the principal amount of the Homco 70 LP Coët BV Intercompany Loan and both obligations shall be deemed to be and shall be extinguished.
  - (iii) Coët BV shall forgive the accrued and unpaid interest owing by Homco 70 LP on the Homco 70 LP Coët BV Intercompany Loan.
- (p) Homco 86 LP shall be deemed to repay the principal amount of the Homco 86 LP Homco 86 BV Intercompany Loan as follows:
  - (i) Homco 86 BV shall convert its share premium into legal stated capital.
  - (ii) Homco 86 BV shall make a return of capital to Homco 86 LP in an amount equal to the principal amount of the Homco 86 LP Homco 86 BV Intercompany Loan, such return of capital to be paid by a demand promissory note in like amount.

- (iii) Homco 86 LP and Homco 86 BV shall be deemed to set off the amount of the above demand promissory note against the principal amount of the Homco 86 LP Homco 86 BV Intercompany Loan and both obligations shall be deemed to be and shall be extinguished.
- (iv) Homco 86 BV shall forgive the accrued and unpaid interest owing by Homco 86 LP on the Homco 86 LP Homco 86 BV Intercompany Loan.
- (q) Homco 87 LP shall be deemed to repay the principal amount of the Homco 87 LP Homco 87 BV Intercompany Loan as follows:
  - (i) Homco 87 BV shall convert its share premium into legal stated capital.
  - (ii) Homco 87 BV shall make a return of capital to Homco 87 LP in an amount equal to the principal amount of the Homco 87 LP Homco 87 BV Intercompany Loan, such return of capital to be paid by a demand promissory note in like amount.
  - (iii) Homco 87 LP and Homco 87 BV shall be deemed to set off the amount of the above demand promissory note against the principal amount of the Homco 87 LP Homco 87 BV Intercompany Loan and both obligations shall be deemed to be and shall be extinguished.
  - (iv) Homco 87 BV shall forgive the accrued and unpaid interest owing by Homco 87 LP on the Homco 87 LP Homco 87 BV Intercompany Loan.
- (r) Homco 110 LP shall be deemed to repay the principal amount of the Homco 110 LP Valbonne 5 BV Intercompany Loan as follows:
  - (i) Valbonne 5 BV shall convert its share premium into legal stated capital.
  - (ii) Valbonne 5 BV shall make a return of capital to Homco 110 LP in an amount equal to the principal amount of the Homco 110 LP Valbonne 5 BV Intercompany Loan, such return of capital to be paid by a demand promissory note in like amount.
  - (iii) Homco 110 LP and Valbonne 5 BV shall be deemed to set off the amount of the above demand promissory note against the principal amount of the Homco 110 LP Valbonne 5 BV Intercompany Loan and both obligations shall be deemed to be and shall be extinguished.
  - (iv) Valbonne 5 BV shall forgive the accrued and unpaid interest owing by Homco 110 LP on the Homco 110 LP Valbonne 5 BV Intercompany Loan.

***Newco Bond 5 Guarantee***

- (s) HII will issue the Newco Bond 5 Guarantee to Stichting Homburg Bonds.

***Newco becomes Co-Obligor***

- (t) Newco will enter into the Assumption Agreement and thereunder will become co-obligor with HII for the Newco Assumed Portion of Proven Claims and the Newco Assumed Portion of Disputed Claims and will waive any rights of or entitlement to contribution, indemnity or subrogation against HII in respect of the original obligations of HII so assumed by Newco, but for greater certainty such waiver will not affect the principal amount of the HII Co-obligation Note).
- (u) In consideration for Newco entering into the Assumption Agreement, HII will issue the HII Co-obligation Note in favour of Newco which will be deemed to be secured by the Newco Co-obligation Charge.
- (v) The aggregate amount of the Newco Assumed Portion of Proven Claims plus the Newco Assumed Portion of Disputed Claims and the amount outstanding under the HII Co-obligation Note will each be deemed to be equal to the Final Adjusted Newco Note Amount.

***Dissolution of Homco 190 LP, Homco 191 LP and Homco 199 LP***

- (w) The following steps will be taken prior to the dissolution of Homco 190 LP, Homco 191 LP and Homco 199 LP:

First Partial Repayment of the Homco 191 Loan and Homco 199 Loan

- (i) Homco 199 LP will be deemed to pay to Homco 191 LP the amount of the Homco 199 Cash Amount in a first partial repayment of the Homco 191 Loan and the Homco 191 Loan Promissory Note will be deemed to be reduced accordingly.
- (ii) Homco 191 LP will be deemed to make a return of capital to its sole limited partner, HII, in an amount equal to the Homco 199 Cash Amount.



- (iii) HII will be deemed to pay to Homco 199 LP an amount equal to the Homco 199 Cash Amount in a first partial repayment of the Homco 199 Loan and the Homco 199 Loan will be deemed to be reduced accordingly.

Second and Final Repayment of the Homco 191 Loan, First Partial Repayment of the Homco 190 Loan and Second Partial Repayment of the Homco 199 Loan

- (iv) Homco 199 LP will be deemed to pay to Homco 191 LP an amount equal to the remaining balance of the Homco 191 Loan in a second and final repayment of the Homco 191 Loan and the Homco 191 Loan Promissory Note will be deemed to be satisfied in its entirety and such note will be deemed to be cancelled.
- (v) Homco 199 LP will be deemed to pay to Homco 190 LP an amount equal to the Homco 199 Cash Amount less the amount of the final payment in step (v)(iv) above in a first partial repayment of the Homco 190 Loan and the Homco 190 Loan Promissory Note will be deemed to be reduced accordingly.
- (vi) Homco 190 LP will be deemed to make a return of capital to its sole limited partner, Homco 191 LP, in the amount equal to the partial repayment paid in step (v)(v) above.
- (vii) Homco 191 LP will be deemed to make a return of capital to its sole limited partner, HII, in an amount equal to the Homco 199 Cash Amount (being the aggregate of the amounts paid in steps (v)(iv) and (v)(v) above).
- (viii) HII will be deemed to pay to Homco 199 LP the amount equal to the Homco 199 Cash Amount (and being the aggregate of the amounts paid in steps (v)(iv) and (v)(v) above), in a second partial repayment of the Homco 199 Loan and the Homco 199 Loan will be deemed to be reduced accordingly.

Second and Final Repayment of the Homco 190 Loan and Third Partial Repayment of the Homco 199 Loan

- (ix) Homco 199 LP will be deemed to pay to Homco 190 LP an amount equal to the remaining balance of the Homco 190 Loan, in a second and final repayment of the Homco 190 Loan and the Homco 190 Loan Promissory Note will be deemed to be satisfied in its entirety and such not will be deemed to be cancelled.
- (x) Homco 190 LP will be deemed to make a return of capital to its sole limited partner, Homco 191 LP, in an amount equal to the amount paid in step (v)(ix) above.
- (xi) Homco 191 LP will be deemed to make a return of capital to its sole limited partner, HII, in an amount equal to the amount paid in step (v)(ix) above.
- (xii) HII will be deemed to pay to Homco 199 LP an amount equal to the amount paid in step (v)(ix) above, in a third partial repayment of the Homco 199 Loan and the Homco 199 Loan will be deemed to be reduced accordingly.

Fourth and Final Repayment of the Homco 199 Loan

- (xiii) Homco 199 LP will be deemed to make a return of capital to its sole limited partner, HII, in an amount equal to the Homco 199 Cash Amount.
- (xiv) HII will be deemed to pay Homco 199 LP in an amount equal to the Homco 199 Cash Amount (as paid in step (v)(xiii) above), as a fourth and final payment made in full satisfaction of the Homco 199 Loan and the Homco 199 Loan will be deemed to be satisfied in its entirety.
- (x) The steps in (v) above will be deemed to be executed or repeated (with as many conforming changes as may be necessary) as many times as is necessary based upon the amount of the Homco 199 Cash Amount, in order to repay the Homco 191 Loan, the Homco 190 Loan and the Homco 199 Loan in their entireties.
- (y) Each of Homco 190 LP, Homco 191 LP and Homco 199 LP will be deemed to be dissolved in accordance with its respective Limited Partnership Agreement and the NSLPA and its respective Notice to Cancel the Certificate of Limited Partnership will be filed and recorded in the office of the Registrar of Joint Stock Companies.
- (z) Upon the deemed dissolution of each of Homco 190 LP, Homco 191 LP and Homco 199 LP, their respective assets, including all Cash, will be deemed to be transferred to and vested in HII free and clear of all Encumbrances and their respective liabilities which shall be deemed to be assumed by HII, and such liabilities will be compromised under the HII/Shareco Plan.
- (aa) Each Homco GP of Homco 190 LP, Homco 191 LP and Homco 199 LP will be deemed to be dissolved and its Certificate of Dissolution filed and recorded in accordance with the NSCA.

***Treatment of Homco 61 Intercompany Claim***

- (bb) HII will set off the amount of the HII Loan against the amount of the Homco 61 Intercompany Claim. The unpaid balance owing on the Homco 61 Intercompany Claim will be the Homco 61 Net Intercompany Claim, which will constitute the sole Proven Claim of Homco 61 LP entitling Homco 61 LP to the HII Homco 61 Distribution and for greater certainty Homco 61 LP will have no other claim against HII including by subrogation or otherwise.

### ***Issuance of Newco Common Shares to Non-Corporate Creditors***

In the following section, where reference is made to the Monitor holding Newco Common Shares, it is holding same on behalf of Affected Creditors (other than Convenience Class Creditors) with Disputed Claims that are finally determined to be Proven Claims:

- (cc) Each Non-Corporate Creditor with a Non-Corporate Creditor Proven Claim (including, for greater certainty, Electing Creditors) will be deemed to subscribe for each such Non-Corporate Creditor's Pro Rata Share of Newco Common Shares, the entire subscription price for which will be deemed to be an amount equal to the Newco Assumed Portion of Non-Corporate Creditor Proven Claims.
- (dd) The Monitor or its designate in respect of the Non-Corporate Creditors with Disputed Claims (including, for greater certainty, Electing Creditors) based on the face value of such Disputed Claims or such lesser amount as will be determined by the Monitor, will be deemed to subscribe for each such Non-Corporate Creditor's Pro Rata Share of Newco Common Shares, the subscription price for which will be equal to the nominal amount of such Newco Common Shares.
- (ee) The Non-Corporate Creditors with Non-Corporate Creditor Proven Claims (including, for greater certainty, Electing Creditors) who are deemed to have subscribed for Newco Common Shares in paragraph (cc) above will be and will be deemed to be obligated to pay the subscription price for the Newco Common Shares set out in paragraph (cc) above.
- (ff) The Monitor or its designate will hold the Newco Common Shares subscribed for in paragraph (dd) above in the Disputed Claims (Newco Shares) Reserve.
- (gg) The obligation to pay the subscription price in paragraph (ee) by the Non-Corporate Creditors with Non-Corporate Creditor Proven Claims (including, for greater certainty, Electing Creditors) will be deemed to be satisfied in full by setting off such obligation against the Newco Assumed Portion of Non-Corporate Creditor Proven Claims, and such Newco Assumed Portion of Non-Corporate Creditor Proven Claims will be deemed to be paid in full and each Non-Corporate Creditor's Pro Rata Share of Newco Common Shares will become issuable to such Non-Corporate Creditors with Proven Claims in accordance with the HII/Shareco Plan.
- (hh) Newco shall be obligated to issue the Newco Common Shares subscribed for in paragraph (cc) above by the Non-Corporate Creditors with Proven Claims to such Non-Corporate Creditors and their obligation to pay the subscription price in paragraph (ee) above will be deemed to be satisfied in full by setting off both such obligations against the Newco Assumed Portion of Non-Corporate Creditor Proven Claims and such Newco Assumed Portion of Non-Corporate Creditor Proven Claims will be deemed to be paid in full in accordance with the HII/Shareco Plan.
- (ii) Newco will issue the Newco Common Shares subscribed for in paragraph (dd) above by the Monitor or its designate to the Monitor and the subscription price will be paid up out of the share premium reserve of Newco.
- (jj) The Newco Un-Assumed Portion of Non-Corporate Creditor Proven Claims will be deemed to be settled in accordance with the HII/Shareco Plan, in consideration for which such Non-Corporate Creditors (including, for greater certainty, Electing Creditors) will be entitled to receive in respect of such Newco Un-Assumed Portion of Non-Corporate Creditor Proven Claims, (i) their Pro Rata Share of the Cash Pool and (ii) their Pro Rata Share of the Asset Realization Cash Pool, on repayment of the Note A (Non-Corporate Creditor) principal amount.
- (kk) Newco shall issue the Newco Common Shares subscribed for above by Non-Corporate Creditors other than Electing Creditors to such Non-Corporate Creditors.
- (ll) Each Non-Corporate Creditor with a Non-Corporate Creditor Proven Claim who has elected the Newco Common Shares Cash-Out Option shall and shall be deemed to assign, transfer and sell its entitlement to its Pro Rata Share of the Newco Common Shares to which it is entitled pursuant to the above to Catalyst in consideration for its pro rata share of the Aggregate Newco Common Shares Cash-Out Price and such Electing Creditors shall direct Newco to issue and Newco shall issue, such Newco Common Shares to Catalyst in accordance with the Plan

### **B. Phase Two**

#### ***Acquisition of Control of HII***

##### Filing of Articles of Reorganization of HII

- (a) HII will file Articles of Reorganization under the ABCA and such Articles of Reorganization will be deemed to give effect to the following steps or transactions:
  - (i) HII's articles of amalgamation will be amended under the ABCA to create a new class of authorized HII New Common Shares.
  - (ii) To give effect to section (c) below, HII's articles of amalgamation will be amended under the ABCA to cancel the authorized HII Class A Shares, the authorized HII Class B Shares, the authorized HII Class A Preferred Shares and the authorized HII Class B Preferred Shares.

#### Newco Subscription for HII New Common Shares

- (b) Newco will subscribe for and HII will issue 100 HII New Common Shares to Newco for the subscription purchase price of CDN\$100. Such shares will be deemed to be validly issued and outstanding as fully paid and non-assessable on the Plan Implementation Date and an amount of CDN\$100 will be deemed to be added to the stated capital account for the HII New Common Shares.

#### Cancellation of Existing HII Shares

- (c) The outstanding HII Class A Shares and outstanding HII Class B Shares and all other outstanding equity securities of HII other than the HII New Common Shares will be deemed to be surrendered for cancellation and will be deemed to be cancelled without compensation, such deemed cancellation being deemed to have occurred immediately prior to the effectiveness of the amendment set out in paragraph (a)(ii) set out above.
- (d) The stated capital account for HII's Existing Authorized Capital will be deemed to be reduced to zero for no consideration.

#### ***Dissolution of Core Homcos and Transfer of Core Homco Assets to HII (other than Homco 86 LP and Homco 87 LP)***

- (e) Homco 110 LP will be deemed to repay the principal amount of the Homco 110 LP HII Intercompany Loan as follows:
  - (i) Homco 110 LP will satisfy the Homco 110 LP HII Intercompany Loan by transferring shares of Valbonne 5 BV with a value equal to the principal amount and accrued interest of the Homco 110 LP HII Intercompany Loan to HII, in full satisfaction of the Homco 110 LP HII Intercompany Loan.
- (f) Each Core Homco except for Homco 86 LP and Homco 87 LP will be deemed to be dissolved in accordance with its applicable Limited Partnership Agreement and the NSLPA and its respective Notice to Cancel the Certificate of Limited Partnership will be filed and recorded in the office of the Registrar of Joint Stock Companies will and will be deemed to cease to exist.
- (g) Upon such deemed dissolution, each Core Homco's Core Homco Assets (including the Homco 69 Note A, the Homco 70 Note A, the Homco 69 Note B and the Homco 70 Note B, as applicable) will be deemed to be transferred to and vested in HII free and clear of all Encumbrances except the Core Homco Creditor Claims, and its respective Core Homco Liabilities will be deemed to be assumed by HII and the Core Homco Creditor Claims will be Unaffected Claims.
- (h) Each Core Homco GP except for HII 86 GP and HII 87 GP will be deemed to be dissolved and its respective Certificate of Dissolution filed and recorded in accordance with the NSCA.

#### ***Issuance of Newco Common Shares to Corporate Creditors***

- (i) Each Corporate Creditor with a Corporate Creditor Proven Claim (including for greater certainty, Electing Creditors) will be deemed to subscribe for each such Corporate Creditor's Pro Rata Share of Newco Common Shares, the entire subscription price for which will be deemed to be an amount equal to the Newco Assumed Portion of Corporate Creditor Proven Claims.
- (j) The Monitor or its designate in respect of the Corporate Creditors with Disputed Claims (including for greater certainty Electing Creditors), based on the face value of such Disputed Claims or such lesser amount as will be determined by the Monitor, will be deemed to subscribe for each such Corporate Creditor's Pro Rata Share of Newco Common Shares, the subscription price for which will be equal to the nominal amount of such Newco Common Shares.
- (k) The Corporate Creditors with Corporate Creditor Proven Claims (including for greater certainty Electing Creditors) who are deemed to have subscribed for Newco Common Shares in paragraph (i) will be and will be deemed to be obligated to pay to Newco the subscription price for the Newco Common Shares in paragraph (i) above.
- (l) The Monitor or its designate will hold the Newco Common Shares subscribed for in paragraph (j) in the Disputed Claims (Newco Shares) Reserve.
- (m) The obligation to pay the subscription price in paragraph (k) above by the Corporate Creditors with Corporate Creditor Proven Claims (including for greater certainty Electing Creditors) will be deemed to be satisfied in full by setting off such obligation against the Newco Assumed Portion of Corporate Creditor Proven Claims, and such Newco Assumed Portion of Corporate Creditor Proven Claims will be deemed to be paid in full and each Corporate Creditor's Pro Rata Share of Newco Common Shares will become issuable to such Corporate Creditors with Proven Claims in accordance with the Plan.

- (n) Newco will be obligated to issue the Newco Common Shares subscribed for by the Corporate Creditors with Proven Claims in paragraph (i) above to such Corporate Creditors with Proven Claims, and the obligation of such Corporate Creditors to pay the subscription price in paragraph (k) above will be deemed to be satisfied in full by setting off both such obligations against the Newco Assumed Portion of Corporate Creditor Proven Claims and such Newco Assumed Portion of Corporate Creditor Proven Claims will be deemed to be paid in full in accordance with the HII/Shareco Plan.
- (o) Newco will issue the Newco Common Shares subscribed for in paragraph (j) above by the Monitor to the Monitor or its designate and the subscription price shall be paid up out of the share premium reserve of Newco.
- (p) The Newco Un-Assumed Portion of Corporate Creditor Proven Claims will be deemed to be settled in accordance with the HII/Shareco Plan, in consideration for which such Corporate Creditors will be entitled to receive in respect of such Newco Un-Assumed Portion of Corporate Creditor Proven Claims, (i) their Pro Rata Share of the Cash Pool and (ii) their Pro Rata Share of the Asset Realization Cash Pool, on repayment of the Note B (Corporate Creditor) principal amount.
- (q) Newco shall issue the Newco Common Shares subscribed for above by the Corporate Creditors other than Electing Creditors to such Corporate Creditors.
- (r) Each Corporate Creditor with a Corporate Creditor Proven Claim who has elected the Newco Common Shares Cash-Out Option shall and shall be deemed to assign, transfer and sell its entitlement to its Pro Rata Share of the Newco Common Shares to which it is entitled under paragraph (i) above to Catalyst in consideration for its *pro rata* share of the Aggregate Newco Common Shares Final Cash-Out Amount and such Electing Creditors shall direct Newco to issue, and Newco will issue such Newco Common Shares to Catalyst in accordance with the HII/Shareco Plan.

***Repayment of Newco Incorporation Loan***

- (s) Upon the issuance of Newco Common Shares to Affected Creditors with Proven Claims in accordance with the HII/Shareco Plan, Newco will repurchase the preference shares held by the Incorporation Foundation for the sum of €225,000 and the Incorporation Foundation will direct Newco to pay such amount to HII to repay the Newco Incorporation Loan on the Incorporation Foundation's behalf, following which payment the Newco Incorporation Loan Note will be cancelled.

***Transfer of Core Business Assets to Newco and Core GP Assets to Newco Subsidiaries***

- (t) HII shall contribute the Homco 86 LP HII Intercompany Loan to Homco 86 LP in exchange for additional limited partnership interests equal to the value of such loan.
- (u) HII shall contribute the Homco 87 LP HII Intercompany Loan to Homco 87 LP in exchange for additional limited partnership interests equal to the value of such loan.
- (v) HII 86 GP and HII 87 GP will transfer their respective Core GP Assets to the Newco Subsidiaries for CDN\$1,000 respectively and such interests will be deemed to be transferred to and will vest in the Newco Subsidiaries free and clear of all Encumbrances other than the Core Business Creditor Claims, and the Newco Subsidiaries will assume and be deemed to assume the HII 86 GP Liabilities and the HII 87 GP Liabilities (and for greater certainty, HII 86 GP and HII 87 GP will be deemed to have no liability in respect of such HII 86 GP Liabilities and HII 87 GP Liabilities, respectively).
- (w) Pursuant to and in accordance with the HII/Shareco Sanction and Vesting Order, HII will be deemed to transfer all of its right, title and interest in and to the Core Business Assets (other than the Core GP Assets) that it owns to Newco and such Core Business Assets will be deemed to be transferred to and will vest in Newco, free and clear of all Encumbrances other than the Core Business Creditor Claims, and where any Real Property Interest is being vested directly in Newco, Newco will assume and is deemed to assume the Core Homco Liabilities (and for greater certainty HII will be deemed to have no liability in respect of such Core Homco Liabilities).
- (x) As consideration for the transfer by HII to Newco in paragraph (j) above, Newco will issue the Newco Note to HII and assume HII's obligations under the Newco Bond 5 Guarantee and HII will be released from such obligations and the security relating to the Bond 5 Secured Claim will be deemed to be released and extinguished (and for greater certainty, the Bond 5 Unsecured Claim will remain as an obligation of HII to be compromised as an Affected Claim under the HII/Shareco Plan).
- (y) The amounts owing under the HII Co-Obligation Note and the Newco Note will be deemed to be set off and the obligations thereunder will be deemed to be satisfied in full and the HII Co-Obligation Note and the Newco Note will be deemed to be cancelled and the Newco Co-Obligation Charge will be deemed to be discharged.

***Dissolution of HII 86 GP and HII 87 GP***

- (z) HII 86 GP and HII 87 GP will be deemed to be dissolved and their respective Certificates of Dissolution will be filed and recorded in accordance with the NSCA.

### ***Receipt of Newco Common Shares and Cash by Monitor***

- (aa) Newco will issue to the Monitor or its designate to be held on behalf of the Affected Creditors (other than Convenience Class Creditors) with Disputed Claims that are finally determined to be Proven Claims that number of Newco Common Shares needed to establish the Disputed Claims (Newco Shares) Reserve.
- (bb) HII and Shareco will deliver to the Monitor the aggregate of all of their Cash together with the Cash Reserves.
- (cc) The Monitor will receive from HII and Shareco:
  - (i) the Administrative Reserve and will deposit same into the Administrative Reserve Account;
  - (ii) the Disputed Claims (Cash) Reserve and will deposit same into the Disputed Claims Reserve Account; and
  - (iii) the Litigation Reserve and will deposit same into the Litigation Reserve Account.
- (dd) The Monitor will receive the Cash Pool from HII and Shareco and will deposit same into the Cash Pool Account.

### ***Issuance of Non-Core Business Asset Notes and Liquidation/Realization of Non-Core Business Assets***

- (ee) HII will issue Note A (Non-Corporate Creditor) to the Monitor to hold on behalf of each of the Non-Corporate Creditors evidencing each Non-Corporate Creditor's Pro Rata Share of the Asset Realization Cash Pool, which will be repaid in full with the Asset Realization Cash Pool.
- (ff) HII will issue Note B (Corporate Creditor) to the Monitor to hold on behalf of each of the Corporate Creditors evidencing each Corporate Creditor's Pro Rata Share of the Asset Realization Cash Pool.
- (gg) Pursuant to the HII/Shareco Sanction and Vesting Order, the Affected Creditors' Charge will be created and deemed to secure, *inter alia*, HII's obligations to the Non-Corporate Creditors under Note A (Non-Corporate Creditor) and to the Corporate Creditors under the Note B (Corporate Creditor).
- (hh) HII will be deemed to enter into sole shareholder declarations assuming the management of the business and affairs of the Non-Core Business Entities that are corporations and the corporate general partners of the Non-Core Business Entities that are Homcos.

### ***Resignation of Directors***

- (ii) The Continuing Directors will and will be deemed to resign as Directors of amalgamated HII without requirement of further action on the part of such Continuing Directors. The Directors of the HII Group Entities, the Core Business Entities and the Non-Core Business Entities will and will be deemed to resign without requirement of further action on the part of such Directors.

### ***Payments by Monitor***

- (jj) The Monitor will pay:
  - (i) the following Administrative Reserve Costs from the Administrative Reserve on or after the Plan Implementation Date pursuant to the HII/Shareco Sanction and Vesting Order and the CCAA:
    - (A) all fees and disbursements owing as at the Plan Implementation Date to counsel to the HII Group Entities, the Monitor, and counsel to the Monitor;
    - (B) all amounts on account of Employee Priority Claims;
    - (C) all amounts on account of Government Priority Claims;
    - (D) all amounts on account of Cash Management Lender Claims;
    - (E) all amounts on account of the Post-Filing Trade Payables;
    - (F) the Bond 5 Secured Claim Cash Payment;
    - (G) the HSBC Secured Claim;
    - (H) Newco's costs incurred in respect of the issuance of the Newco Common Shares, including all financial advisory fees and expenses, legal fees and expenses, and fees and expenses paid to rating agencies;
    - (I) all amounts to be paid to Core Business Creditors in connection with the transfer of Core Business Assets, such amounts not to exceed in the aggregate €18,500,000.
    - (J) the costs of administration of the Homco 61 Plan;
    - (K) Bankruptcy Trustee Fees;



- (L) The reasonable fees and disbursements of members of the Liquidation Advisory Committee, in an amount to be agreed upon by such members and the Monitor;
- (M) The reasonable winding-up costs and expenses of Stichting Homburg Bonds, such amounts not to exceed CDN\$35,000; and
- (ii) from the KERP Fund, all amounts owing to Persons on account of their KERP Claims.

***Distributions***

- (kk) The Monitor will on behalf of HII and Shareco hold, maintain and administer:
  - (i) the Cash Pool, the Asset Realization Cash Pool and the Cash Reserves, and will hold same in escrow for the benefit of the Affected Creditors with Proven Claims, for distribution in accordance with the HII/Shareco Plan;
  - (ii) the Non-Core Business Asset Notes; and
  - (iii) the Disputed Claims (Newco Share) Reserve in accordance with the HII/Shareco Plan, which will be held by the Monitor or its designate for the benefit of the Affected Creditors (other than Convenience Class Creditors) with Disputed Claims, to the extent that their Disputed Claims become Proven Claims, for distribution in accordance with the HII/Shareco Plan.

***Directors Charge***

- (ll) The Continuing Directors shall have and be deemed to have the benefit of the Directors' Charge in connection with their serving as Directors of amalgamated HII, and the Directors' Charge shall be deemed to attach to the property, assets and undertaking of amalgamated HII under and in accordance with the HII/Shareco Plan (but for greater certainty shall not attach to the Core Business Assets vested in Newco).
- (mm) The Directors' Charge shall be and shall be deemed to be discharged immediately following the resignation of the last Continuing Director and for greater certainty the Directors' Charge shall survive the Plan Implementation Date until such last resignation.

***Plan Charges***

- (nn) The HII/Shareco Sanction and Vesting Order will provide for the Plan Charges to be created on and to survive the Plan Implementation Date in the order of priority set out in the HII/Shareco Plan.

***Compromise and Release***

- (oo) The compromises with the Affected Creditors and the release of the Released Parties referred to in Article 11 of the HII/Shareco Plan will become effective in accordance with the HII/Shareco Plan.

**Conditions to the HII/Shareco Plan Becoming Effective**

The following are the conditions to the HII/Shareco Plan being effective:

- (pp) All of the transactions described under the heading "*Description of the HII/Shareco Plan – Pre-Plan Implementation Date Transactions*" shall have been effected in their entirety.
- (qq) 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.
- (rr) The HII/Shareco Meeting Order shall have been granted by the Court.
- (ss) 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.
- (tt) 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 transactions described under the heading "*Description of the HII/Shareco Plan – Plan Implementation 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.

- (uu) 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.
- (vv) The HII/Shareco Plan shall have been approved by the Required Majority of the Affected Creditors in the Unsecured Creditors' Class at the HII/Shareco Creditors' Meeting.
- (ww) 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.

## Implementation

Assuming the HII/Shareco Sanction and Vesting Order is granted and the other conditions to closing contained in the HII/Shareco Plan are satisfied or waived, it is anticipated that the following will occur substantially simultaneously: the various documents necessary to consummate the Reorganization Transaction will be executed and delivered and the transactions provided for in the HII/Shareco Plan (as amended by any Plan Transactions Notices) will occur in the order indicated. See "*Description of the HII/Shareco Plan – Plan Implementation Transactions*".

## Releases

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.

Given the foregoing, on the Plan Implementation Date, the Named Directors, as well as HII, Shareco, Homco 190 LP, Homco 191 LP, and Homco 199 LP, and their respective employees (including the Named Officers serving as a legal representative of HII at the request of HII), legal counsel and agents (individually, an "**HII Released Party**") will be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Creditor, Affected Creditor or other Person may be entitled to assert, including any and all Claims in respect of the payment and receipt of proceeds and statutory liabilities of the Named Directors and employees of the HII Released Parties and any alleged fiduciary or other duty (whether such employees are acting as a Director, member or employee), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the later of the Plan Implementation Date and the date on which actions are taken to implement the HII/Shareco Plan that are in any way relating to, arising out of or in connection with the Claims, the Business whenever or however conducted, the HII/Shareco Plan, the CCAA Proceedings, any Claim that has been barred or extinguished by the Claims Process Order and all Claims arising out of such actions or omissions will be forever waived and released (other than the right to enforce the HII Entities' obligations under the HII/Shareco Plan or any related document), all to the full extent permitted by Applicable Law, provided that nothing in the HII/Shareco Plan will release or discharge (A) any HII Released Party if such HII Released Party is judged by the expressed terms of a judgment rendered on a final determination on the merits to have committed criminal, fraudulent or other wilful misconduct, or (B) the Named Directors with respect to matters set out in section 5.1(2) of the CCAA.

In addition, on the Plan Implementation Date, 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. (collectively, the "**Foundation Entities**"), the Monitor, Deloitte, and their respective directors (including current directors), officers, employees, advisors, legal counsel and agents (individually, a "**Non-HII Released Party**" and together with the HII Released Parties, the "**Released Parties**") will be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Creditor, Affected Creditor or other Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the later of the Plan Implementation Date and the date on which actions are taken to implement the HII/Shareco Plan that are in any way relating to, arising out of or in connection with the Claims, the Business whenever or however conducted, the HII/Shareco Plan, the CCAA Proceedings, any Claim that has been barred or extinguished by the Claims Process Order and all Claims arising out of such actions or omissions will be forever waived and released (other than the right to enforce the HII Entities' obligations under the HII/Shareco Plan or any related document), all to the full extent permitted by Applicable Law, provided that nothing in the HII/Shareco Plan will release or discharge (A) any Non-HII Released Party if such Non-HII Released Party is judged by the expressed terms of a judgment rendered on a final determination on the merits to have committed criminal, fraudulent or other wilful misconduct, or (B) any of the Foundation Entities or their respective directors or officers (other than the Named Directors and for greater certainty, current directors), employees, advisors, legal counsel and agents retained or employed prior to the HII Filing Date for any Claims in existence or relating to any period prior to the HII Filing Date.

### **Modification of the HII/Shareco Plan**

HII and Shareco reserve the right, at any time and from time to time, with the consent of the Monitor and Catalyst, acting reasonably, both prior to and during the HII/Shareco Creditors' Meeting or after the HII/Shareco Creditors' Meeting, to amend, restate, modify and/or supplement the HII/Shareco Plan; provided (i) if made prior to or at the HII/Shareco Creditors' Meeting, such amendment, restatement, modification or supplement shall be communicated to the Affected Creditors in the manner required by the HII/Shareco Meeting Order, and (ii) if made following the HII/Shareco Creditors' Meeting, such amendment, restatement, modification or supplement shall be approved by the Court following notice to the Affected Creditors.

Notwithstanding the foregoing, any amendment, restatement, modification or supplement to the HII/Shareco Plan may be made by HII and Shareco with the consent of Catalyst acting reasonably and the Monitor, or pursuant to an Order, at any time and from time to time, provided that it concerns a matter which, in the opinion of HII and Shareco, acting reasonably, is of an administrative nature required to better give effect to the implementation of the HII/Shareco Plan and the HII/Shareco Sanction and Vesting Order or to cure any errors, omissions or ambiguities and is not materially adverse to the financial or economic interests of the Affected Creditors.

Any amended, restated, modified or supplementary plan or Plans filed with the Court and, if required by this section, approved by the Court, shall, for all purposes, be and be deemed to be a part of, and incorporated, in the HII/Shareco Plan.

### **Effect of HII/Shareco Plan Generally and Prosecution of Judgments**

Upon completion of the steps in the sequence set forth in the HII/Shareco Plan, the HII/Shareco Plan will constitute a full, final and absolute settlement, and a release, extinguishment and discharge of all indebtedness, liabilities of or in respect of all Affected Claims and Equity Claims. From and after the completion of the steps to be taken at the Effective Time as set out in the HII/Shareco Plan, no step or proceeding may be taken in respect of any Claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged, compromised or terminated pursuant to the HII/Shareco Plan and any such proceedings will be deemed to have no further force or effect against HII or Shareco or any of their assets and will be released, discharged, dismissed or vacated without cost to HII or Shareco. HII and Shareco may apply to the Court or to any court of competent jurisdiction to obtain a discharge or dismissal, if necessary, of any such proceedings without notice to the holder of the Affected Claim or Equity Claim.

### **Implications of Failure to Approve or Implement the HII/Shareco Plan**

The HII Group Entities are insolvent and are unable to meet their debt and other obligations as they become due. If the HII/Shareco Plan is not approved by the Affected Creditors as required at the HII/Shareco Creditors' Meeting, subject to the terms of the current Stay of Proceedings under the CCAA, Creditors of the HII Group Entities will have the right to take steps to exercise their respective rights and remedies against the assets and property of the HII Group Entities. There can be no assurance that another plan of arrangement will be submitted to Affected Creditors. Affected Creditors should refer to the section titled "*Risk Factors – Risk Factors Relating to Non-Implementation of the Plans*".

## **DESCRIPTION OF THE HOMCO 61 PLAN**

**The following is a summary only of certain material terms of the Homco 61 Plan. Homco 61 Creditors are urged to read the Homco 61 Plan as well as the HII/Shareco Plan in their entirety. A copy of the Homco 61 Plan is attached as Appendix "G" to this Information Circular.**

**THE HOMCO 61 PLAN REMAINS SUBJECT TO CHANGE AND ANY CHANGE TO THE HOMCO 61 PLAN MAY BE MATERIAL. AS A RESULT, INFORMATION CONTAINED IN THIS INFORMATION CIRCULAR MAY NOT BE COMPLETE AND MAY HAVE TO BE SUPPLEMENTED OR AMENDED. SUPPLEMENTS OR AMENDMENTS TO THIS INFORMATION CIRCULAR WILL BE FILED ON THE WEBSITE OF HOMBURG INVEST INC. AT [WWW.HOMBURGINVEST.COM](http://WWW.HOMBURGINVEST.COM) AND ON THE MONITOR'S WEBSITE. SEE "*DESCRIPTION OF THE HOMCO 61 PLAN – MODIFICATION OF THE PLAN*".**

### **Purpose**

The purpose of the Homco 61 Plan is to effect a compromise, settlement and payment of all Homco 61 Affected Claims as finally determined for voting and distribution purposes pursuant to the Claims Process Order, the HII/Shareco Meeting Order, the Homco 61 Meeting Order and the Homco 61 Plan, in the expectation that all Persons with an economic interest in HII, Shareco and Homco 61 LP will derive a greater benefit from the implementation of the Homco 61 Plan than would result from a bankruptcy of the Businesses of HII, Shareco and Homco 61 LP in their entirety. The compromise, settlement and payment of such 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.

### **Impact of the Homco 61 Plan**

The Homco 61 Plan will compromise the unsecured debt of Homco 61 LP (other than Homco 61 Unaffected Claims).

### Timing for Homco 61 Plan to Become Effective

The following sets forth certain events and dates in the contemplated timeline relating to the implementation of the Homco 61 Plan within the CCAA Proceedings. Homco 61 Affected Creditors are cautioned that the dates below may change.

September 9, 2011	Grant of Initial Order
February 6, 2013	Homco 61 Filing Date
April 29, 2013	Homco 61 Meeting Order
May 15, 2013	Deadline for mailing or otherwise making available the Notice of Homco 61 Creditors' Meeting and Homco 61 Sanction Hearing and related meeting materials to Homco 61 Affected Creditors
May 29, 2013	Deadline for Homco 61 Affected Creditors to return Proxies to the Monitor
May 30, 2013	Homco 61 Creditors' Meeting to be convened and held simultaneously in Montréal, Québec, Canada and in Utrecht, the Netherlands immediately following HII/Shareco Creditors' Meeting  Homco 61 Affected Creditors can deposit Proxies with the Chair at the Homco 61 Creditors' Meeting, immediately prior to the vote
June 5, 2013	Targeted date for the Court Hearing in respect of Homco 61 Sanction Order in Montreal, Québec, Canada
July 3, 2013	Targeted Homco 61 Plan Implementation Date <sup>1</sup>

### Creditor Approval of the Homco 61 Plan

In order for the Homco 61 Plan to be approved and binding on the Homco 61 Affected Creditors in accordance with the its terms and CCAA, the Homco 61 Resolution to approve the Homco 61 Plan must first be approved by the Required Majority, which is a majority in number of the Homco 61 Affected Creditors having a Homco 61 Affected Claim and voting on the Homco 61 Resolution (in person or by Proxy) or who are deemed to vote at the Homco 61 Creditors' Meeting and representing not less than 66 and  $\frac{2}{3}$  per cent in value of the Homco 61 Affected Claims of the Homco 61 Affected Creditors voting at the Homco 61 Creditors' Meeting (in person or by proxy) or who are deemed to vote. The Homco 61 Plan must also be sanctioned by the Court.

### Court Approval of the Homco 61 Plan

Prior to the mailing of this Information Circular, Homco 61 obtained the Homco 61 Meeting Order providing for the calling and holding of the Homco 61 Creditors' Meeting and other related procedural matters. A copy of the Homco 61 Meeting Order is attached as Appendix "H" to this Information Circular. The CCAA requires that the Homco 61 Plan be sanctioned by the Court.

Subject to the approval of the Homco 61 Resolution in respect of the Homco 61 Plan by the Required Majority of the Homco 61 Affected Creditors, the Homco 61 Sanction Hearing in respect of the Homco 61 Sanction Order is scheduled to take place on or about June 5, 2013 at 9:15 am (Eastern Prevailing Time) at the Court at the Court located at 1 Notre-Dame Street East, Montréal, Québec, Canada. Any Homco 61 Affected Creditor that wishes to appear or be represented, and to present evidence or arguments, at the Homco 61 Sanction Hearing must serve a notice of intention to appear on the Service List at least three (3) Business Days before the Homco 61 Sanction Hearing. Homco 61 Affected Creditors wishing to object to the relief to be sought at the Homco 61 Sanction Hearing must also file with the Court a written notice which notice shall include its grounds of contestation and shall effect service of same the Service List at least three (3) Business Days prior to the Homco 61 Sanction Hearing.

The authority and discretion of the Court is very broad under the CCAA. Homco 61 LP's legal counsel has advised it that the Court will consider, among other things, the fairness and reasonableness of the terms and conditions of the Homco 61 Plan.

Interested parties should consult their legal advisors with respect to the legal rights available to them in relation to the Homco 61 Plan and the Homco 61 Sanction Hearing. If the Homco 61 Sanction Hearing date is postponed, adjourned or otherwise rescheduled, Homco 61 will provide notice of the new date by issuance of a news release. Persons who wish to receive individual notification of the date of any postponed, adjourned or otherwise rescheduled Homco 61 Sanction Hearing by facsimile or electronic mail should contact the Monitor at 1 Place Ville-Marie, Suite 3000, Montreal, Quebec H3B 4T9 (Attention: Mr. Patrick Fillion), facsimile number: (514) 393-5344 or e-mail: [homburginvestccaa@deloitte.ca](mailto:homburginvestccaa@deloitte.ca) and provide a facsimile number or e-mail address.

<sup>1</sup> Conditioned on implementation of the HII/Shareco Plan.

## **Treatment of Homco 61 Affected Creditors**

### ***Classification of Homco 61 Affected Creditors***

The Homco 61 Plan only affects unsecured creditors of Homco 61 (other than Homco 61 Unaffected Creditors). These Homco 61 Affected Creditors form one class for purposes of both voting and receiving distributions under the Homco 61 Plan. All Homco 61 Affected Claims under the Homco 61 Plan will be compromised, settled, released and discharged on the Homco 61 Plan Implementation Date.

### ***Homco 61 Affected Claims***

Homco 61 Affected Creditors will be entitled to: (i) make a valid Newco Common Shares Cash-Out Option Election on or before the Election/Proxy Deadline and thereby shall be an Electing Creditor under the Homco 61 Plan and shall be deemed to vote in favour of the Homco 61 Plan and shall be entitled to receive (i) such Electing Creditor's *pro rata* share of Homco 61 LP's *pro rata* share of the Aggregate Newco Common Shares Final Cash-Out Amount and (ii) such Electing Creditor's *pro rata* share of Homco 61 LP's Pro Rata Share of the Cash Pool and the Asset Realization Cash Pool, and (ii) vote their Homco 61 Voting Claims at the Homco 61 Creditors' Meeting in respect of the Homco 61 Plan and shall be entitled to receive their respective Homco 61 Affected Creditors' Entitlement provided for under and pursuant to the Homco 61 Plan.

### ***Distributions to Homco 61 Affected Creditors***

Homco 61 LP's principal asset available for distribution to Homco 61 Affected Creditors is its Pro Rata Share of the Cash Pool, the Asset Realization Cash Pool and Newco Equity Pool to be distributed to Homco 61 LP under the HII/Shareco Plan (referred to herein as the HII Homco 61 Distribution) based on its Homco 61 Net Intercompany Claim. All Homco 61 Affected Creditors with Homco 61 Proven Claims (other than Electing Creditors) will receive their *pro rata* share of the HII Homco 61 Distribution pursuant to and in accordance with the Homco 61 Plan. As described above, Electing Creditors shall receive their *pro rata* share of Homco 61 LP's *pro rata* share of the Aggregate Newco Common Shares Final Cash-Out Amount. These distributions will be administered by the Monitor on distribution dates to be set by the Monitor from time to time in accordance with the HII/Shareco Plan, the Homco 61 Plan, the HII/Shareco Sanction and Vesting Order and the Homco 61 Sanction Order.

If any distribution made to a Homco 61 Affected Creditor is returned to the Monitor as undeliverable or is not cashed, no further distributions to such Homco 61 Affected Creditor shall be made until the Monitor is notified of such Homco 61 Affected Creditor's current address or wire transfer particulars. In the event that the Monitor does not receive a complete Letter of Instruction allowing for the Newco Common Shares to be remitted to such Homco 61 Affected Creditor prior to the Final Distribution Date, these Newco Common Shares will be returned to Newco for cancellation and no consideration will be payable to such Homco 61 Affected Creditor in respect of such cancelled Newco Common Shares. A Homco 61 Affected Creditor shall not be entitled to receive interest on undelivered distributions. The Monitor will publish a notice of the Homco 61 Final Distribution Date in various newspapers in accordance with the Homco 61 Sanction Order and the Homco 61 Plan. All claims for undeliverable or un-cashed distributions under the Homco 61 Plan must be made on or before the deadline specified in such notice, after which date the Homco 61 Proven Claims with respect to any such unclaimed or un-cashed distribution will be forever discharged and forever barred without any compensation.

### ***Treatment of Homco 61 Disputed Claims***

Homco 61 Affected Creditors with Homco 61 Disputed Claims shall not be entitled to receive any distributions under the Homco 61 Plan until such time as their Homco 61 Disputed Claims become Homco 61 Proven Claims (as the case may be).

### ***Newco Common Shares Cash-Out Option***

The Homco 61 Plan includes an option for Homco 61 Affected Creditors to receive, instead of all of their pro rata share of the Newco Common Shares forming part of the HII Homco 61 Distribution, an amount equal to such number of Newco Common Shares multiplied by the Newco Common Shares Cash-Out Price.

Homco 61 Affected 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. For additional details regarding the Cash-Out Election Form, see "*Voting at the HII/Shareco Creditors' Meeting and the Homco 61 Creditors' Meeting – Newco Common Shares Cash-Out Option Election*".

The estimated recovery of Homco 61 Affected Creditors who choose the Newco Common Shares Cash-Out Option is different, and may be a lesser amount, than the estimated recovery of Homco 61 Affected Creditors who do not make this choice. The Newco Common Shares Cash-Out Option provides for a payment of cash instead of Newco Common Shares. The actual recovery of Homco 61 Affected Creditors who do not exercise the Newco Common Shares Cash-Out Option will depend, in part, on the amount for which the Newco Common Shares can be sold when they become tradable. This may be greater or less than the amount included in the estimated recovery or the amount payable pursuant to the exercise of the Newco Common Shares Cash-Out Option. See "*Estimated Recovery by Affected Creditors and Electing Creditors under the HII/Shareco Plan and by Homco 61 Affected Creditors and Electing Creditors under the Homco 61 Plan*".



The Newco Common Shares Cash-Out Option is included in the Homco 61 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 pursuant to the HII/Shareco Plan. See “*Distribution and Payments*” below.

Where an Electing Creditor validly makes a Newco Common Shares Cash-Out Option Election, Homco 61 LP shall be deemed to make a corresponding election in respect of such Electing Creditor’s Newco Common Shares Cash-Out Option Election. Catalyst shall not and shall be deemed never to have acquired or held any right, title or interest in the Homco 61 Affected Claim of such Electing Creditor, and such Electing Creditor shall be deemed to have received its *pro rata* share of Homco 61 LP’s Pro Rata Share of Newco Common Shares and to have assigned, transferred and sold its entitlement to receive any Newco Common Shares to be issued to such Homco 61 Affected Creditor under and pursuant to the Homco 61 Plan to Catalyst in consideration for its *pro rata* share of Homco 61 LP’s *pro rata* share of the Aggregate Newco Common Shares Final Cash-Out Amount. Such Electing Creditor shall be deemed to agree that the face amount of any Homco 61 Disputed Claim or such Electing Creditor shall be deemed to be no greater than the face amount of such Claim as set out in such Electing Creditor’s Proof of Claim on April 26, 2013 for the purpose of determining such Electing Creditor’s Affected Creditors’ Entitlement. Catalyst shall not be entitled to make a Newco Common Share Cash-Out Option Election in respect of its Catalyst Affected Claims.

### **Equity Claims**

On the Homco 61 Plan Implementation Date, all Persons holding Equity Claims shall not be entitled to receive any distributions whatsoever under the Homco 61 Plan. At the Homco 61 Effective Time on the Homco 61 Plan Implementation Date, all Equity Claims will be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

### **Homco 61 LP and Homco 61 Affected Creditors**

Treatment of Homco 61 LP (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 Required Majority of Affected Creditors in relation to the HII/Shareco Plan, and of the Homco 61 Affected Creditors in relation to the Homco 61 Plan, and the Court approval of both Plans. If such approvals are obtained, (a) the aggregate Proven Claim of a Homco 61 Affected Creditor for voting purposes under the HII/Shareco Plan shall be the full amount of their Claim in accordance with and as provided in the HII/Shareco Meeting Order and the Homco 61 Meeting Order, (b) the aggregate Proven Claim of a Homco 61 Affected Creditor with a Homco 61 Affected Creditor HII Claim for distribution purposes under the HII/Shareco Plan shall be their Homco 61 Affected Creditor HII Deficiency Claim, (c) the aggregate Proven Claim of Homco 61 LP for voting and distribution purposes under the HII/Shareco Plan shall be the Homco 61 Net Intercompany Claim and (d) 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 Homco 61 Plan shall be the full amount of their Claim in accordance with and as provided in the HII/Shareco Meeting Order and the Homco 61 Meeting Order.

In the event that either 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 LP for voting and distribution purposes under the HII/Shareco Plan will be determined by the Monitor and/or the Court, provided that Proven Claim of the Bond 6 Claim Holders for voting purposes under the HII/Shareco Plan will not be redetermined. At the Effective Time on the Plan Implementation Date, as applicable, Homco 61 Affected Creditor HII Claims and the Homco 61 Intercompany Claim shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

### **Homco 61 Unaffected Claims**

The Homco 61 Plan does not affect the Homco 61 Unaffected 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. Nothing in the Homco 61 Plan will affect Homco 61 LP’s rights and defences, both legal and equitable, with respect to any Homco 61 Unaffected Claims, including all rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Homco 61 Claims.

Homco 61 Unaffected Creditors with respect to their Homco 61 Unaffected Claims generally comprise post-filing trade payables and secured claims that are not purported to be compromised under the Homco 61 Plan. These secured claims include the Homco 61 Employee Priority Claims and the Homco 61 Government Priority Claims which will be paid out of the Administrative Reserve under the HII/Shareco Plan on the Plan Implementation Date in accordance with the HII/Shareco Plan and the requirements of the CCAA.

## **Distribution and Payments**

For administrative convenience, the Monitor is not required under the Homco 61 Plan to establish any cash pools. The Monitor will administer and finally determine the Homco 61 Affected Claims of Homco 61 Affected Creditors under and in accordance with the Claims Process Order, Articles 9, 10 and 11 of the HII/Shareco Plan, the Homco 61 Meeting Order and the Homco 61 Sanction Order, as if the Homco 61 Affected Creditors were Affected Creditors of HII. Accordingly, (i) Electing Creditors will be entitled to their *pro rata* share of Homco 61 LP's *pro rata* share of the Aggregate Newco Common Shares Final Cash-Out Amount and (ii) all other Affected Creditors will be entitled to their *pro rata* share of Homco 61 LP's *pro rata* share of the Newco Equity Pool, the Cash-Out Pool and the Asset Realization Cash Pool under the HII/Shareco Plan, with such distributions to be made to Homco 61 Affected Creditors in accordance with the HII/Shareco Plan. See "*Description of the HII/Shareco Plan – Newco Common Shares Cash-Out Option Election*" and "*Description of HII/Shareco Plan – Distribution and Payments*".

## **Reserves**

For administrative convenience, the Monitor is not required under the Homco 61 Plan to establish any cash or non-cash reserves. The Monitor will use the Disputed Claims (Cash) Reserve, the Disputed Claims (Asset Realization Reserve), the Disputed Claims (Newco Share) Reserve, and the Disputed Claims (Cash-Out) Reserve in effecting the administration and determination of Homco 61 Affected Claims. The costs of administration of the Homco 61 Affected Claims shall form part of the Administrative Reserve Costs paid out of the Administrative Reserve and deducted from the HII Homco 61 Distribution. See "*Description of the HII/Shareco Plan – Reserves*".

## **Homco 61 Plan Implementation Transactions**

Each of the following transactions contemplated by and provided for under the Homco 61 Plan will take effect, and will be deemed to take effect, on the Homco 61 Plan Implementation Date beginning at the Homco 61 Effective Time in the order specified below without any further act or formality:

- (a) HII shall set off the amount of the HII Loan against the amount of the Homco 61 Intercompany Claim. The unpaid balance owing on the Homco 61 Intercompany Claim shall be the Homco 61 Net Intercompany Claim, which shall constitute the sole Proven Claim of Homco 61 LP entitling Homco 61 LP to the HII Homco 61 Distribution and for greater certainty Homco 61 LP shall have no other claim against HII including by subrogation or otherwise. For greater certainty, this particular Plan Transaction may be deemed to occur at such later time in the sequence of Plan Transactions as may be determined by HII and Shareco;
- (b) The Directors of Homco 61 GP will and will be deemed to resign and without requirement of further action on the part of such Directors.
- (c) The Monitor will pay the Homco 61 Administrative Reserve Costs from the Administrative Reserve under the HII/Shareco Plan on or after the Homco 61 Plan Implementation Date pursuant to the HII/Shareco Sanction and Vesting Order, the Homco 61 Sanction Order and the CCAA.
- (d) The compromises with the Homco 61 Affected Creditors and the release of the Homco 61 Plan Released Parties referred to in Article 7 of the Homco 61 Plan will become effective in accordance with the Homco 61 Plan.

## **Conditions to the Homco 61 Plan Becoming Effective**

The following are the conditions to the Homco 61 Plan being effective:

- (a) The HII/Shareco Meeting Order shall have been granted by the Court.
- (b) The HII/Shareco Plan shall have been approved by the Required Majority at the HII/Shareco Creditors' Meeting as well as the Court pursuant to the HII/Shareco Sanction and Vesting Order, and the Plan Implementation Date under the HII/Shareco Plan shall have occurred.
- (c) Homco 61 LP shall have satisfied its Homco 61 Post-Filing Trade Payables in the ordinary course or provision shall have been made in respect thereof as a Homco 61 Administrative Reserve Cost in the Administrative Reserve created in the HII/Shareco Plan 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 Homco 61 LP and the Monitor in respect of the transactions described under the heading "*Description of the Homco 61 Plan – Homco 61 Plan Implementation Transactions*" shall have been obtained.
- (e) The Homco 61 Plan shall have been approved by the Required Majority of the Homco 61 Affected Creditors in the Homco 61 Unsecured Creditors' Class at the Homco 61 Creditors' Meeting.
- (f) The Homco 61 Sanction Order shall have been granted by the Court in form satisfactory to Homco 61 and the Monitor, and for greater certainty shall be in full force and effect and not reversed, stayed, varied, modified or amended.
- (g) With respect to the availability of the Newco Common Share Cash-Out Option for Homco 61 LP and the Homco 61 Affected Creditors with Proven Claims, all of the conditions precedent to the Catalyst Investment under section 14.3 of the HII/Shareco Plan shall have been satisfied or waived as applicable.

## Implementation

Assuming the Homco 61 Sanction Order is granted and the other conditions to closing contained in the Homco 61 Plan are satisfied or waived, it is anticipated that the following will occur substantially simultaneously: the various documents necessary to consummate the Homco 61 Plan Transactions will be executed and delivered and the transactions provided for in the Homco 61 Plan will occur in the order indicated. See “*Description of the Homco 61 Plan – Homco 61 Plan Implementation Transactions*”.

## Releases

The Homco 61 GP Named Directors have voluntarily remained in office as Directors of Homco 61 GP during the CCAA Proceedings and have been instrumental in all aspects throughout the CCAA Proceedings, including in the development of the Homco 61 Plan and the restructuring of HII generally. Accordingly, it is therefore appropriate that the Homco 61 GP Named Directors receive the benefit of the release referred to in Article 7 of the Homco 61 Plan.

Given the foregoing, on the Homco 61 Plan Implementation Date, the Homco GP Named Directors, as well as Homco 61 LP, Homco 61 GP, and their respective employees, legal counsel and agents (individually, a “**Homco 61 Released Party**”) will be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Homco 61 Creditor, Homco 61 Affected Creditor or other Person may be entitled to assert, including any and all Claims in respect of the payment and receipt of proceeds and statutory liabilities of the Homco 61 GP Named Directors and Homco 61 Employees and any alleged fiduciary or other duty (whether such employees are acting as a Homco 61 GP Named Director, member or employee), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the later of the Homco 61 Plan Implementation Date and the date on which actions are taken to implement the Homco 61 Plan that are in any way relating to, arising out of or in connection with the Claims, the Business whenever or however conducted, the Homco 61 Plan, the CCAA Proceedings, or any Claim that has been barred or extinguished by the Claims Process Order and all Claims arising out of such actions or omissions will be forever waived and released (other than the right to enforce Homco 61 LP’s obligations under the Homco 61 Plan or any related document), all to the full extent permitted by Applicable Law, provided that nothing in the Homco 61 Plan will release or discharge (A) any Homco 61 Released Party if such Homco 61 Released Party is judged by the expressed terms of a judgment rendered on a final determination on the merits to have committed criminal, fraudulent or other wilful misconduct, or (B) the Homco 61 GP Named Directors with respect to matters set out in section 5.1(2) of the CCAA.

In addition, on the Homco 61 Plan Implementation Date, Stichting Homburg Bonds, the Monitor, Deloitte, Catalyst solely in its capacity as an investor under the Restated Catalyst Support Agreement, and their respective directors (including current directors), officers, employees, advisors, legal counsel and agents (individually, a “**Non-Homco 61 Released Party**”) and together with the Homco 61 Released Parties, the “**Homco 61 Plan Released Parties**”) will be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Homco 61 Creditor, Homco 61 Affected Creditor or other Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the later of the Homco 61 Plan Implementation Date and the date on which actions are taken to implement the Homco 61 Plan that are in any way relating to, arising out of or in connection with the Claims, the Business whenever or however conducted, the HII/Shareco Plan (as it pertains to the administration and final determination of Homco 61 Affected Claims), the Homco 61 Plan, the CCAA Proceedings, or any Claim that has been barred or extinguished by the Claims Process Order and all Claims arising out of such actions or omissions will be forever waived and released (other than the right to enforce Homco 61 LP’s obligations under the Homco 61 Plan or any related document), all to the full extent permitted by Applicable Law, provided that nothing in the Homco 61 Plan will release or discharge (A) any Non-Homco 61 Released Party if such Non-Homco 61 Released Party is judged by the expressed terms of a judgment rendered on a final determination on the merits to have committed criminal, fraudulent or other wilful misconduct, or (B) Stichting Homburg Bonds or its directors or officers, employees, advisors, legal counsel and agents retained or employed prior to the Homco 61 Filing Date for any Claims in existence or relating to any period prior to the Homco 61 Filing Date.

## Modification of the Homco 61 Plan

Homco 61 LP may, with the consent of Catalyst acting reasonably and the Monitor, file any modification of, or amendment, variation, or supplement to, the Homco 61 Plan (each, a “**Plan Modification**”) prior to the Homco 61 Creditors’ Meeting, in which case the Plan Modification shall for all purposes be deemed to form part of and incorporated into the Homco 61 Plan. Homco 61 LP shall give notice of any Plan Modification at the Creditors’ Meeting prior to the vote being taken to approve the Homco 61 Plan. Homco 61 LP may give notice of any such Plan Modification at or before the Homco 61

Creditors' Meeting by notice which shall be sufficient if, in the case of notice at the Homco 61 Creditors' Meeting, given to those Homco 61 Affected Creditors present at such meeting in person or by Proxy. The Monitor will post a copy of any Plan Modification on the Website as soon as possible and in any event prior to the Sanction Hearing and send notice of such posting to the Service List.

Notwithstanding the foregoing, after the Homco 61 Creditors' Meeting (both prior to and subsequent to the obtaining the Homco 61 Sanction Order), HII and Shareco may at any time and from time to time, with the consent of Catalyst acting reasonably and the Monitor, modify, amend, vary or supplement the Homco 61 Plan pursuant to an Order of the Court or where it concerns a matter which, in the opinion of Homco 61 LP, acting reasonably, is of an administrative nature required to better give effect to the implementation of the Homco 61 Plan and the Homco 61 Sanction Order or to cure any errors, omissions or ambiguities and is not materially adverse to the financial or economic interests of the Homco 61 Affected Creditors. The Monitor will post any such modification, amendment, variation or supplement to the Homco 61 Plan on the Website as soon as possible.

#### **Effect of Homco 61 Plan Generally and Prosecution of Judgments**

Upon completion of the steps in the sequence set forth in the Homco 61 Plan, the Homco 61 Plan will constitute a full, final and absolute settlement, and a release, extinguishment and discharge of all indebtedness, liabilities of or in respect of all Homco 61 Affected Claims and Equity Claims. From and after the completion of the steps to be taken at the Homco 61 Effective Time as set out in the Homco 61 Plan, no step or proceeding may be taken in respect of any Claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged, compromised or terminated pursuant to the Homco 61 Plan and any such proceedings will be deemed to have no further force or effect against Homco 61 LP or any of its assets and will be released, discharged, dismissed or vacated without cost to Homco 61 LP. Homco 61 LP may apply to the Court or to any court of competent jurisdiction to obtain a discharge or dismissal, if necessary, of any such proceedings without notice to the Homco 61 Affected Creditor.

#### **Implications of Failure to Approve or Implement the Homco 61 Plan**

The HII Group Entities are insolvent and are unable to meet their debt and other obligations as they become due. If the Homco 61 Plan is not approved by the Homco 61 Affected Creditors as required at the Homco 61 Creditors' Meeting, subject to the terms of the current Stay of Proceedings under the CCAA, Homco 61 Creditors will have the right to take steps to exercise their respective rights and remedies against the assets and property of Homco 61 LP. There can be no assurance that another plan of arrangement will be submitted to Homco 61 Affected Creditors. Affected Creditors should refer to the section titled "*Risk Factors – Risk Factors Relating to Non- Implementation of the Plans*".

**ESTIMATED RECOVERY BY AFFECTED CREDITORS AND ELECTING CREDITORS UNDER THE  
HII/SHARECO PLAN AND BY HOMCO 61 AFFECTED CREDITORS' AND ELECTING  
CREDITORS UNDER THE HOMCO 61 PLAN**

THE ESTIMATED RECOVERY RATES PRESENTED IN THIS SECTION OF THE INFORMATION CIRCULAR ARE BASED ON PROSPECTIVE FINANCIAL INFORMATION. THIS INFORMATION IS NOT FACT AND SHOULD NOT BE RELIED UPON AS BEING NECESSARILY INDICATIVE OF FUTURE RESULTS.

THE UNDERLYING ASSUMPTIONS AND ESTIMATES USED IN THESE CALCULATIONS OF ESTIMATED RECOVERY RATES ARE INHERENTLY UNCERTAIN AND, THOUGH CONSIDERED REASONABLE BY HII AS AT THE DATE OF THE INFORMATION CIRCULAR, ARE SUBJECT TO A WIDE VARIETY OF SIGNIFICANT BUSINESS, ECONOMIC, MARKET, TIMING, FINANCIAL AND COMPETITIVE UNCERTAINTIES AND CONTINGENCIES. THESE STATEMENTS ARE BASED UPON HII'S CURRENT ASSUMPTIONS IN RESPECT OF, *INTER ALIA*, THE PROPOSED REORGANIZATION TRANSACTION, PLAN TRANSACTIONS AND HOMCO 61 PLAN TRANSACTIONS, THE IMPLEMENTATION OF THE PLANS, ASSET VALUATIONS, THE TREATMENT OF VARIOUS CLAIMS FILED AGAINST THE HII GROUP ENTITIES, THE AGGREGATE VALUE OF PROVEN CLAIMS, CASH FLOW FORECASTS, TAX IMPLICATIONS AND TIMING. THERE IS SIGNIFICANT RISK THAT PREDICTIONS OR CONCLUSIONS EXPRESSED IN OR IMPLIED BY THESE CALCULATIONS MAY NOT PROVE TO BE ACCURATE, THAT THE ASSUMPTIONS OR ESTIMATES MAY NOT BE CORRECT AND THAT ACTUAL EVENTS MAY DIFFER MATERIALLY FROM SUCH PREDICTIONS OR CONCLUSIONS. SIGNIFICANT AND REASONABLY FORESEEABLE FACTORS THAT COULD CAUSE RESULTS TO DIFFER MATERIALLY FROM HII'S CURRENT ASSUMPTIONS INCLUDE THOSE RISKS DISCUSSED UNDER THE HEADING "*RISK FACTORS*". THESE FACTORS AND THE OTHER RISK FACTORS DESCRIBED IN THIS INFORMATION CIRCULAR ARE NOT NECESSARILY ALL OF THE IMPORTANT RISK FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE EXPRESSED IN THIS INFORMATION CIRCULAR.

NO REPRESENTATION WHATSOEVER, EXPRESS OR IMPLIED, IS MADE WITH REGARD TO THE ACCURACY OR COMPLETENESS OF THE ASSUMPTIONS AND ESTIMATES USED IN THE PREPARATION OF THESE ESTIMATED RECOVERY RATES, WHICH MAY MATERIALLY IMPACT THE INFORMATION CONTAINED IN THIS SECTION. WHILE THE INFORMATION CONTAINED IN THESE TABLES IS BELIEVED TO BE ACCURATE OR DERIVED FROM INFORMATION THAT IS BELIEVED TO BE ACCURATE AS AT THE DATE HEREOF, NO PERSON SHALL HAVE ANY LIABILITY WHATSOEVER ARISING FROM STATEMENTS OR REPRESENTATIONS, EXPRESSED OR IMPLIED, CONTAINED IN, OR FOR OMISSIONS FROM, THIS INFORMATION CIRCULAR OR ANY INFORMATION USED TO PREPARE THIS INFORMATION CIRCULAR OR ANY OTHER WRITTEN OR ORAL COMMUNICATION PROVIDED OR RELATED THERETO.

THESE CALCULATIONS ARE BASED ON INFORMATION AVAILABLE AS OF THE DATE OF THE INFORMATION CIRCULAR. HII DOES NOT INTEND TO UPDATE OR OTHERWISE REVISE THESE ESTIMATED RECOVERY RATES TO REFLECT EVENTS OR CIRCUMSTANCES EXISTING OR ARISING AFTER THE DATE OF THIS INFORMATION CIRCULAR, EVEN IN THE EVENT THAT ANY OR ALL OF THE UNDERLYING ASSUMPTIONS TO THESE ESTIMATED RECOVERY RATES PROVES TO BE INCORRECT.

THE ESTIMATED RECOVERY RATES ASSUME THAT SECURED CREDITORS HAVE VALID AND ENFORCEABLE SECURITY. IN THE EVENT THAT CERTAIN SECURITY IS DETERMINED TO BE INVALID OR UNENFORCEABLE OR TO RANK BEHIND CERTAIN OTHER SECURED OR UNSECURED CREDITORS, THE ESTIMATED NON-CORE BUSINESS ASSET NET PROCEEDS WILL DIFFER, AND CONSEQUENTLY, THE AFFECTED CREDITORS' RECOVERY RATES WILL DIFFER.

THROUGH THE CLAIMS PROCESS, WHICH HAS NOT YET BEEN COMPLETED, THE MONITOR, IN COLLABORATION WITH THE HII GROUP ENTITIES, SHALL CONFIRM THE CLAIMS OF AFFECTED CREDITORS FOR VOTING AND DISTRIBUTION PURPOSES. FOLLOWING DETERMINATION OF AMOUNTS OWING TO UNAFFECTED CREDITORS AND DETERMINATION OF ALL CLAIMS FOR DISTRIBUTION PURPOSES, THE AFFECTED CREDITORS' RECOVERY RATES MAY MATERIALLY DIFFER. 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 THE DATE HEREOF IS ATTACHED AS APPENDIX "D".

AFFECTED CREDITORS AND HOMCO 61 AFFECTED CREDITORS SHOULD ALSO REFER TO THE MONITOR'S REPORT IN SUPPORT OF THE PLANS, DELIVERED TOGETHER WITH THIS INFORMATION CIRCULAR, FOR THE MONITOR'S MORE DETAILED ANALYSIS OF ESTIMATED RECOVERY RATES.



## Estimated Recovery Rates of Affected Creditors and Sources of Recovery

The following table presents the estimated ranges of recovery rates, from each of the Cash Pool, the Asset Realization Cash Pool and the Newco Common Shares, for Affected Creditors and Homco 61 Affected Creditors under the Plans who are not (i) Convenience Class Creditors or (ii) Electing Creditors. The table below shows the ranges of recovery for each series of Mortgage Bonds (HB4-HB7), the Corporate Bonds (non-asset backed bonds) and the general unsecured creditors<sup>1</sup>:

Estimated Recovery Rates of Affected Creditors	Low scenario			High scenario		
	At emergence	Post-Emergence	Total	At emergence	Post-Emergence	Total
<b>Cash</b>						
HB4 .....	6.18%	25.44%	31.62%	5.72%	39.86%	45.59%
HB5 .....	17.98%	5.73%	23.71%	18.70%	8.84%	27.54%
HB6 .....	20.56%	2.91%	23.47%	25.51%	3.86%	29.38%
HB7 .....	4.91%	40.76%	45.67%	4.11%	56.84%	60.94%
Non-asset backed bonds .....	7.76%	6.44%	14.20%	8.57%	9.94%	18.51%
Unsecured creditors .....	7.02%	5.84%	12.86%	7.74%	8.98%	16.72%
<b>Shares</b>						
HB4 .....	25.09%	0.00%	25.09%	21.70%	0.00%	21.70%
HB5 .....	27.99%	0.00%	27.99%	28.90%	0.00%	28.90%
HB6 .....	52.03%	0.00%	52.03%	51.59%	0.00%	51.59%
HB7 .....	19.93%	0.00%	19.93%	15.58%	0.00%	15.58%
Non-asset backed bonds .....	31.48%	0.00%	31.48%	32.51%	0.00%	32.51%
Unsecured creditors .....	28.50%	0.00%	28.50%	29.36%	0.00%	29.36%
<b>Total cash and shares</b>						
HB4 .....	31.27%	25.44%	56.71%	27.43%	39.86%	67.29%
HB5 .....	45.96%	5.73%	51.69%	47.61%	8.84%	56.44%
HB6 .....	72.59%	2.91%	75.50%	77.10%	3.86%	80.97%
HB7 .....	24.84%	40.76%	65.60%	19.69%	56.84%	76.52%
Non-asset backed bonds .....	39.23%	6.44%	45.68%	41.08%	9.94%	51.02%
Unsecured creditors .....	35.52%	5.84%	41.36%	37.10%	8.98%	46.08%

Supporting documentation to this table is presented in Appendix E of this Information Circular.

Convenience Class Creditors shall receive a Canadian dollar amount that is equal to 35 per cent of such Affected Creditors' Convenience Class Claim that is a Proven Claim.

### Impact of Newco Common Shares Cash-Out Option Election on Estimated Recovery Rates of Electing Creditors

The Newco Common Shares Cash-Out Option entitles Affected Creditors and Homco 61 Affected Creditors to choose to receive a 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 Plans, albeit at a discount as compared to the estimated forecasted equity value of Newco.

Such cash payment is 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 Initial Funding Amount would be equivalent €95M, representing approximately 59% of the estimated equity value of Newco at emergence.

Since the Newco Common Shares Cash-Out Option only pertains to the right of Affected Creditors and Homco 61 Affected Creditors to receive Newco Common Shares, the Newco Common Shares Cash-Out Option Election does not affect the recovery of the Electing Creditors with regard to the Cash Pool or the Asset Realization Cash Pool.

<sup>1</sup> These numbers do not take into account distributions to Convenience Class Creditors.

The following table shows the impact of making the Newco Common Share Cash-Out Election on the estimated recovery rates of Electing Creditors (general unsecured creditors), in comparison to their estimated recovery rates under the Plans in the absence of a Newco Common Shares Cash-Out Option Election.

	<u>Low</u>	<u>High</u>
<b>Catalyst option</b> – Estimated recovery rates for unsecured creditors		
– Cash .....	12.86%	16.72%
– Shares (in cash) .....	<u>16.70%</u>	<u>17.21%</u>
<b>Estimated cash received</b> .....	<u><b>29.56%</b></u>	<u><b>33.93%</b></u>
<b>The HII/Shareco Plan</b> – Estimated recovery rates for unsecured creditors		
– Cash .....	12.86%	16.72%
– Shares (in shares) .....	<u>28.50%</u>	<u>29.36%</u>
<b>Estimated recovery in cash and shares per the Plan</b> .....	<u><b>41.36%</b></u>	<u><b>46.08%</b></u>

Affected Creditors and Homco 61 Affected Creditors should refer to the Monitor’s report in support of the Plans, delivered together with this Information Circular, for additional analysis that may be useful to them in deciding whether or not to make the Newco Common Shares Cash-Out Option Election.

### **Certain Specific Assumptions**

Some of the specific assumptions made for the purpose of the calculations presented in the Table above, in addition to those presented in the preamble to this section and to those generally described in the section entitled “*Risk Factors*”, include the following:

#### ***Assumptions in relation to recovery by holders of Mortgage Bond Claims***

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

Various Proofs of Claim have been filed by Stichting Homburg Bonds on behalf of the holders of Mortgage Bond Claims against Shareco, HII and various HII Group Entities (approximately \$150M).

The estimated recovery rates presented in the Table above reflect an Affected Creditor’s recovery from all sources of realization including with respect to their secured claim and any deficiency claim. The recovery rates assume that the Proven Claims of the holders of Mortgage Bond Claims entitling them to a dividend from HII pursuant to the HII/Shareco Plan: (i) will be limited to the balance of their deficiency claim, if any, following the realization of any guarantees and/or security granted to the holders of the Mortgage Bond Claims by any Homburg Group Members, and (ii) such deficiency claim is limited to a single claim against the HII estate and not a “double claim” against both the HII and Shareco estates.

Any different treatment of the holders of Mortgage Bond Claims may have a material impact on all of the Affected Creditors’ recovery rates.

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

Prior to the Claims Bar Dates under the Claims Process relating to claims against Shareco, HII or Homco 61 LP, a number of Proofs of Claims were filed against those entities. These Claims included Claims with respect to intercompany advances, Claims as between HII and Homco 61 LP, and Claims by Bond 6 Claim Holders.

HII, with the assistance of the Monitor and in consultation with Stichting Homburg Bonds, has completed a review and analysis of the Intercompany Claims between HII and Homco 61 LP and the Bond 6 Claim Holders and determined that the appropriate course of action to adopt for the treatment of same is the one provided by the HII/Shareco Plan and the Homco 61 Plan. This treatment is conditional upon the approval of the Plans by the respective Required Majority and by the Court, and upon the implementation of the Plans.

Any different treatment of the Intercompany Claims between HII and Homco 61 LP and of the Bond 6 Claim resulting from the non implementation of the Plans may have an impact on all of the Affected Creditors’ recovery rates.

### **Valuation of Newco**

The recovery rates calculation above assumes a value of the Newco Common Shares calculated using the current values of the Core Business Assets and related liabilities, as per HII’s financial statements, that will be transferred to and assumed by Newco and shown in Newco’s opening balance sheet.

Should Newco’s financial statements subsequently be prepared using a different assumption to reflect the creation of Newco, Newco’s liabilities will be recognized at their estimated fair value in the opening pro forma balance sheet set out in this Information Circular – which is likely to result in lower liabilities than presented in this Information Circular, and consequently, the value of the Newco Common Shares maybe higher than estimated. This may have a material impact on the respective Affected Creditors’ recovery rates.

**Post-Filing Interest and Fees**

Some Affected Creditors filed Proofs of Claim that claimed interest accrued after the Filing Date. The HII/Shareco Plan specifically provides that no Affected Creditors will be entitled to interest accrued nor to fees and expenses incurred in respect of an Affected Claim after the Filing Date. The estimated ranges of recovery rates presented above assume that Affected Creditors are not entitled to recover post-filing interest and such claims will be compromised under the HII/Shareco Plan.

Any different treatment of the post filing interest may have a material impact on all of the Affected Creditors’ recovery rates.

**Sensitivity Analysis in relation to certain Risk Factors**

In addition to the inherent risks and variables further detailed in the preamble of the present section and in the “Risk Factors” section, and in order to quantify some of the most immediate and quantifiable “Risk Factors” in relation to the expected ranges of recovery rates (being understood that all others could also materially impact the expected ranges of recovery rates presented above), the estimated ranges of recoveries depend, *inter alia*, on the outcome of certain specific issues pending, most notably as follows:

**Taberna Claims**

The estimated ranges of recovery rates assume that the Taberna Claim is subordinated to payment in full of the Mortgage Bond Claims and the Corporate Bonds Claims, such that any distribution allocated to the Taberna Claim would be paid over to the holders of the Mortgage Bond Claims and the Corporate Bond Claims.

In the event that, pursuant to the Taberna Order, the relevant subordination provisions are determined to be inapplicable or treated differently, the Affected Creditors’ recovery rates will differ accordingly.

In order to quantify the risks and variables pertaining to the treatment of the Taberna Claim, the table below illustrates the impact on the estimated ranges of recovery rates of the Taberna Claim.

<u>Estimated Recovery Rates of Affected Creditors</u>	<u>Low scenario</u>		<u>High scenario</u>	
	<u>Total</u>	<u>Junior</u>	<u>Total</u>	<u>Junior</u>
<b>Cash</b>				
HB4 .....	31.62%	30.55%	45.59%	44.39%
HB5 .....	23.71%	22.52%	27.54%	25.95%
HB6 .....	23.47%	22.86%	29.38%	28.68%
HB7 .....	45.67%	44.82%	60.94%	60.94%
Non-asset backed bonds .....	14.20%	12.86%	18.51%	16.72%
Unsecured creditors .....	12.86%	12.86%	16.72%	16.72%
<b>Shares</b>				
HB4 .....	25.09%	22.71%	21.70%	19.60%
HB5 .....	27.99%	25.34%	28.90%	26.11%
HB6 .....	52.03%	50.68%	51.59%	50.37%
HB7 .....	19.93%	18.05%	15.58%	14.07%
Non-asset backed bonds .....	31.48%	28.50%	32.51%	29.36%
Unsecured creditors .....	28.50%	28.50%	29.36%	29.36%
<b>Total cash and shares</b>				
HB4 .....	56.71%	53.27%	67.29%	63.99%
HB5 .....	51.69%	47.86%	56.44%	52.05%
HB6 .....	75.50%	73.55%	80.97%	79.05%
HB7 .....	65.60%	62.87%	76.52%	74.16%
Non-asset backed bonds .....	45.68%	41.36%	51.02%	46.08%
Unsecured creditors .....	41.36%	41.36%	46.08%	46.08%

“Junior” columns: Assume the Taberna Claim is not subordinated to the Mortgage Bond Claims and the Corporate Bond Claims.

## RECOMMENDATION OF THE MONITOR

The Monitor has assisted the HII Group Entities throughout the CCAA Proceedings and in particular in the development of the Plans.

The Monitor recommends that Affected Creditors and Homco 61 Affected Creditors vote **FOR** the Resolution and the Homco 61 Resolution to approve the respective Plans.

The Monitor supports HII's and Shareco's request to convene the HII/Shareco Creditors' Meeting to consider the HII/Shareco Plan and Homco 61 LP's request to convene the Homco 61 Creditors' Meeting to consider the Homco 61 Plan.

The Monitor has advised HII, Shareco and Homco 61 LP that a copy of the Monitor's report relating to the Plans will be made available on the Website at least seven (7) days before the HII/Shareco Creditors' Meeting and the Homco 61 Creditors' Meeting in accordance with the CCAA.

## RECOMMENDATION OF THE BOARDS OF DIRECTORS

The board of directors of HII and Shareco have approved the HII/Shareco Plan and have authorized its submission to the Affected Creditors for their approval at the HII/Shareco Creditors' Meeting and, in the event such approval is forthcoming, to the Court for approval. The board of directors of Homco 61 GP, acting in its capacity as general partner of Homco 61 LP have approved the Homco 61 Plan and have authorized its submission to the Homco 61 Affected Creditors for their approval at the Homco 61 Creditors' Meeting and, in the event such approval is forthcoming, to the Court for approval.

In making their recommendations, the boards of directors of HII and Shareco and Homco 61 GP have considered various factors, including the ability of HII, Shareco and Homco 61 LP to repay their indebtedness, the necessity of restructuring the capital structure of the HII Group Entities and the impact on various stakeholders of HII, Shareco and Homco 61 LP, particularly the Affected Creditors and the Homco 61 Affected Creditors, in a liquidation of the assets of the HII Group Entities. The boards of directors and Homco 61 GP took into account and relied upon: advice received from legal counsel to HII, Shareco and Homco 61 LP and the opinion and views of management. The boards of directors and Homco 61 GP also took into account the opinion and views of the Monitor (see "*Recommendation of the Monitor*") and of Stichting Homburg Bonds. Further, the boards of directors and Homco 61 GP also reviewed the Newco valuation and the hypothetical liquidation assessment prepared by the Monitor (see "*Valuation of Newco*" and "*Hypothetical Liquidation Assessment*"), each of which indicate that the Affected Creditors and Homco 61 Affected Creditors may expect to achieve a more favourable result if the Plans are implemented relative to a liquidation of the HII Group Entities' assets.

**The boards of directors of HII and Shareco unanimously RECOMMEND that Affected Creditors vote FOR the Resolution and the board of directors of Homco 61 GP, acting in its capacity as general partner of Homco 61 LP unanimously RECOMMENDS that Homco 61 Affected Creditors vote FOR the Homco 61 Resolution.**

## CERTAIN REGULATORY AND OTHER MATTERS RELATING TO THE REORGANIZATION

### Certain United States Securities Law Considerations

#### *Exemption from the Registration Requirements of the 1933 Act*

The issuance of the Newco Common Shares pursuant to the Plans will not be registered under the 1933 Act and will be made in reliance on Section 3(a)(10) of the 1933 Act. Section 3(a)(10) of the 1933 Act exempts from registration the offer and sale of a security which is issued in exchange for outstanding securities, claims or property interests, or partly in such exchange and partly for cash, where the terms and conditions of such issue and exchange are approved, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange have the right to appear, by a court or governmental authority expressly authorized by law to grant such approval. The HII/Shareco Sanction and Vesting Order, if granted, will constitute the basis for the Section 3(a)(10) exemption from the registration requirements of the 1933 Act with respect to the Newco Common Shares issued in connection with the Plans. Prior to the hearing of the HII/Shareco Sanction and Vesting, the Court will be advised that the Newco Common Shares will be issued in reliance on the Section 3(a)(10) exemption.

#### *Resale of Newco Common Shares after the Completion of the Plans*

Newco Common Shares received by an Affected Creditor or a Homco 61 Affected Creditor who will be an "affiliate" of Newco after the Reorganization Transaction will be subject to certain restrictions on resale imposed by the 1933 Act. As defined in Rule 144 under the 1933 Act, an "affiliate" of an issuer is a person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the issuer. Typically, persons who are executive officers, directors or 10% or greater shareholders of an issuer are considered to be its "affiliates".

Shareholders who are not affiliates of Newco, and have not been affiliates of Newco within 90 days of the date of the Reorganization Transaction, may resell Newco Common Shares issued to them upon closing of the Plans without restriction under the 1933 Act.

Shareholders who are affiliates of Newco after the Plans may not resell their Newco Common Shares that they receive in connection with the Plans in the absence of registration under the 1933 Act, unless an exemption from registration is available, such as the exemptions contained in Rule 144 or Regulation S under the 1933 Act.

### **Certain Canadian Securities Law Considerations**

In each of the provinces of Canada, the distribution of the Newco Common Shares will be exempt, pursuant to the exemption relating to business combinations and reorganizations set forth in section 2.11 of National Instrument 45-106 – Prospectus and Registration Exemptions, from the requirement in securities legislation that prohibits a person or company from distributing a security unless a preliminary prospectus and prospectus for the security have been filed and the regulator has issued receipts for them. As a consequence of this exemption, certain protections, rights and remedies provided by Canadian securities legislation, including statutory rights of rescission or damages, will not be available in respect of such Newco Common Shares to be issued under the Plans. The Newco Common Shares to be issued pursuant to the Plans will be generally freely tradable in Canada subject to applicable limitations under Canadian securities laws.

If admitted to trading on NPEX, the Newco Common Shares will then be deposited with *Stichting Bewaarbedrijf NPEX* and recipients of Newco Common Shares pursuant to the Plans will only receive a contractual entitlement to an interest in these Newco Common Shares. Trading of these interests will only be possible on the NPEX platform.

Whether or not the Newco Common Shares are admitted for trading on NPEX, no trading in the Newco Common Shares will be possible for the first ninety (90) days following the Plan Implementation Date. See “*Newco Common Shares – Rights and Restrictions – Standstill Period*”.

The HII Group Entities recommend that potential recipients of the Newco Common Shares consult their own counsel concerning whether they may freely trade the Newco Common Shares (or their interests therein) in Canada in compliance with applicable Canadian securities laws.

After the Plan Implementation Date, it is expected that Newco will file an application to cease to be a reporting issuer in each of the provinces of Canada.

### **Certain Netherlands Securities Law Considerations**

Newco will be incorporated in the Netherlands as a closed-end property investment company without a separate manager (*beleggingsmaatschappij zonder aparte beheerder*) and will operate under a licence pursuant to the FMSA and the supervision of the AFM and the DNB. Newco shall publish information required pursuant to the FMSA and by the Trading Platform and will include as a minimum its annual accounts, its annual report and its half-yearly figures in accordance with Dutch law and the FMSA. Neither the implementation of the Plans (including any issue of Newco Common Shares to Affected Creditors or Homco 61 Affected Creditors) nor the publication of this Information Circular or the submission of the HII/Shareco Plan to the HII/Shareco Creditors’ Meeting and the Homco 61 Plan to the Homco 61 Creditors’ Meeting constitute an offer of securities within the meaning of Article 5.2 of the FMSA. The potential admission to trading of the Newco Common Shares on NPEX does not qualify as an admission to trading within the meaning of the FMSA. Consequently, no prospectus within the meaning of the FMSA has been or will be published and this Information Circular has not been drafted to comply with the requirements of a prospectus within the meaning of the FMSA. The AFM has no jurisdiction to either approve or disapprove this Information Circular and has not approved or disapproved its contents in any way.

### **Exchange Listing**

It is a condition of the HII/Shareco Plan that the Trading Platform shall have confirmed in writing the admission to trading of the Newco Common Shares on the Trading Platform. It is currently expected that Newco will make an application to trade the Newco Common Shares on NPEX.

NPEX is an unregulated alternative trading platform. It has certain characteristics that differ from the characteristics of a regulated market. Such differences include:

- The securities that are admitted to trading on NPEX are legally not shares and are not governed by the legal regime governing shares. Such securities are contractually defined economic participations in Newco Common Shares. The Newco Common Shares that will be traded on NPEX will be legally held by *Stichting Bewaarbedrijf NPEX*, the custodian of NPEX, which will credit to the NPEX account of the beneficial owner of the Newco Common Shares a number of depositary receipts for such shares in book entry form.



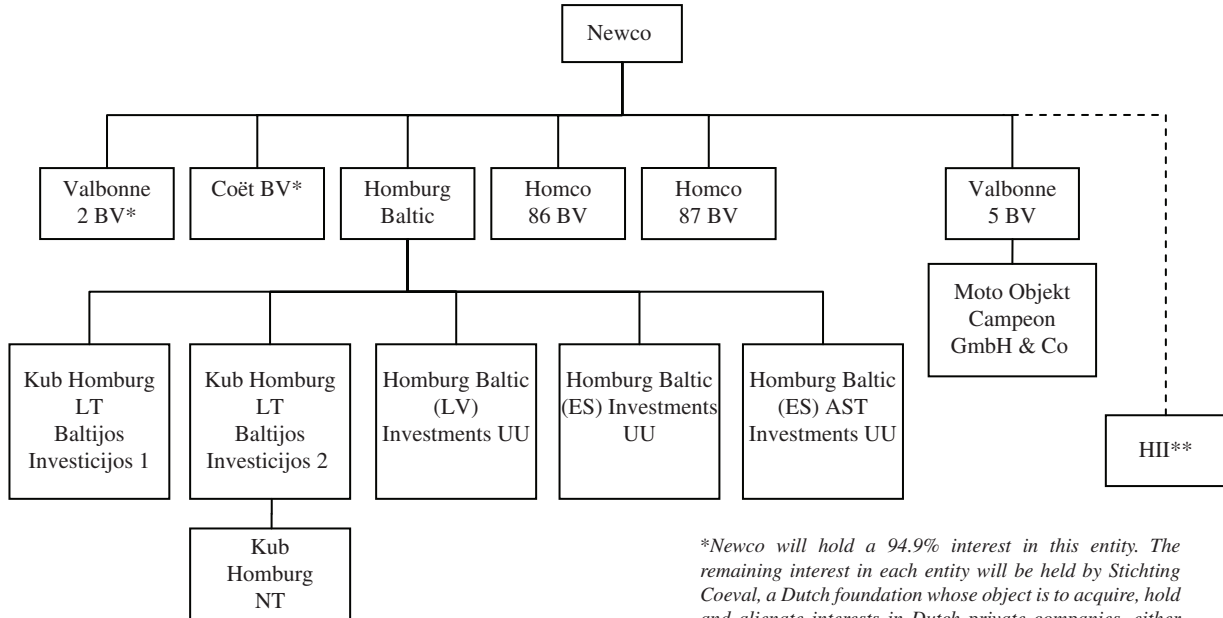
- NPEX does not qualify as a “*multilateral trading facility*” or “*regulated market*” within the meaning of the FMSA. Therefore, Dutch rules and regulations on corporate governance, market abuse, publication of insider information, prohibitions on insider trading, transparency requirements, mandatory disclosure of substantial holdings, public takeover rules and mandatory offer rules do not by operation of law apply to issuers admitted to trading on NPEX.
- NPEX has no market makers and as a consequence there will be no market price that is continuously formed nor will liquidity be maintained in Newco Common Shares if traded via NPEX. Newco Common Shares will be traded via NPEX on the basis of an auction system whereby holders of depositary receipts issued in respect of Newco Common Shares can ask and bid prices for depositary receipts issued in respect of Newco Common Shares admitted to trading on NPEX. For these reasons, investors may have difficulty selling their depositary receipts issued in respect of Newco Common Shares if there are no other NPEX members who will reflect on a bid offered. Newco will control if and when any trade in depositary receipts issued in respect of Newco Common Shares through NPEX can be conducted.
- NPEX will provide information on the latest trades on its website. Newco will be required to publish its most recent net asset value and its most recent net asset value per Newco Common Share on NPEX’s website. The information provided by Newco is not independently verified.
- Only members of NPEX can trade on NPEX. Becoming a member of NPEX requires fulfilling certain administrative requirements, which will be fulfilled by NPEX on behalf of Affected Creditors that wish to receive Newco Common Shares in the framework of the implementation of the Plans, but not for any person thereafter.
- *Stichting Bewaarbedrijf NPEX* is not regulated by the Dutch Act on dematerialized securities trading (*Wet giraal effectenverkeer*) and investors trading through NPEX therefore are not protected from a bankruptcy of *Stichting Bewaarbedrijf NPEX* or third parties making general attachments on the assets of *Stichting Bewaarbedrijf NPEX*.

Any admission to trading of the Newco Common Shares on NPEX will be conditional upon Newco fulfilling all the initial requirements of NPEX. There can be no assurance that an admission to trading can be achieved and, if achieved, that such admission will continue. Trading of the Newco Common Shares on NPEX may entail certain risks, including risks due to the differences between NPEX and a regulated market as described above. See “*Risk Factors – There has been no public market for the Newco Common Shares and an active market may not develop*” and “*Risk Factors – Newco Common Shares may be admitted to trading on NPEX. NPEX is not a regulated trading platform. It has certain characteristics that differ from those of a regulated trading platform*”.

## BUSINESS OF NEWCO

Pursuant to the HII/Shareco Plan and the HII/Shareco Sanction and Vesting Order (if obtained), Newco will be a closed-end property investment company without a separate manager to which the Core Business Assets will be transferred on the Plan Implementation Date free and clear of all Encumbrances other than the Core Business Creditor Claims. As a result, following the Plan Implementation Date, Newco will allow its shareholders, namely the Affected Creditors or Homco 61 Affected Creditors with Proven Claims, to benefit from the Core Business Assets, comprising an existing portfolio of assets and local operations in the Netherlands, Germany and the Baltic States.

The following chart illustrates the expected corporate structure of Newco and its subsidiaries following the Plan Implementation Date:



*\*Newco will hold a 94.9% interest in this entity. The remaining interest in each entity will be held by Stichting Coeval, a Dutch foundation whose object is to acquire, hold and alienate interests in Dutch private companies, either directly, or indirectly, as a limited partner.*

*\*\*The Non-Core Business Assets will continue to be disposed of following the Plan Implementation Date and the proceeds will be used to repay the Un-Assumed Portion of Proven Claims*

The first of the following tables, entitled “Information by Property Type”, sets forth the holdings in the portfolio divided among the three main property types comprising the portfolio (industrial, office, and retail), indicating the gross leased area (“GLA”, in square metres), the net leased area (“NLA”, in square metres), number of square feet vacant, total occupied area, percentage occupancy, and percentage of portfolio.

The second of the following tables, entitled “Information by Geography”, provides the same information showing the division of the portfolio by country.

The information in these tables is current as of the date hereof.

Property Type	Information by Property Type					
	GLA	NLA	Vacancy	Occupied Area	Occupancy	% of portfolio
Industrial	66,893	66,893	—	66,893	100.00%	20.18%
Office	250,830	250,830	12,018	238,811	95.21%	75.68%
Retail	13,722	13,722	5,448	8,274	60.30%	4.14%
<b>Total</b>	<b>331,444</b>	<b>331,444</b>	<b>17,466</b>	<b>313,978</b>	<b>94.73%</b>	<b>100.00%</b>

Country	Information by Geography					
	GLA	NLA	Vacancy	Occupied Area	Occupancy	% of portfolio
Estonia	30,065	30,065	4,341	25,725	85.56%	9.07%
Germany	210,672	210,672	—	210,672	100.00%	63.56%
Latvia	21,314	21,314	1,382	19,932	93.51%	6.43%
Lithuania	40,800	40,800	11,743	29,057	71.22%	12.31%
Netherlands	28,593	28,593	—	28,593	100.00%	8.63%
<b>Total</b>	<b>331,444</b>	<b>331,444</b>	<b>17,466</b>	<b>313,978</b>	<b>94.73%</b>	<b>100.00%</b>

The Management Board will evaluate the portfolio and will determine whether to hold, sell or develop each of the Core Business Assets.

#### *The Netherlands*

As at 31 December 2012, the Core Business Assets located in the Netherlands (the “**Dutch Portfolio**”) consisted of 3 properties with 28,593 square metres of floor area and 2 tenants, generating aggregate gross rental income (on an annualized basis) of approximately €2.6 million.

The Dutch Portfolio comprises offices (38%) and industrial properties (62%). The offices average approximately 5,400m<sup>2</sup> and the industrial properties average approximately 17,800m<sup>2</sup>.

The economic occupancy rate was 100 per cent with an average lease length of 17 years. The Dutch Portfolio has been externally valued by a third party valuator (“**Third Party Valuator**”) as at December 31, 2012, at a market value of approximately €35.1 million.

A detailed description of each of the properties comprising the Netherlands Portfolio is set forth below. The market values below are derived solely from the valuation prepared by a Third Party Valuator as at December 31, 2012.

- Coët BV
  - Wolfraamweg 2, Wolvega, Netherlands
  - Leased to Motip Dupli Group B.V., the property is centrally located in an industrial area of Wolvega and is well connected to the Dutch Highway system. The building provides gross leasable area of 17,822 square metres consisting of warehouse and office space. Based on the valuation referred to above, this property has a market value of €7 million.
- Homco Realty Fund (86) BV
  - Benthemstraat 10, Rotterdam, Netherlands
  - A 7,641 square metres building constructed in 1969. Renovations were carried out in 1999 and 2002. Based on the valuation referred to above, this property has a market value of €16.9 million.
- Homco Realty Fund (87) BV
  - Energieweg 9, Rotterdam, Netherlands
  - A two storey fitness centre built in 2002-2003 with gross area of 3,130 square metres. Based on the valuation referred to above, this property has a market value of €11.3 million.

#### *Germany*

As at 31 December 2012, the Core Business Assets located in Germany (the “**German Portfolio**”) consisted of 16 properties with 210,672 square metres of floor area and 4 tenants, generating aggregate gross rental income (on an annualized basis) of approximately €41.8 million.

The German Portfolio comprises offices (77%) and industrial properties (23%). The offices average approximately 12,400m<sup>2</sup> and the industrial properties average approximately 16,350m<sup>2</sup>.

The economic occupancy rate was 100 per cent with an average lease length of 11.8 years. The German Portfolio has been externally valued, as at December 31, 2012, at a market value of approximately €448.8 million.

A detailed description of each of the properties comprising the German Portfolio is set forth below. The market values below are derived solely from valuations prepared by a Third Party Valuator as at December 31, 2012.

- Valbonne Real Estate 2 BV
  - Philippstrasse 3, Bochum, Germany
  - Leased to Veba Immobilie AG, the property is located in Bochum-Altenbochum and is close to several highway connections including BAB 40 and 43. The complex offers easy access by both car and public transportation. The site contains approximately 5 acres. The building provides total leasable space of 23,127 square metres and has 250 parking spaces. It is a well maintained office complex fitted out to a high standard. Based on the valuation referred to above, this property has a market value of €40.5 million.

- Coët BV
  - Elbestrasse 1-3, Marl, Germany
    - Located in the industrial section of Marl-West, the property is close to highway connections A43-A2 and contains land area of approximately 7.5 acres. The building provides 15,705 square metres leasable. It is a well maintained property consisting of office and warehouse/distribution space, fitted out to good and functional standards. Based on the valuation referred to above, this property has a market value of €9.2 million.
  - Binnerheide 26, Schwerte, Germany
    - The property is centrally located in an industrial area of Binnerheide Schwerte and is well connected to the German motorway system. The site contains approximately 10 acres. The building provides a leasable area of 5,071 square metres and is a well maintained mixed use property consisting of office and storage space. Based on the valuation referred to above, this property has a market value of €2.7 million.
  - Industriestrasse 19, Hassmersheim, Germany
    - The property is centrally located in an industrial area of Hassmersheim and is well connected to the German motorway system and to the river Neckar. The property contains approximately 18 acres. The building contains a total leasable area of 28,295 square metres and is a well maintained mixed use property consisting of office and storage space. Based on the valuation referred to above, this property has a market value of €18 million.
- MoTo Objekt Campeon GmbH & Co. KG
  - AM Campeon 1-12, Neubiberg, Germany (Munich)
    - Six low-rise buildings containing 138,474 square metres and underground parking for 1,980 cars. Occupied by a single tenant, Infineon Technologies AG. Based on the valuation referred to above, this property has a market value of €378.4 million.

#### *The Baltic States*

As at 31 December 2012, the Core Business Assets located in Latvia, Lithuania and Estonia (the “**Baltic Portfolio**”) consisted of 53 properties with 92,145 square metres of floor area and approximately 92 tenants, generating aggregate gross rental income (on an annualized basis) of approximately €14 million.

The Baltic Portfolio comprises offices (86%) and retail (14%). The offices average approximately 1,800m<sup>2</sup> and the retail properties average approximately 1,400m<sup>2</sup>.

The economic occupancy rate was 81 per cent with an average lease length of 9.5 years. The Baltic Portfolio has been externally valued by a Third Party Valuator, as at December 15, 2012, at a market value of approximately €134.6 million.

A detailed description of each of the properties comprising the Baltic Portfolio is set forth below. The market values below are derived solely from valuations prepared by a Third Party Valuator as at December 15, 2012.

- Homburg Baltic LP Inc.
  - KUB Homburg LT Baltijos Investicijos 1
    - *Laisvės 75, Vilnius, Lithuania* – Site consists of approximately 10,000 square metres. There is a two storey warehouse building with office premises totalling approximately 6,430 square metres. The remaining area of the site is occupied by a car park. Based on the valuation referred to above, this property has a market value of €4 million.
    - *Jogailos 9 / Smetonos 1, Vilnius, Lithuania* – Site consists of approximately 940 square metres. The four storey office building is occupied by SEB Bank and comprises approximately 3,409 square metres. There is also a yard and a car park. Based on the valuation referred to above, this property has a market value of €7 million.
    - *Gedimino 10, Vilnius, Lithuania* – Site consists of approximately 4,657 square metres. The three storey office building consists of approximately 2,507 square metres. Based on the valuation referred to above, this property has a market value of €8 million.
    - *Maironio 19, Kaunas, Lithuania* – Site consists of approximately 1,797 square metres. The four storey retail building is a modern shopping centre with approximately 4,666 square metres. Based on the valuation referred to above, this property has a market value of €3.1 million.
    - *Turgaus 15, Klaipėda, Lithuania* – Site consists of approximately 1,071 square metres. The two storey office building consists of approximately 925 square metres. Based on the valuation referred to above, this property has a market value of €1.05 million.

- *Turgaus 19, Klaipėda, Lithuania* – Site consists of approximately 1,071 square metres. The three storey office building consists of approximately 383 square metres. Based on the valuation referred to above, this property has a market value of €0.45 million.
- *Turgaus 17, Klaipėda, Lithuania* – Site consists of approximately 1,071 square metres. The three storey office building with basement and attic comprises approximately 393 square metres. Based on the valuation referred to above, this property has a market value of €0.45 million.
- **KUB Homburg LT Baltijos Investicijos 2**
  - *Gedimino 12, Vilnius, Lithuania* – Site consists of approximately 2,496 square metres. The five storey administrative building with basement and attic is mainly office space with approximately 2,884 total square metres and is occupied by SEB Bank. Based on the valuation referred to above, this property has a market value of €7.7 million
  - *Vokieciu 9, Vilnius, Lithuania* – The building was constructed in 1959 and renovated in 2000. The three storey residential building has commercial premises on the ground floor. Commercial premises consist of approximately 194 square metres. Based on the valuation referred to above, this property has a market value of €1.09 million.
  - *Laisves 82, Kaunas, Lithuania* – Site consists of approximately 3,888 square metres. The three storey modern office building with basement and attic houses mainly offices, with the main tenant being SEB Bank. Based on the valuation referred to above, this property has a market value of €6.9 million.
  - *Tilzes 157, Siauliai, Lithuania* – Site consists of approximately 3,149 square metres. The three storey commercial building houses mainly SEB Bank and consists of approximately 2,504 square metres. There is also a car park for approximately 60 cars. Based on the valuation referred to above, this property has a market value of €3.4 million.
  - *Ukmerges 20, Panevezys, Lithuania* – Site consists of approximately 2,622 square metres. The four storey with basement commercial building houses SEB Bank with a total of 2,141 square metres. The property also has a car park. Based on the valuation referred to above, this property has a market value of €3 million.
  - *Burbos 3, Maziėkiai, Lithuania* – Site consists of approximately 3,109 square metres. The modern three storey commercial building is mainly leased to SEB Bank consisting of 1,043 square metres. There is also a car park on site. Based on the valuation referred to above, this property has a market value of €0.5 million.
  - *Basanaviciaus 51, Kedainiai, Lithuania* – Site consists of approximately 1,442 square metres. The modern two storey commercial building houses mainly offices with a total of approximately 941 square metres. Based on the valuation referred to above, this property has a market value of €1.2 million.
  - *Vytauto 11, Marijampole, Lithuania* – Site consists of approximately 971 square metres. The two storey commercial building with basement and attic comprises approximately 767 square metres with the main tenant being SEB Bank. There is also a car park (garage) and transformer building on site. Based on the valuation referred to above, this property has a market value of €0.68 million.
  - *Pulko 4, Alytus, Lithuania* – Site consists of approximately 1,294 square metres. The two storey bank building consists of approximately 956 square metres with both office and retail premises. There is also a car park. Based on the valuation referred to above, this property has a market value of €0.94 million.
  - *Rotuses 8, Birzai, Lithuania* – Site consists of approximately 2,970 square metres. The two storey commercial building with basement and attic is mainly occupied by SEB Bank and has a total of approximately 609 square metres. Based on the valuation referred to above, this property has a market value of €0.24 million.
  - *Jogailos 9a, Vilnius, Lithuania* – Site consists of approximately 940 square metres. The modern four storey administrative building with basement houses mainly offices with approximately 1,640 square metres in total. The tenant is SEB Bank. Based on the valuation referred to above, this property has a market value of €2.9 million.
  - *Žirmūnų 70, Vilnius, Lithuania* – Site consists of approximately 27,689 square metres. The seven storey office building has a total of approximately 1,170 square metres and is occupied by SEB Bank. Based on the valuation referred to above, this property has a market value of €0.5 million.
  - *Kalvariju 98, Vilnius, Lithuania* – The six storey residential building with commercial premises on the ground floor has approximately 152 square metres. SEB Bank is the main tenant. Based on the valuation referred to above, this property has a market value of €0.25 million.
  - *Saltoniškių 29, Vilnius, Lithuania* – Site consists of a four storey administrative building with commercial premises on the ground floor. Total square footage is approximately 373 square metres. Based on the valuation referred to above, this property has a market value €0.24 million.
  - *Utenio 15, Utena, Lithuania* – Site consists of approximately 1,065 square metres. The two storey office building of approximately 519 square metres is mainly occupied by SEB Bank. Based on the valuation referred to above, this property has a market value of €0.47 million.



- *Kęstučio 38, Kaunas, Lithuania* – Site consists of approximately 1,162 square metres. The six storey office building consists of both office and retail space with approximately 1,027 square metres. The property also includes a garage with approximately 24 square metres. Based on the valuation referred to above, this property has a market value of €1.2 million.
- *Daržų 13, Klaipėda, Lithuania* – Site consists of approximately 805 square metres. The two storey office building with basement and attic comprises approximately 1,093 square metres, with the main tenant being SEB Bank. Based on the valuation referred to above, this property has a market value of €1.35 million.
- *Vilniaus 1, Joniskis, Lithuania* – The two storey commercial building with basement and attic comprises approximately 187 square metres and houses SEB Bank. Based on the valuation referred to above, this property has a market value of €0.08 million.
- Homburg Baltic (ES) Investments UU
  - *Tartu mnt. 13, Tallinn, Estonia* – Site consists of approximately 2,387 square metres. The five storey office building consists of approximately 3,555 square metres. Based on the valuation referred to above, this property has a market value of €3 million.
  - *Maleva 1, Tallinn, Estonia* – Site consists of approximately 9,039 square metres. The six storey building houses mainly offices and retail on the first floor consisting of 1,263 square metres. Based on the valuation referred to above, this property has a market value of €0.68 million.
- Homburg Baltic (ES) AST Investments UU
  - *Rüütli 40a, Pärnu, Estonia* – The three storey bank/office building of approximately 2,110 square metres is leased to SEB Bank. Based on the valuation referred to above, this property has a market value of €2.7 million.
  - *Aia 5, Valga, Estonia* – The two storey bank office has a total of 1,489 square metres. Based on the valuation referred to above, this property has a market value of €0.95 million.
  - *Vainu 11, Paide, Estonia* – The two storey bank office totals approximately 1,166 square metres and includes a spacious sales hall. Based on the valuation referred to above, this property has a market value of €0.72 million.
  - *Vaksali 2, Viljandi, Estonia* – The two storey bank office totals approximately 1,124 square metres and includes a spacious sales hall. Based on the valuation referred to above, this property has a market value of €0.83 million.
  - *Tallinna mnt. 28, Narva, Estonia* – The two storey bank office with spacious sales hall totals approximately 1,103 square metres. Based on the valuation referred to above, this property has a market value of €1.16 million.
  - *Tallinna mnt.12, Rapla, Estonia* – The three storey office building has a total of approximately 872 square metres. Based on the valuation referred to above, this property has a market value of €0.51 million.
  - *Rakvere 3a, Jõhvi, Estonia* – The two storey bank office includes approximately 847 square metres. Based on the valuation referred to above, this property has a market value of €0.68 million.
  - *Aia 1, Jõgeva, Estonia* – The two storey bank building has approximately 335 square metres which includes a spacious sales hall. SEB Bank is the main tenant. Based on the valuation referred to above, this property has a market value of €0.2 million.
  - *Keskväljak 7, Kärdla, Estonia* – The one storey bank office also has a spacious sales hall, with a total of approximately 150 square metres. Based on the valuation referred to above, this property has a market value of €0.1 million.
  - *Tornimäe 2, Tallinn, Estonia* – The 24 storey office building consists of approximately 16,051 square metres. Based on the valuation referred to above, this property has a market value of €39.5 million.
- Homburg Baltic (LV) Investments UU
  - *Unicentrs, Riga, Latvia* – Site consists of approximately 10,357 square metres. The 11-storey administrative building with canteen building with originally constructed in 1982 with complete reconstruction completed in 2004. There is also a two storey car wash building on site constructed in 1990. Based on the valuation referred to above, this property has a market value of €20.4 million.
  - *Baznīcas iela 4/6, Liepāja, Latvia* – This four-storey plus a basement bank and office building consisting of 1,736 square metres is situated in the central part of Liepāja city. Based on the valuation referred to above, this property has a market value of €1.3 million.
  - *Ozolu iela 1, Gulbene, Latvia* – This two-storey bank and office building consisting of 1,293 square metres is situated in the central part of Cesis town. Based on the valuation referred to above, this property has a market value of €0.6 million.
  - *Rīgas iela 9, Saldus, Latvia* – This two-storey plus a basement bank and office building consisting of 1,211 square metres is situated in the center of Saldus City. Based on the valuation referred to above, this property has a market value of €0.6 million.

- *Brīvības iela 12, Dobeles, Latvia* – This two-storey plus a basement office building consisting of 1,022 square metres is currently being used as a bank and was originally constructed in 1980. Based on the valuation referred to above, this property has a market value of €0.7 million.
- *Pormalu iela 11, Jēkabpils, Latvia* – This two-storey (plus garage) office building consisting of 866 square metres was originally constructed in 1929 and reconstructed in 1998. Based on the valuation referred to above, this property has a market value of €0.7 million.
- *Kuldīgas iela 3, Ventspils, Latvia* – This two-storey (plus garage) office building consisting of 682 square metres is currently being used as a bank and was originally constructed in 1908. Reconstruction of both the building and garage was completed in 2001. Based on the valuation referred to above, this property has a market value of €0.5 million.
- *Rīgas iela 1, Sigulda, Latvia* – This two-storey plus a basement office building consisting of 654 square metres is currently being used as a bank and was originally constructed in 1912. Renovations were completed in 2005. Based on the valuation referred to above, this property has a market value €0.35 million.
- *Dzirnavu iela 5, Kuldīga, Latvia* – This two-storey plus a basement office building consisting of 702 square metres is currently being used as a bank and was originally constructed in 1930. Renovations were completed in 2005. Based on the valuation referred to above, this property has a market value of €0.42 million.
- *Talsu iela 3, Preiļi, Latvia* – This two-storey (plus a garage) office building consisting of 615 square metres is currently being used as a bank and was originally constructed in 1974. Renovations were completed in 2005. Based on the valuation referred to above, this property has a market value of €0.28 million.
- *Burtņieku iela 8, Limbaži, Latvia* – This one-storey (plus a garage) office building consisting of 587 square metres is currently being used as a bank and was originally constructed in 1962. Based on the valuation referred to above, this property has a market value of €0.25 million.
- *Lāčplēša iela 2, Aizkraukle, Latvia* – This one-storey office building consisting of 375 square metres is currently being used as a bank and was originally constructed in 1963 with renovations implemented in 1997. Based on the valuation referred to above, this property has a market value of €0.22 million.
- *Rīgas iela 25, Valka, Latvia* – This office building consisting of 377 square metres is currently being used as a bank and was originally constructed in 1910 with structural renovations implemented in 1995. Based on the valuation referred to above, this property has a market value of €0.12 million.
- *Bērzpils iela 6, Balvi, Latvia* – This two-storey office building consisting of 337 square metres is currently being used as a bank and was originally constructed in 1967. Renovations have subsequently been completed in 1997 and 2004. Based on the valuation referred to above, this property has a market value of €0.2 million.
- *Studentu iela 2, Krāslava, Latvia* – This two-storey plus a basement office building consisting of 358 square metres is currently being used as a bank and was originally constructed in early 1900. Major renovations were completed in 2004. Based on the valuation referred to above, this property has a market value of €0.22 million.
- *Lielā iela 11, Kandava, Latvia* – This one-storey office building consisting of 143 square metres is currently being used as a bank and was originally constructed in 1930 with major renovations completed in 2001. Based on the valuation referred to above, this property has a market value of €0.06 million.

## PRO FORMA OPENING BALANCE SHEET AND UNAUDITED PROJECTED FINANCIAL INFORMATION OF NEWCO

In connection with the Plans and the transactions contemplated thereby including in particular the transfer of the Core Business Assets to Newco, HII has prepared an unaudited pro forma opening balance sheet and unaudited consolidated projected financial information of Newco for the period December 31, 2013 to December 31, 2016.

HII has prepared this unaudited pro forma opening balance sheet and these unaudited consolidated projections based upon, among other things, the anticipated future financial condition and operating results of Newco. HII does not intend to update or otherwise revise these projections to reflect events or circumstances existing or arising after the date of this Information Circular, even in the event that any or all of the underlying assumptions to these projections prove to be incorrect.

THE UNAUDITED PRO FORMA OPENING BALANCE SHEET AND CONSOLIDATED PROJECTED FINANCIAL INFORMATION OF NEWCO WERE NOT PREPARED TO COMPLY WITH ANY GUIDELINES FOR PROSPECTIVE FINANCIAL STATEMENTS PUBLISHED BY ANY ACCOUNTING STANDARD BOARD SETTERS. ERNST & YOUNG LLP, NEWCO'S PROPOSED INDEPENDENT AUDITORS, HAVE NEITHER REVIEWED NOR APPROVED THE ACCOMPANYING BALANCE SHEET OR FINANCIAL PROJECTIONS AND ACCORDINGLY DO NOT EXPRESS AN OPINION OR ANY OTHER FORM OF ASSURANCE WITH RESPECT TO SUCH INFORMATION.

THE UNAUDITED PRO FORMA OPENING BALANCE SHEET AND CONSOLIDATED PROJECTED FINANCIAL INFORMATION OF NEWCO ARE NECESSARILY BASED ON A VARIETY OF ESTIMATES AND ASSUMPTIONS THAT, ALTHOUGH CONSIDERED REASONABLE, MAY NOT BE REALIZED, AND ARE INHERENTLY SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC, COMPETITIVE, INDUSTRY, REGULATORY, MARKET AND FINANCIAL UNCERTAINTIES AND CONTINGENCIES. CONSEQUENTLY, NO REPRESENTATIONS CAN BE OR ARE MADE AS TO THE ACCURACY OF THE UNAUDITED PRO FORMA OPENING BALANCE SHEET OR CONSOLIDATED FINANCIAL PROJECTIONS OR TO NEWCO'S ABILITY TO ACHIEVE THE UNAUDITED CONSOLIDATED FINANCIAL PROJECTIONS. MOREOVER, EVENTS AND CIRCUMSTANCES OCCURRING SUBSEQUENT TO THE DATE ON WHICH THE BALANCE SHEET AND PROJECTIONS WERE PREPARED MAY BE DIFFERENT FROM THOSE ASSUMED, OR, ALTERNATIVELY, MAY HAVE BEEN UNANTICIPATED, AND THUS MAY AFFECT FINANCIAL RESULTS IN A MATERIAL AND POSSIBLY ADVERSE MANNER.

All dollar amounts in the unaudited consolidated pro forma balance sheet and consolidated projected financial information set out below is expressed in Euros unless otherwise indicated. See "*Exchange Rate Information*".

### *Assumptions of Newco*

This unaudited pro forma balance sheet and these unaudited consolidated financial projections reflect the creation of Newco under the terms of the HII/Shareco Plan and assume a continuity of HII's interest in the Core Business Assets and related liabilities. As a result, the assets and liabilities to be transferred to Newco have been recognized at HII's carrying value in Newco's opening pro forma balance sheet. The only exceptions to this assumption are cases where the relevant borrowing entity has entered into or is expected to enter into new debt agreements with existing lenders that provide for substantial modifications to the terms of existing debt agreements. In such circumstances, the existing financing arrangements are assumed to be terminated and replaced by new debt instruments recognized at their estimated fair values at the date of Newco's opening pro forma balance sheet. To the extent that the terms of final financing arrangements differ from the terms included herein, this could have a material impact on the financial projections generally.

Should Newco's financial statements subsequently be prepared using a different assumption to reflect the creation of Newco, Newco's liabilities will be recognized at their estimated fair value in the opening pro forma balance sheet – which is likely to result in lower liabilities than presented in this Information Circular.

## Pro Forma Opening Balance Sheet of Newco

The unaudited pro forma opening balance sheet of Newco as at June 30, 2013 has been prepared based on unaudited financial information pertaining to HII and its subsidiaries as at December 31, 2012 and their respective projections for the six month period ending on June 30, 2013.

### Newco Unaudited Opening Projected Balance Sheet

<u>Euros (000)</u>	<u>Opening Jun-13</u>
<b>Assets</b>	
<b>Non-current assets</b>	
Investment properties .....	613,069
<b>Current assets</b>	
Cash and cash equivalents .....	2,774
Receivables and other .....	389
	<u>3,164</u>
<b>Total assets</b> .....	<b>616,233</b>
<b>Equity and Liabilities</b>	
<b>Total equity</b>	
Controlling interest .....	162,108
Non-controlling interest .....	8,527
	<u>170,635</u>
<b>Non-Current liabilities</b>	
Long term debt .....	403,151
Deferred tax liabilities .....	15,229
Derivative financial instruments .....	7,839
	<u>426,219</u>
<b>Current liabilities</b>	
Accounts payable and other liabilities .....	2,803
Current portion of long term debt .....	16,576
Income taxes payable .....	—
	<u>19,379</u>
<b>Total Liabilities</b> .....	<b>445,598</b>
<b>Total equity and liabilities</b> .....	<b>616,233</b>

#### *Notes to Newco unaudited pro forma opening balance sheet*

The unaudited pro forma opening balance sheet assumes that Newco will apply the same accounting principles that were applied by HII. As no audit opinion is expressed in respect of this opening pro forma balance sheet by the proposed auditor of Newco, any changes in accounting policies resulting from an audit may result in material adjustments.

#### Investment properties

Investment properties reflect the fair market values of the Core Business Assets as appraised by external independent evaluators as at December 31, 2012. HII has assumed no fluctuation in fair market values from December 31, 2012 to June 30, 2013, the date of the unaudited opening pro forma balance sheet other than for the Campeon property in respect of which HII has assumed a reduction in fair market value.

#### Long term debt and derivative financial instruments

Long term debt represents the balance owing to the secured lenders who financed the Core Business Assets. The long term debt as at June 30, 2013 reflects the estimated outstanding balance assuming the existing terms and conditions of the secured loans. In addition, for loan arrangements currently under negotiation, the opening pro forma balance sheet reflects the current status of the discussions with secured lenders. As such, any loans still currently under negotiation may affect the final outstanding balance. On the Plan Implementation Date, actual results may differ as discussed in “*Risk Factors Relating to Business of Newco*”.

In order to determine the estimated fair value of the new debt instruments referred to above and of derivative financial instruments, under current accounting standards HII must take into account Newco's own credit standing in order to measure the risk that Newco will not fulfill its obligations. This credit risk was determined by estimating a likely credit rating for Newco's debt instruments as at the opening of the pro forma balance sheet date considering its future financial position at that time. Based on that credit rating, an applicable credit spread was estimated based on observable market data. Over time, the applicable credit spread will vary with market conditions as well as changes in Newco's financial position.

#### Non controlling interest

The non-controlling interest is explained by the Campeon asset. HII owns, through a partnership, approximately 93.4% of such asset. The projected non-controlling interest as of June 30, 2013 represents the equity in the asset (6.6%) in respect of which Newco is not entitled.

#### Unaudited Consolidated Financial Projections

The unaudited consolidated projected financial information includes Newco's unaudited pro forma opening balance sheet, Newco's unaudited consolidated projected income statement and Newco's unaudited consolidated projected cash flows.

#### *General Assumptions*

- i. **Methodology:** The unaudited consolidated projected financial information has been prepared by HII and is based on an operating forecast in respect of Newco for 2013 to 2016. The unaudited consolidated projected financial information reflects various strategic reviews and restructuring initiatives.
- ii. **Plan Implementation:** The unaudited consolidated projected financial information assumes the Plan Implementation Date will occur June 30, 2013.

#### *Newco Unaudited Consolidated Projected Income Statement*

<b>Newco</b>				
<b>Unaudited Projected Consolidated Income Statements</b>				
<u>Euros (000)</u>	<u>6 months Dec-13</u>	<u>12 months Dec-14</u>	<u>12 months Dec-15</u>	<u>12 months Dec-16</u>
<b>Property revenue</b> .....	<b>28,327</b>	<b>56,949</b>	<b>57,993</b>	<b>62,979</b>
Property operating expenses .....	3,277	4,016	3,440	3,153
<b>Gross income from operations</b> .....	<b>25,051</b>	<b>52,932</b>	<b>54,553</b>	<b>59,826</b>
General and administrative .....	(2,455)	(4,030)	(3,880)	(3,937)
Net adjustment to fair value of:				
Investment properties .....	(5,562)	(12,184)	(13,697)	(17,842)
Derivative financial instruments .....	392	745	745	745
Loss on disposal of assets .....	—	(6,640)	(1,311)	(25)
Financial fees .....	(10,855)	(22,201)	(20,463)	(19,284)
	(18,480)	(44,310)	(38,606)	(40,343)
<b>Income before incomes taxes</b> .....	<b>6,570</b>	<b>8,623</b>	<b>15,947</b>	<b>19,483</b>
Income tax expense .....	1,877	3,108	2,995	3,223
<b>Net income</b> .....	<b>4,693</b>	<b>5,514</b>	<b>12,952</b>	<b>16,260</b>
<b>Net income attributable to:</b>				
Non controlling interest .....	165	309	165	(92)
Controlling interest .....	<b>4,528</b>	<b>5,206</b>	<b>12,787</b>	<b>16,352</b>

#### *Notes to Newco's Unaudited Consolidated Projected Income Statement*

##### Property revenue

Property revenue consists of rental income. HII has forecasted revenue from the Core Business Assets based on the current rent roll. In addition, HII has built assumptions around renewal probabilities, market rent and conditions, and termination dates and termination costs for leases expiring before the end of December 2016. These assumptions represent HII's best estimates as of the date hereof. Should these assumptions not materialize or differ, material changes may result.

##### Property operating expenses and general and administrative expenses

The expenses have been forecasted by HII using the recent financial results of each property and the estimated general and administrative costs related to Newco.



### Gain (loss) on disposal of assets

The loss on disposal of assets is expected to arise from implementation of the disposition plan that is contemplated to be implemented following the Plan Implementation Date for certain properties located in the Baltics. HII has determined that these properties are not required in order to carry on the Newco business.

### Investment properties

HII forecasts a decrease in value of the Core Business Assets, mainly explained by an anticipated reduction in the value of the Campeon property (Valbonne 5 BV). For the other properties, HII does not forecast any change in value from that reflected in the projected balance sheet, other than the disposal plan anticipated in the Baltics. Should this assumption not materialize or differ, material changes in the value of Newco's equity and its ability to make distributions to its shareholders may result.

### Financial fees

The financial fees are essentially composed of interest expenses. The interest expense projections are based on Newco's opening projected capital structure assumed on July 1, 2013. As described earlier, the long-term debt consists of secured loans in respect of the Core Business Assets. The interest expense is projected based on the current terms and conditions of each secured loan or on the latest proposed financing terms for those loans currently under negotiation.

### Income taxes

Income taxes were calculated based on the projected income of each legal entity in accordance with applicable law. As more fully described under the section "Income Tax Considerations", various risks could materially impact the estimated income taxes payable by Newco.

### *Newco Unaudited Consolidated Pro Forma Balance Sheet*

The unaudited consolidated pro forma balance sheet was developed using HII's December 31, 2012 unaudited balance sheet adjusted to reflect HII's estimate of Newco's projected operating results from July 1, 2013 through December 31, 2016. On the Plan Implementation Date, actual results may differ due to a variety of risk factors as notably discussed in the "Risk Factors" section.

### **Newco Unaudited Projected Consolidated Balance Sheet**

<b>Euros (000)</b>	<b>Opening Jun-13</b>	<b>Dec-13</b>	<b>Dec-14</b>	<b>Dec-15</b>	<b>Dec-16</b>
<b>Assets</b>					
<b>Non-current assets</b>					
Investment properties .....	613,069	607,607	576,569	559,174	538,511
<b>Current assets</b>					
Cash and cash equivalents .....	2,774	5,313	14,695	25,586	37,437
Receivables and other .....	389	570	570	570	570
	3,164	5,883	15,265	26,156	38,007
<b>Total assets .....</b>	<b>616,233</b>	<b>613,490</b>	<b>591,834</b>	<b>585,330</b>	<b>576,518</b>
<b>Equity and Liabilities</b>					
<b>Total equity</b>					
Controlling interest .....	162,108	166,636	171,842	184,629	200,981
Non-controlling interest .....	8,527	8,176	7,456	6,601	5,399
	<b>170,635</b>	<b>174,812</b>	<b>179,298</b>	<b>191,230</b>	<b>206,380</b>
<b>Non-Current liabilities</b>					
Long term debt .....	403,151	396,608	369,674	346,904	323,885
Deferred tax liabilities .....	15,229	15,793	16,111	16,032	15,274
Derivative financial instruments .....	7,839	7,447	6,702	5,958	5,213
	426,219	419,848	392,488	368,894	344,372
<b>Current liabilities</b>					
Accounts payable and other liabilities .....	2,803	3,666	3,973	3,894	3,866
Current portion of long term debt .....	16,576	14,794	15,855	21,067	21,030
Income taxes payable .....	—	370	221	245	870
	19,379	18,830	20,049	25,206	25,766
<b>Total Liabilities .....</b>	<b>445,598</b>	<b>438,678</b>	<b>412,536</b>	<b>394,100</b>	<b>370,138</b>
<b>Total equity and liabilities .....</b>	<b>616,233</b>	<b>613,490</b>	<b>591,834</b>	<b>585,330</b>	<b>576,518</b>

Cash

HII expects that Newco will generate significant cash over the next few years according to the unaudited consolidated projections. Any future determination to pay dividends will be at the discretion of the Management Board (subject to the approval of the Supervisory Board) and will depend on Newco's earnings, capital requirements, operations, financial position and such other factors as these boards deem relevant.

Investment properties

Investment properties reflects the fair market values of all Core Business Assets based on external appraisals as at December 31, 2012 and assets located in the Baltics that are to be disposed by Newco pursuant to a disposal plan. The opening June 30, 2013 balance assumes no variation in fair market value from December 31, 2012 to June 30, 2013. HII forecasts a decrease in value of approximately \$75 million, explained primarily by an anticipated reduction in value of the Campeon property (Valbonne 5 BV) and the sale of certain properties in the Baltics. For the other properties, HII does not forecast any changes in value in the unaudited projected balance sheet. Should this assumption not materialize or differ, material changes in the value of Newco's equity and its ability to make distributions may result.

The following table sets out the investment property balance at emergence and following emergence on a country by country basis.

**Newco  
Unaudited additional information**

<u>Euros (000)</u>	<u>Opening Jun-13</u>	<u>Dec-13</u>	<u>Dec-14</u>	<u>Dec-15</u>	<u>Dec-16</u>
<u>Investment properties</u>					
Germany .....	450,301	444,839	433,911	421,245	404,242
Netherlands .....	28,128	28,128	28,128	28,128	28,128
Baltics .....	134,640	134,640	114,530	109,800	106,140
	613,069	607,607	576,569	559,174	538,511

Long term debt

Long term debt represents the fair market value of the balance owing to the secured lenders who financed the Core Business Assets. The opening June 30, 2013 balance reflects the current status of the discussions with secured lenders. On the Plan Implementation Date, actual results will be subject to the risks associated with debt financing.

The following table sets out the fair market value of the long term debt balance at and following emergence on a country by country basis.

**Newco  
Unaudited additional information**

<u>Euros (000)</u>	<u>Opening Jun-13</u>	<u>Dec-13</u>	<u>Dec-14</u>	<u>Dec-15</u>	<u>Dec-16</u>
<u>Long term debt</u>					
Germany .....	317,764	309,902	297,276	283,501	265,522
Netherlands .....	14,454	14,295	13,976	13,656	13,337
Baltics .....	87,509	87,206	74,278	70,815	66,056
	419,727	411,403	385,529	367,972	344,915

Derivative financial instruments

The estimated fair market value of the financial instruments on the projected opening balance sheet was estimated assuming stable conditions and amortized only to reflect the passage of time on a straight line basis. Over time, the fair value of these instruments will in fact be affected as the applicable credit spread will vary with market conditions as well as from changes in the Newco's financial position.

Equity

HII forecasts no significant variation in Equity other than the variation due to net income.

*Newco unaudited consolidated projected cash flows*

The Newco unaudited consolidated projected cash flow sets forth the forecasted changes in cash, after giving effect to the proposed Reorganization Transaction.

**Newco  
Unaudited Projected Consolidated Cash Flow**

<u>Euros (000)</u>	<u>6 months Dec-13</u>	<u>12 months Dec-14</u>	<u>12 months Dec-15</u>	<u>12 months Dec-16</u>
<b>Cash Inflow</b>				
Rent .....	28,509	57,708	58,779	63,763
Net proceeds of sale .....	—	13,470	3,419	3,635
<b>Total Cash Inflow</b> .....	<b>28,509</b>	<b>71,178</b>	<b>62,198</b>	<b>67,398</b>
<b>Cash Outflow</b>				
Mortgage principal				
<i>Net proceeds of sale</i> .....	—	13,470	3,419	3,635
<i>Repayments of debt</i> .....	8,909	14,794	15,855	21,067
	8,909	28,264	19,274	24,702
Mortgage interest .....	10,733	19,873	18,766	17,676
Expenses .....	5,712	11,374	11,216	11,220
Capital expenditures .....	100	1,256	1,031	839
<b>Total Cash Outflow</b> .....	<b>25,454</b>	<b>60,768</b>	<b>50,287</b>	<b>54,437</b>
<b>Net cash flow before non-controlling interest</b> .....	<b>3,055</b>	<b>10,410</b>	<b>11,911</b>	<b>12,961</b>
Non-controlling interest .....	516	1,029	1,020	1,110
<b>Net Cash Flow</b> .....	<b>2,539</b>	<b>9,382</b>	<b>10,891</b>	<b>11,851</b>

*Notes to Newco unaudited consolidated projected cash flows*

Net proceeds of sale

Net proceeds of sale reflect the anticipated sales in the Baltics. No other Core Business Assets are expected to be sold.

Mortgage principal

Mortgage principal reflects repayments of debt in the amount of approximately €81 million to the Core Business Creditors, specifically to the mortgage lenders, of which €60 million is in accordance with forecasted repayment schedules and an additional \$21 million relates to loan repayments in connection with the anticipated disposal plan in the Baltics.

Expenses

The expenses presented in the unaudited projected consolidated cash flow include the property operating expenses, income taxes and general and administrative expenses for all Core Business Assets.

Capital expenditures

Capital expenditure requirements have been determined by the property managers of the properties comprising of the Core Business Assets. The capital expenditures projected relate to the Homburg Baltic properties and the properties located in the Netherlands. Pursuant to the terms of applicable leases, capital expenditures for the German properties are the responsibility of the tenants and therefore there are no capital expenditures projected.

The following table sets out the specific items of the unaudited projected consolidated cash flow on a country by country basis.

**Newco**  
**Unaudited additional information**

<u>Euros (000)</u>	<u>6 months</u> <u>Dec-13</u>	<u>12 months</u> <u>Dec-14</u>	<u>12 months</u> <u>Dec-15</u>	<u>12 months</u> <u>Dec-16</u>
<b>Cash flow items</b>				
<i>Rent</i>				
Germany .....	20,720	41,451	42,666	47,616
Netherlands .....	1,096	2,249	2,316	2,384
Baltics .....	6,693	14,008	13,798	13,763
	<u>28,509</u>	<u>57,708</u>	<u>58,779</u>	<u>63,763</u>
<i>Mortgage principal</i>				
Germany .....	7,862	12,626	13,775	17,979
Netherlands .....	160	319	319	319
Baltics .....	888	15,319	5,179	6,404
	<u>8,909</u>	<u>28,264</u>	<u>19,274</u>	<u>24,702</u>
<i>Mortgage interest</i>				
Germany .....	8,154	15,589	14,847	13,894
Netherlands .....	106	208	203	199
Baltics .....	2,473	4,076	3,715	3,583
	<u>10,733</u>	<u>19,873</u>	<u>18,766</u>	<u>17,676</u>

**MANAGEMENT OF NEWCO**

**General**

Pursuant to the HII/Shareco Plan and the HII/Shareco Sanction and Vesting Order (if obtained), 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. Set out below is a summary of relevant information in respect of the Management Board and the Supervisory Board under Dutch law and the articles of association of Newco (the “**Articles of Association**”) as they will read at incorporation of Newco.

During the Governance Period, in order to provide stability in the governance structure of Newco and to protect the interests of minority shareholders, certain provisions of the Articles of Association relating to the governance of Newco, including among others the composition of the Supervisory Board and the appointment and dismissal of Management Board members and Supervisory Board members, as further set out below, can only be amended at the unanimous proposal of the Supervisory Board, pursuant to a resolution of the General Meeting adopted with a majority of at least two thirds of the votes cast representing more than half of the issued capital (“**Qualified Majority**”). Other amendments of the Articles of Association during the Governance Period require a proposal (by majority vote) of the Supervisory Board and a resolution of the General Meeting adopted with a Qualified Majority. See “*Risk Factors – Risks Relating to the Newco Common Shares – The exercise of the shareholder rights of the holders of Newco Common Shares will be subject to constraints during the Governance Period*”.

At the first annual general meeting of shareholders of Newco upon expiry of the Governance Period, Newco shall include on the agenda a proposal for a shareholder vote on abolishing the binding nomination system for the appointment and dismissal of Management Board members and Supervisory Board members.

**Management Board**

*Powers, composition and function*

The Management Board is responsible for the day-to-day management under the supervision of the Supervisory Board. The Management Board is required to keep the Supervisory Board informed and consult with the Supervisory Board on important matters. The Supervisory Board may require certain resolutions of the Management Board to be subject to their approval. Such resolutions shall be clearly specified and notified to the Management Board in writing.

Decisions concerning a significant change in Newco’s identity or character are subject to the approval of the general meeting of shareholders of Newco (the “**General Meeting**”) adopted with a Qualified Majority. These include:

- (a) the transfer of Newco’s enterprise or virtually the entire enterprise of Newco;

- (b) the entry into or termination of a long-term cooperation of Newco or a subsidiary with another legal person or partnership or as a fully liable partner in a limited partnership or general partnership, if such cooperation or termination is of major significance for Newco; or
- (c) the acquisition or divestment by Newco or a subsidiary of a participation in the capital of a company having a value of at least one-third of the amount of Newco's assets according to its balance sheet and explanatory notes or, in case Newco prepares a consolidated balance sheet, according to its consolidated balance sheet and explanatory notes, in its last adopted annual accounts.

Additionally, the Management Board shall require the prior approval of the Supervisory Board for resolutions concerning, among others, certain resolutions which are proposed for adoption by the General Meeting. All policies and governance matters are expected to comply with the Alternative Investment Fund Managers (AIFM) Directive and the Regulations promulgated thereunder.

The Articles of Association provide that the General Meeting appoints the members of the Management Board from a nomination drawn up by the Supervisory Board. A nomination made in time by the Supervisory Board shall be binding. The General Meeting can deprive a nomination of its binding character at any time by a resolution adopted with a Qualified Majority.

The Management Board will consist of at least two members. Each Management Board member may cast one vote. All resolutions of the Management Board shall be adopted with a simple majority of the votes cast. In case of a tie in voting the relevant matter shall be submitted for decision to the Supervisory Board.

The Management Board may establish further rules regarding its decision making process and working methods, subject to the approval of the Supervisory Board. In this context, the Management Board may also determine the duties for which each Management Board member in particular shall be responsible.

The General Meeting will have the power to suspend or dismiss members of the Management Board at any time. A resolution to suspend or dismiss a Management Board member other than at the proposal of the Supervisory Board may only be adopted with a Qualified Majority. The Supervisory Board may also suspend (but not dismiss) members of the Management Board. A member may not be suspended for a period exceeding three months in aggregate.

The Management Board may delegate day-to-day bookkeeping and other administrative functions of Newco. It is expected that property management and asset management functions will be outsourced. The Management Board will also determine whether any limits will be placed on the incurrence of debt by Newco.

The remuneration of the Management Board, as well as any management incentive plans, will be determined by the Supervisory Board taking into account the remuneration policy as adopted by the General Meeting.

### ***Members of the Management Board***

The names of the Management Board members and biographical details of each will be posted on the Monitor's Website and will also be announced by way of a press release concurrently with such posting, prior to the deadline for the return of Proxies to the Monitor.

### **Supervisory Board**

#### ***Powers, composition and function***

The Supervisory Board will be responsible for supervising the Management Board and the general affairs and business of Newco. The Supervisory Board shall assist the Management Board by giving advice. In performing their duties the Supervisory Board members shall act in accordance with the interests of Newco and its business.

Only individuals may be Supervisory Board members. Supervisory Board members will be appointed by the General Meeting. Supervisory Board members will be appointed by the General Meeting from a nomination drawn up by the Supervisory Board. A nomination for each vacancy shall be binding. The General Meeting can deprive a binding nomination of its binding character at any time by a resolution adopted with a Qualified Majority.

During the Governance Period, Newco shall have a Supervisory Board consisting of five members. The Articles of Association will provide that after the Governance Period, Newco shall have a Supervisory Board consisting of three or more members, as determined by the Supervisory Board.

Under the Articles of Association, it shall be a requirement that at all times a majority of the Supervisory Board members are Independent. If (i) a Supervisory Board member who is Independent ceases to be Independent and (ii) as a consequence thereof the composition of the Supervisory Board no longer complies with the preceding sentence, such Supervisory Board member shall resign.



Members of the Supervisory Board are appointed for a maximum period of four years, which appointment can be renewed for two additional periods. The General Meeting may determine that the Supervisory Board members must retire periodically in accordance with a rotation plan drawn up by the Supervisory Board. A resigning Supervisory Board member may only be reappointed twice.

The Supervisory Board shall appoint a chairperson and a deputy chairperson of the Supervisory Board from among the Independent members of the Supervisory Board. If the chairperson or the deputy chairperson of the Supervisory Board ceases to be Independent he or she shall resign as chairperson or deputy chairperson of the Supervisory Board.

The General Meeting may at any time suspend or dismiss members of the Supervisory Board by a resolution adopted with a Qualified Majority. A member may not be suspended for a period exceeding three months in aggregate.

The Supervisory Board may resolve to establish rules regarding its decision making process and working methods, pursuant to a resolution adopted with a simple majority of the votes cast, including a unanimous vote of all Independent members of the Supervisory Board then in office.

The Supervisory Board will adopt resolutions with a simple majority of the total number of the votes cast. Each member of the Supervisory Board will be entitled to one vote. In case of a tie in voting the chairperson of the Supervisory Board shall have a casting vote.

#### ***Members of the Supervisory Board***

The names of the Supervisory Board members and biographical details of each will be posted on the Monitor's Website and will also be announced by way of a press release concurrently with such posting, prior to the deadline for the return of Proxies to the Monitor.

#### **Issuance of Newco Common Shares and Pre-Emptive Rights**

During the Governance Period, new 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 new common shares (excluding any distribution of Newco Common Shares to the Affected Creditors or Catalyst pursuant to the HII/Shareco Plan) pro rata to the aggregate amount of his or her common shares at the time of issue.

#### **Liability, Conflict of Interests and Other Information Relating to Members of the Management Board and Supervisory Board**

##### ***Liability of members of the Management Board and the Supervisory Board***

Under Dutch law, members of the Management Board and the Supervisory Board may be liable to Newco for damages in the event of improper or negligent performance of their duties. They can be jointly and severally liable for damages to Newco and to third parties for infringement of the Articles of Association or of certain provisions of the Dutch Civil Code. In certain circumstances, they can also incur additional specific civil and criminal liabilities. In order to attract and retain qualified and talented persons to serve as members of the Management Board and the Supervisory Board, Newco will maintain a directors' and officers' insurance policy. This policy will protect the present and future directors and officers against any claim made against any one of them for wrongful acts committed by them in their respective capacities.

In addition, the Articles of Association provide that Newco indemnifies each member of the Management Board and the Supervisory Board against all expenses (including reasonably incurred and substantiated attorneys' fees), financial effects of judgements, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, provided he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of Newco or out of his mandate, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

#### **DIVIDEND POLICY**

There can be no certainty that Newco will pay dividends with respect to the Newco Common Shares or any new common shares on an annual basis. The decision to declare or pay dividends will be at the discretion of the Management Board, subject to the approval of the Supervisory Board, and will be dependent on the existing conditions, including the financial condition, results of operations, capital requirements, contractual restrictions, business prospects, and other factors that the Management Board and Supervisory Board consider relevant.

## INCOME TAX CONSIDERATIONS

THE FOLLOWING SUMMARIES ARE OF A GENERAL NATURE ONLY AND ARE NOT INTENDED TO BE, NOR SHOULD THEY BE CONSTRUED TO BE, LEGAL, TAX OR OTHER ADVICE TO ANY PARTICULAR HOLDER NOR DO THEY CONSTITUTE A CONFIRMATION OF THE FINAL TAX CONSEQUENCES TO THE COMPANY FOR WHICH RESERVE CAN BE MADE THAT WOULD IMPACT THE DISTRIBUTABLE CASH. CONSEQUENTLY, HOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR ADVICE AS TO THE TAX CONSIDERATIONS IN RESPECT OF THE PLANS HAVING REGARD TO THEIR PARTICULAR CIRCUMSTANCES.

### **Certain Canadian Federal Income Tax Considerations**

The following is a summary of the principal Canadian federal income tax consequences of the Plans to an Affected Creditor or a Homco 61 Affected Creditor who, at all relevant times for purposes of the ITA, deals at arm's length with and is not affiliated with HII, Shareco, Homco 61 or Newco, holds its Affected Claims or Homco 61 Affected Claims as capital property and will hold its Newco Common Shares and Non-Core Business Asset Notes as capital property. The Affected Claims, Homco 61 Affected Claims, Newco Common Shares and Non-Core Business Asset Notes will generally be considered to be capital property to an Affected Creditor or Homco 61 Affected Creditor unless the Affected Creditor or Homco 61 Affected Creditor acquires or holds such Claims in the course of carrying on a business or as part of an adventure or concern in the nature of trade.

This summary is based on the current provisions of the ITA and the understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "CRA") publicly available prior to the date hereof. The summary also takes into account all specific proposals to amend the ITA publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "Tax Proposals"), and assumes that all such Tax Proposals will be enacted in the form proposed. No assurance can be given that the Tax Proposals will be enacted in the form proposed or at all. This summary does not take into account or anticipate any changes in law, retroactive or not, or in the administrative policies or assessing practices of the CRA, whether by way of judicial, governmental or legislative action or decisions, nor does it address any provincial, territorial or foreign tax legislation or considerations.

**This summary is of a general nature only, is not exhaustive of all Canadian federal income tax consequences and is not intended to be, nor should it be construed as, legal or tax advice to any particular Affected Creditor or Homco 61 Affected Creditor. Affected Creditors and Homco 61 Affected Creditors are urged to consult their own tax advisors as to the tax consequences to them of the Plans in their particular circumstances.**

For purposes of the ITA, all amounts, including cost, proceeds of disposition, interest or dividends received and accrued must generally be determined in Canadian currency at applicable exchange rates as determined in accordance with the ITA. The amount of interest, dividends and any capital gain or capital loss of an Affected Creditor or Homco 61 Affected Creditor may be affected by fluctuations in Canadian dollar exchange rates.

### ***Residents of Canada***

This portion of the summary applies to an Affected Creditor or Homco 61 Affected Creditor who, for the purposes of the ITA, is or is deemed to be a resident of Canada ("**Canadian Holder**"). Certain Canadian Holders whose Affected Claims or Homco 61 Affected Claims might not otherwise qualify as capital property may, in certain circumstances, treat such Affected Claims or Homco 61 Affected Claims as capital property by making an irrevocable election pursuant to subsection 39(4) of the ITA, to the extent such Affected Claims or Homco 61 Affected Claims are "Canadian securities" as defined in the ITA. Newco Common Shares will not be Canadian securities for the purpose of the irrevocable election under subsection 39(4) of the ITA and, therefore, this election will not apply to Newco Common Shares. Canadian Holders are advised to consult with their own tax advisors regarding such election in the case of their Affected Claims or Homco 61 Affected Claims, and Non-Core Business Asset Notes.

This portion of the summary does not apply to (i) an Affected Creditor or Homco 61 Affected Creditor an interest in which is a "tax shelter investment" as defined in the ITA, (ii) an Affected Creditor or Homco 61 Affected Creditor that is a "financial institution" for purposes of certain rules referred to as the "mark-to-market" rules as defined in the ITA, (iii) an Affected Creditor or Homco 61 Affected Creditor that is a "specified financial institution" as defined in the ITA, (iv) an Affected Creditor or Homco 61 Affected Creditor that has made the "functional currency" reporting election under the ITA, (v) an Affected Creditor or Homco 61 Affected Creditor that has entered into a "derivative forward agreement" as that term is defined in certain proposals to amend the ITA contained in the Notice of Ways and Means Motion that accompanied the federal budget tabled by the Minister of Finance (Canada) on March 21, 2013 ("**Budget 2013**") with respect to Newco Common Shares or Non-Core Business Asset Notes, or (vi) a Canadian Holder in relation to which Newco is a "foreign affiliate" as defined in the ITA. Such Affected Creditors and Homco 61 Affected Creditors should consult their own tax advisors.

## Settlement of Affected Claims and Homco 61 Affected Claims

A Canadian Holder (other than an Affected Creditor who has made a Convenience Class Claim Election) will be considered to have disposed of Affected Claims or Homco 61 Affected Claims, as applicable, upon the settlement of such Affected Claims or Homco 61 Affected Claims in consideration for such Canadian Holder's respective Affected Creditors' Entitlement, and in the case of the settlement of a Homco 61 Affected Claim, such Holder's respective Homco 61 Affected Creditors' Entitlement. A Canadian Holder other than an Electing Creditor will thereby receive Cash, Newco Common Shares and Non-Core Business Asset Notes. A Canadian Holder that is an Electing Creditor will thereby receive Cash, an entitlement to Newco Common Shares and Non-Core Business Asset Notes. A Canadian Holder who has made a Convenience Class Claim Election will be considered to have disposed of its Affected Claim on the settlement of such Affected Claim in consideration for the right to receive such Holder's Cash Elected Amount. Under the Plans, the Affected Creditors' Entitlement, Homco 61 Affected Creditors' Entitlement, and Cash Election Amount will be allocated first to the repayment of the principal amount of the Affected Claims or Homco 61 Affected Claims, as applicable, and the balance, if any, to the payment of accrued interest with respect to such Affected Claims or Homco 61 Affected Claims. Generally, a Canadian Holder should be entitled to deduct in computing income for the year of disposition, Affected Claim amounts and Homco 61 Affected Claim amounts that were included in computing the Canadian Holder's income for the year of disposition or a preceding taxation year as interest, to the extent that such amounts were not received or receivable by the Canadian Holder and were not deducted by the Canadian Holder in computing income for the year of disposition or a preceding taxation year (except if any amounts deducted were subsequently re-included in income).

In general, a Canadian Holder will realize a capital gain (or capital loss) on the settlement of the Affected Claims or Homco 61 Affected Claims, as applicable, equal to the amount, if any, by which, the aggregate fair market value of the Canadian Holder's respective Affected Creditor's Entitlement and, if applicable, respective Homco 61 Affected Creditors' Entitlement (or in the case of a Convenience Class Creditor who has made a Convenience Class Claim Election, such Creditor's right to the Cash Elected Amount) at the time of the settlement of such Affected Claims or Homco 61 Affected Claims, net of any amount included in the Canadian Holder's income as interest, exceeds (or is exceeded by) the adjusted cost base to the Canadian Holder of such Affected Claims or Homco 61 Affected Claims, plus any reasonable costs of disposition. The tax treatment of any capital gain (or capital loss) realized is described below under the heading "*Taxation of Capital Gains and Capital Losses*".

The adjusted cost base to a Canadian Holder of Newco Common Shares, entitlement to Newco Common Shares in the case of an Electing Creditor, and Non-Core Business Assets Notes, as applicable, will be equal to the fair market value of such respective property at the time of the settlement of such Canadian Holder's Affected Claims or Homco 61 Affected Claims, as applicable.

Budget 2013 includes certain Tax Proposals that affect the characterization of gains (or losses) in respect of capital property sold or received under a "derivative forward agreement", deeming such gains (or losses) to arise on income, rather than capital, account. Generally, a "derivative forward agreement" is an agreement for the sale or purchase of capital property, where the term of the agreement is greater than 180 days (or shorter where the agreement is part of a series of agreements having a collective term greater than 180 days) and the sale price of the capital property sold, or value of the capital property received, under the agreement is determined by reference to a measure other than the value of the capital property, income or capital gains in respect of the property, or certain other distributions in respect of the capital property. Affected Creditors and Homco 61 Affected Creditors should consult their own tax advisors regarding the application of these Tax Proposals in respect of any gains (or losses) realized on the settlement of Affected Claims and Homco 61 Affected Claims.

## Disposition of Entitlement to Newco Common Shares by an Electing Creditor

A Canadian Holder who is an Electing Creditor will realize a capital gain (or capital loss) on the disposition to Catalyst of its entitlement to receive Newco Common Shares equal to the amount, if any, by which the Newco Common Shares Cash-Out Price received by the Canadian Holder exceeds (or is exceeded by) the adjusted cost base to the Canadian Holder of its entitlement to receive Newco Common Shares, plus any reasonable costs of disposition.

## Ownership and Disposition of Newco Common Shares and Non-Core Business Assets Notes Received Pursuant to the Plans

### *Dividends on Newco Common Shares*

Any dividends received or deemed to be received on Newco Common Shares by a Canadian Holder that is an individual (including a trust) will be included in the individual's income and will not be subject to the gross-up and dividend tax credit rules in the ITA applicable to taxable dividends received from taxable Canadian corporations. Dividends received or deemed to be received on Newco Common Shares by a Canadian Holder that is a corporation will be included in computing the corporation's income and will not be deductible in computing the corporation's taxable income. The full amount of dividends, including amounts deducted for Netherlands withholding tax, if any, in respect of the dividends must be included in income. To the extent Netherlands withholding tax is deducted in respect of dividends paid on Newco Common Shares, the amount of such tax will generally be eligible for foreign tax credit or deduction treatment subject to the detailed rules and limitations under the ITA. Canadian Holders are advised to consult their own tax advisors with respect to the availability of a foreign tax credit or deduction to them having regard to their particular circumstances.

### *Disposition of Newco Common Shares and Non-Core Business Asset Notes*

A Canadian Holder will realize a capital gain (or capital loss) on a disposition or deemed disposition of Newco Common Shares and Non-Core Business Asset Notes equal to the amount by which the proceeds of disposition exceed (or are exceeded by) the adjusted cost base to the Canadian Holder of such Newco Common Shares and Non-Core Business Asset Notes, plus any reasonable costs of disposition. The tax treatment of any such capital gain (or capital loss) is described below under the heading “*Taxation of Capital Gains and Capital Losses*”.

### *Taxation of Capital Gains and Capital Losses*

Generally, one-half of any capital gain (a “**Taxable Capital Gain**”) realized by a Canadian Holder for a taxation year must be included in the Canadian Holder’s income in the year. A Canadian Holder is required to deduct one-half of any capital loss (an “**Allowable Capital Loss**”) realized in the taxation year from Taxable Capital Gains realized in that year, and Allowable Capital Losses in excess of Taxable Capital Gains may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent year, from net Taxable Capital Gains realized in such years to the extent and under the circumstances described in the ITA.

### *Additional Refundable Tax*

A Canadian Holder that is throughout the year a “Canadian-controlled private corporation” (as defined in the ITA) may be liable to pay a tax, part of which may be refundable, on certain investment income, including amounts in respect of interest, certain dividends and Taxable Capital Gains.

### *Offshore Investment Fund Property Rules*

Rules contained in the ITA with respect to an offshore investment fund property may, in certain circumstances, require a Canadian Holder to include an amount in income in each taxation year in respect of Newco Common Shares if the value of such shares may reasonably be considered to be derived, directly or indirectly, primarily from portfolio investments in: (i) shares of the capital stock of one or more corporations, (ii) indebtedness or annuities, (iii) interests in one or more corporations, trusts, partnerships, organizations, funds or entities, (iv) commodities, (v) real estate, (vi) Canadian or foreign resource properties, (vii) currency of a country other than Canada, (viii) rights or options to acquire or dispose of any of the foregoing, or (ix) any combination of the foregoing (“**Investment Assets**”).

Furthermore, in order for these rules to apply to a Canadian Holder in respect of Newco Common Shares, it must be reasonable to conclude, having regard to all circumstances, that one of the main reasons for the Canadian Holder acquiring, holding or having such shares was to derive a benefit from portfolio investments in Investment Assets in such a manner that the taxes, if any, on the income, profits and gains from such Investment Assets for any particular year are significantly less than the tax that would have been applicable under Part I of the ITA if the income, profits and gains had been earned directly by the Canadian Holder.

The Minister of Finance (Canada) has proposed certain amendments to the offshore investment fund property rules. Bill C-48, which is presently awaiting third reading in the House of Commons, contains provisions giving effect to these proposals. There can be no assurance that these proposals will be enacted as currently drafted, or at all.

**These rules are complex and their application depends, in part, on the reasons for a Canadian Holder acquiring, holding or having Newco Common Shares. Canadian Holders are urged to consult their own tax advisors regarding the application and consequences of these rules in their own particular circumstances.**

### *Foreign Property Reporting*

The ITA requires a “specified Canadian entity”, as defined in the ITA, to file an information return disclosing prescribed information where, at any time in a taxation year, the total cost amount of “specified foreign property” as defined in the ITA of the entity exceeds \$100,000. For these purposes, a “specified Canadian entity” includes, with some exceptions, a taxpayer resident in Canada, other than a corporation or trust exempt from tax under Part I of the ITA. Newco Common Shares will be “specified foreign property” to a specified Canadian entity. The reporting rules in the ITA are complex and this summary does not purport to explain all circumstances in which reporting may be required by any Canadian Holder. Accordingly, Canadian Holders should consult their own tax advisors regarding these reporting requirements. Failure to comply with these rules may expose the Canadian Holders to possible interest and penalties.

### *Eligibility for Investment*

In order to constitute “qualified investments” under the ITA for trusts governed by registered retirement savings plans, registered education savings plans, registered retirement income funds, deferred profit sharing plans, registered disability savings plans and tax-free savings accounts (collectively, the “**Investment Plans**”), Newco Common Shares must at all

relevant time be listed on a “designated stock exchange” as defined in the ITA. In order for Non-Core Business Asset Notes to be “qualified investments” under the ITA for the Investment Plans, Newco Common Shares must at all relevant times be listed on a designated stock exchange as defined in the ITA.

Newco Common Shares may be listed on an unregulated trading platform which does not constitute a “designated stock exchange” as defined in the ITA. In such case, neither Non-Core Business Asset Notes nor Newco Common Shares will constitute “qualified investments” under the ITA and the Regulations for the Investment Plans.

### *Non-Residents of Canada*

This portion of the summary applies to an Affected Creditor or Homco 61 Affected Creditor that, for the purposes of the application of the ITA and any applicable income tax treaty or convention and at all relevant times, is not and will not be deemed to be resident in Canada and does not use or hold the Affected Claims or Homco 61 Affected Claims and will not use or hold Newco Common Shares and Non-Core Business Asset Notes in carrying on a business in Canada (a “**Non-resident Holder**”). In addition, this summary does not apply to (i) a Non-resident Holder that at any relevant time was a “specified shareholder” as defined in subsection 18(5) of the ITA of HII or not dealing at arm’s length (for purposes of the ITA) with a “specified shareholder” of HII, (ii) an insurer who carries on an insurance business in Canada and elsewhere, and (iii) an authorized foreign bank that carries on a Canadian banking business. This summary assumes that no amount payable as or on account of an Affected Claim or Homco 61 Affected Claim is “participating debt interest” as defined in the ITA and does not address compliance requirements which may apply to certain Non-resident Holders.

### Settlement of Affected Claims and Homco 61 Affected Claims

Upon the settlement by a Non-resident Holder of the Affected Claims or Homco 61 Affected Claims in consideration for such Holder’s respective Affected Creditors’ Entitlement, and if applicable, respective Homco 61 Affected Creditors’ Entitlement (or in the case of a Convenience Class Creditor who has made a Convenience Class Claim Election, such Creditor’s right to the Cash Elected Amount), no Taxes will be payable under the ITA by such Non-resident Holder.

### Ownership and Disposition of Newco Common Shares, entitlement to Newco Common Shares and Non-Core Business Assets Notes Received Pursuant to the Plans

#### *Disposition of Newco Common Shares*

A disposition by a Non-resident Holder of Newco Common Shares (or entitlement to receive Newco Common Shares in the case of an Electing Creditor disposing of such property to Catalyst in consideration for the Newco Common Shares Cash-Out Price) received as part of such Holder’s Affected Creditor Entitlement or Homco 61 Affected Creditors’ Entitlement, as applicable, will not be subject to Canadian tax unless such Newco Common Shares constitute “taxable Canadian property” to the Non-resident Holder at the time of the disposition and relief from taxation is not available under an applicable income tax treaty or convention.

The Newco Common Shares will generally not be considered to be taxable Canadian property to a Non-resident Holder unless at any time during the 60-month period immediately preceding the time of disposition more than 50% of the fair market value of issued shares of Newco was derived directly or indirectly from one or any combination of: (i) real or immovable properties situated in Canada, and (ii) options in respect of, or interests in, or for civil law, rights in, real or immovable property situated in Canada, whether or not the property exists.

#### *Disposition of Non-Core Business Asset Notes*

No Canadian tax consequences should arise in relation to the disposition by a Non-resident Holder of Non-Core Business Asset Notes, as Non-Core Business Asset Notes should not constitute taxable Canadian property to a Non-resident Holder.

### *Consequences to HII*

The compromise of Affected Claims and Homco 61 Affected Claims for the Affected Creditors’ Entitlement and the Homco 61 Affected Creditors’ Entitlement (or in the case of Convenience Class Creditors who have made a Convenience Class Claim Election, Cash Elected Amounts) will result in the settlement of the Affected Claims and Homco 61 Affected Claims. The “forgiven amount”, as defined in the ITA, arising from the settlement of an Affected Claim and Homco 61 Affected Claims will reduce, in prescribed order, certain tax attributes of HII or any relevant entities, as applicable, including non-capital losses, net capital losses, cumulative eligible capital, undepreciated capital cost of depreciable property and the adjusted cost base of certain capital property (the “**Tax Shield**”). Generally, one half of the amount by which the forgiven amount exceeds the Tax Shield (such amount, the “**Excess**”) will be required to be included in the income of HII or such relevant entities, as applicable, for the taxation year in which the Affected Claims and Homco 61 Affected Claims are settled under the Plans, unless the Excess was otherwise assigned by HII or such relevant entities to other entities that are “eligible transferees” as defined in the ITA.



## Certain Netherlands Income Tax Considerations

This is a general summary and the tax consequences as described herein may not apply to an Affected Creditor. Any Affected Creditor should consult his own tax adviser for more information about the tax consequences of the Plan in their particular circumstances.

This taxation summary solely addresses the principal Dutch tax consequences of the steps as described in the Plan to an Affected Creditor. It does not discuss every aspect of Dutch taxation that may be relevant to a particular Affected Creditor subject to special circumstances or that is subject to special treatment under applicable law. It also assumes that the steps will be conducted according to the Plan. A change in the proposed steps may invalidate the contents of this summary.

This summary is based on the tax laws of the Netherlands as they are in force and in effect at the date hereof. Where in this summary English terms and expressions are used to refer to Dutch concepts, the meaning to be attributed to such terms and expressions shall therefore be the meaning to be attributed to the equivalent Dutch concepts under Dutch tax law. The laws upon which this summary is based are subject to change, possibly with retroactive effect. A change to such laws may invalidate the contents of this summary, which will not be updated to reflect any such change.

### *Residents of the Netherlands*

This portion of the summary applies to an Affected Creditor who, for the purposes of the Dutch Income Tax Act 2001 (“**NL-ITA**”) and the Dutch Corporation Tax Act 1969 (“**NL-CITA**”) and any applicable income tax treaty or convention, and at all relevant times, is or is deemed to be resident in the Netherlands (“**Dutch Holder**”).

### *Dutch Holders that are Individuals*

For the purposes of this section a “Dutch Individual Holder” is defined as:

- (a) an individual that is subject to Dutch income tax in respect of benefits derived from its Affected Claim;
- (b) who is resident, or deemed to be resident, in the Netherlands for Dutch income tax purposes, or who has elected to be treated as resident in the Netherlands for Dutch income tax purposes; and,
- (c) whose interest in and benefits derived from an Affected Claim have no connection with his past, present or future employment, if any.

A Dutch Individual Holder is taxable in the Netherlands on one of the following bases, dependent on relevant facts and circumstances:

#### A. Dutch Individual Holders deriving profits from a substantial interest

Generally, if a Dutch Individual Holder holds an equity interest in a corporate entity, such interest forms part of a substantial interest, or a deemed substantial interest, if any one or more of the following conditions is met.

1. Such person, alone or together with his partner, if any (*partner*, as defined in Article 1.2 of the NL-ITA), owns, directly or indirectly, shares representing 5% or more of total issued and outstanding capital (or the issued and outstanding capital of any class of shares), or rights to acquire, directly or indirectly, shares, whether or not already issued, that represent 5% or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares), or profit participating certificates (*winstbewijzen*) that relate to 5% or more of the annual profit or to 5% or more of the liquidation proceeds.
2. Such person’s shares, profit participating certificates or rights to acquire shares or profit participating certificates have been acquired by him or are deemed to have been acquired by him under a relevant non-recognition provision (*doorschuifregeling*).
3. Such person’s partner or any of his relatives by blood or by marriage in the direct line (including foster-children) or any of those of his partner has a substantial interest (as described under 1. or 2. above).

A person who is entitled to benefits from shares or profit participating certificates (for instance a holder of a right of usufruct) is deemed to be a holder of shares or profit participating certificates, as the case may be, and his entitlement to benefits is considered a share or profit participating certificate, as the case may be.

Profits (including capital gains and dividends) derived from a substantial interest are subject to income tax at a flat rate of 25%.

#### B. Dutch Individual Holders deriving profits from an enterprise

In the case of a Dutch Individual Holder who derives or who is deemed to derive any benefits from his debt claim or share in a corporate entity (a claim or share), including any capital gains realized upon disposition, that are attributable to an

enterprise from which he derives profits, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net value of an enterprise, other than as an entrepreneur or a shareholder, such benefits are generally subject to Dutch income tax at progressive rates.

#### C. Dutch Individual Holders deriving benefits from miscellaneous activities

In the case of a Dutch Individual Holder who derives or who is deemed to derive any benefits from his claim or shares, including any capital gains realized upon disposition, that constitute benefits from miscellaneous activities (*resultaat uit overige werkzaamheden*), such benefits are generally subject to Dutch income tax at progressive rates.

A Dutch Individual Holder may, *inter alia*, derive benefits from an Affected Claim that is taxable as benefits from miscellaneous activities in the following circumstances:

- (a) the investment activities go beyond the activities of an active portfolio investor, for instance in the case of the use of insider knowledge (*voorkennis*) or comparable forms of special knowledge; or
- (b) the Dutch Individual Holder makes or is deemed to make the Affected Claim available, legally or in fact, directly or indirectly, to a related party as described in articles 3.91 and 3.92 of the NL-ITA under circumstances described therein.

#### D. Dutch Individual Holders deriving profits from a portfolio investment

For a Dutch Individual Holder whose situation has not already been discussed in this summary, benefits from his claim or shares will be taxed as a benefit from savings and investments (*voordeel uit sparen en beleggen*). Such benefit is deemed to yield a rate of 4% per annum (the “**Deemed Yield**”) calculated on the fair market value of the claim or shares as at January 1 of the relevant year (the “**Yield Basis**”) (*rendementsgrondslag*), insofar as the value of the claim or shares exceeds the “exempt net asset amount” (*heffingvrij vermogen*). Any such benefit is taxed at the flat rate of 30%. The value of the claim or shares forms part of the Yield Basis. Actual benefits derived from the claim or shares, including any capital gains realized upon disposition, are not as such subject to Dutch income tax.

#### ***Dutch Holders that are corporate entities***

For the purposes of this section a “Dutch Corporate Entity Holder” is defined as:

- (a) a corporate entity (including an association that is taxable as a corporate entity) that is subject to Dutch corporation tax in respect of benefits derived from its Affected Claim;
- (b) which is resident, or deemed to be resident, in the Netherlands for Dutch corporation tax purposes;
- (c) which is not an entity that is, in whole or in part, exempt from Dutch corporation tax; and,
- (d) which is not an investment institution (*beleggingsinstelling*) as defined in the NL-CITA.

A Dutch Corporate Entity Holder that derives or is deemed to derive any benefits from a claim or shares, including any capital gains realized upon disposition, is generally subject to Dutch corporation tax, except to the extent that the benefits are exempt under the participation exemption as stipulated in the NL-CITA.

#### *Settlement of Affected Claims*

A Dutch Holder will be considered to have disposed of its Affected Claims upon the settlement of such Affected Claims in consideration for Cash, Newco Common Shares and Non-Core Business Asset Notes. A Dutch Individual Holder as described under B. and C. and a Dutch Corporate Entity Holder will generally be taxable on income derived from the Affected Claim (the amount of interest received or receivable or capital gains). In general, the abovementioned Dutch Holders will realize a capital gain (or capital loss) on the settlement of the Affected Claims equal to the amount by which, the aggregate fair market value at the time of the exchange of all consideration received, exceeds (or is exceeded by) the book value of the Affected Claims and any reasonable costs of disposition. A Dutch Holder will be entitled to claim a loss (deduction) for any unpaid accrued interest on the Affected Claim for which no reserve was already claimed.

A Dutch Individual Holder as described under D. is taxable on the Deemed Yield. After the settlement, the Yield Basis will equal the amount of Cash and the aggregate fair market value of the Newco Common Shares and Non-Core Business Asset Notes.

#### *Dividends on Newco Common Shares*

Dividends received or deemed to be received on Newco Common Shares by a Dutch Individual Holder will be included in the taxable income of the Dutch Individual Holder (and the 15% Dutch dividend withholding tax remitted by Newco can be claimed as a tax credit by the Dutch Individual Holder).

However, a Dutch Individual Holder, as described under D., is not taxable on dividend income from Newco but rather on the Deemed Yield (and the 15% Dutch dividend withholding tax remitted by Newco can be claimed as a tax credit by the Dutch Individual Holder).

Dividends received or deemed to be received on Newco Common Shares by a Dutch Corporate Entity Holder will be included in the taxable income of the Dutch Corporate Entity Holder (and the 15% Dutch dividend withholding tax remitted by Newco can be claimed as a tax credit by the Dutch Corporate Entity Holder). If the Dutch Corporate Entity Holder holds a participation of at least 5% of the nominal paid-in capital of Newco, the participation exemption could be applicable and as a consequence, dividends from Newco would not be taxable. In that case no credit would be available.

#### *Disposition of Newco Common Shares and Non-Core Business Asset Notes*

A Dutch Holder will realize a capital gain (or capital loss) on a disposition or deemed disposition of its Newco Common Shares and Non-Core Business Asset Notes equal to the amount by which the proceeds of disposition exceed (or are exceeded by) the book value of these shares/notes and any reasonable costs of disposition.

However, a Dutch Individual Holder, as described under D., is not taxable on the actual taxable capital gain but rather on the Deemed Yield.

#### *Non-residents of the Netherlands*

This portion of the summary applies to an Affected Creditor who, for the purposes of the NL-ITA and NL-CITA and any applicable income tax treaty or convention, and at all relevant times, is not and will not be deemed to be resident in the Netherlands (“**Non-Dutch Resident Holder**”).

For the purposes of this section, a “Non-Dutch Resident Holder” is defined as:

- (a) neither resident, nor deemed to be resident in the Netherlands for purposes of Dutch income tax or Dutch corporation tax, as the case may be, and, in the case of an individual, no election has been made to be treated as a resident of the Netherlands for Dutch income tax purposes; and,
- (b) a person whose Affected Claims and benefits derived therefrom have no connection with his past, present or future employment.

#### *Settlement of the Affected Claims*

Upon the settlement by a Non-Dutch Resident Holder of the Affected Claims for Cash, Newco Common Shares and Non-Core Business Asset Notes, generally no Dutch income taxes or Dutch corporation tax will be payable by such Non-Dutch Resident Holder.

#### *Dividends on Newco Common Shares*

Dividends received or deemed to be received on Newco Common Shares by a Non-Dutch Resident Holder may be subject to Dutch dividend withholding tax at a rate of 15 %. Dutch dividend withholding tax may be reduced under an applicable income tax treaty or convention or the EU Parent/Subsidiary Directive.

#### *Disposition of Newco Common Shares*

A disposition by a Non-Dutch Resident Holder of Newco Common Shares is taxable if the following conditions are cumulatively met:

1. the Non-Dutch Resident Holder holds at the time of the disposition a substantial interest;
2. the substantial interest is not attributable to an enterprise carried out by the Non-Dutch Resident Holder; and,
3. in the case of Non-Dutch Resident Holders that are a corporate entities, one of the main purposes for holding the substantial interest is to avoid a Dutch personal income tax and/or Dutch dividend withholding tax liability of another person.

Under most applicable income tax treaties or conventions, gains on the alienation of shares may only be taxed in the resident state of the Non-Dutch Resident Holder. In that case a disposition of Newco Common Shares by a Non-Dutch Resident Holder will not be subject to Dutch income tax. However, specific rules regarding real estate companies in a specific applicable income tax treaty or convention could lead to the taxation of the Non-Dutch Resident Holder taxation.

#### *Disposition of Non-Core Business Asset Notes*

Under domestic rules a disposition by a Non-Dutch Resident Holder of Non-Core Business Asset Notes could be taxable if the Non-Dutch Resident Holder holds a substantial interest as well. In such a case the Non-Core Business Asset Notes are taxed as benefits from miscellaneous activities, as described under C.

Under most applicable income tax treaty or convention, a disposition of Non-Core Business Asset Notes by a Non-Dutch Resident Holder will not be subject to Dutch income tax.

## RISK FACTORS

*In evaluating the Plans and determining whether to vote FOR the Resolution or the Homco 61 Resolution, Affected Creditors and Homco 61 Affected Creditors should read and consider carefully the risk factors set forth below. These risk factors should not, however, be regarded as the only risks associated with the HII Group Entities and the Plan. Additional risks and uncertainties not currently known to the HII Group Entities or that the HII Group Entities currently deem immaterial may impair the HII Group Entities' business operations. If any of the following risks actually occur, the HII Group Entities' business, results of operations and financial condition could be harmed. You should carefully consider information about these risks and uncertainties, together with all of the other information contained in this Information Circular.*

### **Risks Relating to Non-Implementation of the Plans**

#### ***Failure to approve or to implement the Plans.***

The HII Group Entities have been under CCAA protection since September 9, 2011, during which time the HII Group Entities' management, with input from HII's board of directors, have negotiated the terms of the Plan and related agreements.

If the Plans are not approved or are not implemented and, in either case, another plan is not proposed, the HII Group Entities may remain under CCAA protection for an indefinite period of time and the Business could substantially erode or an insolvency proceeding involving the liquidation of the assets of the HII Group Entities with a view to recovering the amounts owing to creditors could result.

If the Reorganization Transaction is not completed, there is no assurance that the HII Group Entities will be able to complete a restructuring of the Business or that any such restructuring will be on terms that provide equivalent value to the Affected Creditors or the Homco 61 Affected Creditors compared to the consideration to be received by the Affected Creditors pursuant to the HII/Shareco Plan and by the Homco 61 Affected Creditors pursuant to the Homco 61 Plan.

### **Risks Relating to the Implementation of the Plans**

#### ***Conditions to the Plans may not be satisfied or waived.***

Implementation of the Plans is subject to various Conditions Precedent (all of which are described in the Plans) including without limitation, implementation of the Pre-Plan Implementation Date Transactions, satisfaction by the HII Group Entities and Homco 61 of their respective Post-Filing Trade Payables and Homco 61 Post-Filing Trade Payables, obtaining all material consents, declarations, rulings and approvals in accordance with the Plans, obtaining the necessary consents of the Core Business Creditors to transfer the Core Business Assets to Newco and the granting by the Court of the HII/Shareco Sanction and Vesting Order and the Homco 61 Sanction Order. As of the date hereof, there can be no assurances that any or all of the Conditions Precedent in the Plans will be satisfied (or waived, if applicable). Accordingly, there can be no assurance that the Plans will be consummated even if approved by the respective Required Majority of Affected Creditors at the HII/Shareco Creditors' Meeting and the Homco 61 Creditors' Meeting. See "*Description of the HII/Shareco Plan – Conditions to the HII/Shareco Plan Becoming Effective*" and "*Description of the Homco 61 Plan – Conditions to the Homco 61 Plan Becoming Effective*".

#### ***The consummation of the Reorganization Transaction and of the Homco 61 Plan Transactions may be delayed.***

HII has incurred significant costs and expenses to date in connection with its ongoing restructuring efforts. Even if the Reorganization Transaction and the Homco 61 Plan Transactions are completed, they may not be completed in accordance with the timelines described in this Information Circular. Accordingly, Affected Creditors and Homco 61 Affected Creditors may have to wait longer than expected to receive consideration, if any, for the settlement and compromise of their Affected Claims and Homco 61 Affected Claims, respectively. In addition, if the Reorganization Transaction and the Homco 61 Plan Transactions are not completed on the schedule described in this Information Circular, HII may incur additional expenses.

#### ***Disputed Claims will expire on the Final Distribution Date and the Homco 61 Final Distribution.***

All distributions under the HII/Shareco Plan must occur on or before the Final Distribution Date and all distributions under the Homco 61 Plan must occur on or before the Homco 61 Final Distribution Date. Any Disputed Claims to the extent they have not become Proven Claims on or before the Final Distribution Date or the Homco 61 Final Distribution Date, as applicable, will be forever discharged, released and barred on the Final Distribution Date or the Homco 61 Final Distribution Date, as applicable, without any compensation.

No fractional shares will be issued. Recipients of Newco Common Shares will have entitlements adjusted downwards to eliminate any such fractions and no compensation will be given for their fractional interest.

All claims for undeliverable or un-cashed distributions under the Plans must be made on or before the deadline specified in the Monitor's Notice of Final Distribution, after which date the Proven Claims with respect to such unclaimed or un-cashed

distribution will be forever discharged and forever barred without any compensation. In the event that the Monitor does not receive a complete Letter of Instruction allowing for the Newco Common Shares to be remitted to such Affected Creditor or Homco 61 Affected Creditor prior to the Final Distribution Date, these Newco Common Shares will be returned to Newco for cancellation and no consideration will be payable to such Affected Creditor or Homco 61 Affected Creditor in respect of such cancelled Newco Common Shares.

#### **Risks Relating to the Estimated Recovery of Affected Creditors and Homco 61 Affected Creditors under the Plans**

##### ***The actual aggregate amount of Proven Claims and Homco 61 Proven Claims may differ from the estimated aggregate amount of Proven Claims and Homco 61 Proven Claims.***

The estimated aggregate amount of Proven Claims and Homco 61 Proven Claims set forth in this Information Circular is based on various assumptions, and the actual aggregate amount of Proven Claims and Homco 61 Proven Claims may significantly differ from the estimates. Some factors that may affect the aggregate amount of Proven Claims and Homco 61 Proven Claims include the facts that some Proofs of Claim continue to be reviewed by the Monitor and the HII Group Entities pursuant to the Claims Process Order and some appeals have been filed in relation to notices of review or disallowance sent by the Monitor pursuant to the Claims Process Order. Further, the Orders of the Court rendered on February 6, 2013, March 14, 2013 and April 26, 2013 authorized certain Intercompany Claims to be filed. Should one or more of the underlying assumptions used to determine the estimated aggregate amount of Proven Claims and Homco 61 Proven Claims ultimately prove to be incorrect, the actual aggregate amounts of Proven Claims and Homco 61 Proven Claims may significantly differ, which may in turn materially affect the estimated recovery of Affected Creditors and Homco 61 Affected Creditors under the Plans.

##### ***The actual Non-Core Business Asset Net Proceeds may differ from the estimated Non-Core Business Asset Net Proceeds.***

In order to estimate the Non-Core Business Asset Net Proceeds, assumptions and hypotheses are being made in relation, without limitation, to the realization values of the Non-Core Business Assets, the timing of the sales, the Asset Realization Costs, the value of the Non-Core Business Entity Creditor Claims and the value of the Non-Core Bankrupt Business Entity Creditor Claims. Should one or more of the underlying assumptions used to determine the estimated Non-Core Business Asset Net Proceeds prove to be incorrect, the actual Non-Core Business Asset Net Proceeds may significantly differ, which may in turn materially affect the estimated recovery of Affected Creditors and Homco 61 Affected Creditors under the Plans.

##### ***Negotiations with the mortgage lenders of some of the Homburg Group Members.***

Certain negotiations with the mortgage lenders of some of the Homburg Group Members are ongoing. Assumptions and hypotheses in relation to the conclusions of these negotiations are being made in calculating the estimated recovery of the Affected Creditors and Homco 61 Affected Creditors. Should one or more of these underlying assumptions prove to be incorrect, the actual estimated recovery of Affected Creditors and Homco 61 Affected Creditors may significantly differ, positively or negatively, or the breakdown of this recovery may significantly differ between cash and the value attributed to Newco Common Shares.

##### ***Treatment of certain Claims.***

Assumptions and hypotheses are being made in relation to the treatment of certain Claims, including, *inter alia*, (i) the Taberna Claim and the Capital Securities Claim, both of which will be finally determined by the Taberna Order and the Capital Securities Order, (ii) the treatment of the Intercompany Claims between HII and Homco 61 LP and the treatment of the Claims of the Bond 6 Claim Holders against HII and Homco 61 LP and (iii) the treatment of the “double claims” filed by the holders of Mortgage Bond Claims against both of Shareco and HII. Should one or more of the underlying assumptions in relation to the treatment of certain Claims, including the ones specifically mentioned above, prove to be incorrect, the estimated recovery of Affected Creditors and Homco 61 Affected Creditors under the Plans may be materially affected.

##### ***Distributions are subject to withholdings.***

Each Affected Creditor and Homco 61 Affected Creditor that receives a distribution under the Plans will have sole and exclusive responsibility for the satisfaction and payment of any Tax obligations imposed by any Taxing Authority on account of such distribution.

The Monitor will be entitled to deduct and withhold from any distribution, payment or consideration otherwise payable to an Affected Creditor or Homco 61 Affected Creditor such amounts (the “**Withholding Obligations**”) if the Monitor is required to deduct and withhold with respect to such payment under the ITA, or any provision of federal, provincial, territorial, state, local or foreign Applicable Laws.

No distribution, payment or other consideration will be made to a holder of a Proven Claim or a Homco 61 Proven Claim unless and until such holder has made arrangements satisfactory to the Monitor for the payment and satisfaction of any Withholding Obligations imposed on the Monitor by any Taxing Authority.



## **Risks Relating to the Business of Newco**

### ***Newco will be exposed to certain risks relating to real estate investments.***

Investing in real estate is generally subject to various risks, including adverse changes in national or international economic conditions, adverse local market conditions, the financial conditions of the office and retail sectors (including tenants), buyers and sellers of real estate, changes in availability of debt financing, changes in interest rates, real estate tax rates and other operating expenses, environmental laws and regulations, planning laws and other governmental rules and fiscal policies, environmental claims arising in respect of properties acquired with undisclosed or unknown environmental problems or as to which inadequate reserves had been established, energy prices, changes in the relative popularity of real estate types and locations leading to an oversupply of space or a reduction in demand for a particular type of real estate in a given market, and risks and operating problems arising out of the presence of certain construction materials.

### ***The crisis in the financial markets and the global economic downturn has led to a decreased demand for, and an increased supply of, properties in the markets where Newco will operate and may continue to have negative consequences for Newco's business, results of operations and financial condition.***

Continued concerns about the uncertainty over whether the economy will be adversely affected by inflation, deflation or stagflation and the systematic impact of increased unemployment, volatile energy costs, geographical issues, the availability and cost of credit to the mortgage market and a distressed commercial real estate market have contributed to increased market volatility and weakened business and consumer confidence. This, together with reduced availability of financing, has prompted certain retailers to scale back or postpone their expansion plans, which has made it more difficult for retail property managers to find appropriate tenants.

Changes in supply and demand for real estate, or any contraction of the property market in the case of an economic downturn in the markets in which Newco will be active, in particular in respect of office properties, may increase competition in the commercial property market and may negatively influence the occupancy rates of Newco's properties, the rent rates, and the level of demand and prices for such properties. Similarly, the demand for shopping and office space may decrease as a result of an increase in available space and heightened competition for "quality" tenants which could materially adversely affect the businesses, financial condition, operational results or prospects of Newco. Furthermore, Newco may bear maintenance costs or investments for properties it cannot rent out, which would lower earnings and have a negative impact on the financing position of Newco.

### ***Concentration of tenants may adversely affect Newco's financial performance.***

In the financial year ended December 31, 2011, Newco derived, on a pro forma basis, approximately 80% of its annual property revenues from its five largest tenants. Newco's revenues will be sensitive to the ability of its key tenants to meet their rent obligations and Newco's ability to collect rent from these tenants or new tenants. The recovery of the carried value of Newco's investments in these properties is thus also dependent upon the creditworthiness of a tenant, which can decline over the short or medium term. If for any reason Newco will be unable to collect rents from its largest tenant, which generates 42% of its annual property revenues, or a significant number of key tenants, Newco's revenues and its ability to pay the property costs associated with the relevant property could be materially adversely affected. Furthermore, at any time, a tenant of any of Newco's properties may seek the protection of bankruptcy, insolvency or similar laws that could result in the rejection and termination of such tenant's lease and thereby cause a reduction in the cash flow available to Newco.

Newco may be unable to replace the revenue stream from a key tenant on a timely basis, on acceptable terms, or at all, but will nevertheless remain obligated to pay the related property costs. Newco will attempt to mitigate this risk by entering into long term leases, reviewing the financial stability and condition of its key tenants, obtaining security or guarantees where appropriate, and seeking geographic and industry diversity of tenants. Newco's largest single tenant has issued a letter of guarantee to the primary lender having lent funds for the acquisition of the leased property. The amount of the guarantee represents in excess of 2 years' property revenue from this tenant.

Newco's income would also be adversely affected if a significant amount of available space in its properties were not able to be leased on economically favourable lease terms. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced. In certain cases, tenants also have the right to terminate leases prior to the expiration of their term, upon certain conditions. The terms of any subsequent lease may be less favourable to Newco than the existing lease. In the event of default by a tenant, delays or limitations in enforcing rights as a lessor may be experienced and substantial costs in protecting Newco's investment may be incurred. Costs may be incurred in making improvements or repairs required by a new tenant. The failure to rent unleased space on a timely basis or at all would likely have an adverse effect on the financial condition of Newco.

### ***Newco will be exposed to interest rate risks.***

The assets and liabilities of Newco (including the mortgages secured by Newco's properties) will have fixed and floating interest rate components resulting in an exposure to interest rate fluctuations. These fluctuations in interest rates will have an

impact on the earnings of Newco. Increases in interest rates generally cause a decrease in demand for properties. Higher interest rates and more stringent borrowing requirements, whether mandated by law or required by banks, could have a significant negative effect on Newco's ability to sell any of Newco's properties. As a result, Newco's financial results and condition or operating results could be materially adversely affected.

***Concentration of properties in Europe may adversely affect Newco's financial performance.***

All of Newco's properties will be located in Europe and, as a result, will be impacted by economic and other factors specifically affecting the real estate markets in Europe. These factors may differ from those affecting the real estate markets in other regions of the world. Due to the relatively concentrated nature of Newco's properties, a number of them could experience any of the same conditions at the same time. If real estate conditions in Europe decline relative to real estate conditions in other regions, Newco's cash flows, operating results and financial condition may be more adversely affected than those of companies that have more geographically diversified portfolios of properties.

***Increased competition in the commercial property market may adversely affect Newco's revenues and profitability.***

Newco will compete with property developers, property funds and other commercial property owners for tenants. Other than the requirement for capital, there are few barriers to enter the property market. Newco's competitors may in the future own properties that are better located or otherwise more attractive to potential tenants than Newco's properties or may offer properties to potential tenants on more favourable lease terms than Newco will. Competition may impact Newco's ability to attract new tenants or retain existing tenants, force Newco to agree to less favourable and shorter and more flexible lease terms, or cause delays by existing tenants in the renewal of expiring lease agreements. The impact of competition may adversely affect Newco's business and results of operations.

In addition to competition for tenants, Newco may decide to acquire properties. Newco may then face competition in acquiring and selling properties, including from property developers, property funds and property users. Some of Newco's competitors may have access to greater or less expensive sources of capital than Newco or may have more resources with which to pursue acquisitions. If competition for acquiring properties were to increase, Newco might have to pay higher prices for acquisitions and/or reduce the pool of properties that meets its investment criteria. Any increase in properties on the market or a general decrease interest for properties may adversely affect the price Newco is able to obtain for sales of its properties as well as increase the time required to conduct any such sales.

***Newco will be exposed to risks arising from the illiquidity of its portfolio.***

An investment in real estate is relatively illiquid. Such illiquidity will tend to limit Newco's ability to vary Newco's portfolio promptly in response to changing economic or investment conditions. The costs of holding real estate are considerable and during an economic recession Newco may be faced with ongoing expenditures with a declining prospect of incoming receipts. Were Newco required to liquidate parts of its portfolio on short notice for any reason, including raising funds to support its operations or exiting an investment Newco no longer wishes to own, Newco might not be able to sell any such property on favourable terms. In the case of an accelerated sale, there may be a significant shortfall between the fair value of the property and the price at which Newco could sell such property. Any such shortfall could have a material adverse effect on the business, financial condition or results of operations of Newco.

***The valuation of Newco's properties contained in the valuation report is inherently subjective and uncertain.***

The valuation of property is inherently subjective due to the individual nature of each property and the characteristics of local, regional and national property markets which change over time. Property valuations are also affected by, amongst others, the other risk factors described in this section and the valuation methods used. The valuation reports were mainly based on information provided by Newco to the valuers. This information and the other assumptions made by the valuers may be incomplete or inaccurate. Investors should therefore read the scope and assumptions sections of the valuation report carefully. In particular, the valuers have noted that the number of comparable transactions is limited. The valuations are based largely on the professional judgement of the valuers. There is no assurance that the valuations of Newco's properties would be the actual sale prices of these properties even if any such sales were to occur shortly after the relevant valuation dates.

To the extent that real estate included in the valuation reports has been overvalued, Newco may be required to write down the value of such real estate as recorded on Newco's balance sheet. Such a write-down could have a material adverse effect on Newco's financial condition and profitability and, as a result, on the value of and return on the Newco Common Shares.

***Newco will be exposed to the risk of fair value changes with respect to its properties.***

In the financial statements of Newco, the investment properties held by it will be recorded as assets based on the fair value method pursuant to applicable financial reporting standards. Any gain or loss arising from a change in the fair value of Newco's investment property will be recognised as profit or loss for the period in which it arises.

The fair value of the properties of Newco, reflecting their market value, is subject to change. Generally, the market value of real estate properties depends on a variety of factors, some of which are exogenous and may not be within the control of Newco, such as decreasing demand or occupancy rates in the markets in which Newco operates or movements in expected investment yields. In addition, many qualitative factors affect the valuation of a property, including the property's expected rental income, the duration of the lease contracts, incentives needed to entice tenants to sign or renew leases, the quality of the tenants, its condition and its location. Should the factors considered or assumptions made in valuing a property change, to reflect new developments or for other reasons, subsequent valuations may result in a change, be it upward or downward, of the fair value ascribed to such property. If such valuations reveal significant decreases in fair value compared to prior valuations, Newco will incur significant revaluation losses with respect to such properties. Also depending on its extent, a revaluation loss could have a material adverse affect on the business, assets and liabilities, results of operations and financial condition of Newco.

***Newco may not be able to successfully engage in acquisitions, disposals, refurbishments or expansions of properties.***

Newco's external growth prospects will depend in large part on identifying suitable acquisition opportunities, pursuing such opportunities and consummating acquisitions. If Newco will be unable to manage its growth and integrate its acquisitions effectively, its business, operating results and financial condition could be adversely affected.

Newco may decide to acquire properties and to sell, refurbish or expand its existing properties in order to optimise the value of its portfolio. The ability of Newco to engage in acquisitions, disposals, refurbishments or expansions may be limited by its ability to identify appropriate properties, as well as by conditions beyond its control, such as the availability of attractively priced acquisitions, the condition of the property market or changes in governmental and municipal regulations.

Acquisition and development agreements entered into with third parties may be subject to unknown, unexpected or undisclosed liabilities which could have a material adverse impact on the operations and financial results of Newco. Moreover, properties acquired by Newco may not meet expectations of operational or financial performance due to unexpected costs associated with developing an acquired property, as well as the general investment risks inherent in any real estate investment.

***Hidden defects in the legal title to the land underlying its properties may have a negative impact on Newco's business, results of operations and financial condition.***

Newco cannot guarantee that there will be no defects in the legal titles that it will hold in respect of the land on which its properties are built. Such defects may be the result of, for instance, legal restrictions or encumbrances, administrative regulations, contractual unenforceability or otherwise relating to the land. This may result in the payment of compensation for use of the land, remediation or compliance costs which could negatively impact Newco's business, results of operations and financial condition.

***Hidden deficiencies in Newco's properties could impact Newco's business, results of operations and financial condition negatively.***

There is no assurance that Newco's properties will not have material hidden defects resulting from, for instance, structural damage, environmental hazards, legal restrictions or encumbrances and non-compliance with existing building standards or health and safety or other administrative regulations. This risk could cause the value of Newco's properties to decline or require Newco to incur remediation and compliance costs. Representations and warranties given by third parties to Newco may not adequately protect against these liabilities and any recourse against third parties may be limited by the financial capacity of such third parties. The materialization of these risks could also affect the validity of certain lease agreements. All of this could have an adverse effect on Newco's business, results of operations and financial condition.

***Newco may incur significant capital expenditures and other fixed costs.***

Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges, must be made throughout the period of ownership of investment property (real or immovable property), regardless of whether the property is producing sufficient income to pay such expenses. This may include expenditures to fulfil mandatory requirements for energy efficiency. In order to offer desirable rentable space and to generate adequate revenue over the long term, Newco must maintain or, in some cases, improve each property's condition to meet market demand. Maintaining a rental property in accordance with market standards can entail significant costs, which Newco may not be able to pass on to Newco's tenants. Numerous factors, including the age of the relevant building structure, the material and substances used at the time of construction or currently unknown building code violations, could result in substantial unbudgeted costs for refurbishment or modernization. If the actual costs of maintaining or upgrading a property exceed Newco's estimates, or if hidden defects are discovered during maintenance or upgrading, which are not covered by insurance or contractual warranties, or if Newco is not permitted to raise the rents due to legal constraints, Newco will incur additional and unexpected costs. If competing properties of a similar type are built in the area where one of Newco's properties is located or similar properties located in the vicinity of one of Newco's properties are substantially refurbished, the net

operating income derived from and the value of, such property could be reduced. Any failure by Newco to undertake appropriate maintenance and refurbishment work in response to the factors described above could adversely affect the rental income Newco will earn from such properties; for example, such a failure could entitle tenants to withhold or reduce rental payments or even to terminate existing letting contracts. Any such event could have a material adverse effect on Newco's cash flows, financial condition and results of operations.

***Newco's performance will also depend on the market knowledge and experience of Newco's management team.***

Newco's performance will also depend on the market knowledge and experience of the members of the Management Board. Should any of the members of the Management Board resign, or should Newco require additional management capacity, no assurance can be given that Newco will be able, within a reasonable time frame and cost-effectively, to recruit equally qualified managers or persons with comparable know-how of the competitive environment in which Newco operates. The loss of managers and the inability to identify, attract and retain other qualified personnel could have a material adverse effect on Newco's business, financial condition and results of operations.

***Changes in currency exchange rates could adversely affect Newco's business.***

Newco will conduct its business primarily in Euros, as well as other currencies that maintain a fixed exchange rate with (or are "pegged" to) the euro (the Lithuanian lita and the Latvian lat). Given the high volatility of currency exchange rates, there can be no assurance that these currencies will remain pegged to the euro. If such currency ceases to be pegged to the euro, this may lead to a significant devaluation of the currency, and may have a materially adverse effect on Newco's business, financial condition, results of operations or cash flows.

***If Newco loses or is unable to obtain licences necessary for its operations or expansion, it may not be able to carry on its business or parts of its current or planned businesses.***

Newco will obtain a licence from the AFM under the FMSA for its activities as an investment institution. In this respect, Newco will be required to comply with the ongoing requirements applicable to a closed-end investment institution under the FMSA. The FMSA and other applicable laws and regulations and their interpretation may change from time to time. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time consuming and costly. Moreover, failure to comply with the applicable laws and regulations could result in fines or other sanctions, including the revocation of the licence.

***Newco may be exposed to environmental risks that may result in unanticipated losses.***

As an owner and manager of real property, Newco will be subject to various laws and regulations in the Netherlands, Germany, the Baltic States and the European Union concerning the protection of the environment, including regulations governing air and water quality, the release of hazardous or toxic substances and guidelines regarding health and safety. Under these laws, Newco could be held liable for the costs, which may be significant, of removal or remediation of certain hazardous substances or wastes released or deposited on or in its properties or disposed of at other locations. Newco's properties may contain ground contamination, fuel storage systems, hazardous substances, wartime relics (including potentially unexploded ordnance) and/or other residual pollution and environmental risks. Buildings and their fixtures might contain asbestos or other hazardous substances such as polychlorinated biphenyl, dichlordiphenyltrichlorethan, pentachlorophenol or lindane above the allowable or recommended thresholds, or the buildings could bear other environmental risks.

Newco will bear the risk of cost-intensive assessment, remediation or removal of such ground contamination, hazardous substances, wartime relics or other residual pollution. The discovery of any such residual pollution on the sites and/or in the buildings, particularly in connection with the lease or sale of properties or borrowing using the real estate as security, could trigger claims for rent reductions or termination of leases for cause, for damages and other breach of warranty claims against Newco. The remediation of any pollution and the related additional measures Newco would have to undertake could negatively affect Newco and could involve considerable additional costs that Newco may have to bear. Newco will also be exposed to the risk that recourse against the polluter or the previous owners of Newco's properties might not be possible, for example, because they cannot be identified, no longer exist or have become insolvent. Moreover, the existence or even the mere suspicion of the existence of ground contamination, hazardous materials, wartime relics or other residual pollution can negatively affect the value of a property and Newco's ability to lease or sell such a property.

The failure to remove or remediate such substances, if any, could adversely affect Newco's ability to sell its real estate or to borrow using real estate as collateral, and could potentially also result in claims or other proceedings against Newco.

Furthermore, actions for damages or remediation measures may be brought against Newco. According to applicable legislation in certain jurisdictions, not only the polluter but also its legal successor, the owner of the contaminated site and certain previous owners may be held liable for soil contamination. The costs of any removal, investigation or remediation of

any residual pollution on such sites or in such buildings as well as costs related to legal proceedings, including potential damages, regarding such matters may be substantial, and it may be impossible, for a number of reasons, for Newco to have recourse against a former seller of a contaminated site or building or the party that may otherwise be responsible for the contamination. Laws and regulations, as may be amended over time, may also impose liability for the release of certain materials into the air or water from a property, including asbestos, and such release could form the basis for liability to third persons for personal injury or other damages. In addition, if Newco's officers or employees infringe environmental protection laws, Newco could be exposed to civil or criminal damages. Newco may be required to provide for additional reserves to sufficiently allocate toward Newco's potential obligations to remove and dispose of any hazardous and toxic substances. Any such event could have a material and adverse effect on Newco's cash flows, financial condition and results of operations.

In order to obtain financing for the purchase of a new property through traditional channels, Newco may be requested to arrange for an environmental audit to be conducted. Although such an audit provides Newco and Newco's lenders with some assurance, Newco may become subject to liability for undetected pollution or other environmental hazards on Newco's properties against which Newco cannot insure, or against which Newco may elect not to insure where premium costs are disproportionate to Newco's perception of relative risk.

Newco will be subject to a wide range of local, regional, national and European Union laws and regulations including planning, zoning, environmental, health and safety, tax and others. Newco may be required to pay penalties for non-compliance with these law and regulations. Newco is not aware of any material non-compliance with any of these laws and regulations. However, laws and regulations, including those relating to environmental matters, can change rapidly and Newco may become subject to more stringent laws and regulations in the future. Material changes in these laws and regulations, or in their interpretation or enforcement, could have an adverse effect on Newco's business, financial condition or results of operations. A change of use of Newco's properties may also be limited by applicable regulatory requirements including urban development regulations and general planning law requirements. This may therefore inhibit Newco's ability to re-lease vacant space to subsequent tenants, or may adversely affect Newco's ability to sell, lease or finance the affected properties.

***Newco's ability to enforce contracts may be limited.***

From time to time Newco may enter into contracts with third parties who make representations and warranties to it with respect to certain matters or agree to indemnify Newco if certain circumstances should occur. There can be no assurance that Newco will be fully protected in the event of a breach of such representations and warranties or if such circumstances should occur or that such party will be in a position to indemnify Newco in any such event. Newco may not be able to successfully enforce an indemnity contained in an agreement against such party or any such indemnity may not be sufficient to fully indemnify Newco from third party claims. In addition, Newco may be subject to undisclosed liability to third parties and such liability may be material, which could negatively impact Newco's financial condition and results of operations.

***Newco may suffer losses not covered by insurance.***

It is anticipated that Newco's properties will be largely covered against property damages and third party liability by means of corporate umbrella policies. Newco will seek to maintain insurance policies covering its properties with policy specifications and insured limits which it believes are customary for real property assets and in accordance with industry practice. Insured risks generally include fire, theft, floods and public liability. There are, however, certain types of risks that are not generally insured against or which are uninsurable under any insurance policy, such as damages from force majeure events, losses from wars or acts of terrorism. Should an uninsured loss or a loss in excess of the insured amount occur, Newco could lose all or a portion of the capital invested in a property, as well as the anticipated future revenue from that property, but Newco would continue to be obliged to repay any recourse mortgage indebtedness on such properties. In addition, it is expected that Newco's insurance policies will only provide cover for a limited period of time. If Newco will be unable to renew these policies before they expire or will be unable to renew them on the same or comparable terms, it could be uninsured entirely or against specific losses. Substantial uninsured losses could materially adversely affect Newco's business, results of operations and financial condition. Claims against Newco, regardless of their merit or eventual outcome, may have a material adverse effect on the ability of Newco to expand its business and will require management to devote time to matters unrelated to the operations of the business.

***Newco could be exposed to catastrophic events, such as storms, flooding, earthquakes and landslides, or to risks relating to the safety of consumers and tenants, including acts of terrorism and violence.***

Some of Newco's properties are located in areas with a risk of catastrophic events, such as storms, flooding, earthquakes and landslides. These may result in severe damages to Newco's properties. Due to high visibility and the presence of large numbers of people, Newco's properties may also be targets for terrorism and other forms of violence. Any terrorist or violent attack on a property of Newco or a similar property owned by someone else may harm the conditions of Newco's tenants and may, apart from any direct losses, harm the property investments of Newco. Regardless of whether any losses that might be caused are covered by insurance, whether in whole or in part, such events may directly or indirectly affect the value of Newco's portfolio of properties. They may create economic and political uncertainties that could have a negative effect on economic conditions in the regions in which Newco operates and, more specifically, on Newco's business, financial



condition, operational results or prospects by reducing demand for space in Newco's properties or in other ways that cannot be predicted.

***Newco may, from time to time, be involved in legal proceedings in the course of its business.***

Newco may be involved in legal proceedings in the future. The costs of litigation and settlement can be substantial and there is no assurance that such costs will be recovered in whole or at all. Such costs can materially impact cash flows. The unfavourable resolution of any legal proceeding could have a materially adverse impact on Newco and its financial position and results of operations.

***Newco will be exposed to risks relating to ground leases.***

Newco will hold some of its properties under ground leases, with the land being owned by another party, usually a municipality. The conditions of the ground lease agreement, such as its term and the payment obligations, are a parameter for the value of the property. The ground lease agreement may contain provisions leading to the loss of the ground leased property if Newco will be in serious breach of the ground lease agreement. Furthermore, Newco may face changes in the terms and conditions of the ground lease agreement, for example with respect to payment obligations to the owner of the property. Unfavourable changes may limit Newco's ability to sell the ground leased property and may decrease its value. Newco may be required to write down the value of such asset as recorded on Newco's consolidated balance sheet. Such a write down could have a material adverse effect on Newco's consolidated balance sheet and profitability and, as a result, on the value of and return on Newco Common Shares.

***The members of the Supervisory Board and Management Board may be placed in a conflict of interest as a result of their positions held and interests in other businesses.***

Certain members of the Management Board and Supervisory Board may also be directors and/or officers of other entities or otherwise engaged, and may continue to be engaged, in activities that may put them in conflict with Newco's investment strategy. In addition, these individuals may hold equity in or positions with other companies and, accordingly, these individuals may not devote all of their time and attention to Newco. Consequently, these positions or equity interests could create, or appear to create, conflicts of interest with respect to matters involving Newco or its affiliates.

**Risks Relating to the Financing of Newco's Activities**

***Accessing capital on satisfactory terms will be necessary for growing and developing Newco's business and its property portfolio.***

The real estate industry is capital intensive and Newco may require access to capital to fund a growth strategy and significant capital expenditures from time to time, depending on its business plan. Newco currently intends to finance its capital expenditures through operating cash flows and raising debt and equity. However, there is no assurance that capital will be available when needed or on favourable terms. Newco will have a relatively high loan-to-value ratio. In case of a further increasing loan-to-value ratio, Newco might be required to raise equity or debt to improve its financial position, or to dispose some of its assets. As a result of current global market conditions, lenders have tightened their lending standards, and may continue to do so. Newco's access to third-party financing will be subject to a number of factors, some of which are beyond its control, including:

- general market conditions;
- the market's perception of its growth potential;
- its current and expected future earnings;
- its cash flow and cash distributions and cash interest payments; and
- the market price of its Newco Common Shares.

Newco's failure to access required capital could adversely impact Newco's cash flows, operating results or financial condition and Newco's ability to implement its strategy. In addition, an increase in the cost of capital could reduce the fair market value of Newco's properties. Lastly, if a property is mortgaged to secure the payment of indebtedness and Newco is unable to meet mortgage payments, the mortgagee could foreclose upon the property, appoint a receiver and receive an assignment of rents and leases or pursue other remedies, all of which could result in lost revenues and asset value to Newco.

***Newco will be subject to the risks associated with debt financing.***

Newco will be subject to the risks associated with debt financing, including the risk that Newco's cash flows will be insufficient to meet required payments of principal and interest, the risk that existing mortgages will not be able to be refinanced or that the terms of such refinancing will not be as favourable as the terms of existing indebtedness.

If Newco will be unable to refinance its indebtedness on acceptable terms, or at all, it might be forced to dispose of one or more of its properties on disadvantageous terms, which might result in losses. Such losses could have a material adverse effect on Newco's business, financial condition, results of operations or cash flows.

The degree to which Newco will be leveraged could have important consequences to shareholders, including: (i) Newco's ability to obtain additional financing for working capital in the future may be limited; (ii) a portion of Newco's cash flow may be dedicated to the payment of the principal of, and interest on, its indebtedness, thereby reducing the amount of funds available for the payment of dividends to shareholders; and (iii) certain of Newco's borrowings will be at variable rates of interest which will expose Newco to the risk of increased interest rates. Newco's ability to make scheduled payments of the principal of, or interest on, or to refinance, its indebtedness will depend on its future cash flow, which is subject to the financial performance of properties in Newco's portfolio, prevailing economic conditions, prevailing interest rate levels, and financial, competitive, business and other factors, many of which will be beyond Newco's control.

### **Risks Relating to the Structure of Newco**

#### ***Newco shareholders may be diluted.***

Dutch law and the Articles of Association govern issues regarding the legal organization, internal constitution, corporate authority and liability of the members of the Management Board and Supervisory Board. After the Governance Period, the General Meeting may designate another corporate body as the body competent to issue Newco Common Shares and limit or exclude pre-emptive rights in respect of an issue of Newco Common Shares. See "*Newco Common Shares – Rights and Restrictions – Put Right*". In such a case, the holdings of existing shareholders of Newco will be diluted.

#### ***Newco will be a holding company with no operations and will rely on its operating subsidiaries to provide it with funds necessary to meet its financial obligations.***

Newco will be a holding company with no material direct business operations. Its principal assets will be the shares it will hold in its operating subsidiaries. Newco will be reliant on the cash flow of its subsidiaries to generate the funds necessary for it to meet its financial obligations. As an equity investor in its subsidiaries, Newco's right to receive assets upon their liquidation or reorganization will be effectively subordinated to the claims of creditors of its subsidiaries. To the extent that Newco will be recognised as a creditor of such subsidiaries, its claims may still be subordinated to any security interest in or other lien on their assets and to any of their debt or other obligations that are senior to its claims. The cash flow of Newco's subsidiaries will be dependent on their ability to renew current tenant leases and attract new tenants, their ability to negotiate favourable lease terms and the level of demand for its properties. A change in any of the aforementioned factors could have an adverse affect on Newco's business.

### **Risks Relating to the Newco Common Shares**

#### ***Upon consummation of the Plans, there may be significant holders of Newco Common Shares.***

Upon consummation of the Plans, Affected Creditors (other than Convenience Class Creditors) with Proven Claims will receive their Pro Rata Share of Newco Common Shares and Homco 61 Affected Creditors with Homco 61 Proven Claims will receive their *pro rata* share of Homco 61 LP's Pro Rata Share of Newco Common Shares. Certain Affected Creditors and Homco 61 Affected Creditors may therefore receive a substantial percentage of the issued and outstanding shares of the Newco Common Shares. If Affected Creditors with Proven Claims and Homco 61 Affected Creditors with Homco 61 Proven Claims obtain a sufficiently sizeable portion of Newco Common Shares, such holders could be in a position to influence the outcome of actions requiring shareholder approval, including among other things, the election of Newco Supervisory Board members. Depending on the number of Electing Creditors, Catalyst may be in such position. Pursuant to the Restated Catalyst Support Agreement, Catalyst will have the right to nominate one member and one independent member of the Supervisory Board, and to participate in the selection of other Supervisory Board and Management Board members, regardless of the number of Electing Creditors. See "*Restated Catalyst Support Agreement*". This concentration of ownership could also facilitate or hinder a negotiated change of control of Newco, and consequently impact the value of the Newco Common Shares. Furthermore, the possibility that one or more holders of a significant number of shares of Newco may sell all or a large portion of its Newco Common Shares in a short period of time may adversely impact the trading price of the Newco Common Shares.

#### ***The trading price for the Newco Common Shares may be depressed following the Plan Implementation Date and the Homco 61 Plan Implementation Date.***

Following the Plan Implementation Date and the Homco 61 Plan Implementation Date, recipients of Newco Common Shares under the Plans may seek to dispose of such securities to obtain liquidity. This could cause the initial trading prices for these securities to be depressed, particularly in light of the lack of established trading markets for these securities. Further, the possibility that recipients of Newco Common Shares may determine to sell all or a large portion of their shares in a short period of time may adversely affect the market price of the Newco Common Shares.

***The Newco valuation and the illustrative recoveries to holders of Affected Claims and Homco 61 Affected Claims are not intended to represent the trading value of the Newco Common Shares.***

The pro forma opening balance sheet and projected financial information of Newco set out in “*Pro Forma Opening Balance Sheet*” and “*Projected Financial Information of Newco*” above (the “**Newco Valuation**”) is based on the financial projections developed by the HII Group Entities with the assistance of their financial advisors (the “**Financial Projections**”) and on certain generally accepted valuation principles. It is not intended to represent the trading values of Newco securities in public or private markets. The Newco Valuation is based on numerous assumptions (the realization of many of which are beyond Newco’s control), including a successful Reorganization Transaction, an assumed Plan Implementation Date and Homco 61 Plan Implementation Date of June 30, 2013, Newco’s ability to achieve the operating and financial results included in the Financial Projections and Newco’s ability to maintain adequate liquidity to fund operations. Even if Newco realizes the Financial Projections, the trading values for the Newco Common Shares on NPEX could be adversely impacted by the lack of trading liquidity for these securities, lack of institutional research coverage and concentrated selling by recipients of these securities.

***The Newco Common Shares may be issued in odd lots.***

Holders of Proven Claims and Homco 61 Proven Claims may receive odd lot distributions (i.e., less than 100 shares or units) of Newco Common Shares under the Plans. Holders may find it more difficult to dispose of the odd lots in the marketplace.

***Newco may not pay dividends with respect to Newco Common Shares or may cease to pay dividends.***

There can be no certainty that Newco will pay dividends with respect to the Newco Common Shares on an annual basis. The decision to declare or pay dividends will be at the discretion of the Management Board, subject to the approval of the Supervisory Board, and will be dependent on then-existing conditions, including the financial condition, results of operations, capital requirement, contractual restrictions, business prospects, and other factors that the Management Board and Supervisory Board consider relevant. As a result, the trading price of the Newco Common Shares could be materially and adversely affected.

***There has been no public market for the Newco Common Shares and an active market may not develop.***

There is currently no public market for the Newco Common Shares. Newco currently expects to submit an application to trade the Newco Common Shares on NPEX. There is no assurance that NPEX will ultimately be chosen as the trading platform for the Newco Common Shares or that any application to trade the Newco Common Shares on NPEX, if made, will be approved. Any delay in the commencement of trading of the Newco Common Shares on NPEX or another trading platform would decrease the liquidity of the market for the Newco Common Shares, making trading of the Newco Common Shares more difficult for shareholders. No trading in Newco Common Shares or any depositary receipts issued in respect of those shares will be possible for the first ninety (90) days following Plan Implementation Date. See “*Newco Common Shares – Rights and Restrictions – Standstill*”.

***Newco Common Shares may be admitted to trading on NPEX. NPEX is not a regulated trading platform. It has certain characteristics that differ from those of a regulated trading platform.***

NPEX is not a regulated trading platform. The rules and regulations for admission to trading on NPEX are promulgated by NPEX and are not subject to securities laws or regulatory review. If the Newco Common Shares are admitted to trading on NPEX, the trading of the Newco Common Shares or depositary receipts issued in respect of such shares will have certain characteristics that differ from the characteristics of a regulated market. Such differences include:

- Securities that are admitted to trading on NPEX are legally not shares and are not governed by the legal regime governing shares. Such securities would be contractually defined economic participations in Newco Common Shares. The Newco Common Shares that would be traded on NPEX would be legally held by *Stichting Bewaarbedrijf NPEX*, the custodian of NPEX, which would credit to the NPEX account of the beneficial owner of the Newco Common Shares a number of depositary receipts for such shares in book entry form. Holders of the securities admitted to trading on NPEX may therefore have fewer legal protections than a holder of shares would ordinarily have. Holders of such securities may also be required to bring legal action against *Stichting Bewaarbedrijf NPEX*, as holder of the Newco Common Shares, rather than against Newco or another party directly, which may make such claims more complicated and more expensive.
- NPEX does not qualify as a “*multilateral trading facility*” or “*regulated market*” within the meaning of the FMSA. Therefore, Dutch rules and regulations on corporate governance, market abuse, publication of insider information, prohibitions on insider trading, transparency requirements, mandatory disclosure of substantial holdings, public takeover rules and mandatory offer rules do not by operation of law apply to issuers admitted to trading on NPEX.
- NPEX has no market makers and as a consequence there will be no market price that is continuously formed nor will liquidity be maintained in Newco Common Shares if traded via NPEX. Newco Common Shares will be traded

via NPEX on the basis of an auction system whereby holders of depositary receipts issued in respect of Newco Common Shares can ask and bid prices for depositary receipts issued in respect of Newco Common Shares admitted to trading on NPEX. For these reasons, investors may have difficulty selling their depositary receipts issued in respect of Newco Common Shares if there are no other NPEX members who will reflect on a bid offered. Newco will control if and when any trade in depositary receipts issued in respect of Newco Common Shares through NPEX can be conducted.

- NPEX will provide information on the latest trades on its website. Newco will be required to publish its most recent net asset value and its most recent net asset value per Newco Common Share on NPEX's website. The information provided by Newco is not independently verified.
- Only members of NPEX can trade on NPEX. Becoming a member of NPEX requires fulfilling certain administrative requirements, which will be fulfilled by NPEX on behalf of Affected Creditors that wish to receive Newco Common Shares in the framework of the implementation of the Plans, but not for any person thereafter. This may limit the number of potential purchasers of depositary receipts issued in respect of the Newco Common Shares and result in a lower sale price for such depositary receipts. A bankruptcy of *Stichting Bewaarbedrijf NPEX* or a third party making a general attachment on its assets could result in holders of the interests representing the Newco Common Shares not being able to successfully claim damages or compensation against *Stichting Bewaarbedrijf NPEX* in such circumstances.
- *Stichting Bewaarbedrijf NPEX* is not regulated by the Dutch Act on dematerialized securities trading (*Wet giraal effectenverkeer*) and investors trading through NPEX therefore are not protected from a bankruptcy of *Stichting Bewaarbedrijf NPEX* or third parties making general attachments on the assets of *Stichting Bewaarbedrijf NPEX*.

***The market price (if applicable) and trading volume of the Newco Common Shares may be volatile.***

Even if an active trading market develops on NPEX or another trading platform, the price of the Newco Common Shares or such depositary receipts issued in respect of such shares may be highly volatile. In addition, the trading volume in the Newco Common Shares or depositary receipts issued in respect of such shares on such Trading Platform may fluctuate and cause significant price variations to occur. There is no assurance that any market price of the Newco Common Shares or depositary receipts issued in respect of such shares will not fluctuate or decline significantly in the future. Some of the factors that could negatively affect the price of the Newco Common Shares or depositary receipts issued in respect of such shares or result in fluctuations in the price or trading volume of the Newco Common Shares or depositary receipts issued in respect of such shares include:

- variations in Newco's quarterly, semi-annual and annual operating results;
- changes in dividend income received by Newco from its subsidiaries;
- changes in any dividend forecasts;
- the contents of published research reports about Newco or the commercial property market in the Netherlands, Germany, the Baltic States or other markets in the European Union, or the failure of securities analysts to cover the Newco Common Shares;
- actions or statements by shareholders;
- changes in market valuations of similar companies;
- announcements by Newco or its competitors of significant contracts, acquisitions, strategic partnerships, joint ventures or capital commitments;
- in the case of trading on NPEX, the absence of other NPEX members willing to purchase depositary receipts issued in respect of Newco Common Shares against the offered bid price;
- speculation or reports by the press or the investment community about Newco or the commercial property market in the Netherlands, Germany, the Baltic States or other markets in the European Union in general;
- changes or proposed changes in laws or regulations affecting the commercial property market in the Netherlands, Germany, the Baltic States or other markets in the European Union, enforcement of these laws or regulations and announcements relating to these matters;
- general market, economic and political conditions; and
- any of the other risk factors described in this Information Circular.

***Future sales, or the possibility of future sales, of a substantial number of the Newco Common Shares may depress the price of Newco Common Shares.***

Future sales of Newco Common Shares or depositary receipts issued in respect of such shares in excess of demand, or the perception that such sales will occur, could cause a decline in the price of the Newco Common Shares or depositary receipts issued in respect of such shares.

Newco cannot predict if substantial numbers of the Newco Common Shares or depositary receipts issued in respect of such shares will be sold in the open market following the admission to trading on NPEX or another trading platform. A sale of a substantial number of the Newco Common Shares or depositary receipts issued in respect of such shares, or the perception that such sales could occur, could materially and adversely affect the price of the Newco Common Shares or depositary receipts issued in respect of such shares and could also impede Newco's ability to raise capital through the issue of equity securities in the future.

***The exercise of the shareholder rights of the holders of Newco Common Shares will be subject to constraints during the Governance Period.***

During the Governance Period, holders of Newco Common Shares will be limited in the exercise of their shareholder rights by the requirement to obtain specified majorities that are greater than a simple majority for amendments to the Articles of Association, as well as the requirement for the approval of the Supervisory Board for any such amendments. Such approval will need to be unanimous in the case of amendments to the Articles of Association relating to the governance of Newco. See "*Management of Newco – General*".

**Risks Relating to Taxation Matters**

The Plan Transactions are subject to applicable tax laws in Canada, the Netherlands, Germany, the Baltic States and the United States.

The implementation of the Plan Transactions raises a number of uncertainties under applicable tax laws. These uncertainties relate principally to the application of complex tax rules and legal principles to the settlement under the HII/Shareco Plan and the Homco 61 Plan (and in certain cases following the Plan Implementation Date) of the outstanding indebtedness of HII, Shareco, Homco 61, Homco 190, Homco 191 and Homco 199, which indebtedness was entered into under varied and often complex arrangements. Any tax liability so arising could have a material adverse impact on the recovery of distributable cash by the Affected Creditors.

It is a Condition Precedent to the implementation of the HII/Shareco Plan that HII and Shareco obtain from applicable Taxing Authorities such tax rulings that are considered necessary by HII, Shareco and the Monitor to confirm that the Plan Transactions can be implemented at no material tax cost to HII and other relevant Homburg Group Members. The Taxing Authority of the Netherlands has issued to HII an acceptable ruling under Netherlands tax law on certain aspects of the Plan Transactions affecting Newco and certain Homburg Group Members resident in the Netherlands. HII and Shareco have also applied for advance income tax rulings from the CRA as to the application of certain relevant provisions of Canadian income tax law to the Plan Transactions. There is no certainty that acceptable rulings will be obtained from the CRA in respect of any or all of the relevant Canadian tax law provisions. If no such rulings are issued by the CRA, or if only certain of such rulings are issued, it is possible that one or more or all of the Plan Transactions will not be implemented. See "*Failure to approve or implement the Plans*". In the alternative, supplementary amendments to the Plan Transactions may be proposed to address applicable tax concerns. If additional rulings are considered necessary in connection with such supplementary amendments, there is no certainty that acceptable rulings will be obtained from the CRA and such supplementary amendments may therefore have a material adverse impact on the recovery of distributable cash by the Affected Creditors. The process of obtaining rulings from the CRA is not subject to any specific time limitation.

Moreover, certain Plan Transactions require third party consent as a precondition to implementation. The failure to obtain any such consent could, under proposed Canadian tax legislation, have a material impact on the amount and timing of the payment of distributable cash to the Affected Creditors.

HII and the Monitor will apply for tax clearance from relevant Taxing Authorities in Canada, including the CRA. This process may involve an audit by the relevant Taxing Authority of all or part of the income tax profile of HII and other relevant Homburg Group Members, including both (i) tax consequences arising from transactions and arrangements previously entered into or to be entered into by HII and other relevant Homburg Group Members, and (ii) the tax consequences arising from the implementation of the Plan Transactions. This audit will likely proceed in stages and the initial stage is not likely to be finalized by the Plan Implementation Date. It is a condition precedent to any distribution of cash from the Cash Pool and the Asset Realization Cash Pool to the Affected Creditors with Proven Claims under and in accordance with the HII/Shareco Plan and the Homco 61 Plan that tax clearance in a form satisfactory to HII, Shareco and the Monitor be obtained. Tax clearance from the relevant Taxing Authorities may be provided on a partial or interim basis. The process of obtaining such tax clearance from the Taxing Authorities in Canada is not subject to any specific time limitation. It is therefore possible that the tax clearance process may adversely impact the amount and the timing of any distributions of cash from the Cash Pool and the Asset Realization Cash Pool to the Affected Creditors with Proven Claims, under and in accordance with the HII/Shareco Plan and the Homco 61 Plan, and such impact may be material.



## WHERE YOU CAN FIND MORE INFORMATION

Additional information relating to HII may be found through the Internet or SEDAR at [www.sedar.com](http://www.sedar.com). More information about the HII Group Entities' restructuring may be found on HII's website at [www.homburginvest.com](http://www.homburginvest.com). All Court applications and orders as well as a copy of the Monitor's reports are posted by the Monitor on its Website at [www.deloitte.com/ca/homburg-invest](http://www.deloitte.com/ca/homburg-invest).

## GENERAL

### **Legal Matters**

Certain legal matters in connection with the Plan will be passed upon on behalf of HII and Shareco by Osler, Hoskin & Harcourt LLP as to matters of Canadian law and by Allen & Overy LLP and Loyens & Loeff N.V. as to matters of Dutch law.

### **Auditors, Transfer Agents and Registrars**

The auditors of HII are and, following implementation of the Plan, the auditors of Newco will be, Ernst & Young LLP.

The transfer agent and registrar for the shares of HII is Canadian Stock Transfer Company, Inc. of Toronto, Calgary and Halifax. Following the implementation of the Plans, if the Trading Platform chosen is NPEX and the Newco Common Shares are admitted to trading on NPEX, the Newco Common Shares will be recorded by NPEX.

**APPROVAL OF INFORMATION CIRCULAR**

The contents and the sending of this Information Circular to the Affected Creditors and Homco 61 Affected Creditors have been approved by the boards of directors of Homburg Invest Inc., Homburg Shareco Inc. and Homco 61 GP, in its capacity as general partner of Homco Realty Fund (61) Limited Partnership

DATED this 29<sup>th</sup> day of April, 2013.

**HOMBURG INVEST INC.**

By: (Signed) Jan Schöningh \_\_\_\_\_

Name: Jan Schöningh  
Title: President and CEO

By: (Signed) James F. Miles \_\_\_\_\_

Name: James F. Miles  
Title: VP and CFO

**HOMBURG SHARECO INC.**

By: (Signed) Jan Schöningh \_\_\_\_\_

Name: Jan Schöningh  
Title: President

By: (Signed) James F. Miles \_\_\_\_\_

Name: James F. Miles  
Title: VP and CFO

**HOMCO REALTY FUND (61) LIMITED  
PARTNERSHIP, by its General Partner,  
HII (61) GP INC.**

By: (Signed) Jan Schöningh \_\_\_\_\_

Name: Jan Schöningh  
Title: President

By: (Signed) James F. Miles \_\_\_\_\_

Name: James F. Miles  
Title: VP and CFO

**APPENDIX A  
FORM OF RESOLUTION**

**BE IT RESOLVED THAT:**

1. the Second Joint Amended and Restated Plan of Compromise and Reorganization (HII/Shareco) (the “**Plan**”) of Homburg Invest Inc. (“**HII**”) and Homburg Shareco Inc. (“**Shareco**”) pursuant to the provisions of the *Companies’ Creditors Arrangement Act* (Canada) and the *Business Corporations Act* (Alberta), which Plan has been presented to this meeting attached as Appendix “B” to the management information circular of HII, Shareco and Homco Realty Fund (61) Limited Partnership dated May 3, 2013 (the “**Information Circular**”) (as such Plan may be amended, restated, modified and/or supplemented as provided for in the Plan) be and it is hereby accepted, approved, agreed to and authorized; and
2. any director or officer of each of HII and Shareco be and is hereby authorized and directed, for and on behalf of each of HII and Shareco, respectively (whether under its respective corporate seal or otherwise), to execute and deliver, or cause to be executed and delivered, any and all documents and instruments and to take or cause to be taken such other actions as he or she may deem necessary or desirable to implement this resolution and the matters authorized hereby, including the transactions required by the Plan, such determination to be conclusively evidenced by the execution and delivery of such documents or other instruments or the taking of any such actions.

**APPENDIX B**  
**SECOND JOINT AMENDED AND RESTATED PLAN OF COMPROMISE AND REORGANIZATION**

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:**

**Homburg Invest Inc.  
Homburg Shareco Inc.  
Churchill Estates Development Ltd.  
Inverness Estates Development Ltd.  
CP Development Ltd.  
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 (83) 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.**

**Mises-en-cause**

-and-

**Samson Bélair/Deloitte & Touche Inc.**

**Monitor**

**SECOND JOINT AMENDED AND RESTATED PLAN OF COMPROMISE  
AND REORGANIZATION (HII/SHARECO)  
(Section 11 of the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36 and Section 192  
of the *Alberta Business Corporations Act*, R.S.A. 2000, c. B-9)**



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**SECOND JOINT AMENDED AND RESTATED PLAN OF COMPROMISE  
AND REORGANIZATION (HII/SHARECO)**

**WHEREAS:**

- A. Homburg Invest Inc, Homburg Shareco Inc., Churchill Estates Development Ltd., Inverness Estates Development Ltd., CP Development Ltd., North Calgary Land Ltd. and Homburg Management (Canada) Inc. (collectively, the **“Petitioners”**) are insolvent;
- B. The Petitioners filed and obtained protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the **“CCAA”**);
- C. The Petitioners, excluding North Calgary Land Ltd. and Homburg Management (Canada) Inc., obtained an Order of the Superior Court of Quebec (Commercial Division) (the **“Court”**) under the CCAA on September 9, 2011, as amended pursuant to further orders of the Court (and as same may be further amended, restated or varied from time to time, the **“Initial Order”**);
- D. The Initial Order originally declared that, although not a Petitioner, each of *mis-en-cause* Homco Realty Fund (52) 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 (105) Limited Partnership, Homco Realty Fund (121) Limited Partnership, Homco Realty Fund (122) Limited Partnership, Homco Realty Fund (142) Limited Partnership and Homco Realty Fund (199) Limited Partnership shall enjoy the protections and authorizations provided by the Initial Order (such partnerships collectively referred to in the Initial Order as the **“Applicant Partnerships”**);
- E. By Order dated May 31, 2012, the Initial Order was amended to add North Calgary Land Ltd. as a Petitioner and *mis-en-cause* Homco Realty Fund (96) Limited Partnership as an Applicant Partnership thereunder (hereinafter included as an **“Applicant Partnership”**);
- F. By Order of the Court made on December 14, 2012, *mis-en-cause* Homco Realty Fund (190) Limited Partnership and Homco Realty Fund (191) Limited Partnership were each added as additional Applicant Partnerships (hereinafter included as **“Applicant Partnerships”**);
- G. Pursuant to the Initial Order the Petitioners and the Applicant Partnerships have the authority to file with the Court and to submit to their creditors one or more plans of compromise or arrangement under the CCAA, which plan will provide, among other things, certain recoveries to stakeholders;
- H. On February 6, 2013, Homburg Invest Inc. and Homburg Shareco Inc. filed a joint Plan of Compromise and Reorganization under and pursuant to the CCAA and the Alberta *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended (the **“ABCA”**) dated February 5, 2013 with the Court (the **“Original Plan”**);
- I. By Order of the Court made February 6, 2013, the Initial Order was amended to add *mis-en-cause* Homco Realty Fund (61) Limited Partnership as an additional Applicant Partnership (hereinafter **“Homco 61 LP”** and included as an **“Applicant Partnership”**) and Castello Development Ltd. as a *mis-en-cause*;
- J. By Order of the Court made on March 1, 2013, and amended by further Order of the Court made on March 14, 2013, an investment proposal process was approved providing for the terms and conditions governing the delivery of investment proposals to HII and the Monitor (the **“Investment Proposal Process”**);
- K. By Order of the Court made on March 14, 2013, the Initial Order was further amended to add Homburg Management (Canada) Inc. as an additional Petitioner;
- L. Under the Investment Proposal Process, The Catalyst Capital Group Inc., on behalf of funds managed by it (**“Catalyst”**) submitted the Catalyst Final Offer (as herein defined) which was selected by HII as the “Selected Superior Offer” under the Investment Proposal Process and Catalyst was selected as the “Qualified Investor” under the Investment Proposal Process.
- M. As required under and in accordance with the Investment Proposal Process, HII, Shareco, Homco 61 LP and Catalyst entered into a support agreement dated April 15, 2013 (the **“Original Catalyst Support Agreement”**). The Original Catalyst Support Agreement was terminated by HII, Shareco and Homco 61 LP by written notice delivered to Catalyst on April 24, 2013.
- N. HII and Shareco accordingly filed an amended and restated Plan on April 25, 2013, amending and restating the Original Plan (the **“Amended and Restated Plan”**). Homco 61 LP has proposed its own plan of compromise to its creditors dated April 25, 2013 under and pursuant to the CCAA (the **“Homco 61 Original Plan”**), which plan was also filed with the Court on April 25, 2013 and forms an integrated and cohesive plan with the Amended and Restated Plan. Concurrently with the filing of the Amended and Restated Plan and the Homco 61 Original Plan, HII, Shareco and Homco 61 LP served motions for the convening and conduct of the HII/Shareco Creditors’ Meeting and the Homco 61 Creditors’ Meeting.
- O. By Order of the Court made on April 26, 2013 *mis en cause* Homco Realty Fund (83) Limited Partnership was added as an additional Applicant Partnership (and hereinafter included as an **“Applicant Partnership”**).

- P. HII, Shareco and Homco 61 LP have entered into a restated support agreement with Catalyst dated April 26, 2013 (the **“Restated Catalyst Support Agreement”** governing the investment to be made by Catalyst as part of the restructuring of HII, Shareco and certain of the HII Group Entities together with the filing of further revised Plans by each of HII/Shareco and Homco 61 LP to reflect such investment (the **“Catalyst Investment”**).
- Q. Accordingly, HII and Shareco desire to amend and restate the Amended and Restated Plan, among other things, to give effect to the Restated Catalyst Support Agreement and to reflect the terms of a restated Original Homco 61 Plan.
- R. HII and Shareco hereby propose and present this Second Joint Amended and Restated Plan of Compromise and Reorganization under and pursuant to the CCAA and the ABCA.

## ARTICLE 1 INTERPRETATION

### 1.1 Definitions

In the Plan, unless otherwise stated or unless the subject matter or context otherwise requires:

**“ABCA”** means the Alberta *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended;

**“Administration Charge”** means the charge created by paragraph 42 of the Initial Order in favour of the Monitor (including in its capacity as a Trustee in Bankruptcy), the Monitor’s legal counsel, the Petitioners’ legal counsel and other advisors over the Charged Property, and having the priority provided in paragraphs 43 and 44 of the Initial Order, and as confirmed, amended and continued for the benefit of the Monitor and its legal counsel and other advisors pursuant to the HII/Shareco Sanction and Vesting Order;

**“Administrative Reserve”** means a Cash reserve approved by the Court pursuant to the HII/Shareco Sanction and Vesting Order, in an amount to be agreed by the Monitor and HII prior to the Plan Implementation Date, to be deposited by the Monitor into the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs, which Administrative Reserve shall be subject to the Reserve Adjustment;

**“Administrative Reserve Account”** means a segregated trust account established by the Monitor to hold the Administrative Reserve;

**“Administrative Reserve Costs”** means amounts outstanding on the Plan Implementation Date (or to the extent provided below, arising thereafter), including in respect of Excluded Claims, Employee Priority Claims and the Government Priority Claims, together with (i) Newco’s costs, including legal fees and disbursements, relating to the issuance of the Newco Common Shares; (ii) the Monitor’s fees and disbursements (including of its legal counsel and other advisors) in connection with the performance of its duties under the Plan and in the CCAA Proceedings (both before and after the Plan Implementation Date); (iii) Bankruptcy Trustee Fees; (iv) the Bond 5 Secured Claim Cash Payment; (v) Post-Filing Trade Payables; (vi) the HSBC Secured Claim; (vii) the reasonable fees and disbursements of the members of the Liquidation Advisory Committee, in an amount to be agreed upon by such members and the Monitor; (viii) the reasonable winding-up costs and expenses of Stichting Homburg Bonds, such amounts not to exceed Cdn\$35,000; (ix) the Cash Management Lender Claim; (x) payments to be made to Core Business Creditors in connection with the transfer of Core Business Assets; (xi) the costs of administration of the Homco 61 Plan; (xii) an amount equal to the Catalyst Break Fee (including in circumstances where there is any dispute as to whether such Catalyst Break Fee is payable); (xiii) the reasonable fees and disbursements of the Continuing Directors in an amount to be agreed upon by such Continuing Directors and the Monitor; and (xiv) any other reasonable amounts in respect of any other determinable contingency as the Monitor may determine in its sole discretion;

**“Affected Claim”** means any Claim against HII, Shareco, Homco 190 LP, Homco 191 LP and Homco 199 LP and includes any Intercompany Claim only against HII and Shareco (but excluding the Homco 190 Loan, the Homco 191 Loan and the Homco 199 Loan) but excludes the Unaffected Claims and the Equity Claims;

**“Affected Creditor”** means a Corporate Creditor, Non-Corporate Creditor or Convenience Class Creditor holding an Affected Claim;

**“Affected Creditors’ Charge”** means the 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 under 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 Plan, including for greater certainty the obligations to distribute the Newco Common Shares, the Cash Pool and the Asset Realization Cash Pool and to reimburse the Non-Core Business Asset Notes;

**“Affected Creditors’ Entitlement”** means the full entitlement of Affected Creditors (other than Convenience Class Creditors) under the Plan, including without limitation the entitlement of such Affected Creditors to receive Newco Common Shares and/or distributions of Cash from the Cash Pool and the Asset Realization Cash Pool;

“**AFM**” means the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten);

“**Aggregate Newco Common Shares Final Cash-Out Amount**” means an amount equal to the number of Newco Common Shares to which Electing Creditors are entitled in respect of all Affected Claims that have become Proven Claims in whole or in part within twelve (12) months following the Plan Implementation Date, multiplied by the Newco Common Shares Cash-Out Price;

“**Amalgamating Canco**” means Castello, an Alberta corporation, Holland Garden, an Alberta corporation, Homburg Invest USA, a Nova Scotia company to be continued as an Alberta corporation, and Swiss Bondco, a Nova Scotia company to be continued as an Alberta corporation, with such additions to the foregoing group as HII may determine up to the Plan Implementation Date from time to time in consultation with the Monitor, each of which is not an Insolvent Person;

“**Amalgamating Canco Creditor**” means any Person having an Amalgamating Canco Creditor Claim, which shall be an Unaffected Creditor;

“**Amalgamating Canco Creditor Claim**” means any Claim against an Amalgamating Canco, which shall be an Unaffected Claim;

“**Amended and Restated Plan**” has the meaning ascribed thereto in the Recitals;

“**Applicable Law**” means, in respect of any Person, property, transaction, event or other matter, any law, statute, regulation, code, ordinance, principle of common law or equity, municipal by-law, treaty or Order, domestic or foreign, applicable to that Person, property, transaction, event or other matter and all applicable requirements, requests, official directives, rules, consents, approvals, authorizations, guidelines, and policies, in each case, having the force of law, of any Governmental Authority having or purporting to have authority over that Person, property, transaction, event or other matter and regarded by such Governmental Authority as requiring compliance;

“**Applicant Partnerships**” means Homco 52 LP, Homco 61 LP, Homco 83 LP, Homco 88 LP, Homco 89 LP, Homco 92 LP, Homco 94 LP, Homco 96 LP, Homco 105 LP, Homco 121 LP, Homco 122 LP, Homco 142 LP, Homco 190 LP, Homco 191 LP, and Homco 199 LP;

“**Articles of Reorganization**” means the Articles of Reorganization to be filed by HII pursuant to Section 192 of the ABCA substantially in the form set out in Schedule “A” to the Plan;

“**Asset Realization Cash Pool**” means the pool of Cash created by the Monitor from Non-Core Business Asset Net Proceeds, net of the Disputed Claims (Asset Realization) Reserve, which pool of Cash shall be contributed by the Monitor to the Cash Pool Account;

“**Asset Realization Costs**” means, collectively, Liquidation Costs and the Non-Core Business Entity Creditor Claims (excluding Non-Core Bankrupt Business Entity Creditor Claims);

“**Assumption Agreement**” means the agreement between Newco and HII pursuant to which Newco becomes co-obligor with HII for the amount equal to the Newco Assumed Portion of Proven Claims and the Newco Assumed Portion of Disputed Claims, which amount shall be deemed to be equal to the Final Adjusted Newco Note Amount (and, for greater certainty, which Newco Assumed Portion of Proven Claims and the Newco Assumed Portion of Disputed Claims will be satisfied in full by the setting off contemplated in Section 12.3), which agreement shall be in form and substance satisfactory to HII, Newco, Stichting Homburg Bonds and Catalyst, each acting reasonably, and the Monitor;

“**Bankruptcy Claim**” means any proof of claim filed or to be filed in a bankruptcy estate of a Non-Core Business Entity by HII (or, as the case may be, by the Monitor on behalf of HII) in respect of an Intercompany Claim and any distributions or dividends arising therefrom;

“**Bankruptcy Trustee Fees**” means the fees and disbursements (including legal fees and disbursements) of Deloitte acting as Trustee in Bankruptcy of any Non-Core Business Entity incorporated or formed under Canadian federal or provincial law;

“**BIA**” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;

“**Bond 4 Claim Holders**” means collectively the holders of Series 4 bonds issued under the Bond 4 Indenture and “**Bond 4 Claim Holder**” means any one of them;

“**Bond 4 Indenture**” means the Second Supplemental Indenture dated as of November 30, 2004 between Shareco and Stichting Homburg Mortgage Bonds as supplemented or amended by, *inter alia*, the Special Supplemental Indenture to the Second Supplement Indenture dated as of August 2005 between Shareco and Stichting Homburg Bonds and the Special Supplemental Indenture between Shareco and Stichting Homburg Bonds dated November 5, 2012;

“**Bond 5 Claim**” means, collectively, the Bond 5 Secured Claim and the Bond 5 Unsecured Claim;

“**Bond 5 Claim Holders**” means, collectively, the holders of Series 5 bonds issued under the Bond 5 Indenture and “**Bond 5 Claim Holder**” means any one of them;



“**Bond 5 Indenture**” means the Third Supplemental Indenture to the Trust Indenture dated as of December 31, 2004, between Shareco and Stichting Homburg Bonds, as supplemented or amended by, *inter alia*, the Special Supplemental Indenture to the Third Supplement dated as of August, 2005, between Shareco and Stichting Homburg Bonds, and the Special Supplemental Indenture between Shareco and Stichting Homburg Bonds dated November 5, 2012;

“**Bond 5 Secured Claim**” means the secured portion of the Claim of the Bond 5 Claim Holders as provided under the Bond 5 Secured Claim Settlement Agreement, which shall be an Unaffected Claim;

“**Bond 5 Secured Claim Cash Payment**” means the sum of EUR2,250,000 to be distributed from the Administrative Reserve on a *pro rata* basis to each Bond 5 Claim Holder by the Monitor pursuant to the Bond 5 Secured Claim Settlement Agreement;

“**Bond 5 Secured Claim Settlement Agreement**” means the terms of settlement among Shareco and Stichting Homburg Bonds, as more particularly set out in the Special Supplemental Indenture forming part of the Bond 5 Indenture made on November 5, 2012, pursuant to which, on Plan Implementation Date, the Bond 5 Claim Holders shall receive as consideration for releasing the Bond 5 Secured Claim, the following: (i) the Bond 5 Secured Claim Cash Payment and (ii) the Newco Bond 5 Guarantee;

“**Bond 5 Unsecured Claim**” means the aggregate Proven Claim of the Bond 5 Claim Holders net of the Bond 5 Secured Claim Cash Payment;

“**Bond 6 Claim Holders**” means collectively, the holders of Series 6 bonds issued under the Bond 6 Indenture, and “**Bond 6 Claim Holder**” means any one of them;

“**Bond 6 HII Claim**” means the amount of the Bond 6 Loan plus interest and costs to the HII Filing Date;

“**Bond 6 HII Deficiency Claim**” means the aggregate Proven Claim for distribution purposes of the Bond 6 Claim Holders against HII under the Plan which shall be deemed to be an amount equal to the Bond 6 HII Claim net of the Bond 6 Homco 61 Recovered Amount;

“**Bond 6 Homco 61 Claim**” means the aggregate Proven Claim of the Bond 6 Claim Holders against Homco 61 LP arising under the Homco 61 Guarantee for voting and distribution purposes under the Homco 61 Plan, which shall be deemed to be in the amount of Cdn\$47,146,111 (being principal plus interest accrued as at the Homco 61 Filing Date);

“**Bond 6 Homco 61 Recovered Amount**” means the aggregate of all Bond 6 Claim Holders’ *pro rata* shares of the HII Homco 61 Distribution recovered by such Bond 6 Claim Holders under the Homco 61 Plan on account of the Bond 6 Homco 61 Claim;

“**Bond 6 Indenture**” means the Fourth Supplemental Indenture dated July 1, 2005 to the Trust Indenture dated December 15, 2002, between Shareco and Stichting Homburg Bonds, as amended by the Special Supplemental Indenture to the Fourth Supplemental dated August, 2005, between Shareco and Stichting Homburg Bonds, and the Second Special Supplemental Indenture to the Fourth Supplemental dated November 30, 2007, between Shareco and Stichting Homburg Bonds;

“**Bond 6 Loan**” means the bonds issued by Shareco under the Bond 6 Indenture in the aggregate principal amount of EUR31,230,000 together with interest at the rate of 7.5% per annum;

“**Bond 7 Claim Holders**” means collectively the holders of Series 7 bonds issued under the Bond 7 Indenture and “**Bond 7 Claim Holder**” means any one of them;

“**Bond 7 Indenture**” means the Fifth Supplemental Indenture dated July 1, 2005 between Shareco and Stichting Homburg Mortgage Bonds, as supplemented or amended by *inter alia* the Special Supplemental Indenture to the Fifth Supplement dated as of August, 2005, between Shareco and Stichting Homburg Bonds and the Special Supplemental Indenture between Shareco and Stichting Homburg Bonds dated November 5, 2012;

“**Business**” means the direct and indirect operations and activities of HII carried on in Canada, the United States and Europe;

“**Business Day**” means a day on which banks are open for business in the City of Montreal, Province of Quebec, but does not include a Saturday, Sunday or a statutory holiday in the Province of Quebec;

“**BV**” means a Homburg Group Member that is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands;

“**BV Preferred Shareholder**” means any body corporate or limited partnership holding preferred shares of a BV;

“**Cancelled Newco Common Shares**” has the meaning given to such term in Section 6.1;

“**Canco**” means a Subsidiary of HII incorporated under Canadian federal or provincial law;

“**Capital Securities Claim**” means any Claim of a debenture holder or Stichting Homburg Capital Securities arising under or in connection with the debentures issued under the Capital Securities Trust Indenture;

**“Capital Securities Trust Indenture”** means the subordinated Trust Indenture dated as of February 29, 2009 between HII and Stichting Homburg Capital Securities as trustee;

**“Cash”** means cash, certificates of deposits, bank deposits, commercial paper, treasury bills and other cash equivalents;

**“Cash Elected Amount”** means, in respect of an Affected Creditor for which a valid Convenience Class Claim Election has been made or deemed to have been made pursuant to and in accordance with the Plan, the Canadian dollar amount that is equal to 35 per cent of such Affected Creditor’s Convenience Class Claim that is a Proven Claim;

**“Cash Management Lender Claim”** means any Claim of HSBC arising under or pursuant to any agreement or other arrangements relating to the provision of cash management services to any of the HII Group Members (including ordinary course spot foreign exchange transactions), but for greater certainty shall exclude the HSBC Secured Claim;

**“Cash-Out Election Form”** means the portion of the Proxy pursuant to which an Affected Creditor can elect the Newco Common Shares Cash-Out Option under and in accordance with the Plan;

**“Cash-Out Pool”** means the Catalyst Funds delivered by Catalyst to the Monitor on the fifth (5<sup>th</sup>) Business Day prior to the Plan Implementation Date pursuant to the Restated Catalyst Support Agreement together with the Catalyst Deposit held by the Monitor, net of the Disputed Claims (Cash-Out) Reserve, such funds to be held by the Monitor in the Cash-Out Pool Account and to be distributed by the Monitor in accordance with the Restated Catalyst Support Agreement, the Plan and the HII/Shareco Sanction and Vesting Order;

**“Cash-Out Pool Account”** means a segregated interest-bearing trust account established by the Monitor to hold the Cash-Out Pool;

**“Cash Pool”** means the amount of Cash delivered by HII and Shareco to the Monitor on the Plan Implementation Date, net of the Cash Reserves, to be held in the Cash Pool Account and distributed by the Monitor in accordance with the Plan and the HII/Shareco Sanction and Vesting Order;

**“Cash Pool Account”** means a segregated interest-bearing trust account established by the Monitor to hold the Cash Pool and the Asset Realization Cash Pool;

**“Cash Reserves”** means the Administrative Reserve, the Disputed Claims (Cash) Reserve, the Litigation Reserve, and the Disputed Claims (Asset Realization) Reserve, but does not include the Disputed Claims (Cash-Out) Reserve;

**“Castello”** means Castello Development Ltd., a corporation incorporated under the ABCA;

**“Catalyst”** has the meaning ascribed thereto in the Recitals;

**“Catalyst Affected Claims”** means any Affected Claims acquired by Catalyst prior to the commencement of the Newco Common Shares Standstill Period as permitted under the provisions of the Catalyst Confidentiality Agreement;

**“Catalyst Break Fee”** means the break fee payable by the HII Group Entities to Catalyst under the Restated Catalyst Support Agreement upon termination of such agreement following acceptance by HII of a Superior Offer within the meaning of such agreement, in an amount equal to EUR2,137,500;

**“Catalyst Conditions Precedent”** has the meaning ascribed thereto in Section 4(b) of the Restated Catalyst Support Agreement;

**“Catalyst Confidentiality Agreement”** means the agreement between HII, Shareco and Catalyst dated February 28, 2013 as further amended March 28, 2013 and April 12, 2013;

**“Catalyst Deposit”** means a deposit in the amount of EUR 10,000,000 provided by Catalyst to the Monitor pursuant to and in accordance with the Restated Catalyst Support Agreement;

**“Catalyst Final Offer”** means the final investment proposal submitted by Catalyst by letter dated March 24, 2013 under the Investment Proposal Process and attaching as Schedule “A” thereto a term sheet setting out certain of the terms and conditions of the Catalyst Investment, which offer was selected by HII as the “Selected Superior Offer” as defined in the Investment Proposal Process;

**“Catalyst Funds”** means the amount of Cash equal to the Catalyst Investment Initial Funding Amount, less the amount of the Catalyst Deposit;

**“Catalyst Investment”** has the meaning ascribed thereto in the Recitals;

**“Catalyst Investment Adjustment Amount”** means the amount, if any, that is equal to the Catalyst Investment Initial Funding Amount less the Aggregate Newco Common Shares Final Cash-Out Amount;

**“Catalyst Investment Initial Funding Amount”** means an amount equal to the aggregate value of all Proven Claims of Electing Creditors plus the aggregate face amount of all Disputed Claims of Electing Creditors, divided by the aggregate value of the Proven Claims of all Affected Creditors (including for greater certainty, Electing Creditors) plus the aggregate face amount of all Disputed Claims of Electing Creditors, calculated on the fifteenth (15th) day immediately prior to the Plan Implementation Date, multiplied by €95,000,000;

**“Catalyst Representations and Warranties”** means those representations and warranties of Catalyst set forth in Section 5(b) of the Restated Catalyst Support Agreement;

**“Catalyst Support Agreement”** has the meaning ascribed thereto in the Recitals;

**“CCAA”** means the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;

**“CCAA Charges”** means the Administration Charge and the Directors’ Charge;

**“CCAA Proceedings”** means the proceedings under the CCAA in respect of the HII Group Entities commenced pursuant to the Initial Order;

**“Charged Property”** means the present and future assets, rights, undertakings and properties of every nature and kind whatsoever and wherever situated, including all proceeds thereof, of the Petitioners;

**“Churchill”** means Churchill Estates Development Ltd., a corporation incorporated under the ABCA and a Petitioner;

**“Claim”** means any right or claim of any Person, whether or not asserted, in connection with any Indebtedness, liability or obligation of any kind whatsoever, whether reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, by Guarantee, by surety, by warranty or otherwise, and whether or not such right is executory or anticipatory in nature, including without limitation, any claim arising from or caused by the termination, disclaimer, rescission, assignment or repudiation of any contract, lease or other agreement, whether written or oral, the commission of a tort (intentional or unintentional), any breach of duty (including without limitation, any legal, statutory, equitable or fiduciary duty), any right of ownership of or title to property, employment, contract, a trust or deemed trust, howsoever created or any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any grievance, matter, action, cause or chose in action, whether existing at present or commenced in the future, based in whole or in part on facts which existed on the HII Filing Date (including a Claim which relates to any time period prior to the HII Filing Date), together with any other claims of any kind that, if unsecured, would constitute a debt provable in bankruptcy within the meaning of the BIA, and for greater certainty, a “Claim” shall include any Equity Claim, Intercompany Claim, Restructuring Claim and Subsequent Restructuring Claim, the Corporate Bond Claims, the Capital Securities Claims, the Mortgage Bond Claims, the Taberna Claim, the Shareco Creditor Claims, any Core Business Creditor Claim and any Non-Core Business Entity Creditor Claim;

**“Claims Bar Date”** has the meaning ascribed to it in the Claims Process Order;

**“Claims Process Order”** means the Order of the Court made April 30, 2012 approving and implementing the claims process in respect of the HII Group Entities as further amended, restated or varied from time to time;

**“Cominar Claim”** means the Claim of the Cominar Group against Homco 190 LP, Homco 191 LP, and/or Homco 199 LP, 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;

**“Cominar Group”** means Cominar Real Estate Investment Trust and/or its related entities;

**“Conditions Precedent”** means the conditions precedent to Plan implementation set out in Section 14.4 of the Plan;

**“Continuing Directors”** means all of the directors of HII, and following their resignation upon the Effective Time as provided for under the Plan, any replacement director(s);

**“Control Transfer”** has the meaning ascribed thereto in Section 11.1(c)(i) of the Plan;

**“Convenience Class Claim”** means one or more Affected Claims of an Affected Creditor 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 has made or been deemed to have made a Convenience Class Claim Election, pursuant to and in accordance with the Plan;

**“Convenience Class Claim Declaration”** means an election form, substantially in the form attached as Schedule “C” to the HII/Shareco Meeting Order, pursuant to which an Affected Creditor with one or more Affected Claims that were less than or equal to Cdn\$10,000 in the aggregate as at the Claims Bar Date, may (i) make a Convenience Class Claim Election, (ii) make a Newco Common Shares Cash-Out Option Election, or (iii) make an election to be treated as an Affected Creditor (other than a Convenience Class Creditor or an Electing Creditor) under the Plan and thereby be entitled to vote their Voting Claims at the HII/Shareco Creditors’ Meeting in respect of the Plan and to receive the rights and distributions provided for under and pursuant to the Plan;

**“Convenience Class Claim Election”** means an election or deemed election pursuant to which an Affected Creditor with one or more Affected Claims that were less than or equal to Cdn\$10,000 in the aggregate as at the Claims Bar Date has elected by the Election/Proxy Deadline or been deemed to elect to receive only the Cash Elected Amount and is thereby deemed to vote in favour of the Plan in respect of such Affected Claims and to receive no other entitlements under the Plan;

**“Convenience Class Creditor”** means a Person having a Convenience Class Claim;

**“Core Business Assets”** means the (i) the Core Homco Assets, (ii) HII’s limited partnership interest in Homco 86 LP and Homco 87 LP, (iii) property acquired by HII from or on the dissolution of a Core Homco, (iv) the Core GP Assets, (v) the shares of Homburg Baltic held by HII, and (vi) the Homburg Baltic Intercompany Loan;

**“Core Business Creditor Claim”** means any Core Homco Creditor Claim, Core BV Creditor Claim, Core GmbH Creditor Claim and Homburg Baltic Creditor Claim, which for greater certainty shall not include any Claim of such Creditor against HII or Shareco;

**“Core Business Creditors”** means collectively the Core Homco Creditors, the Core BV Creditors, the Core GmbH Creditors and the Homburg Baltic Creditors;

**“Core Business Entity”** means any Core BV, Core Homco GP, Core GmbH and Core Homco;

**“Core BV”** means Valbonne 2 BV, Coët BV, Homco 86 BV, Homco 87 BV, and Valbonne 5 BV, with such additions of any BV to the foregoing group as HII may determine up to the Plan Implementation Date from time to time in consultation with the Monitor;

**“Core BV Creditor”** means a Person having a Core BV Creditor Claim, which shall be an Unaffected Creditor;

**“Core BV Creditor Claim”** means any Claim against a Core BV which shall be an Unaffected Claim;

**“Core GP Assets”** means each of HII 86 GP’s and HII 87 GP’s interests in its respective Core Homcos;

**“Core GmbH”** means a GmbH that HII may determine up to the Plan Implementation Date from time to time in consultation with the Monitor is a Core Business Entity;

**“Core GmbH Creditor”** means a Person having a Core GmbH Creditor Claim, which shall be an Unaffected Creditor;

**“Core GmbH Creditor Claim”** means any Claim against Core GmbH, which shall be an Unaffected Claim;

**“Core Homco”** means Homco 69 LP, Homco 70 LP, Homco 86 LP, Homco 87 LP, and Homco 110 LP, with such additions to the foregoing group as HII may determine up to the Plan Implementation Date from time to time in consultation with the Monitor and subject to the consent of Catalyst, acting reasonably;

**“Core Homco Assets”** means the Property of a Core Homco, including shares of Core BVs and Core GmbHs;

**“Core Homco Creditor”** means a Person having a Core Homco Creditor Claim, which shall be an Unaffected Creditor;

**“Core Homco Creditor Claim”** means any Claim against a Core Homco (but for greater certainty excludes the Bond 5 Claim), which shall be an Unaffected Claim;

**“Core Homco GP”** means the corporate general partner of a Core Homco other than HII 69 GP Inc., HII 70 GP Inc. and HII 110 GP Inc. and for greater certainty excludes Homburg Limited Partnership Management Inc.;

**“Core Homco Liabilities”** means all secured and unsecured obligations and liabilities of a Core Homco as at the Plan Implementation Date but excluding amounts owing to the Bond 6 Claim Holders;

**“Corporate Bond Claim”** means any Claim of a debenture holder or Stichting Homburg Bonds arising under or in connection with the debentures issued under the Corporate Bond Trust Indenture;

**“Corporate Bond Proven Claim”** means a Corporate Bond Claim that is a Proven Claim;

**“Corporate Bond Trust Indenture”** means collectively, a Trust Indenture dated as of May 31, 2006, between HII and Stichting Homburg Bonds, a Supplemental Indenture dated as of October 31, 2006, between HII and Stichting Homburg Bonds, a Second Supplemental Indenture dated as of December 21, 2006 between HII and Stichting Homburg Bonds, a Third Supplemental Indenture dated as of February 15, 2007 between HII and Stichting Homburg Bonds, and a Fourth Supplemental Indenture dated as of January 15, 2008 between HII and Stichting Homburg Bonds;

**“Corporate Creditor”** means a Person having a Corporate Creditor Claim, other than a Convenience Class Creditor;

**“Corporate Creditor Claim”** means the Bond 5 Unsecured Claim, the Bond 6 HII Deficiency Claim, the Corporate Bond Claims, the Mortgage Bond Trust Indenture Unsecured Claim, the Taberna Claim, the Capital Securities Claims, and such other Claim against HII and Shareco that HII and Shareco in consultation with the Monitor shall determine from time to time should be categorized as a Corporate Creditor Claim up to and including the Plan Implementation Date;

**“Corporate Creditor Disputed Claim”** means the face amount of a Disputed Claim of a Corporate Creditor;

**“Corporate Creditor Proven Claim”** means a Proven Claim of a Corporate Creditor;

**“Corporate Indenture Trustees”** means, collectively, Stichting Homburg Capital Securities, Stichting Homburg Bonds and Wells Fargo in their respective capacities as trustees under the Corporate Indentures;

**“Corporate Indentures”** means, collectively, the Mortgage Bond Trust Indenture, the Corporate Bond Trust Indenture, the Taberna Indentures and the Capital Securities Trust Indenture;

**“Court”** means the Quebec Superior Court (Commercial Division) or any appellate court seized with jurisdiction in the CCAA Proceedings, as the case may be;

**“CP Development”** means CP Development Ltd., a corporation incorporated under the ABCA and a Petitioner;

**“Creditor”** means any Person asserting an Affected Claim or an Unaffected Claim and may, where the context requires, include the assignee of such Claim or a personal representative, agent, mandatary, trustee, interim receiver, receiver, receiver and manager, liquidator or other Person acting on behalf of such Person;

**“Creditor Cause of Action”** means any and all claims, actions, causes of action, demands, suits, rights, entitlements, litigation, arbitration, proceeding, hearing or complaint, whether known or unknown, reduced to judgment or not reduced to judgment, liquidated or unliquidated, contingent or non-contingent, matured or unmatured, disputed or undisputed, secured or unsecured, assertable directly or derivatively, in law, equity or otherwise, based in whole or in part on any act or omission or other event occurring at any time, whether before, on or after the HII Filing Date which may be asserted by or on behalf of the Creditors or any representative thereof (including Stichting Homburg Bonds); provided however that in no event shall a Creditor Cause of Action include a Claim being released by the Plan;

**“Deloitte”** means Samson Bélair/Deloitte & Touche Inc.;

**“Director”** means any former, present or future director or officer (or any individual serving in a similar capacity) of a body corporate (or similar entity) and any Person deemed to be a director or officer of a body corporate under section 11.03(3) of the CCAA;

**“Directors’ Charge”** means the charge granted pursuant to paragraph 26 of the Initial Order in favour of the Directors as such term is therein defined, in the Charged Property to the extent of the aggregate amount of Cdn\$2,000,000 as security for the indemnity provided in paragraph 25 of the Initial Order, having the priority set out in paragraphs 43 and 44 of such Order which shall be amended in accordance with the terms hereof and the HII/Shareco Sanction and Vesting Order;

**“Disposition Notice”** has the meaning ascribed thereto in Section 11.1(c)(ii) of the Plan;

**“Disputed Claim”** means that portion of an Affected Claim of an Affected Creditor in respect of which a Proof of Claim has been filed in accordance with the Claims Process Order, and any motion appealing any disallowance thereof has been made within the period required under the Claims Process Order, and which is the subject of negotiation with the Monitor or adjudication before the Court, and that at any particular time, has not been finally determined to be a Proven Claim in whole or in part, or is subject to a revision or disallowance that is contested in accordance with the Claims Process Order, the HII/Shareco Meeting Order, or other Order made in the CCAA Proceedings and as such is not a Proven Claim in whole or in part, and in the case of Disputed Claims of Electing Creditors, the face amount of any Disputed Claim of such Electing Creditor shall be deemed to be no greater than the face amount of such Claim on the date this Plan was filed;

**“Disputed Claims (Asset Realization) Reserve”** means the Cash reserve to be established by the Monitor from and after the Plan Implementation Date 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 (other than a Convenience Class Creditor) holding a Disputed Claim, to be held by the Monitor in the Disputed Claims Reserve Account pending resolution of the Disputed Claims for distribution in accordance with the Plan, which Disputed Claims (Asset Realization) Reserve shall be subject to the Reserve Adjustment;

**“Disputed Claims (Cash) Reserve”** means the Cash reserve to be established on the Plan Implementation Date by the Monitor in an amount equal to the aggregate of each Pro Rata Share of any remaining Affected Creditor holding a Disputed Claim, and as approved by the Court under the HII/Shareco Sanction and Vesting Order, which Cash reserve shall be held by the Monitor in the Disputed Claims Reserve Account for distribution in accordance with the Plan, which Disputed Claims (Cash) Reserve shall be subject to the Reserve Adjustment;



**“Disputed Claims (Cash-Out) Reserve”** means the Cash reserve to be established on the Plan Implementation Date by the Monitor from the Catalyst Funds and the Catalyst Deposit in an amount equal to the aggregate face amount of the Disputed Claims of the Electing Creditors, divided by an amount equal to the aggregate of all Proven Claims of Affected Creditors plus the face amount of the aggregate of the Disputed Claims of the Electing Creditors, multiplied by the Catalyst Investment Initial Funding Amount, and as approved by the Court under the HII/Shareco Sanction and Vesting Order, which Disputed Claims (Cash-Out) Reserve shall be held by the Monitor in the Disputed Claims (Cash-Out) Reserve Account for distribution in accordance with the Plan;

**“Disputed Claims (Newco Shares) Reserve”** means the reserve of Newco Common Shares held by the Monitor established pursuant to Section 5.1 of the Plan on the Plan Implementation Date, consisting of that number of Newco Common Shares in an amount equal to the aggregate of the Pro Rata Share of the Newco Equity Pool of each Affected Creditor (other than a Convenience Class Creditor) holding a Disputed Claim, for distribution or cancellation in accordance with the Plan;

**“Disputed Claims Reserve Account”** means a segregated interest bearing trust account established by the Monitor to hold the Disputed Claims (Asset Realization) Reserve and the Disputed Claims (Cash) Reserve;

**“Disputed Claims (Cash-Out) Reserve Account”** means a segregated interest bearing trust account established by the Monitor to hold the Disputed Claims (Cash-Out) Reserve;

**“Distribution Date”** means the date or dates from time to time set in accordance with the provisions of the Plan at the sole and absolute discretion of the Monitor to effect distributions in respect of the Proven Claims of Affected Creditors, including the Final Distribution Date but excluding the Initial Distribution Date;

**“Distribution Materials Record Date”** means a date to be determined by HII and the Monitor which date shall be posted on the Website and shall be not less than twenty-one (21) days prior to the Plan Implementation Date;

**“DNB”** means the Netherlands Central Bank (*De Nederlandsche Bank*);

**“DRS Account”** means the account of an Affected Creditor (other than a Convenience Class Creditor) or the Monitor or its designate in the name of HII in respect of the Disputed Claims (Newco Shares) Reserve) administered by the Trading Platform or (as the case may be) a bank or broker, who qualifies directly or indirectly as an admitted institution to the book entry system maintained by or connected to the Trading Platform in which such Affected Creditor is entitled to receive Newco Common Shares pursuant to and in accordance with the Plan in book-entry form;

**“DRS Transaction Advice”** means a statement delivered by Newco or its agent, as applicable, (the cost of which shall be treated as an Administrative Reserve Cost) on the Initial Distribution Date and each subsequent Distribution Date, as applicable, to or as directed by an Affected Creditor (other than a Convenience Class Creditor), or the Monitor or its designate, as applicable, indicating the number of Newco Common Shares registered or to be registered in the name of such Affected Creditor, or the Monitor or its designate, as applicable, as directed by such Affected Creditor or the Monitor or its designate, as applicable, in book-entry form in a DRS Account;

**“Effective Time”** means 12:01 a.m. on the Plan Implementation Date (and for greater certainty on 12:01 a.m. on the first day of the Plan Implementation Date in the event such date occurs over more than one day) or such other time on such date as HII and the Monitor shall determine or as otherwise ordered by the Court but in any event such Effective Time shall occur prior to the Homco 61 Effective Time as defined under the Homco 61 Plan;

**“Electing Creditor”** means an Affected Creditor who has validly elected the Newco Common Shares Cash-Out Option in its Cash-Out Election Form or the Convenience Class Claim Declaration;

**“Election/Proxy Deadline”** means the deadline for making any of a Convenience Class Claim Election, a Newco Common Shares Cash-Out Option Election, and for submitting Proxies in accordance with the HII/Shareco Meeting Order;

**“Election Period”** means the period from the date of the mailing of the HII/Shareco Meeting Materials to Affected Creditors to the Election/Proxy Deadline;

**“Employee Priority Claim”** means of the following Claims of Employees and former or inactive employees of HII and Shareco:

- (a) Claims equal to the amounts that such Employees and former or inactive employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if HII and Shareco had become bankrupt on the HII Filing Date; and
- (b) Claims for wages, salaries, commissions or compensation for services rendered by them after the HII Filing Date and on or before the Plan Implementation Date together with, in the case of travelling salespersons, disbursements properly incurred by them in and about the Business during the same period;

**“Employees”** means any and all (i) employees of the HII Group Entities who are actively at work (including full-time, part-time or temporary employees), and (ii) employees of the HII Group Entities who are on approved leaves of absence (including maternity leave, parental leave, short-term disability leave, workers’ compensation and other statutory leaves);

**“Encumbrance”** means any charge, mortgage, lien, pledge, claim, restriction, security interest, security agreement, hypothecation, assignment, deposit arrangement, hypothec, lease, rights of others including without limitation Transfer Restrictions, deed of trust, trust or deemed trust, lien, financing statement, preferential arrangement of any kind or nature whatsoever, including any title retention agreement, or any other arrangement or condition which in substance secures payment or performance of any obligations, action, claim, demand or equity of any nature whatsoever, execution, levy, charge or other financial or monetary claim, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, or other encumbrance, whether created or arising by agreement, statute or otherwise at law, attaching to property, interests or rights and shall be construed in the widest possible terms and principles known under the law applicable to such property, interests or rights and whether or not they constitute specific or floating charges as those terms are understood under Applicable Laws, including, without limiting the generality of the foregoing: (i) the CCAA Charges and (ii) the Plan Charges;

**“Equity Claim”** shall have the meaning ascribed thereto in Section 2 of the CCAA;

**“Excluded Claim”** means (i) any Claim secured by the CCAA Charges; (ii) the KERP Claims; (iii) Claims in respect of Administrative Reserve Costs; and (iv) any other Claim ordered by the Court to be treated as an Excluded Claim;

**“Expiry Date”** has the meaning ascribed thereto in Section 11.1(c)(ii) of the Plan;

**“Final Adjusted Newco Note Amount”** means the amount equal to the final fair market value of the Core Business Assets other than the Core GP Assets, less the Newco Bond 5 Guarantee Value, finally determined to be owing from Newco to HII under the Newco Note, which Final Adjusted Newco Note Amount shall not be less than €75,000,000 and shall not exceed €225,000,000;

**“Final Distribution Date”** means such date after all of the Non-Core Business Assets have been realized and all of the Disputed Claims finally resolved, that the Monitor shall determine in its sole and absolute discretion or the Court shall otherwise order;

**“Final Order”** means a final Order of the Court, the implementation, operation or effect of which shall not have been stayed, varied, vacated or subject to pending appeal and as to which Order any appeal periods relating thereto shall have expired;

**“Foundation Entities”** has the meaning ascribed thereto in Section 13.1;

**“Funding Order”** means the Order of the Court made January 15, 2012, in the CCAA Proceedings with respect to the Stichting Advances;

**“GmbH”** means any Homburg Group Member that is a private limited liability company (*Gesellschaft mit beschränkter Haftung*) incorporated under the laws of Germany;

**“Governmental Authority”** means any domestic or foreign government, including any federal, provincial, state, territorial or municipal government, and any government department, body, ministry, agency, tribunal, commission, board, court, bureau or other authority exercising or purporting to exercise executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government including without limitation any Taxing Authority, the AFM and DNB;

**“Government Priority Claims”** means all Claims of Governmental Authorities in respect of amounts that are outstanding and that are of a kind that could be subject to a demand on or before the Final Distribution Date under:

- (a) subsections 224(1.2) and 224(1.3) of the ITA;
- (b) any provision of the *Canada Pension Plan* or the *Employment Insurance Act* (Canada) that refers to subsection 224(1.2) of the ITA and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or employee’s premium or employer’s premium as defined in the *Employment Insurance Act* (Canada), or a premium under Part VII.1 of that Act, and of any related interest, penalties or other amounts; or
- (c) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the ITA, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:
  - (i) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the ITA; or
  - (ii) is of the same nature as a contribution under the *Canada Pension Plan* if the province is a “province providing a comprehensive pension plan” as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a “provincial pension plan” as defined in that subsection;

**“Guarantee”** of a Person means any Liability of that Person under any guarantee, agreement, endorsement (other than for collection or deposit in the ordinary course of business of that Person), discount with recourse or other obligation to pay, purchase, repurchase or otherwise be or become liable or obligated upon or in respect of any Indebtedness of any other Person to indemnify or hold harmless any Person from or against any losses, liabilities or damages, in circumstances intended to enable the Person to incur or pay any Indebtedness or to comply with any agreement relating thereto or otherwise to assure or protect Creditors against loss in respect of the Indebtedness;

**“Hearing”** means the Court hearing of HII’s and Shareco’s motion for the HII/Shareco Sanction and Vesting Order;

**“HII”** means Homburg Invest Inc., a corporation incorporated under the ABCA including any successors by amalgamation;

**“HII 86 GP”** means HII (86) GP Inc.;

**“HII 86 GP Liabilities”** means all secured and unsecured obligations and liabilities of HII 86 GP as at the Plan Implementation Date;

**“HII 87 GP”** means HII (87) GP Inc.;

**“HII 87 GP Liabilities”** all secured and unsecured obligations and liabilities of HII 87 GP as at the Plan Implementation Date;

**“HII Assets”** means all Property of HII;

**“HII Baltic Subco”** means a company incorporated under the NSCA, all of the shares of which are held by HII;

**“HII Class A Preferred Shares”** means the authorized but not issued Class A preferred shares of HII;

**“HII Class A Shares”** means the issued and outstanding Class A subordinate voting shares of HII;

**“HII Class B Preferred Shares”** means the authorized but not issued Class B preferred shares of HII;

**“HII Class B Shares”** means the issued and outstanding Class B multiple voting shares of HII;

**“HII Co-obligation Note”** means the demand, adjustable, non-interest bearing promissory note issued by HII to Newco, the principal amount of which shall be deemed to be equal to the Final Adjusted Newco Note Amount, and such HII Co-obligation Note shall be secured by the Newco Co-obligation Charge;

**“HII’s Existing Authorized Capital”** means, collectively, the HII Class A Preferred Shares, the HII Class A Shares, the HII Class B Preferred Shares, and the HII Class B Shares;

**“HII Filing Date”** means September 9, 2011;

**“HII Group”** means the Petitioners, the Applicant Partnerships and Castello Development Ltd.;

**“HII Group Entity”** means any member of the HII Group;

**“HII Homco 61 Distribution”** means the aggregate value of all non-Cash and Cash distributions made to Homco 61 LP under the Plan on account of the Homco 61 Net Intercompany Claim (for greater certainty being its Pro Rata Share of Newco Common Shares, the Cash Pool and the Asset Realization Cash Pool);

**“HII Loan”** means the loan by HII to Homco 61 LP evidenced by the Homco 61 Note, in the amount of Cdn\$65,197,177 as at the HII Filing Date (and as at the Homco 61 Filing Date was Cdn\$71,597,837.15);

**“HII New Common Shares”** means the new class of common shares of HII to be authorized and issued to Newco pursuant to Section 12.3(k)(ii) of the Plan;

**“HII US Subco”** means a company incorporated under the NSCA, all the shares of which are held by HII;

**“HII/Shareco Creditors’ Meeting”** means the meeting or meetings of Affected Creditors to be called and held pursuant to the HII/Shareco Meeting Order for the purpose of considering and voting upon the Plan, and includes any adjournment, postponement or rescheduling of such meeting or meetings;

**“HII/Shareco Meeting Materials”** has the meaning ascribed thereto in paragraph 12 of the HII/Shareco Meeting Order;

**“HII/Shareco Meeting Order”** means the Order, substantially in the form set out in Schedule “C” to the Plan, to be made by the Court under the CCAA that, among other things, sets the date for the HII/Shareco Creditors’ Meeting, approves the HII/Shareco Meeting Materials, and contains the Restated Catalyst Support Agreement Approval, as same may be amended, restated or varied from time to time;

**“HII/Shareco Sanction and Vesting Order”** means the Order to be granted by the Court as contemplated under the Plan which, *inter alia*, approves and sanctions the Plan and the transactions contemplated thereunder, vests title in and to the Core Business Assets (other than the Core GP Assets) in Newco and the Core GP Assets in the Newco Subsidiaries respectively, free and clear of all Encumbrances other than the Core Business Asset Creditor Claims and grants the Plan Charges, which shall be a Final Order;

**“HII/Shareco Record Date”** has the meaning ascribed thereto in the HII/Shareco Meeting Order;

**“HLPM”** means Homburg L.P. Management Incorporated, a corporation incorporated under the NSCA;

**“HMCI”** means Homburg Management (Canada) Inc., a corporation incorporated under the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended, and a Petitioner;

**“Holland Garden”** means Holland Garden Development Ltd., a corporation incorporated under the ABCA;

**“Homburg Baltic”** means Homburg Baltic LP Inc., a corporation incorporated under the NSCA;

**“Homburg Baltic Creditor”** means a Person having a Homburg Baltic Creditor Claim, which shall be an Unaffected Creditor;

**“Homburg Baltic Creditor Claim”** means any Claim against Homburg Baltic, which shall be an Unaffected Claim;

**“Homburg Baltic General Partners”** means the general partners of the Homburg Baltic Limited Partnerships;

**“Homburg Baltic Intercompany Loan”** means the receivable obligations owing from Homburg Baltic to HII as at the HII Filing Date;

**“Homburg Baltic Limited Partnership Creditor”** means a secured or unsecured Creditor of any of the Homburg Baltic Limited Partnerships, which shall be an Unaffected Creditor;

**“Homburg Baltic Limited Partnership Creditor Claim”** means any Claim of a Homburg Baltic Limited Partnership Creditor against a Homburg Baltic Limited Partnership, which shall be an Unaffected Claim;

**“Homburg Baltic Limited Partnerships”** means the following limited partnerships formed under the laws of the Baltic States: Kub Homburg NT, Kub Homburg LT Baltijos Investicijos, Kub Homburg LT Baltijos Investicijos 2, Homburg LV Investments KS, Homburg Baltic (ES) Investments UU, and Homburg Baltic (ES) AST Investments UU;

**“Homburg Group Member”** means any body corporate or limited partnership directly or indirectly owned by HII wherever incorporated or formed;

**“Homburg Invest USA”** means Homburg Invest (USA) Limited, a company incorporated under the NSCA and to be continued as an Alberta corporation;

**“Homburg US”** means Homburg (US) Incorporated, a company incorporated under the NSCA;

**“Homburg US Intercompany Loan”** means all amounts loaned or advanced by HII to the receivable obligations owing from Homburg US on the Plan Implementation Date;

**“Homburg US Intercompany Loan (No Value)”** means an amount equal to the difference between the Homburg US Intercompany Loan and the fair market value of such loan, as at the Plan Implementation Date;

**“Homburg US Intercompany Loan Note (Value)”** means a priority promissory note having a principal amount equal to the difference between the Homburg US Intercompany Loan and the Homburg US Intercompany Loan (No Value);

**“Homco”** means a Homburg Group Member limited partnership formed under the NSLPA and as more particularly set out on and defined in Schedule “D” to the Plan;

**“Homco 61 Affected Claim”** means any Claim against Homco 61 LP, including for greater certainty, the Bond 6 Homco 61 Claim, but excluding the Homco 61 LP Unaffected Claims and Homco 61 Equity Claims;

**“Homco 61 Affected Creditor”** means a Creditor with a Homco 61 Affected Claim, including for greater certainty a Bond 6 Claim Holder;

**“Homco 61 Affected Creditor HII Claim”** means an Affected Claim against HII pertaining to the same obligation as a Homco 61 Affected Claim whether by Guarantee or otherwise, including for greater certainty the Bond 6 HII Claim;

**“Homco 61 Affected Creditor HII Deficiency Claim”** means the aggregate Proven Claim of any holder of a Homco 61 Affected Creditor HII Claim for distribution purposes under the Plan, which shall be deemed to be an amount equal to each such holder’s Homco 61 Affected Creditor HII Claim less its Homco 61 Recovered Amount, including for greater certainty the Bond 6 HII Deficiency Claim;

**“Homco 61 Creditors’ Meeting”** means the meeting or meetings of Homco 61 Affected Creditors (as defined under the Homco 61 Plan) to be called and held concurrently with the HII/Shareco Creditors’ Meeting pursuant to the Homco 61 Meeting Order for the purpose of considering and voting upon the Homco 61 Plan, and includes any adjournment, postponement or rescheduling of such meeting or meetings;

**“Homco 61 Guarantee”** means the guarantee of Shareco’s obligations under the Bond 6 Indenture granted by Homco 61 LP in favour of Stichting Homburg Bonds dated July 1, 2005;

**“Homco 61 Intercompany Claim”** means the aggregate gross amount owing by HII to Homco 61 LP as reflected in the books and records of HII in the amount of Cdn\$127,593,683 as at the HII Filing Date;

**“Homco 61 LP”** means Homco Realty Fund (61) Limited Partnership, a limited partnership formed under the NSLPA;

**“Homco 61 Net Intercompany Claim”** means the amount of Cdn\$62,396,506 being the amount of the Homco 61 Intercompany Claim, after reduction pursuant to set-off effected under the Plan by the amount of the HII Loan, and which amount shall be Homco 61 LP’s deemed Proven Claim against HII under the Plan;

**“Homco 61 Note”** means the demand promissory note dated July 4, 2005 evidencing the HII Loan, issued by Homco 61 LP to HII and pledged by HII to Shareco as security for the Shareco Loan and subsequently assigned by Shareco to Stichting Homburg Bonds;

**“Homco 61 Recovered Amount”** means the *pro rata* share of the HII Homco 61 Distribution recovered by a holder of a Homco 61 Affected Creditor HII Claim under the Homco 61 Plan on account of its Homco 61 Proven Claim, including for greater certainty the Bond 6 Homco 61 Recovered Amount;

**“Homco 61 Original Plan”** has the meaning ascribed thereto in the Recitals;

**“Homco 61 Plan”** means the Homco 61 Original Plan, as amended by the Homco 61 Restated Plan, and as may be amended, restated, modified and/or supplemented from time to time in accordance with its terms;

**“Homco 61 Restated Plan”** means the restated plan of compromise of Homco 61 LP filed by Homco 61 LP under the CCAA dated April 26, 2013;

**“Homco 69 LP Valbonne 2 BV Intercompany Loan”** means all amounts loaned or advanced by Valbonne 2 BV to Homco 69 LP as at the HII Filing Date;

**“Homco 70 LP Coët BV Intercompany Loan”** means all amounts loaned or advanced by Coët BV to Homco 70 LP as at the HII Filing Date;

**“Homco 86 LP HII Intercompany Loan”** means all amounts loaned or advanced by HII to Homco 86 LP as at the HII Filing Date;

**“Homco 86 LP Homco 86 BV Intercompany Loan”** means all amounts loaned or advanced by Homco 86 BV to Homco 86 LP as at the Plan Implementation Date;

**“Homco 87 LP HII Intercompany Loan”** means all amounts loaned or advanced by HII to Homco 87 LP as at the HII Filing Date;

**“Homco 87 LP Homco 87 BV Intercompany Loan”** means all amounts loaned or advanced by Homco 87 BV to Homco 87 LP as at the Plan Implementation Date;

**“Homco 110 LP HII Intercompany Loan”** means all amounts loaned or advanced by HII to Homco 110 LP as at the HII Filing Date;

**“Homco 110 LP Valbonne 5 BV Intercompany Loan”** means all amounts loaned or advanced by Valbonne 5 BV to Homco 110 LP as at the HII Filing Date;

**“Homco 190 Loan”** means the intercompany loan from Homco 190 LP to Homco 199 LP as evidenced by the Homco 190 Loan Promissory Note;

**“Homco 190 Loan Promissory Note”** means the promissory note dated May 25, 2010, delivered by Homco 199 LP to Homco 190 LP;

**“Homco 190 LP”** means Homco Realty Fund (190) Limited Partnership, a limited partnership formed under the NSLPA;

**“Homco 191 Loan”** means the intercompany loan from Homco 191 LP to Homco 199 LP as evidenced by the Homco 191 Loan Promissory Note;

**“Homco 191 Loan Promissory Note”** means the promissory note dated May 25, 2010, delivered by Homco 199 LP to Homco 191 LP;

**“Homco 191 LP”** means Homco Realty Fund (191) Limited Partnership, a limited partnership formed under the NSLPA;

**“Homco 199 Cash Amount”** means the amount of Cash held by Homco 199 LP on the Plan Implementation Date;

**“Homco 199 Loan”** means all amounts loaned or advanced by Homco 199 LP to HII and outstanding as at the Plan Implementation Date;

**“Homco 199 LP”** means Homco Realty Fund (199) Limited Partnership, a limited partnership formed under the NSLPA;

**“Homco GP”** means the corporate general partner of a Homco other than a Core Homco and for greater certainty excluding HLPMP;

**“HSBC”** means HSBC Bank Canada;

**“HSBC Secured Claim”** means the claim of HSBC against HII secured by HII’s personal and movable property pursuant to a general security agreement dated July 5, 2001 and a hypothec on movable property dated December 16, 2010, to the extent of the amount of such security, subject to such security being valid and enforceable;

**“Incorporation Foundation”** means Stichting Oprichting Geneva Properties, a Dutch foundation (*Stichting*) incorporated solely for the purposes of incorporating Newco and acting as initial shareholder of Newco preference shares in accordance with the Pre-Plan Implementation Date Transactions;



**“Indebtedness”** of a Person means, without duplication:

- (a) all debts and liabilities of that Person for borrowed money;
- (b) all debts and liabilities of that Person representing the deferred acquisition cost of property and services; and
- (c) all Guarantees given by that Person;

**“Information Circular”** means the information circular prepared by HII on behalf of HII, Shareco and Homco 61 LP and any schedules or appendices thereto (including the Plan and the Homco 61 Plan), as may be amended, restated or varied from time to time, together with any other documents required by the Court in connection with the calling and holding of the HII/Shareco Creditors’ Meeting and the Homco 61 Creditors’ Meeting to consider and approve the Plan and the Homco 61 Plan respectively;

**“Initial Distribution Date”** means a date on or after the Plan Implementation Date as the Monitor shall have determined in its sole discretion, or such other date as specified in the HII/Shareco Sanction and Vesting Order;

**“Initial Order”** means the Order of the Court under the CCAA obtained by the Petitioners on September 9, 2011 and as same may be amended, restated or varied from time to time;

**“Insolvent Person”** means a Person the aggregate of whose property is not, at a fair valuation, sufficient, or, if disposed of at a fairly conducted sale under legal process, would not be sufficient, to enable payment of all its obligations, due and accruing due, or who is unable to meet its obligations generally as they become due;

**“Intercompany Claims”** means any Claim of HII or any Homburg Group Member against HII or any other Homburg Group Member, whether or not recorded in the usual and ordinary course in the books and records of the applicable Person;

**“Inverness”** means Inverness Estates Development Ltd., a corporation incorporated under the ABCA and a Petitioner;

**“Investment Proposal Process”** means the process approved by Order of the Court made on March 1, 2013, as amended by further Order of the Court made on March 14, 2013, providing for standard terms and conditions governing the delivery of investment proposals to HII and the Monitor;

**“ITA”** means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5<sup>th</sup> Supp.), as amended and any regulations thereunder;

**“KERP Claim”** means a claim of any Person under the KERPS;

**“KERP Fund”** means the monies held by the Monitor to pay the KERP Claims;

**“KERPS”** means the Key Employee Retention Plans approved by paragraph 32 of the Initial Order as amended and extended from time to time;

**“Letter of Instruction”** means a form to be completed by Affected Creditors (other than Convenience Class Creditors) that is to be delivered by such Affected Creditors to the Monitor in accordance with the Plan, which form shall set out (i) the registration details for the issuance of the Newco Common Shares to such Affected Creditors required for the Trading Platform; (ii) the address to which such Affected Creditors’ DRS Transaction Advices (or similar notices for the Trading Platform) and other notices are to be mailed, and (if applicable) to which cash distributions in cheque form are to be delivered; and (iii) the IBAN number and other details for the account of such Affected Creditors to which cash distributions in wire transfer form are to be delivered;

**“Liabilities”** of a Person means all Indebtedness, obligations and other liabilities of that Person whether absolute, accrued, contingent, fixed or otherwise, or whether due or to become due;

**“Limited Partnership Agreement”** means an agreement between HII, as sole limited partner, and the relevant general partner or general partners of a Homco;

**“Liquidation Advisory Committee”** means the committee to be created under the HII/Shareco Sanction and Vesting Order, comprised of three individual members, one of whom shall be nominated by Stichting Homburg Bonds, one of whom shall be nominated by Catalyst, and one of whom shall be nominated by HII, with the powers, entitlements and duties set out therein and in the Plan;

**“Liquidation Charge”** means a prior ranking Charge created pursuant to the HII/Shareco Sanction and Vesting Order against the Non-Core Business Assets in favour of the Monitor as security for the Liquidation Costs;

**“Liquidation Costs”** means the costs of liquidation or realization of the Non-Core Business Assets, including professional fees and disbursements;

**“Litigation Claim”** means any and all claims, actions, causes of action, demands, suits, rights, entitlements, litigation, arbitration, proceeding, hearing or complaint, whether known or unknown, reduced to judgment or not reduced to judgment, liquidated or unliquidated, contingent or non-contingent, matured or unmatured, disputed or undisputed, secured or unsecured, assertable directly or derivatively, in law, equity or otherwise, based in whole or in part on any act or omission or other event occurring at any time, whether before, on or after the HII Filing Date which may be asserted by or on behalf of (i) HII, Shareco, Homco 190 LP, Homco 191 LP and Homco 199 LP against any and all third parties; or (ii) the Monitor, pursuant to section 36.1 of the CCAA, or sections 95 to 101 of the BIA; provided however that in no event shall a Litigation Claim be a Claim being released by the Plan;

**“Litigation Proceeds”** any proceeds or settlement or judgment arising from the Litigation Claims, net of any Litigation Reserve Costs;

**“Litigation Reserve”** means a Cash reserve in the amount of Five Hundred Thousand (\$500,000) dollars, approved by the Court in the HII/Shareco Sanction and Vesting Order, which reserve shall be established and deposited by the Monitor into the Litigation Reserve Account for the purpose of paying the Litigation Reserve Costs;

**“Litigation Reserve Account”** means a segregated interest bearing trust account established by the Monitor to hold the Litigation Reserve;

**“Litigation Reserve Costs”** means professional fees, disbursements, judicial or extrajudicial costs or solicitor client costs of the Monitor (including of its legal counsel and other advisors) relating to the investigation and assessment of Creditor Causes of Action or Litigation Claims and the litigation or settlement of Litigation Claims;

**“Material Adverse Change”** means any event, circumstance, occurrence, fact, condition, change or effect that would be materially adverse to the Core Business Assets, the Non-Core Business Assets, the security affecting the Core Business Assets and Non-Core Business Assets or any third party secured claims affecting same, or the results of operations or conditions (financial or otherwise) of the Core Business Entities (taken as a whole), provided however, that any event, circumstances, occurrence, fact, condition, change or effect:

- (a) relating to, or arising from, general economic conditions;
- (b) relating to, or arising from, any change in the global, national or regional political conditions (including the outbreak of hostilities or acts of terrorism) or any change in Applicable Laws;
- (c) relating to, or arising from, any emergency in the geographic area where the HII Group Entities operate (including a power outage);
- (d) relating to fluctuations in the earnings or liabilities of the HII Group Entities, taken as a whole, during the period commencing on January 1, 2013 and ending on the Plan Implementation Date; and
- (e) relating to, or arising from, any litigation matters relating to Disputed Claims;

shall be deemed not to constitute a “Material Adverse Change” and shall not be considered in determining whether a **“Material Adverse Change”** has occurred;

**“Monitor”** means Deloitte in its capacity as Court-appointed Monitor pursuant to the Initial Order;

**“Monitor’s Plan Completion Certificate”** means the certificate substantially in the form attached as Schedule “D” to the HII/Shareco Sanction and Vesting Order to be filed by the Monitor with the Court;

**“Monitor’s Plan Implementation Date Certificate”** means a certificate substantially in the form appended as Schedule “A” to the HII/Shareco Sanction and Vesting Order to be filed by the Monitor with the Court and declaring that all of the Conditions Precedent to implementation of the Plan have been satisfied or waived and that all right, title and interest in and to the Core Business Assets (other than the Core GP Assets) and the Core GP Assets have vested absolutely in Newco and the Newco Subsidiaries respectively, free and clear of all Encumbrances, other than Core Business Creditor Claims, in accordance with the HII/Shareco Sanction and Vesting Order;

**“Mortgage Bond Claim”** means any Claim of a debenture holder or Stichting Homburg Bonds arising under or in connection with the debentures issued under the Mortgage Bond Trust Indenture;

**“Mortgage Bond Proven Claim”** means a Mortgage Bond Claim that is a Proven Claim;

**“Mortgage Bond Trust Indenture”** means, collectively, a Trust Indenture dated as of December 15, 2002, between Shareco and Stichting Homburg Bonds, a Second Supplemental Indenture dated as of November 30, 2004, between Shareco and Stichting Homburg Bonds, a Third Supplemental Indenture dated as of December 31, 2004, between Shareco and Stichting Homburg Bonds, Fourth Supplemental Indenture dated as of July 4, 2005, between Shareco and Stichting Homburg Bonds, a Fifth Supplemental Indenture dated as of July 1, 2005, between Shareco and Stichting Homburg Bonds, a Special Supplemental Indenture to the Second Supplement dated as of November 5, 2012, between Shareco and Stichting Homburg Bonds, a Special Supplemental Indenture to the Third Supplement dated as of August, 2005, between Shareco and Stichting Homburg Bonds, a Special Supplemental Indenture to the Third Supplement dated as of November 5, 2012, between Shareco and Stichting Homburg Bonds, a Special Supplemental Indenture to the Fourth Supplemental dated August, 2005, between Shareco and Stichting Homburg Bonds, a Second Special Supplemental Indenture to the Fourth Supplemental dated November 30, 2007, between Shareco and Stichting Homburg Bonds, and a Special Supplemental Indenture to the Fifth Supplement dated as of November 5, 2012, between Shareco and Stichting Homburg Bonds, all of which are governed by the laws of the Province of Nova Scotia, the obligations under which are secured by the Mortgage Bond Trust Indenture Security;

**“Mortgage Bond Trust Indenture Security”** means the security and Guarantees, if any, granted by HII, Shareco and/or any Homburg Group Member, to the holders of notes issued under different series of the Mortgage Bond Trust Indenture, determined by the Monitor or the Court to be valid and opposable;

**“Mortgage Bond Trust Indenture Unsecured Claim”** means the aggregate amount outstanding as at the HII Filing Date in respect of each series of bonds issued under the Mortgage Bond Trust Indenture (including interest only accrued to the HII Filing Date) after realization of the Mortgage Bond Trust Indenture Security, as applicable, but excluding with respect to the Bond 5 Claim Holders and the Bond 6 Claim Holders, respectively, the Bond 5 Unsecured Claim and the Bond 6 HII Deficiency Claim;

**“Named Director”** means the following present and former directors and officers of the HII Group Entities: Jan Schönningh, 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;

**“Named Officers”** means Jan Schönningh and James F. Miles;

**“Newco”** means a closed end property investment company without a separate manager (*beleggingsmaatschappij zonder aparte beheerder*) to be formed under the laws of the Netherlands in the Pre-Plan Implementation Date Transactions for purposes of the Plan, including its subsidiaries if the context so requires;

**“Newco Assumed Portion of Corporate Creditor Disputed Claims”** means that portion of all Corporate Creditor Disputed Claims in respect of which Newco becomes a co-obligor with HII, the amount of which shall be deemed to be that percentage of the Final Adjusted Newco Note Amount equal to the amount that the aggregate of each Corporate Creditor’s pro rata share of the Newco Assumed Portion of Disputed Claims is of the Newco Assumed Portion of Disputed Claims;

**“Newco Assumed Portion of Corporate Creditor Proven Claims”** means that portion of all Corporate Creditor Proven Claims in respect of which Newco becomes a co-obligor with HII, the amount of which shall be deemed to be that percentage of the Final Adjusted Newco Note Amount equal to the amount that the aggregate of each Corporate Creditor’s pro rata share of the Newco Assumed Portion of Proven Claims is of the Newco Assumed Portion of Proven Claims;

**“Newco Assumed Portion of Disputed Claims”** means an amount equal to the Newco Assumed Portion of Non-Corporate Creditor Disputed Claims and the Newco Assumed Portion of Corporate Creditor Disputed Claims, which amount shall be subsequently adjusted to equal the finally determined value, if any, of such Creditors’ Proven Claims;

**“Newco Assumed Portion of Non-Corporate Creditor Disputed Claims”** means that portion of all Non-Corporate Creditor Disputed Claims in respect of which Newco becomes a co-obligor with HII, the amount of which shall be deemed to be that percentage of the Final Adjusted Newco Note Amount equal to the amount that the aggregate of each Non-Corporate Corporate Creditor’s pro rata share of the Newco Assumed Portion of Disputed Claims is of the Newco Assumed Portion of Disputed Claims;

**“Newco Assumed Portion of Non-Corporate Creditor Proven Claims”** means that portion of all Non-Corporate Creditor Proven Claims in respect of which Newco becomes a co-obligor with HII, the amount of which shall be deemed to be that percentage of the Final Adjusted Newco Note Amount equal to the amount that the aggregate of each Non-Corporate Creditor’s pro rata share of the Newco Assumed Portion of Proven Claims is of the Newco Assumed Portion of Proven Claims;

**“Newco Assumed Portion of Proven Claims”** means an amount equal to the Newco Assumed Portion of Non-Corporate Creditor Proven Claims and the Newco Assumed Portion of Corporate Creditor Proven Claims;

**“Newco Bond 5 Guarantee”** means the unsecured guarantee given by HII to Stichting Homburg Bonds for the benefit of the Bond 5 Claim Holders (including Electing Creditors) guaranteeing that all such Bond 5 Claim Holders shall receive under the Plan or otherwise, distributions of Cash (including the Bond 5 Secured Claim Cash Payment) and Newco Common Shares, all of which such consideration shall have an aggregate minimum value equal to 50 per cent of the Bond 5 Claim, such value to be calculated in accordance with the Bond 5 Secured Claim Settlement Agreement (including for greater certainty, all Bond 5 Claim Holders whether or not they are Electing Creditors);

**“Newco Bond 5 Guarantee Value”** means the fair market value of the Newco Bond 5 Guarantee on the Plan Implementation Date;

**“Newco Common Shares”** means the common shares issued by Newco pursuant to the Plan, which will be voting and participating rateably, the monetary value of which for distribution purposes shall be determined as at Plan Implementation Date;

**“Newco Common Shares Cash-Out Option”** means the option available for Affected Creditors (other than Convenience Class Creditors who have made a Convenience Class Claim Election) to receive, 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, an amount equal to such Affected Creditor’s *pro rata* share of the Aggregate Newco Common Shares Final Cash-Out Amount;

**“Newco Common Shares Cash-Out Option Election”** means an election pursuant to which an Affected Creditor (other than a Convenience Class Creditor who has made a Convenience Class Claim Election) has validly elected by the Election/Proxy Deadline the Newco Common Shares Cash-Out Option in respect of all of its Pro Rata Share of the Newco Common Shares pursuant to its Cash-Out Election Form and is thereby deemed to vote in favour of the Plan in respect of such Electing Creditor’s Voting Claim;

**“Newco Common Shares Cash-Out Price”** means the finally determined price per Newco Common Share, for the benefit of Electing Creditors who validly make the Newco Common Shares Cash-Out Option Election (including for greater certainty Affected Creditors with Disputed Claims that become Proven Claims under the Plan who validly make such election), based on an aggregate maximum price of €95,000,000 for 100% of the total Newco Common Shares to which Affected Creditors with Proven Claims (for distribution purposes) after final resolution of all Disputed Claims (including for greater certainty Disputed Claims of Electing Creditors) become entitled;

**“Newco Common Shares Put Right Period”** means the period from and after the date which is ninety one (91) calendar days following the Plan Implementation Date up to and including the date that is ninety (90) calendar days following such date;

**“Newco Common Shares Standstill Period”** means the period beginning on the Initial Distribution Date to and including the date that is ninety (90) calendar days following the Plan Implementation Date;

**“Newco Common Shares Tag Along Period”** means the period from and after the date which is ninety-one (91) calendar days following the Plan Implementation Date up to and including the date that is one hundred and eighty (180) calendar days following such date;

**“Newco Co-obligation Charge”** means a priority charge against the Core Business Assets (other than the Core GP Assets), and any proceeds arising therefrom, which charge shall secure the obligations of HII to Newco under the HII Co-obligation Note;

**“Newco Equity Pool”** means all of the Newco Common Shares to be issued by Newco on the Plan Implementation Date pursuant to the Plan. The number of Newco Common Shares to be issued on the Plan Implementation Date shall be agreed by Newco and the Monitor prior to the Plan Implementation Date;

**“Newco Equity Pool (Final)”** means immediately following the final resolution of all Disputed Claims, the number of Newco Common Shares issued pursuant to the Plan which shall be equal to the Newco Equity Pool less the number of Cancelled Newco Common Shares as at such time;

**“Newco Equity Pool (Interim)”** means, at the time of determination, the number of Newco Common Shares issued pursuant to the Plan which shall be equal to the Newco Equity Pool less the number of Cancelled Newco Common Shares as at such time;

**“Newco Incorporation Loan”** means the non-interest-bearing loan in the amount of EUR225,000 lent by HII from its Cash to the Incorporation Foundation for the purposes of incorporating Newco prior to the Plan Implementation Date pursuant to the Plan Transactions under the Plan;

**“Newco Incorporation Loan Note”** means the promissory note delivered by the Incorporation Foundation to HII to evidence the Newco Incorporation Loan;

**“Newco Initial Supervisory Board”** means the initial supervisory board of Newco, which shall be composed pursuant to the terms of the Restated Catalyst Support Agreement;

**“Newco Management Board”** means the management board of Newco, constituted in accordance with the Restated Catalyst Support Agreement by no later than May 31, 2013;

**“Newco Note”** means the demand adjustable non-interest bearing unsecured promissory note to be issued by Newco in favour of HII as partial consideration for the transfer of Core Business Assets (other than Core GP Assets) by HII to Newco, the principal amount of which shall be deemed to be equal to the Final Adjusted Newco Note Amount;

**“Newco Prospectus”** means a prospectus filed by or on behalf of Newco as required (whether by Applicable Law or by the relevant regulations of the Trading Platform) for the purposes of listing the Newco Common Shares on the Trading Platform;

**“Newco Shareholder Rights Agreement”** means an agreement between Newco on behalf of the holders of Newco Common Shares and Catalyst, implementing the Put Right and the Tag Along Right, in form satisfactory to HII, Catalyst, Stichting Homburg Bonds, acting reasonably, and the Monitor;

**“Newco Subsidiaries”** means the private limited liability companies (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands to receive the interests of Homco 86 GP and Homco 87 GP in each of their respective Core Homcos;

**“Newco Un-Assumed Portion of Corporate Creditor Proven Claims”** means that portion of all Corporate Creditor Proven Claims less the Newco Assumed Portion of Corporate Creditor Proven Claims;

**“Newco Un-Assumed Portion of Non-Corporate Creditor Proven Claims”** means that portion of all Non-Corporate Creditor Proven Claims less the Newco Assumed Portion of Non-Corporate Creditor Proven Claims;

**“Newco Un-Assumed Portion of Proven Claims”** means the Newco Un-Assumed Portion of Non-Corporate Creditor Proven Claims and the Newco Un-Assumed Portion of Corporate Creditor Proven Claims;

**“Non-Core Bankrupt Business Entity Creditor Claim”** means a Non-Core Business Entity Creditor Claim against a Non-Core Business Entity that has been assigned or petitioned into bankruptcy;

**“Non-Core Business Asset Gross Proceeds”** means the proceeds realized from the liquidation or realization of Non-Core Business Assets;

**“Non-Core Business Asset Net Proceeds”** means the Non-Core Business Asset Gross Proceeds, net of the Asset Realization Costs;

**“Non-Core Business Asset Notes”** means, collectively, Note A (Non-Corporate Creditor) and Note B (Corporate Creditor);

**“Non-Core Business Assets”** means the HII Assets that are not Core Business Assets, including Bankruptcy Claims and Litigation Proceeds;

**“Non-Core Business Entity”** includes (i) any Cancos, other than any Amalgamating Canco and Homburg Baltic, and (ii) any Homco other than a Core Homco;

**“Non-Core Business Entity Creditor”** means a Person having a Non-Core Business Entity Creditor Claim, which shall be an Unaffected Creditor;

**“Non-Core Business Entity Creditor Claim”** means any Claim against a Non-Core Business Entity (which for greater certainty shall not include any Claim of a Non-Core Business Entity Creditor against HII or Shareco), which shall be an Unaffected Claim;

**“Non-Corporate Creditor”** means a Person having a Non-Corporate Creditor Claim, other than a Convenience Class Creditor;

**“Non-Corporate Creditor Claim”** means any unsecured Claim against HII and Shareco that is not a Corporate Creditor Claim;

**“Non-Corporate Creditor Disputed Claim”** means the face value of a Disputed Claim of a Non-Corporate Creditor;

**“Non-Corporate Creditor Proven Claim”** means a Proven Claim of a Non-Corporate Creditor;

**“North Calgary”** means North Calgary Land Ltd., a corporation incorporated under the ABCA and a Petitioner;

**“Note A (Non-Corporate Creditor)”** means the certificate of indebtedness being a global non-interest bearing variable note issued by HII and held by the Monitor on behalf of each holder of a Non-Corporate Creditor Proven Claim having a principal amount equal to the Non-Corporate Creditor’s Pro Rata Share of the Asset Realization Cash Pool, which note shall be secured by the Affected Creditors’ Charge;

**“Note B (Corporate Creditor)”** means the certificate of indebtedness being a global non-interest bearing variable note issued by HII and held by the Monitor on behalf of each holder of a Corporate Creditor Proven Claim having a principal amount equal to the Corporate Creditor’s Pro Rata Share of the Asset Realization Cash Pool, which note shall be secured by the Affected Creditors’ Charge;

**“Notice of Final Distribution”** means a notice to Affected Creditors to be published at least 30 days in advance of the Final Distribution Date in the Globe and Mail, the Calgary Herald and the Halifax Chronicle Herald (English version) and De Volkskrant, De Telegraaf, the NRC, and Het Financieele Dagblad (all published in the Netherlands) (Dutch version) notifying Affected Creditors of the Final Distribution Date, substantially in the form of Schedule “C” to the HII/Shareco Sanction and Vesting Order;

**“NSCA”** means the Nova Scotia *Companies Act*, R.S., c. 81, as amended;

**“NSLPA”** means Nova Scotia *Limited Partnerships Act*, R.S., c. 259, as amended;

**“Offer”** has the meaning ascribed thereto in Section 11.1(c)(ii) of the Plan;

**“Order”** means any order of the Court, or any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority;

**“Original Plan”** has the meaning ascribed thereto in the Recitals;

**“Person”** is to be broadly interpreted and includes an individual, a partnership, a corporation, a trust, a joint venture, any Governmental Authority, any trade union, any employee association or any incorporated or unincorporated entity or association of any nature and the executors, administrators, or other representatives of an individual in such capacity;

**“Petitioners”** means HII, Shareco, Churchill, Inverness, CP Development, North Calgary and HMCI, and each of them being a **“Petitioner”**;

**“Plan”** means the Original Plan, as amended by the Amended and Restated Plan, as further amended by this Second Joint Restated Plan of Compromise and Reorganization filed by HII and Shareco under the CCAA and the ABCA, dated April 25, 2013, as such Plan may be amended, varied or supplemented from time to time by HII and Shareco and Catalyst acting reasonably, as approved by the Monitor, all in accordance with the terms hereof;

**“Plan Charges”** means the Administration Charge, the Directors’ Charge, the Affected Creditors’ Charge and the Liquidation Charge as continued and amended by and created by the HII/Shareco Sanction and Vesting Order and with the exception of the Directors’ Charge, are intended to survive the Plan Implementation Date, but shall not include the Newco Co-obligation Charge;



**“Plan Filing Date”** means the date on which the Plan is filed with the Court;

**“Plan Implementation Date”** means the Business Day or Business Days on which all of the Conditions Precedent to the implementation of the Plan have been fulfilled or, to the extent permitted pursuant to the terms and conditions of the Plan, waived, as evidenced by the Monitor’s Plan Implementation Date Certificate to be filed with the Court;

**“Plan Sanction Date”** means the date that the HII/Shareco Sanction and Vesting Order is made by the Court;

**“Plan Transactions”** means the steps or transactions considered necessary or desirable to give effect to the transactions contemplated in the Plan, including those set out in Section 12.3 hereof, which transactions may include one or more incorporations, mergers, amalgamations, consolidations, arrangements, continuations, restructurings, conversions, liquidations, winding ups, dissolutions, transfers, reorganizations, repayments, redemptions, exchanges, cancellations, offsets, compromises, releases and discharges or other transactions, and **“Plan Transaction”** means any individual transaction step;

**“Plan Transactions Notice”** means one or more notices setting out and detailing substantially all of the Plan Transactions to be posted on the Website on or before the Plan Transactions Notice Filing Date with notice of such posting in each instance forthwith provided to the Service List (as such notice may thereafter be modified, amended, varied or supplemented in accordance with the Plan) provided that a final Plan Transactions Notice will be posted on the Website no later than the day immediately before the Plan Implementation Date with notice of such posting forthwith provided to the Service List;

**“Plan Transactions Notice Filing Date”** means the date which shall be at least ten (10) days prior to the date set forth in the HII/Shareco Meeting Order as the deadline for the return of proxies to the Monitor in connection with the HII/Shareco Creditors’ Meeting, which date shall be confirmed by a notice posted on the Website and forthwith provided to the Service List;

**“Post-Filing Trade Payables”** means post-HII Filing Date trade payables excluding for greater certainty any Tax Claims that were incurred by the HII Group Entities (i) after the HII Filing Date and before the Plan Implementation Date, (ii) in the ordinary course of business, and (iii) in compliance with the Initial Order and other Orders issued in connection with the CCAA Proceedings;

**“Pre-Plan Implementation Date Transactions”** means those transactions to be effected prior to the Plan Implementation Date, including, without limitation, the transactions that are more particularly described in Schedule “B”;

**“Principal Claim”** has the meaning ascribed thereto in Section 3.10 of the Plan;

**“Proof of Claim”** means the form to be completed and filed by a Creditor, pursuant to the Claims Process Order, by the applicable Claims Bar Date setting forth its applicable Claim;

**“Property”** means all present and future assets, shares, units, rights, undertakings, and properties of any Person, whether Real Property or personal property, moveable or immovable, tangible or intangible, of any nature and kind whatsoever and wherever situated, and whether held directly or indirectly, and which for greater certainty shall include Real Property Interests, and including all proceeds thereof;

**“Pro Rata Share”** means at the applicable time:

- (a) with respect to the Newco Common Shares, the Cash Pool and the Asset Realization Cash Pool, that fraction that is equal to (i) the amount of the Affected Creditor’s Proven Claim (or where appropriate, the face value of the Affected Creditor’s Disputed Claim), divided by (ii) the sum of: (A) the aggregate amount of all Proven Claims held by Affected Creditors (other than Convenience Class Creditors); and (B) the aggregate amount of all Disputed Claims held by Affected Creditors (other than Convenience Class Creditors); and
- (b) with respect to the Stichting Advances, that portion of the Stichting Advances that is equal to: (i) the amount of the Corporate Bond Proven Claim or the Mortgage Bond Proven Claim, divided by (ii) the aggregate of all amounts constituting Proven Claims of Affected Creditors (other than Convenience Class Creditors);

**“Proven Claim”** means a Claim of an Affected Creditor finally determined for voting and distribution purposes in accordance with the Claims Process Order, the Plan and the HII/Shareco Meeting Order;

**“Proxy”** means the proxy form enclosed with the Information Circular to be sent or otherwise made available to the Affected Creditors in accordance with the HII/Shareco Meeting Order;

**“Purchaser”** has the meaning ascribed thereto in Section 11.1(c)(i) of the Plan;

**“Put Right”** has the meaning ascribed thereto in Section 11.1(b) of the Plan;

**“Real Property”** means lands, tenements and hereditaments excluding leases;

**“Real Property Interests”** means any direct or indirect legal, beneficial or equitable interest in Real Property wherever situate;

**“Released Party”** means a Person who is released pursuant to Section 13.1 of the Plan, including for greater certainty an HII Released Party (as defined therein) and a non-HII Released Party (as defined therein);

**“Reorganization Transaction”** means the sequential steps to be effected on the Plan Implementation Date as set out in Section 12.3 of the Plan, as amended by any Plan Transactions Notice;

**“Required Majority”** means a majority in number of Affected Creditors who represent at least two-thirds in value of the Voting Claims of such Affected Creditors who actually vote on the Resolution (in person or by proxy) at the HII/Shareco Creditors’ Meeting or were deemed to vote on the Resolution;

**“Reserve Adjustment”** means an increase in one or more Cash Reserves, as applicable, in such amount(s) as the Monitor may determine to be necessary or desirable, in its sole and unfettered discretion, which increase shall be funded from the Cash Pool Account on or after the Plan Implementation Date and allocated by the Monitor to the applicable Cash Reserve;

**“Resolution”** means the resolution approving the Plan presented to the Affected Creditors for consideration at the HII/Shareco Creditors’ Meeting;

**“Restated Catalyst Support Agreement Approval”** means the Order of the Court approving the Restated Catalyst Support Agreement, including, *inter alia*, the Catalyst Break Fee;

**“Restructuring Claim”** means any Claim arising as a result of or in connection with the disclaimer, rescission, repudiation, termination or restructuring by any HII Group Entity of any contract, lease or other agreement or obligation, including any employment agreement, after the HII Filing Date but on or before April 30, 2012; provided that **“Restructuring Claim”** shall not include an Excluded Claim or Subsequent Restructuring Claim;

**“RETT”** means “real estate transfer taxes” and includes any taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever imposed by any Governmental Authority, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority in respect thereof, levied on, or measured by, transfers of land and buildings and other structures, including component parts, as well as other property assimilated to real or immovable property for these purposes;

**“Second Joint Amended and Restated Plan of Compromise and Reorganization”** means this Plan as described in the Recitals;

**“Service List”** means the service list posted on the Website, as may be amended from time to time;

**“Shareco”** means Homburg Shareco Inc., a corporation incorporated under the NSCA and a Petitioner;

**“Shareco Creditor”** means a Person having a Shareco Creditor Claim;

**“Shareco Creditor Claim”** means any Claim against Shareco, and in the case of Stichting Homburg Bonds, means the Mortgage Bond Trust Indenture Unsecured Claim;

**“Shareco Loan”** means the loan by Shareco to HII as evidenced by the demand promissory note dated July 4, 2005 issued by HII to Shareco;

**“Stay of Proceedings”** means the stay of proceedings created by the Initial Order as amended and extended by further Orders of the Court from time to time;

**“Stichting Advances”** means all amounts advanced by the Petitioners to counsel and advisors to the Corporate Indenture Trustees (other than Stichting Homburg Capital Securities) from time to time pursuant to the Funding Order;

**“Stichting Homburg Bonds”** means the trustee under the Corporate Bond Trust Indenture and the Mortgage Bond Trust Indenture (formerly Stichting Homburg Mortgage Bond);

**“Stichting Homburg Capital Securities”** means the trustee under the Capital Securities Trust Indenture;

**“Subsequent Restructuring Claim”** means any Claim arising as a result of or in connection with the disclaimer, rescission, repudiation, termination or restructuring by any HII Group Entity of any contract, lease or other agreement, including any employment agreement, after April 30, 2012;

**“Subsidiary”** shall have the same meaning as such term is used in the ABCA;

**“Swiss Bondco”** means Swiss Bondco Inc., a company that is incorporated under the NSCA to be continued as an Alberta corporation;

**“Taberna Claim”** means the aggregate Claim as set out in the Proof of Claim filed by Wells Fargo (in respect of the Taberna Indentures) pursuant to the Claims Process Order;

**“Taberna Indentures”** means, collectively: (i) an Indenture dated July 26, 2006 for the issuance of US\$20,000,000 of notes due 2036 between HII and Wells Fargo, (ii) an Indenture dated July 26, 2006 for the issuance of EUR25,000,000 of notes due 2036 between HII and Wells Fargo, (iii) an Exchange Agreement dated February 28, 2011 among HII, Taberna Preferred Funding VIII, Ltd., Taberna Europe CDO I P.L.C and Taberna Europe CDO II P.L.C., (iv) an Amended and Restated Supplemental Indenture dated February 28, 2011 for the issuance of US\$12,000,000 due 2036 between HII and Wells Fargo on behalf of the Taberna VI noteholders; (v) an Indenture dated February 28, 2011 for the issuance of US\$8,000,000 of notes due 2036 between HII and Wells Fargo on behalf of the Taberna VIII noteholders; and (vi) an Indenture dated February 28, 2011 for the issuance of EUR25,000,000 of notes due 2036 between HII and Wells Fargo on behalf of the Taberna Europe I noteholders and the Taberna Europe II noteholders;

**“Taberna Order”** means a Final Order of the Court addressing the distribution entitlement of the holders of the Taberna Claim under the Plan in respect of the Taberna Claim and authorizing and directing HII and the Monitor to rely on such Order in connection with the Plan;

**“Tag Along Right”** means the right described in Section 11.1(c) of the Plan;

**“Tax”** means any and all taxes including all income, sales, use, goods and services, harmonized sales, value added, capital gains, RETT, alternative, net worth, transfer, profits, withholding, payroll, employer health, excise, franchise, real property, and personal property taxes and other taxes, customs, duties, fees, levies, imposts and other assessments or similar charges in the nature of a tax including Canada Pension Plan and provincial pension plan contributions, employment insurance and unemployment insurance payments and workers’ compensation premiums, together with any instalments with respect thereto, and any interest, penalties, fines, fees, other charges and additions with respect thereto;

**“Tax Claims”** means claims of any Taxing Authorities against HII and Shareco arising from and after the Plan Implementation Date;

**“Tax Obligation”** means any amount of Tax owing by a Person to a Taxing Authority including RETT;

**“Tax Statutes”** means the ITA, the *Excise Tax Act* (Canada) R.S.C. c.E-15 as amended and any regulations thereunder, the *Alberta Corporate Tax Act*, and the *Tax Administration Act* (Quebec), and any other similar, federal, provincial or territorial tax legislation;

**“Taxing Authorities”** means anyone of Her Majesty the Queen, Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, the Canada Revenue Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof and any Canadian or non-Canadian government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, and **“Taxing Authority”** means any one of the Taxing Authorities, as well as any corresponding taxing authorities of a foreign jurisdiction including Valsts Ieņēmumu Dienests (Latvia), Maksu- ja Tolliamet (Estonia), Valstybinė mokesčių inspekcija prie Lietuvos Respublikos finansų ministerijos (Lithuania), the Belastingdienst (Netherlands) and the Finanzamt (Germany);

**“Trading Platform”** means the online trading platform serviced by Nederlandsche Participatie Exchange B.V. or such other trading platform as agreed by Stichting Homburg Bonds, HII and Catalyst, acting reasonably, and the Monitor;

**“Transfer”** has the meaning ascribed thereto in subsection 11.1(c)(i) of the Plan;

**“Transfer Restrictions”** means any and all restrictions on the transfer of shares, limited partnership or other units or interests in Real Property including rights of first refusal, rights of first offer, shotgun rights, purchase options, change of control consent rights, puts or forced sales provisions or similar rights of shareholders or lenders in respect of such interests;

**“Trustee in Bankruptcy”** means any trustee in bankruptcy, interim receiver, receiver, receiver and manager, custodian, sequestrator, administrator, monitor or liquidator or any other Person with similar powers that is appointed in respect of any member of the HII Group Entities or of any Property;

**“Unaffected Claims”** means the Excluded Claims, the Employee Priority Claims, the Government Priority Claims, the Cash Management Lender Claims, the Bond 5 Secured Claim, the HSBC Secured Claim, the Cominar Claim, the Amalgamating Canco Creditor Claims, the Core Business Creditor Claims, the Non-Core Business Entity Creditor Claims, the Homburg Baltic Limited Partnership Creditor Claims, the Homco 190 Loan, the Homco 191 Loan, the Homco 199 Loan, and the Administrative Reserve Costs;

**“Unaffected Creditors”** means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim;

**“Un-assumed Portion of Corporate Creditor Proven Claim”** means that portion of each Corporate Creditor’s Proven Claim in respect of which Newco does not become a co-obligor with HII;

**“Un-assumed Portion of Non-Corporate Creditor Proven Claim”** means that portion of each Non-Corporate Creditor’s Proven Claim in respect of which Newco does not become a co-obligor with HII;

**“Un-assumed Portion of Proven Claims”** means the aggregate of the Un-assumed Portion of Non-Corporate Creditor Proven Claims and the Un-assumed Portion of Corporate Creditor Proven Claims;

**“Unsecured Creditors’ Class”** means the sole class of Affected Creditors entitled to vote on the Plan at the HII/Shareco Creditors’ Meeting;

**“Valbonne 2 BV”** means Valbonne Real Estate 2 BV;

**“Valbonne 5 BV”** means Valbonne Real Estate 5 BV;

**“Voting Claim”** means the amount of the Affected Claim of an Affected Creditor as finally determined for voting purposes in accordance with paragraph 30 of the Claims Process Order and the HII/Shareco Meeting Order entitling such Affected Creditor to vote at the HII/Shareco Creditors’ Meeting in accordance with the provisions of the HII/Shareco Meeting Order, the Plan and the CCAA, and includes, for greater certainty, a Proven Claim;

“**Website**” means <http://www.deloitte.com/ca/homburg-invest>;

“**Wells Fargo**” means Wells Fargo Bank, N.A. the trustee under the Taberna Indentures; and

“**Withholding Obligation**” has the meaning ascribed thereto in Section 9.13(c) of the Plan.

## **1.2 Certain Rules of Interpretation**

For the purposes of the Plan:

- (a) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (b) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;
- (c) unless otherwise specified, all references to (i) currency and to “\$” or “Cdn\$” are to Canadian dollars; and (ii) “EUR” are to Euros, except as otherwise indicated;
- (d) the division of the Plan into “Articles” and “Sections” and the insertion of a Table of Contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of “Articles” and “Sections” or otherwise intended as complete or accurate descriptions of the content thereof;
- (e) references in the Plan to “Articles”, “Sections”, “Subsections” and “Schedules” are references to Articles, Sections, Subsections and Schedules of or to the Plan;
- (f) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a Schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (g) the words “includes” and “including” and similar terms of inclusion shall not, unless expressly modified by the words “only” or “solely”, be construed as terms of limitation, but rather shall mean “includes but is not limited to” and “including but not limited to”, so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;
- (h) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation;
- (i) the terms “the Plan”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions shall be deemed to refer generally to the Plan and not to any particular “article”, “section” or other portion of the Plan and include any documents supplemental hereto; and
- (j) the word “or” is not exclusive.

## **1.3 Time**

For purposes of the Plan, unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean prevailing local time in Montreal, Quebec, Canada, unless otherwise stipulated.

## **1.4 Date and Time for any Action**

For purposes of the Plan:

- (a) In the event that any date on which any action is required to be taken under the Plan by any Person is not a Business Day, that action shall be required to be taken on the next succeeding day which is a Business Day, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day; and
- (b) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day.

## **1.5 Successors and Assigns**

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, liquidators, receivers and trustees in bankruptcy, successors and assigns of any Person or party named or referred to in the Plan.

## **1.6 Governing Law**

The Plan shall be governed by and construed in accordance with the laws of the Province of Quebec and the federal laws of Canada applicable therein. All questions as to the interpretation of or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

## 1.7 Governing Language

In the event of any conflict, inconsistency, ambiguity or difference between the English version of the Plan and any translations thereof, the English version shall govern and be paramount, and the applicable provision in the translation thereof shall be deemed to be amended to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference.

## 1.8 Identification of Core Business Assets as at Plan Filing Date

Schedule “E” identifies the Core Business Assets as at the Plan Filing Date.

## 1.9 Schedules

The following are the Schedules to the Plan, which are incorporated by reference into the Plan and form a part of it:

Schedule “A”	Articles of Reorganization
Schedule “B”	Pre-Plan Implementation Date Transactions
Schedule “C”	HII/Shareco Meeting Order
Schedule “D”	Homcos
Schedule “E”	Core Business Assets as at the Plan Filing Date
Schedule “F”	Newco Articles
Schedule “G”	Restated Catalyst Support Agreement (without the schedules thereto)

## ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

### 2.1 Purpose and Background

- (a) The purpose of the Plan is to:
- (i) effect a compromise, settlement and payment of all Affected Claims as finally determined for voting and distribution purposes pursuant to the Claims Process Order, the HII/Shareco Meeting Order and the Plan;
  - (ii) 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;
  - (iii) facilitate an orderly liquidation of Non-Core Business Assets over a reasonable period of time; and
  - (iv) to implement the Catalyst Investment,
- all in the expectation that all Persons with an economic interest in HII’s Business will derive a greater benefit from the implementation of the Plan than would result from a bankruptcy of the Business in its entirety.
- (b) The circumstances and events leading up to the Plan are described in the Information Circular circulated to Affected Creditors prior to and in connection with the HII/Shareco Creditors’ Meeting, in accordance with the HII/Shareco Meeting Order.

### 2.2 Persons Affected

The Plan provides for a coordinated reorganization of the Business and a compromise of the Affected Claims. The Plan will become effective at the Effective Time on the Plan Implementation Date. On the Plan Implementation Date, each Affected Claim will be fully and finally compromised, released, settled and discharged under the Plan. The Plan shall be binding on and enure to the benefit of HII, the Homburg Group Members, the Affected Creditors, the Released Parties and all other Persons named or referred to in, or subject to, the Plan.

### 2.3 Persons Not Affected

For greater certainty, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in the Plan shall affect the Homburg Group Members’ rights and defences, both legal and equitable, with respect to any Unaffected Claims including, but not limited to, all rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Unaffected Claims.

### 2.4 Equity Claims

All Persons holding Equity Claims, including the Claims of holders of HII Class A Shares and holders of HII Class B Shares, shall not be entitled to vote at or attend the HII/Shareco Creditors’ Meeting, and shall not receive a distribution under the Plan or otherwise receive anything in respect of their HII Class A Shares and/or HII Class B Shares. At the Effective Time on the Plan Implementation Date, all Equity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred and all HII’s Existing Authorized Capital shall be deemed to be surrendered for cancellation and shall be deemed to be cancelled without compensation as set forth in the Plan.



## 2.5 Capital Securities Claims

None of Stichting Homburg Capital Securities or the holders of the Capital Securities Claims shall be entitled to vote at or attend the HII/Shareco Creditors' Meeting, and shall not receive any distribution under the Plan. At the Effective Time on the Plan Implementation Date, the Capital Securities Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

## 2.6 Bond 4 Claim Holders and Bond 7 Claim Holders

The Bond 4 Claim Holders and the Bond 7 Claim Holders are Affected Creditors under the Plan and shall be entitled to vote and to receive distributions under the Plan in respect of their respective Mortgage Bond Trust Indenture Unsecured Claims once such claims become Proven Claims. For greater certainty, 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 Plan, but the Claims of the Bond 4 Claim Holders and the Bond 7 Claim Holders against, respectively, Homco 52 LP and Homco 88 LP, are not affected by the Plan.

## 2.7 Bond 5 Claim Holders

The Bond 5 Claim Holders are Affected Creditors and shall be entitled to vote and to receive distributions under the Plan in respect of the Bond 5 Unsecured Claim. For greater certainty, the Bond 5 Secured Claim is an Unaffected Claim under the Plan and the Bond 5 Secured Claim Holders shall receive the Bond 5 Secured Claim Cash Payment in accordance with the Bond 5 Secured Claim Settlement Agreement.

## 2.8 Homco 61 LP and Homco 61 Affected Creditors (including Bond 6 Claim Holders)

- (a) The treatment of Homco 61 LP and the Homco 61 Affected Creditors under the Plan is conditioned on and subject to approval of the Homco 61 Plan by the Required Majority of the Homco 61 Affected Creditors (as each such term is defined in the Homco 61 Plan) and the Court.
- (b) In the event that the Homco 61 Plan is not approved by such Required Majority of Homco 61 Affected Creditors at the Homco 61 Creditors' Meeting, and the Court, then the aggregate Proven Claim of the Homco 61 Affected Creditors and Homco 61 LP for both voting and distribution purposes under this Plan shall be determined by the Monitor and/or the Court provided however that the Bond 6 Claim for voting purposes shall not be redetermined.
- (c) In the event that both the Plan is approved by the Required Majority of the Affected Creditors and the Court, and the Homco 61 Plan is approved by the Homco 61 Affected Creditors and the Court, then the aggregate Proven Claim of the Homco 61 Affected Creditors with a Homco 61 Affected Creditor HII Claim for voting purposes under this Plan shall be the full amount of their Claim in accordance with and as provided in the HII/Shareco Meeting Order and the Homco 61 Meeting Order. The aggregate Proven Claim of Homco 61 Affected Creditor with a Homco 61 Affected Creditor HII Claim for distribution purposes under the Plan shall be the Homco 61 Affected Creditor HII Deficiency Claim. At the Effective Time on the Plan Implementation Date the Homco 61 Affected Creditor HII Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

## ARTICLE 3 CLASSIFICATION OF CREDITORS, VOTING CLAIMS AND RELATED MATTERS

### 3.1 Classification of Creditors

For the purposes of considering, voting on and receiving distributions under the Plan, the Affected Creditors shall constitute a single class, the **"Unsecured Creditors' Class"**.

### 3.2 Claims of Affected Creditors

- (a) Affected Creditors with Affected Claims that were less than or equal to Cdn\$10,000 in the aggregate as at the Claims Bar Date shall file a Convenience Class Claim Declaration with the Monitor on or before the deadline set out in the HII/Shareco Meeting Order. If any such Affected Creditor:
  - (i) makes a valid Convenience Class Claim Election in its Convenience Class Claim Declaration by the Election/Proxy Deadline, or does not return a Convenience Class Claim Declaration to the Monitor by the Election/Proxy Deadline, such Affected Creditor shall be deemed to vote in favour of the Plan and shall be entitled to receive only the Cash Elected Amount and no other Affected Creditors' Entitlement under the Plan; or
  - (ii) does not make a Convenience Class Claim Election in its Convenience Class Claim Declaration, such Affected Creditor shall be entitled to:
    - (A) make a valid Newco Common Shares Cash-Out Option Election on or before the Election/Proxy Deadline and thereby shall be an Electing Creditor under the Plan and shall be deemed to vote in favour of the Plan

and shall be entitled to receive (i) such Electing Creditor's *pro rata* share of the Aggregate Newco Common Shares Final Cash-Out Amount, and (ii) such Electing Creditor's Pro Rata Share of the Cash Pool and the Asset Realization Cash Pool; or

- (B) vote its Voting Claim at the HII/Shareco Creditors' Meeting in respect of the Plan and shall be entitled to receive its respective Affected Creditors' Entitlement as provided for under and pursuant to the Plan;
- (b) Affected Creditors with Affected Claims that were greater than Cdn\$10,000 in the aggregate as at the Claims Bar Date (including Affected Creditors with Disputed Claims which have become Proven Claims) shall:
  - (i) not be entitled to make a Convenience Class Claim Election;
  - (ii) be entitled to:
    - (A) make a valid Newco Common Shares Cash-Out Option Election on or before the Election Proxy Deadline and thereby shall be an Electing Creditor and shall be deemed to vote in favour of the Plan and shall be entitled to receive (i) such Electing Creditor's *pro rata* share of the Aggregate Newco Common Shares Final Cash-Out Amount, (ii) its Pro Rata Share of the Cash Pool and the Asset Realization Cash Pool; or
    - (B) vote its Voting Claim at the HII/Shareco Creditors' Meeting in respect of the Plan and shall be entitled to receive its respective Affected Creditor's Entitlement provided for under and pursuant to the Plan.

### 3.3 Electing Creditors

- (a) For greater certainty the Newco Common Shares Cash-Out Option Election may only be made in respect of all of the Electing Creditor's entitlement to receive Newco Common Shares under the Plan.
- (b) Where an Electing Creditor validly makes a Newco Common Shares Cash-Out Option Election:
  - (i) Catalyst shall not and shall be deemed never to have acquired or held any right, title or interest in the Affected Claim of such Electing Creditor;
  - (ii) Such Electing Creditor shall be deemed to have received its Affected Creditors' Entitlement, and to have assigned, transferred and sold its entitlement to receive any Newco Common Shares to be issued to such Affected Creditor under and pursuant to the Plan to Catalyst in consideration for its *pro rata* share of the Aggregate Newco Common Shares Final Cash-Out Amount;
  - (iii) Such Electing Creditor shall be deemed to agree to waive that portion of its Disputed Claim if any relating to post-Filing Date interest accruing on its Affected Claim as and from April 26, 2013; and
  - (iv) Such Electing Creditor shall be deemed to agree that the face amount of any Disputed Claim of such Electing Creditor shall be deemed to be no greater than the face amount of such Claim as set out in such Electing Creditor's Proof of Claim on April 26, 2013 for purposes of determining such Electing Creditor's respective Affected Creditors' Entitlement;
- (c) For greater certainty, Catalyst shall not be entitled to make a Newco Common Shares Cash-Out Option Election in respect of its Catalyst Affected Claims.

### 3.4 Unaffected Claims

Unaffected Claims shall not be compromised under the Plan. No holder of an Unaffected Claim shall:

- (a) be entitled to make a Convenience Class Claim Election or a Newco Common Shares Cash-Out Option Election;
- (b) be entitled to vote on the Plan or attend at any HII/Shareco Creditors' Meeting; or
- (c) be entitled to or receive any Affected Creditors' Entitlement in respect of such Unaffected Claims, unless specifically provided for under and pursuant to the Plan.

### 3.5 Priority Claims

The Employee Priority Claims and the Government Priority Claims, if any, shall be paid on or after the Plan Implementation Date from the Administrative Reserve pursuant to and in accordance with Section 12.3(t) of the Plan, the HII/Shareco Sanction and Vesting Order and the CCAA.

### 3.6 HII/Shareco Creditors' Meeting

The HII/Shareco Creditors' Meeting shall be held in accordance with the Plan, the Claims Process Order, the HII/Shareco Meeting Order and any further Order of the Court. The only Persons entitled to attend the HII/Shareco Creditors' Meeting are representatives of the Homburg Group Members and Catalyst and their respective legal counsel and advisors, the Monitor and its legal counsel, the Corporate Indenture Trustees (other than Stichting Homburg Capital Securities) and their

respective legal counsel and advisors, and all other Persons, including the other holders of proxies, entitled to vote at the HII/Shareco Creditors' Meeting and their legal counsel and advisors.

### 3.7 Voting

- (a) Each Affected Creditor in the Unsecured Creditors' Class who is entitled to vote at the HII/Shareco Creditors' Meeting, pursuant to and in accordance with the Claims Process Order, the HII/Shareco Meeting Order, the Plan and the CCAA, shall be entitled to one vote equal to the dollar value of its Affected Claim determined as a Voting Claim. Corporate Creditors under the Corporate Indentures who have beneficial ownership of a Voting Claim as of the HII/Shareco Record Date (other than holders of a Capital Securities Claim) shall be entitled to vote on the Plan at the HII/Shareco Creditors' Meeting pursuant to and in accordance with the HII/Shareco Meeting Order. Holders of Intercompany Claims shall not be entitled to vote on the Plan.
- (b) Convenience Class Creditors and Electing Creditors shall be deemed to vote in favour of the Plan.
- (c) In the case of the Homco 61 Affected Creditors including Bond 6 Claim Holders:
  - (i) if a Homco 61 Affected Creditor elects the Newco Common Shares Cash-Out Option under the Plan, Homco 61 LP will be deemed to make a corresponding election in respect of such Homco 61 Affected Creditor's *pro rata* share of the HII Homco 61 Distribution;
  - (ii) for avoidance of doubt, all Homco 61 Affected Creditors with Proven Claims will be entitled to elect the Newco Common Shares Cash-Out Option in respect of their *pro rata* share of the HII Homco 61 Distribution; and
  - (iii) in the event that a Bond 6 Claim Holder becomes an Electing Creditor, such Bond 6 Claim Holder shall be deemed to vote in favour the Plan.

### 3.8 Procedure for Valuing Voting Claims

The procedure for valuing Voting Claims and resolving disputes and entitlements to voting is set forth in the Claims Process Order, the HII/Shareco Meeting Order, the Plan and the CCAA. HII and the Monitor shall have the right to seek the assistance of the Court in valuing any Voting Claim in accordance with the Claims Process Order, the HII/Shareco Meeting Order and the Plan, if required, and to ascertain the result of any vote on the Plan.

### 3.9 Approval by Creditors

In order to be approved, the Plan must receive the affirmative vote in the Required Majority of the Unsecured Creditors' Class.

### 3.10 Guarantees and Similar Covenants

No Person who has a Claim under a Guarantee, surety, indemnity or similar covenant in respect of any Claim which is compromised under the Plan (such compromised Claim being the "**Principal Claim**"), or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Principal Claim shall:

- (a) be entitled to any greater rights as against HII than the Person holding the Principal Claim;
- (b) be entitled to vote on the Plan to the extent that the Person holding the Principal Claim is voting on the Plan; or
- (c) be entitled to receive any distribution under the Plan to the extent that the Person holding the Principal Claim is receiving a distribution.

## ARTICLE 4 CASH POOL, CASH RESERVES AND KERP FUND

### 4.1 Creation of the Cash Pool

On the Plan Implementation Date, HII and Shareco shall deliver to the Monitor by way of wire transfer(s) (in accordance with wire transfer instructions provided by the Monitor at least three (3) Business Days prior to the Plan Implementation Date) the aggregate of all their Cash net of the Cash Reserves pursuant to Section 12.3(q)(ii) of the Plan, which Cash shall be held by the Monitor as the Cash Pool. The Monitor shall hold the Cash Pool in the Cash Pool Account for distribution to Affected Creditors with Proven Claims and Disputed Claims (to the extent such Disputed Claims subsequently become Proven Claims) pursuant to and in accordance with the Plan.

#### **4.2 The Administrative Reserve**

- (a) On the Plan Implementation Date, HII and Shareco shall deliver to the Monitor by way of wire transfer(s) (in accordance with wire transfer instructions provided by the Monitor at least three (3) Business Days prior to the Plan Implementation Date) the amount of the Administrative Reserve. The Monitor shall hold the Administrative Reserve in the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs in accordance with the Plan, with any remaining balance to be contributed to the Cash Pool for distribution to the Affected Creditors with Proven Claims and Disputed Claims (to the extent such Disputed Claims subsequently become Proven Claims) pursuant to and in accordance with the Plan.
- (b) The Monitor shall pay the Administrative Reserve Costs from the Administrative Reserve Account as same become due from and after the Plan Implementation Date.

#### **4.3 The Disputed Claims (Cash) Reserve**

On the Plan Implementation Date, HII and Shareco shall deliver to the Monitor by way of wire transfer(s) (in accordance with wire transfer instructions provided by the Monitor at least three (3) Business Days prior to the Plan Implementation Date) the amount of the Disputed Claims (Cash) Reserve. The Monitor shall hold the Disputed Claims (Cash) Reserve in the Disputed Claims Reserve Account for the purpose of paying amounts to Affected Creditors in respect of their Disputed Claims which have become Proven Claims in accordance with the Plan, the Claims Process Order and the HII/Shareco Meeting Order, with any remaining balance (once all Disputed Claims have been finally determined) to be contributed by the Monitor to the Cash Pool for distribution to the Affected Creditors with Proven Claims under and in accordance with the Plan.

#### **4.4 The Litigation Reserve**

On the Plan Implementation Date, HII and Shareco shall deliver to the Monitor by way of wire transfer(s) (in accordance with wire transfer instructions provided by the Monitor at least three (3) Business Days prior to the Plan Implementation Date) the amount of the Litigation Reserve. The Monitor shall hold the Litigation Reserve in the Litigation Reserve Account for the purpose of paying and shall pay the Litigation Reserve Costs, with any remaining balance to be contributed by the Monitor with the approval of the Liquidation Advisory Committee to the Cash Pool for distribution to the Affected Creditors with Proven Claims and Disputed Claims (to the extent that such Disputed Claims subsequently become Proven Claims) in accordance with the Plan.

#### **4.5 The KERP Fund**

On the Plan Implementation Date, the Monitor shall continue to hold the KERP Fund for payment in accordance with the KERPS, and the Monitor shall pay the KERPS to the holders of proven KERP Claims in accordance with their entitlements.

### **ARTICLE 5 CASH-OUT POOL, DISPUTED CLAIMS (CASH-OUT) RESERVE**

#### **5.1 Creation of the Cash-Out Pool**

- (a) Within two (2) Business Days following the Election/Proxy Deadline, HII and the Monitor shall advise Catalyst of the aggregate of (i) the amount of Proven Claims of Electing Creditors who have validly elected the Newco Common Shares Cash-Out Option, and (ii) the amount of Disputed Claims of Electing Creditors who have validly elected the Newco Common Shares Cash-Out Option, and (iii) the total Proven Claims of all Affected Creditors, and shall provide to Catalyst all information reasonably required to verify such amounts.
- (b) On the fifth (5<sup>th</sup>) Business Day prior to the Plan Implementation Date, Catalyst shall deliver the Catalyst Investment Initial Funding Amount (net of the Catalyst Deposit) to the Monitor by way of wire transfer(s) in accordance with wire transfer instructions provided by the Monitor at least three (3) Business Days before such date.
- (c) The Catalyst Investment Initial Funding Amount so delivered in (b) and the Catalyst Deposit, net of the Disputed Claims (Cash-Out) Reserve which shall be segregated in accordance with Section 5.2 below, shall be held in trust by the Monitor until the Plan Implementation Date, whereupon such funds shall form the Cash-Out Pool. The Monitor shall hold the Cash-Out Pool in the Cash-Out Pool Account for distribution to Electing Creditors with Proven Claims and Disputed Claims (to the extent such Disputed Claims subsequently become Proven Claims) pursuant to and in accordance with Article 9 of the Plan.

#### **5.2 The Disputed Claims (Cash-Out) Reserve**

- (a) On the Plan Implementation Date, the Monitor shall segregate the Disputed Claims (Cash-Out) Reserve and shall hold the Disputed Claims (Cash-Out) Reserve in the Disputed Claims (Cash-Out) Reserve Account for the purpose of paying amounts to Electing Creditors in respect of the portion of their Disputed Claims, if any, which have become Proven Claims within twelve (12) months following the Plan Implementation Date in accordance with the Plan, the Claims Process Order and the HII/Shareco Meeting Order.

- (b) If a Disputed Claim of an Electing Creditor for which a Newco Common Shares Cash-Out Option Election has been made does not become a Proven Claim in whole or in part within the twelve (12) month period following the Plan Implementation Date, any such election shall be null and void under the Plan and such Affected Creditor shall not be treated as an Electing Creditor under the Plan. The Monitor and Catalyst will make any appropriate adjustments to the Newco Common Shares Cash-Out Price.
- (c) Within thirty (30) days following final determination by the Monitor of the Aggregate Newco Common Shares Final Cash-out Amount, the Monitor shall pay to Catalyst the Catalyst Investment Adjustment Amount, if any.

## **ARTICLE 6 DISPUTED CLAIMS (NEWCO SHARES) RESERVE**

### **6.1 Disputed Claims (Newco Shares) Reserve**

On the Plan Implementation Date, the Disputed Claims (Newco Shares) Reserve shall be established by the Monitor from the Newco Common Shares issued to the Monitor or its designate which Disputed Claims (Newco Shares) Reserve shall be held by the Monitor or its designate on behalf of and for the purposes of distributing such Newco Common Shares to Affected Creditors (other than Convenience Class Creditors or Electing Creditors) in respect of their Disputed Claims which have become Proven Claims in accordance with the Plan, the Claims Process Order and the HII/Shareco Meeting Order, with any remaining Newco Common Shares in respect of all or part of a Disputed Claim that is determined to not be a Proven Claim to be transferred at that time by the Monitor or its designate to Newco for cancellation for no consideration (such cancelled shares, the “**Cancelled Newco Common Shares**”).

### **6.2 No Liability**

The Monitor or its designate shall hold the Newco Common Shares issued to it on the Initial Distribution Date in respect of an Affected Creditor’s Disputed Claim pursuant to Section 10.2 of the Plan until the earlier of:

- (a) a transfer of such Newco Common Shares to such Affected Creditor on a Distribution Date in respect of such Affected Creditor’s Proven Claim, in the event such Affected Creditor’s Disputed Claim becomes a Proven Claim, in whole or in part, in accordance with Section 10.2(a) of the Plan; or
- (b) the Final Distribution Date, in the event such Affected Creditor’s Disputed Claim, in whole or in part, is finally determined to be invalid, in which case the portion of such Newco Common Shares relating to such invalid Disputed Claim shall be donated to Newco for cancellation for no consideration in accordance with Section 10.3 of the Plan.

The Monitor or its designate shall have no authority to transfer Newco Common Shares to any Person other than in accordance with the Plan. The Monitor or its designate shall have no personal liability relating to holding the Newco Common Shares in the Disputed Claims (Newco Shares) Reserve, or in relation to Newco Common Shares being held in escrow pursuant to Section 9.2 including without limitation for any loss arising out of fluctuations in the market value of the Newco Common Shares while held in the Disputed Claims (Newco Shares) Reserve, other than its obligation to transfer shares from the Disputed Claims (Newco Shares) Reserve pursuant to and in accordance with the Plan. The Monitor or its designate shall not exercise any voting rights in respect of the Newco Common Shares.

## **ARTICLE 7 REALIZATION OF NON-CORE BUSINESS ASSETS**

### **7.1 Realization of Non-Core Business Assets**

Pursuant to the Plan and the HII/Shareco Sanction and Vesting Order, from and after the Plan Implementation Date, the Monitor:

- (a) shall take control and manage any bank accounts of any of the Non-Core Business Entities;
- (b) shall pay any ongoing Administrative Reserve Costs;
- (c) shall liquidate or realize any of the Non-Core Business Assets;
- (d) shall be entitled to forgive on behalf of HII after the disposition of the Non-Core Business Assets, any of the loans from HII to any Non-Core Business Entity;
- (e) shall pay the Asset Realization Costs from the Non-Core Business Asset Gross Proceeds;
- (f) shall contribute any Non-Core Business Asset Net Proceeds to the Asset Realization Cash Pool for payment to Affected Creditors (other than Convenience Class Creditors) with Proven Claims and Disputed Claims (to the extent such Disputed Claims subsequently become Proven Claims) pursuant to and in accordance with the Plan;



- (g) shall determine whether any Non-Core Business Entity is in fact or has become an Insolvent Person and should be assigned into bankruptcy with the prior approval of the Liquidation Advisory Committee;
- (h) may assign or cause to be assigned HII, or any Non-Core Business Entity which is not yet in bankruptcy proceedings into bankruptcy, and, to the extent that HII and any such Non-Core Business Entity is incorporated or formed under Canadian federal or provincial law, the Monitor shall be entitled but not obligated to act as Trustee in Bankruptcy thereof;
- (i) shall be considered an “interested person” pursuant to section 206.1 of the ABCA and the Monitor shall be entitled but not obligated to apply to the Court for a dissolution or a liquidation and dissolution of HII or any Non-Core Business Entity formed under the ABCA or any other applicable corporate law;
- (j) may on behalf of HII or any Homburg Group Member, prepare, file, negotiate and if necessary litigate any Bankruptcy Claim in any bankruptcy estate of a Non-Core Business Entity, whether or not the Monitor is also acting as Trustee in Bankruptcy of such Non-Core Business Entity; and
- (k) shall receive distributions in respect of any Bankruptcy Claim and contribute any such distributions to the Asset Realization Cash Pool for distribution to Affected Creditors (other than Convenience Class Creditors) with Proven Claims and Disputed Claims (to the extent such Disputed Claims subsequently become Proven Claims) pursuant to and in accordance with the Plan.

## **7.2 Litigation Claims**

On the Plan Implementation Date, pursuant to the HII/Shareco Sanction and Vesting Order:

- (a) all Litigation Claims shall be administered by the Monitor on behalf and for the benefit of the Affected Creditors;
- (b) the Monitor, upon direction of the Liquidation Advisory Committee, and the exercise of their collective reasonable business judgment, shall in an efficient and responsible manner take all advisable steps to investigate and assess any Litigation Claim or Creditor Cause of Action and the Monitor shall report to the Liquidation Advisory Committee in respect of such Litigation Claim or Creditor Cause of Action, it being understood that the Monitor shall not bear any liability in respect of Litigation Claims and Creditor Causes of Action, whether or not asserted;
- (c) the Monitor shall be authorized but not obligated to prosecute and/or settle any Litigation Claim on prior consultation with and the approval of the Liquidation Advisory Committee;
- (d) any Litigation Proceeds shall be contributed by the Monitor to the Asset Realization Cash Pool and deposited to the Cash Pool Account for distribution to Affected Creditors (other than Convenience Class Creditors) with Proven Claims and Disputed Claims (to the extent such Disputed Claims subsequently become Proven Claims) pursuant to and in accordance with the Plan;
- (e) the Litigation Reserve Costs shall be reimbursed from the Litigation Reserve; and
- (f) prior to the Final Distribution Date, upon determination by the Liquidation Advisory Committee that no Litigation Claims or Creditor Causes of Action remain to be investigated or that no Litigation Claims remain to be prosecuted by the Monitor, any amounts remaining in the Litigation Reserve shall be contributed by the Monitor to the Cash Pool for distribution to Affected Creditors with Proven Claims pursuant to and in accordance with the Plan.

## **7.3 Non-Core Business Entity Creditors**

For greater certainty, Non-Core Business Entity Creditors shall be Unaffected Creditors under the Plan. Any liquidation or realization of Non-Core Business Assets, including for greater certainty of any Real Property Interests, shall be subject to Non-Core Business Entity Creditor Claims, which Non-Core Business Entity Creditor Claims shall be satisfied by the relevant Non-Core Business Entity in full or otherwise provided for as agreed to by the Monitor to the satisfaction of the relevant Non-Core Business Entity Creditors or in the event of a bankruptcy otherwise dealt with in accordance with Applicable Laws.

## **7.4 Creation of Asset Realization Cash Pool**

From and after the Plan Implementation Date, the Monitor shall establish the Asset Realization Cash Pool from the Non-Core Business Asset Net Proceeds, which shall be net of the Disputed Claims (Asset Realization) Reserve, and such Asset Realization Cash Pool shall be deposited to the Cash Pool Account.

## **7.5 The Disputed Claims (Asset Realization) Reserve**

After the Plan Implementation Date, as authorized and directed by the HII/Shareco Sanction and Vesting Order, the Monitor shall establish the Disputed Claims (Asset Realization) Reserve from the Non-Core Business Asset Net Proceeds. The Disputed Claims (Asset Realization) Reserve shall be held by the Monitor in the Disputed Claims Reserve Account, from which the Monitor shall pay amounts to Affected Creditors (other than Convenience Class Creditors) in respect of their Disputed Claims which have become Proven Claims in accordance with the Plan, the Claims Process Order and the HII/Shareco Meeting Order.

## **7.6 The Administration Charge**

The Administration Charge shall continue to and shall secure the Bankruptcy Trustee Fees in connection with the bankruptcy of any Non-Core Business Entity to the extent that there is insufficient value in such bankruptcy estate to satisfy such Bankruptcy Trustee Fees.

## **ARTICLE 8 LIQUIDATION ADVISORY COMMITTEE**

### **8.1 Constitution of Liquidation Advisory Committee**

The Liquidation Advisory Committee shall be constituted on the Plan Implementation Date pursuant to the HII/Shareco Sanction and Vesting Order and the Plan. The Monitor shall meet with the Liquidation Advisory Committee at least quarterly or more frequently as the Liquidation Advisory Committee deems necessary or prudent. The members of the Liquidation Advisory Committee shall be entitled to reasonable compensation for their fees and disbursements relating to their service on the Liquidation Advisory Committee in an amount to be agreed upon by such members and the Monitor, which fees and disbursements shall form part of the Administrative Reserve Costs to be funded from the Administrative Reserve Account.

### **8.2 Liquidation or Realization of Non-Core Business Assets**

The Monitor shall consult with the Liquidation Advisory Committee and keep it apprised regarding the liquidation or realization of the Non-Core Business Assets. In particular, the Monitor shall advise the Liquidation Advisory Committee of the terms of any proposed sale of any Non-Core Business Asset and shall require the approval of the Liquidation Advisory Committee to complete such sale. In the event that the approval of the Liquidation Advisory Committee is not forthcoming, the Monitor shall so advise the Court and seek instructions thereon.

### **8.3 Bankruptcy of Non-Core Business Entities**

The Monitor shall apprise the Liquidation Advisory Committee of the assignment into bankruptcy of any Non-Core Business Entity.

### **8.4 Litigation Claims**

Pursuant to Section 7.2 of the Plan, the Monitor shall consult with and require the approval of the Liquidation Advisory Committee with respect to the commencement, prosecution or settlement of any Litigation Claim.

## **ARTICLE 9 PROVISIONS REGARDING DISTRIBUTIONS AND PAYMENTS**

### **9.1 Distributions to Affected Creditors**

The Affected Creditors with Proven Claims shall receive the distributions provided herein in full satisfaction of such Proven Claims in accordance with the terms of the Plan, and on the Plan Implementation Date, all Affected Claims will be affected and compromised, settled, released and discharged in accordance with the terms of the Plan, the HII/Shareco Sanction and Vesting Order and the CCAA. From and after the Plan Implementation Date, subject to the Newco Common Shares Standstill Period provided for Article 11:

- (a) Each Convenience Class Creditor with a Proven Claim for distribution purposes who has validly made a Convenience Class Claim Election shall receive, from the Cash Pool, the Cash Elected Amount in respect of its Convenience Class Claim;
- (b) Each Affected Creditor with a Proven Claim for distribution purposes who has validly made a Newco Common Shares Cash-Out Option Election shall be treated as an Electing Creditor and shall receive:
  - (i) for such Electing Creditor's entitlement to Newco Common Shares, an amount equal to the Newco Common Shares Cash-Out Price multiplied by that number of Newco Common Shares which would have otherwise been issued to such Electing Creditor under the Plan (which number of shares would have been its Pro Rata Share of the Newco Equity Pool); and
  - (ii) such Electing Creditor's respective Pro Rata Share of the Cash Pool and the Asset Realization Cash Pool;
- (c) Each Affected Creditor with a Proven Claim who is not an Electing Creditor (including for greater certainty Catalyst in respect of Catalyst Affected Claims) shall receive its respective Pro Rata Share of the following:
  - (i) The Newco Equity Pool;

- (ii) The Cash Pool; and
- (iii) The Asset Realization Cash Pool; and
- (d) Catalyst shall receive the Newco Common Shares of the Electing Creditors with Proven Claims who have made a Newco Common Shares Cash-Out Option Election (which number of shares would have been such Electing Creditors' Pro Rata Share of the Newco Equity Pool), and those provisions of the Plan that apply to Affected Creditors (other than the Convenience Class Creditors) shall apply to Catalyst in respect of the foregoing distributions *mutatis mutandis* except as otherwise provided for herein.

## 9.2 Distribution Mechanics – Newco Common Shares

In order to effect the distribution of Newco Common Shares on the Initial Distribution Date to Affected Creditors (other than Convenience Class Creditors) with Proven Claims and to the Monitor in respect of Disputed Claims, the following steps will be taken from and after the Plan Implementation Date (and where reference is made to the Monitor holding Newco Common Shares, it is holding same on behalf of Affected Creditors (other than Convenience Class Creditors) with Disputed Claims that are finally determined to be Proven Claims):

- (a) On or before the Distribution Materials Record Date, the Monitor shall send a blank Letter of Instruction by prepaid first class mail, courier, email or facsimile to each Affected Creditor (other than a Convenience Class Creditor) who has a Proven Claim and who is not an Electing Creditor, and to each Affected Creditor (other than a Convenience Class Creditor) with a Disputed Claim (whether or not such Affected Creditor is an Electing Creditor) in order that the Distribution Materials Record Date take effect, to the address for such Affected Creditor specified in such Affected Creditor's Proof of Claim, or as evidenced by any assignment or transfer in accordance with Sections 9.11 and 9.12 of the Plan; provided however, that in the case of the Corporate Creditors having Corporate Creditor Claims under the Corporate Indentures, the Monitor shall send by email, facsimile, and/or courier a blank Letter of Instruction to each Corporate Indenture Trustee for completion on behalf of such Corporate Creditors;
- (b) Each Affected Creditor (other than a Convenience Class Creditor or Electing Creditor), including each Corporate Indenture Trustee on behalf of its respective Corporate Creditors, shall deliver to the Monitor a duly completed and executed Letter of Instruction that must be received by the Monitor at least seven (7) days before the Plan Implementation Date or such other date as the Monitor may agree;
- (c) Catalyst shall deliver to the Monitor a duly completed Letter of Instruction in respect of its Catalyst Affected Claims, as well as in respect of the Affected Creditors' Entitlements to which it is entitled under the Plan, which must be received by the Monitor at least seven (7) days before the Plan Implementation Date or such other date as the Monitor and Catalyst may agree;
- (d) The Monitor shall deliver a direction to Newco or its agent, as applicable, directing Newco or its agent, as applicable, to issue Newco Common Shares to:
  - (i) Affected Creditors (other than Convenience Class Creditors) with Proven Claims who are not Electing Creditors;
  - (ii) Catalyst;
  - (iii) the Monitor or its designate in respect of Affected Creditors (other than Convenience Class Creditors) with Disputed Claims whether or not such Affected Creditors with Disputed Claims are Electing Creditors; or
  - (iv) the Monitor or its designate in respect of Affected Creditors who have provided a Letter of Instruction that is incomplete such that it does not allow Newco Common Shares to be recorded in accordance with the rules of the Trading Platform;
- (e) The Monitor's direction shall be based on information received by the Monitor in accordance with this Section 9.2 (a), (b) and (c) above and Newco and the Monitor shall be entitled to rely on such information as is without verifying same. The Monitor's direction shall include the following information:
  - (i) registration and delivery details of each such Affected Creditor listed therein (including Catalyst) as required in connection with the Trading Platform; and
  - (ii) the number of Newco Common Shares to be issued by Newco to each such Affected Creditor, Catalyst and the Monitor listed therein on such Distribution Date;
- (f) Newco or its agent, as applicable (at the expense of HII) shall cause the Trading Platform to make the required entries recording the total number of Newco Common Shares that are to be issued to all Affected Creditors (other than Convenience Class Creditors but including Catalyst in respect of Catalyst Affected Claims) with Proven Claims pursuant to and in accordance with the Plan and to Catalyst (in respect of the Newco Common Shares in respect of which an Electing Creditor with a Proven Claim made a Newco Common Shares Cash-Out Option Election), and shall send to such Affected Creditor and Catalyst a DRS Transaction Advice or similar notice appropriate to the Trading Platform to the address of such Affected Creditor specified in such Affected Creditor's Letter of Instruction;

- (g) Newco, or its agent, as applicable (at the expense of HII), shall cause the Trading Platform to make the required entries recording the total number of Newco Common Shares that are to be issued to the Monitor or its designate in respect of the Disputed Claims of Affected Creditors whether or not they are Electing Creditors and to be deposited to the Disputed Claims (Newco Shares) Reserve, and held by the Monitor or its designate for distribution pursuant to and accordance with the Plan, and shall deliver to the Monitor a DRS Transaction Advice;
- (h) If a Homburg Group Member is an Affected Creditor with a Proven Claim and entitled to receive Newco Common Shares on the Initial Distribution Date and such Claim is classified as a Corporate Creditor Claim, Newco shall issue such Newco Common Shares to the Incorporation Foundation which shall have given an irrevocable power of attorney to its Dutch notary to immediately thereafter transfer such Newco Common Shares to such Homburg Group Member;
- (i) With respect to the distributions to be made to Affected Creditors (other than Convenience Class Creditors) with Proven Claims pursuant to the Plan, no fractional Newco Common Shares will be issued. Recipients of Newco Common Shares will have their share entitlements adjusted downwards to the nearest whole number of Newco Common Shares to eliminate any such fractions and no compensation will be given for the fractional interest. On the Final Distribution Date, to the extent any Newco Common Shares remain with the Monitor or its designate as a result of the downward adjustments to eliminate fractions made in connection with the issuance of Newco Common Shares on such day, those remaining Newco Common Shares shall be transferred to Newco for no consideration and will subsequently be cancelled;
- (j) An Affected Creditor (other than a Convenience Class Creditor or an Electing Creditor) with a Proven Claim that does not return a Letter of Instruction to the Monitor shall be deemed to direct the Monitor to cause such Affected Creditor's Newco Common Shares to be recorded (to the extent possible) in the book entry system of the Trading Platform in accordance with the information set out in such Affected Creditor's Proof of Claim and otherwise in Newco's shareholder register. In the event that such information set out in the Affected Creditor's Proof of Claim or a Letter of Instruction is incomplete such that it does not allow the Monitor to cause such Affected Creditor's Newco Common Shares to be recorded in accordance with the rules of the Trading Platform, such Newco Common Shares, once issued, shall be held in escrow by the Monitor and be distributed by the Monitor once the Letter of Instruction is received with appropriate information after the Newco Common Shares Standstill Period. The Monitor shall be entitled to exercise reasonable steps in its discretion to obtain any missing Letter of Instruction or to determine any missing information contained therein; and
- (k) Notwithstanding the foregoing, all Newco Common Shares shall in fact be held in the manner appropriate to the Trading Platform to give effect to the Newco Common Shares Standstill Period, such manner of holding to be agreed to by HII, Stichting Homburg Bonds and Catalyst, acting reasonably, and the Monitor. Such Newco Common Shares shall be delivered to the proper recipients thereof upon the expiration of the Newco Common Shares Standstill Period in accordance with the Plan.

### **9.3 Distribution Mechanics – Cash-Out Pool**

- (a) From and after the Plan Implementation Date, and in any event no later than ten (10) Business Days following the Plan Implementation Date, the Monitor shall act as a disbursing agent and shall disburse to each Electing Creditor with a Proven Claim as at the Plan Implementation Date who has validly exercised the Newco Common Shares Cash-Out Option Election, an initial amount in the Monitor's sole discretion in partial satisfaction of each such Electing Creditor's respective *pro rata* share of the Aggregate Newco Common Shares Final Cash-Out Amount.
- (b) The Monitor shall not make the disbursements in Section 9.3(a) above to each Electing Creditor but shall hold such amounts in escrow until the Newco Common Shares in respect of such Aggregate Newco Common Shares Cash-Out Price is to be paid have been issued and delivered to the Monitor in trust for the benefit of Catalyst (subject only to the expiry of the Newco Common Shares Standstill Period), and for greater certainty, upon actual delivery of such Newco Common Shares to the Monitor, the Monitor shall make the disbursements in (a) above to each such Electing Creditor.
- (c) From and after the date of the initial disbursements referenced in Section 9.3(a) above, the Monitor will make, pursuant to the Plan, further partial contributions from time to time from the Disputed Claims (Cash-Out) Reserve to the Cash-Out Pool as Disputed Claims of Electing Creditors who have validly exercised the Newco Common Shares Cash-Out Option Election are resolved.
- (d) If a Disputed Claim of an Electing Creditor is finally determined in accordance with the Claims Process Order, the Plan, and the HII/Shareco Meeting Order prior to the expiry of such twelve (12) months period following the Plan Implementation Date, then:
  - (i) the Monitor shall make the appropriate adjustment to the Cash-Out Pool and to the Disputed (Cash-Out) Reserve, on prior written notice to Catalyst; and
  - (ii) the Monitor shall make a disbursement from the Cash-Out Pool to such Electing Creditor in respect of its Proven Claim in accordance with this Section 9.3, and Catalyst shall become entitled to receive and the

Monitor shall distribute to Catalyst (i) those Newco Common Shares in respect of which such Electing Creditor was otherwise entitled in accordance with Section 9.2, (which number of Newco Common Shares would have been such Electing Creditor's Pro Rata Share of the Newco Equity Pool (Interim) at such time), and Sections 9.2 and 10.2(a) shall apply *mutatis mutandis* to Catalyst, and (ii) any corresponding payment as a result of the adjustment made in Section 9.3(d)(i);

- (e) From time to time, the Monitor shall make further disbursements from the Cash-Out Pool in its sole discretion to the Electing Creditors with Proven Claims in respect of and to be credited towards their *pro rata* share of the Aggregate Newco Common Shares Final Cash-Out Amount.
- (f) Once the Disputed Claims of all Affected Creditors (including the Disputed Claims of the Electing Creditors) have been finally resolved, and any funds in the Disputed Claims Cash-Out Reserve contributed to the Cash-Out Pool pursuant to Section 9.3(c) above, the Newco Common Shares Cash-Out Price shall be determined. The Monitor shall act as disbursing agent and shall make final disbursements from the Cash-Out Pool in such amount as is required to satisfy each Electing Creditors' entitlement to receive its respective *pro rata* share of the Aggregate Newco Common Share Final Cash-Out Amount. Following the satisfaction in full of all such Electing Creditors' entitlements,
  - (i) the Monitor shall remit any balance remaining in the Cash-Out Pool to Catalyst; and
  - (ii) Catalyst shall thereafter receive a distribution of the Newco Common Shares which would otherwise have been issued to an Affected Creditor with a Proven Claim who has validly made a Newco Common Shares Cash-Out Option Election, (which number of shares would have been such Affected Creditor's Pro Rata Share of the Newco Equity Pool (Final)), and Sections 9.2 and 10.2(a) shall apply *mutatis mutandis* to Catalyst. The Newco Common Shares issued by Newco to Catalyst shall be held by the Monitor or its designate in escrow for the benefit of Catalyst and shall not be delivered to Catalyst until the expiry of the Newco Common Shares Standstill Period.
- (g) Any interest accrued on funds in the Cash-Out Pool and the Disputed Claims Cash-Out Reserve shall be for the account of Catalyst.

#### **9.4 Distribution Mechanics – Cash Pool**

- (a) From and after the Initial Distribution Date and each subsequent Distribution Date, the Cash Pool shall be distributed by the Monitor, on behalf and for the account of HII and Shareco, as follows:
  - (i) each Convenience Class Creditor with a Proven Claim shall receive a distribution from the Cash Pool in an amount equal to the Cash Elected Amount in accordance with the Convenience Class Claim Declaration filed by or on behalf of such Affected Creditor (or in the absence of a Convenience Class Claim Declaration in accordance with such Affected Creditors' Proof of Claim); and
  - (ii) after the payments in Section 9.4(a)(i) above, each Affected Creditor (other than a Convenience Class Creditor) with a Proven Claim shall receive a distribution from the remaining Cash Pool in an amount equal to its Pro Rata Share of such Cash Pool in accordance with the Letter of Instruction or Proxy filed by or on behalf of such Affected Creditor (or in the absence thereof in accordance with such Affected Creditor's Proof of Claim).
- (b) Notwithstanding any other provision in the Plan, each holder of a Proven Claim that is a Corporate Bond Claim or a Mortgage Bond Claim shall receive on the Initial Distribution Date a distribution from the Cash Pool in the amount of its Pro Rata Share of the Cash Pool (after distributions to Convenience Class Creditors with Proven Claims) that is net of an amount equal to each such holder's Pro Rata Share of the Stichting Advances, and the obligation of the Petitioners to pay such Stichting Advances shall be deemed to have been satisfied in full.

#### **9.5 Distribution Mechanics –Asset Realization Cash Pool and Non-Core Business Asset Notes**

- (a) The Monitor shall hold the Non-Core Business Asset Notes on behalf of the Affected Creditors (other than Convenience Class Creditors) with Proven Claims until such time as the Asset Realization Cash Pool has been distributed in full by the Monitor.
- (b) The Asset Realization Cash Pool shall be distributed by the Monitor, on behalf of and for the account of HII, on a Distribution Date as follows:
  - (i) Each Affected Creditor (other than a Convenience Class Creditor) with a Proven Claim shall receive a distribution by the Monitor from the Asset Realization Cash Pool in the amount of its Pro Rata Share of such Asset Realization Cash Pool in accordance with the Letter of Instruction or Proxy filed by or on behalf of such Affected Creditor (or in the absence thereof in accordance with such Affected Creditor's Proof of Claim); and
  - (ii) Upon each distribution on a Distribution Date, the amounts evidenced under each of the Non-Core Business Asset Notes shall be reduced by the amounts of such distributions to such Affected Creditors.



## **9.6 The Capital Securities Claims and the Taberna Claim**

- (a) Notwithstanding any other provision in the Plan, the holders of the Capital Securities Claims shall not be entitled to receive any distribution on account of the Capital Securities Claims under the Plan, but for greater certainty the Capital Securities Claims shall be affected, compromised, settled, released, discharged, cancelled and barred under the Plan.
- (b) Notwithstanding any other provision in the Plan, HII and the Monitor shall comply with the Taberna Order in making any distributions on account of the Taberna Claim under the Plan. To the extent that the Taberna Order directs that the distribution entitlement under the 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 shall be null and void.

## **9.7 Administrative Reserve Costs**

On the Plan Implementation Date, the Administrative Reserve Account will be funded in accordance with Section 4.2(a) of the Plan and the HII/Shareco Sanction and Vesting Order and the Monitor shall pay the Administrative Reserve Costs from and after the Plan Implementation Date in accordance with the Plan.

## **9.8 Currency**

Unless specifically provided for in the Plan or the HII/Shareco Sanction and Vesting Order, for the purposes of voting or distribution under the Plan, a Claim shall be denominated in Canadian dollars and all payments and distributions to the Affected Creditors on account of their Proven Claims shall be made in Canadian dollars. Any Claim in a currency other than Canadian dollars must be converted to Canadian dollars, and such amount shall be regarded as having been converted at the noon spot rate of exchange quoted by the Bank of Canada for exchanging such currency to Canadian dollars as at the HII Filing Date, which rate is Cdn\$1.3626: EUR1.0000, and Cdn\$0.9971: US\$1.

## **9.9 Interest and Fees**

Interest shall not accrue or be paid on Affected Claims after the HII Filing Date, and no holder of an Affected Claim shall be entitled to interest accruing nor to fees and expenses incurred in respect of an Affected Claim on or after the HII Filing Date and any Claims in respect of interest accruing or fees and expenses incurred on or after the HII Filing Date shall be deemed to be forever extinguished and released.

## **9.10 Treatment of Undeliverable Distributions**

- (a) If any Affected Creditor's distribution by way of cheque or wire transfer is returned as undeliverable or is not cashed, no further distributions to such Affected Creditor shall be made unless and until the Monitor is notified by such Affected Creditor of such Affected Creditor's current address or wire particulars, at which time all such distributions shall be made to such Affected Creditor without interest. All claims for undeliverable or un-cashed distributions in respect of Proven Claims must be made on or before the deadline specified in the Notice of Final Distribution, after which date the Proven Claims of any Affected Creditor or successor of such Affected Creditor with respect to such unclaimed or un-cashed distributions shall be forever discharged and forever barred, without any compensation therefor, notwithstanding any Applicable Laws to the contrary, at which time the Cash amount held by the Monitor in relation to such Proven Claim shall be returned to the Cash Pool or the Asset Realization Cash Pool as the case may be. Nothing contained in the Plan shall require the Monitor to attempt to locate any holder of a Proven Claim.
- (b) If any Affected Creditor's Newco Common Shares are still held in escrow by the Monitor pursuant to Section 9.2 at the time of the Notice of Final Distribution, the applicable Letter of Instruction or missing information in relation thereto must be made on or before the deadline specified in the Notice of Final Distribution, after which date the Proven Claim of any Affected Creditor or successor of such Affected Creditor with respect to such Newco Common Shares shall be forever discharged and barred without any compensation therefor notwithstanding any applicable laws to the contrary, at which time the Newco Common Shares shall be transferred to Newco by the Monitor for cancellation for no consideration.

## **9.11 Assignment of Claims for Voting and Distribution Purposes – Prior to the HII/Shareco Creditors' Meeting**

Subject to any restrictions contained in Applicable Laws, an Affected Creditor may transfer or assign the whole of its Claim prior to the HII/Shareco Creditors' Meeting provided that HII shall not be obliged to deal with any such transferee or assignee as an Affected Creditor in respect thereof, including allowing such transferee or assignee to vote at the HII/Shareco Creditors' Meeting, unless and until (i) actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received by HII and the Monitor on or prior to the HII/Shareco Record Date or (ii) the name of such transferee or assignee appears as of the HII/Shareco Record Date as the holder of such transferred or assigned Voting

Claim in accordance with the HII/Shareco Meeting Order. Thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Process Order and the HII/Shareco Meeting Order constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor in respect of such Claim. For greater certainty, partial transfers or assignments of Claims shall not be recognized by HII or the Monitor.

#### **9.12 Assignment of Claims for Distribution Purposes After the HII/Shareco Creditors' Meeting**

Subject to any restrictions contained in Applicable Laws, an Affected Creditor (other than a Convenience Class Creditor or Electing Creditors) may transfer or assign the whole of its Claim after the HII/Shareco Creditors' Meeting provided that the Monitor shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment and a duly completed and executed Letter of Instruction has been received by HII and the Monitor; thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Process Order, the HII/Shareco Meeting Order and the Plan constitute an Affected Creditor and shall be bound by notices given and steps taken in respect of such Claim. For greater certainty, partial transfers or assignments of Claims shall not be recognized by HII or the Monitor.

#### **9.13 Tax Matters**

- (a) Any terms and conditions of any Affected Claims which purport to deal with the ordering of or grant priority of payment of principal, interest, penalties or other amounts shall be deemed to be void and ineffective (for greater certainty without any impact on any inter-lender arrangements).
- (b) All distributions made by the Monitor pursuant to this Plan shall be first in consideration for the outstanding principal amount of such Affected Claims and secondly in consideration for accrued and unpaid interest and penalties, if any, which form part of such Claims. Notwithstanding any provisions of the Plan, each Affected Creditor that is to receive a distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax Obligations imposed by any Taxing Authority on account of such distribution.
- (c) The Monitor shall be entitled to deduct and withhold from any distribution, payment or consideration otherwise payable to any Affected Creditor or to any Person on behalf of any Affected Creditor such amounts (a **"Withholding Obligation"**) if the Monitor is required to deduct and withhold with respect to such payment under the ITA, or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended or succeeded.
- (d) To the extent that amounts are so withheld or deducted and paid over to the applicable Taxing Authority, such withheld or deducted amounts shall be treated for all purposes of the Plan as having been paid to such Person as the remainder of the payment in respect of which such withholding and deduction were made. For greater certainty, no distribution, payment or other consideration shall be made to or on behalf of a holder of a Proven Claim pursuant to the Plan unless and until such holder has made arrangements satisfactory to the Monitor for the payment and satisfaction of any Withholding Obligations imposed on the Monitor by any Taxing Authority.

### **ARTICLE 10 PROCEDURE FOR DISTRIBUTIONS REGARDING DISPUTED CLAIMS AND FINAL DISTRIBUTIONS**

#### **10.1 No Distribution Pending Allowance**

Notwithstanding any other provision of the Plan, no issuance of Newco Common Shares shall be made by Newco to Affected Creditors with Disputed Claims, and no payments, distributions or transfers of Cash or Newco Common Shares shall be made by the Monitor or its designate with respect to all or any portion of a Disputed Claim unless and to the extent such Disputed Claim has become a Proven Claim, in whole or in part (and for greater certainty a Convenience Class Creditor shall not be entitled to receive Newco Common Shares).

#### **10.2 Distributions After Disputed Claims Resolved – Interim Distribution Dates**

- (a) From and after the Plan Implementation Date, on the last Business Day of every month (or more or less frequently as the Monitor may determine in its sole and unfettered discretion), the Monitor or its designate shall transfer that number of Newco Common Shares corresponding to the finally determined amount of each Disputed Claim (other than a Convenience Class Claim) that has become a Proven Claim in whole or in part, on or before the third Business Day prior to a Distribution Date (other than the Final Distribution Date), from the Disputed Claims (Newco Share) Reserve, to such Affected Creditor (other than a Convenience Class Creditor) or Catalyst as the case may be whose Disputed Claim has been finally resolved and has become a Proven Claim, whereby:
  - (i) whereby such Affected Creditor shall be deemed to make a share premium contribution on the Newco Common Shares it receives equal to the amount of its *pro rata* share of the Newco Assumed Portion of

Disputed Claims that has been finally resolved and has become a Proven Claim, which then is satisfied in full by setting off such obligation against such *pro rata* share of the Newco Assumed Portion of Disputed Claims that has been finally resolved and has become a Proven Claim; and

- (ii) such that after giving effect to that distribution and any prior distributions, each such Affected Creditor shall have received its Pro Rata Share of the Newco Equity Pool (Interim) as at such Distribution Date.
- (b) From and after the Plan Implementation Date, on the last Business Day of every month (or more or less frequently as the Monitor may determine in its sole and unfettered discretion), the Monitor on behalf of HII shall distribute to each Affected Creditor with a Disputed Claim that has become a Proven Claim in whole or in part, on or before the third Business Day prior to a Distribution Date (other than the Final Distribution Date), in the case of all Affected Creditors, the appropriate amount of Cash from the Disputed Claims (Cash) Reserve, and in addition, in the case of all Affected Creditors (other than the Convenience Class Creditors), the appropriate amount of Cash from the Disputed Claims (Asset Realization) Reserve, in respect of such Proven Claim, such that after giving effect to that distribution and any prior distributions, each such Affected Creditor, on such Distribution Date shall have received its Pro Rata Share of the Cash Pool and the Asset Realization Cash Pool, as applicable, as at such Distribution Date.

### **10.3 Distributions After Disputed Claims Resolved – Final Distribution Date**

On the Final Distribution Date:

- (a) Any remaining Newco Common Shares held by the Monitor (i) in the Disputed Claims (Newco Shares) Reserve or (ii) in escrow pursuant to Section 9.2, that are not to be distributed to Affected Creditors, shall be transferred to Newco by the Monitor for cancellation for no consideration;
- (b) The Monitor shall pay any final Administrative Reserve Costs;
- (c) The Monitor shall contribute and aggregate the following amounts to the Cash Pool:
  - (i) any balance remaining in the Cash Reserves; and
  - (ii) any balance remaining in the Asset Realization Cash Pool;
- (d) Thereafter, any Cash in the Cash Pool shall be paid to the Affected Creditors (other than the Convenience Class Creditors) with Proven Claims, on a pro rata basis such that after giving effect to that distribution and any prior distributions, each such Affected Creditor on such Final Distribution Date shall have received its Pro Rata Share of the Cash Pool; and
- (e) Any Disputed Claims to the extent that they are finally determined in accordance with the Claims Process Order or the Court to be invalid such that they have not become Proven Claims on or before the Final Distribution Date shall be forever compromised, released, discharged, cancelled and barred, without any compensation therefor.

## **ARTICLE 11**

### **CATALYST INVESTMENT: STANDSTILL, PUT RIGHTS, TAG ALONG RIGHTS, TERMINATION OF CATALYST INVESTMENT**

#### **11.1 Newco Common Shares Rights and Restrictions:**

Newco Common Shares issued to Affected Creditors including Catalyst under the Plan are subject to the rights and restrictions set forth in this Article 11 as more fully set forth in the Newco Shareholder Rights Agreement:

- (a) Newco Common Shares Standstill: During the Newco Common Shares Standstill Period, no holder of Newco Common Shares shall, directly or indirectly:
  - (i) sell, transfer, gift, assign, pledge, hypothecate, encumber, convert or otherwise dispose of any of its Newco Common Shares or any interest or entitlement therein, or endorse any security, enter into any agreement, arrangement, or understanding in connection therewith, except that Catalyst may transfer its rights to the Newco Common Shares held in escrow with the Monitor to the extent Catalyst is managing the Newco Common Shares on behalf of a fund, to another fund managed by Catalyst, if the Catalyst Representations and Warranties remain true and correct in all respects after such transfer, and provided however that such transfer shall not release Catalyst from any of its obligations under the Restated Catalyst Support Agreement; and
  - (ii) deposit any of its Newco Common Shares into a voting trust (except a voting trust approved by the Newco Initial Supervisory Board or prior to the constitution of such board, by HII and the Monitor acting reasonably, or grant (or permit to be granted) any proxies, or powers of attorney or attorney in fact, or enter into a voting agreement, understanding or arrangement with respect to the voting of its Newco Common Shares; or
  - (iii) list or seek approval for the listing of the Newco Common Shares on any stock exchange (other than the Trading Platform) to the extent such listing is effective during the Newco Common Shares Standstill Period;

- (b) Newco Common Shares Put Right: During the Newco Common Shares Put Right Period, each holder of Newco Common Shares shall 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 66 2/3% of the Newco Common Shares Cash-Out Price, as determined by the Newco Initial Supervisory Board and the Monitor solely for the purposes of this Section 11.1(b) at the beginning of the Newco Common Shares Put Right Period based on then available information, for each Newco Common Share purchased by Catalyst; provided that:
- (i) Catalyst shall not have any obligation to purchase any Newco Common Shares following the Newco Common Shares Put Right Period or if Newco is unable to pay its debts as such debts become due, or is, or is adjudged or declared to be, or admits to being, bankrupt or insolvent, or suspends the conduct of, or ceases to carry on, its business or operations; and
  - (ii) such Put Right may not be exercised by any holder of Newco Common Shares unless counsel to Newco has provided Catalyst with Canadian and Dutch legal opinions satisfactory to Catalyst acting reasonably that such Put Right is in compliance with applicable securities laws or Catalyst has obtained, at HII’s expense, exemptive relief from the applicable securities regulators with respect to the Put Right;
- (c) Newco Common Shares Tag Along Right:
- (i) During the Newco Common Shares Tag Along Period, subject to Section 11.1(c)(ii),(iii), and (iv) below, Catalyst shall not directly or indirectly sell, trade, transfer or otherwise dispose of Newco Common Shares (**“Transfer”**) if as a result of such Transfer, a Person individually or together with its affiliates and Persons acting jointly or in concert therewith (a **“Purchaser”**), would acquire from Catalyst Newco Common Shares which, together with any other Newco Common Shares, held by such Person, constitutes in the aggregate thirty (30%) per cent or more of the outstanding Newco Common Shares as of the effective date of the Transfer (a **“Control Transfer”**);
  - (ii) Catalyst may effect a Control Transfer to the Purchaser within five (5) Business Days following the Expiry Date (as defined below) strictly in accordance with the terms set out in the Disposition Notice (as defined below) if: (A) at least twenty-one (21) Business Days prior to the date specified for completion of the Control Transfer, it gives notice in writing (a **“Disposition Notice”**) to the Newco Initial Supervisory Board of the number of Newco Common Shares to be subject to the Control Transfer, the name and address of the Purchaser, the consideration per Newco Common Share, and any other material terms and conditions pursuant to which the Control Transfer is to be effected, and (B) the Purchaser shall have made an Offer (as defined below) to each other registered holder of Newco Common Shares. An **“Offer”** means an offer to purchase Newco Common Shares by the Purchaser that (I) is made in compliance with applicable corporate and securities legislation and the requirements of any stock exchange on which the Newco Common Shares are then listed; (II) is in writing; (III) provides for a date by which Newco Common Shares tendered to the Offer will be accepted and purchased in accordance with the terms and conditions of the Offer, provided that such date shall not be less than twenty (20) Business Days following the mailing of such written offer, (the **“Expiry Date”**); and (IV) is identical to the offer to purchase Newco Common Shares set out in the Disposition Notice, including with respect to price per Newco Common Share, form of consideration, and the percentage of Newco Common Shares held by each other shareholder of Newco to be acquired by the Purchaser. For greater certainty, if the Offer is for less than all the outstanding Newco Common Shares and a greater number of Newco Common Shares are tendered to the Offer then the Purchaser is bound to acquire under the Offer (and for this purpose all of the Newco Common Shares of Catalyst subject to the Control Transfer shall be included), the Purchaser shall take up and pay for Newco Common Shares proportionately according to the number of Newco Common Shares deposited by each shareholder (including Catalyst).
  - (iii) Catalyst may Transfer Newco Common Shares to or between its wholly owned subsidiaries or affiliates (provided that such subsidiary or affiliate is, or agrees to be, bound by the terms of this Section 11.1(c) and that such Transfer does not relieve Catalyst of any of its obligations under this Section 11.1(c)).
  - (iv) Notwithstanding any other provision in this Section 11.1(c) the provisions set out in this Section 11.1(c) shall be effective during the Newco Common Shares Tag Along Period, following which the provisions set out in this Section 11.1(c) shall expire and be of no force or effect.

## 11.2 Termination of Catalyst Investment

The completion of the Catalyst Investment is not a condition precedent to implementation of the Plan. If the Restated Catalyst Support Agreement is validly terminated in accordance with its terms prior to the Plan Implementation Date then:

- (a) Any election of the Newco Common Shares Cash-Out Option will be deemed to be null and void, and such Electing Creditors will receive their Affected Creditors’ Entitlement as if no election was made;
- (b) Catalyst shall have no obligation to pay the Newco Common Shares Cash-Out Price and shall have no entitlement to receive any Affected Creditors’ Entitlement (other than in respect of the Catalyst Affected Claims);
- (c) Any Catalyst Funds held by the Monitor in accordance with the Plan shall be returned to Catalyst pursuant to the Restated Catalyst Support Agreement without set-off or deduction, provided however that Catalyst shall have no

entitlement to a return of the Catalyst Deposit in the event of a termination of the Restated Catalyst Support Agreement resulting from a breach or default of Catalyst;

- (d) In the event that the Restated Catalyst Support Agreement terminates prior to the HII/Shareco Creditors Meeting and the Homco 61 Creditors Meeting, HII, Shareco and Homco 61 LP shall be entitled to rely on all Proxies received for the HII/Shareco Creditors Meeting and the Homco 61 Creditors Meeting respectively notwithstanding the termination of the Restated Catalyst Support Agreement and in no event will HII, Shareco or Homco 61 LP be required to re-solicit Proxies;
- (e) In the event that the Restated Catalyst Support Agreement terminates after the HII/Shareco Creditors Meeting and the Homco 61 Creditors Meeting, HII, Shareco and Homco 61 LP respectively shall be entitled to rely on the voting results at each such meeting; and
- (f) All provisions of the Plan will remain in full force and effect other than the provisions relating to the Catalyst Investment and to or for the benefit of or an obligation of Catalyst (and without limiting the generality of the foregoing to the requirement for any consent of Catalyst but excluding, for greater certainty, any provisions relating to rights and entitlements of Catalyst as an Affected Creditor) which provisions shall be of no further force or effect and shall be deemed to be severed from the Plan in their entirety, and for greater certainty, any Electing Creditor shall be deemed to have voted in favour of the Plan and any entitlement of Catalyst to representation on the Newco Initial Supervisory Board, the Newco Management Board or the Liquidation Advisory Committee shall be terminated with such vacancies to be designated by the remaining members of the Newco Initial Supervisory Board, the Newco Management Board and the Liquidation Advisory Committee.

## **ARTICLE 12 HII GROUP ENTITIES' REORGANIZATION**

### **12.1 Corporate Authorizations**

The adoption, execution, delivery, implementation and consummation of all matters contemplated under the Plan involving corporate action of any of the Homburg Group Members will occur and be effective as of the Plan Implementation Date, and will be authorized and approved under the Plan and by the Court, where appropriate, as part of the HII/Shareco Sanction and Vesting Order, in all respects and for all purposes without any requirement of further action by shareholders, directors or officers of such Homburg Group Member. All necessary approvals to take actions shall be deemed to have been obtained from the directors or the shareholders of the Homburg Group Member, as applicable, including the deemed passing by any class of shareholders of any resolution or special resolution and no shareholders' agreement or agreement between a shareholder and another Person limiting in any way the right to vote shares held by such shareholder or shareholders with respect to any of the steps contemplated by the Plan shall be effective and shall be deemed to have no force and effect.

### **12.2 Pre-Plan Implementation Date Transactions**

HII and Shareco shall implement or cause to be implemented the Pre-Plan Implementation Date Transactions prior to the Plan Implementation Date.

### **12.3 Plan Implementation Date Transactions**

Subject to Section 12.4 and any Plan Transactions Notice, the following transactions, steps, offsets, compromises, releases and discharges to be effected in the implementation of the Plan (the "**Plan Transactions**") shall occur, and be deemed to have occurred sequentially in the following order without any further act or formality, on the Plan Implementation Date beginning at the Effective Time:

#### **A. Phase One**

During Phase One the following Plan Transactions shall and shall be deemed to occur sequentially in the following order:

##### **(a) Homco 69 LP and Homco 70 LP: BV Preferred Share Structure**

- (i) HII and the Monitor shall determine prior to Plan Implementation Date that the Plan Transactions Steps will include one or both of the following two transactions, which shall be deemed to occur in the sequence herein provided:

##### **(A) Amendment of BV Preferred Shares**

- (1) HII (69) GP Inc. on behalf of Homco 69 LP will agree with Stichting Coeval to amend article 28.4 of the articles of association of Valbonne 2 pursuant to which the aggregate liquidation entitlement of the 1,200 preferred shares of Valbonne 2 held by Stichting Coeval will be increased to an amount up to but not exceeding EUR50,000, in consideration for which Stichting Coeval will pay to Homco 69 LP a cash amount up to but not exceeding EUR50,000;



- (2) As approved by shareholders' resolution, the articles of association of Valbonne 2 will be amended to reflect the increased liquidation entitlement of the preferred shares;
- (3) In satisfaction of the cash consideration payable as described in Section 12.3(a)(i)(A)(1), Stichting Coeval will issue an interest-bearing promissory note payable to Homco 69 LP in the principal amount of such cash consideration ("**Homco 69 Note A**");
- (4) HII (70) GP Inc. on behalf of Homco 70 LP will agree with Stichting Coeval to amend article 28.4 of the articles of association of Coët BV pursuant to which the aggregate liquidation entitlement of the 1,080 preferred shares of Coët BV held by Stichting Coeval will be increased to an amount up to but not exceeding EUR50,000, in consideration for which Stichting Coeval will pay to Homco 70 LP a cash amount up to but not exceeding EUR50,000;
- (5) As approved by shareholders' resolution, the articles of association of Coët BV will be amended to reflect the increased liquidation entitlement of the preferred shares; and
- (6) In satisfaction of the cash consideration payable as described in Section 12.3(a)(i)(A)(4), Stichting Coeval will issue an interest-bearing promissory note payable to Homco 70 LP in the principal amount of such cash consideration ("**Homco 70 Note A**");

(B) Sale of BV Ordinary Shares

- (1) HII (69) GP Inc. on behalf of Homco 69 LP will sell and transfer 956 of the 18,800 issued and outstanding ordinary shares of Valbonne 2 to Stichting Coeval for fair market value consideration;
- (2) In satisfaction of the fair market value consideration payable in Section 12.3(a)(i)(B)(1), Stichting Coeval will issue to Homco 69 LP an interest-bearing promissory note in the principal amount equal to the sale price (the "**Homco 69 Note B**");
- (3) As approved by shareholders' resolution, all of the 1,260 issued and outstanding preferred shares of Valbonne 2 held by Stichting Coeval will be cancelled;
- (4) HII (70) GP Inc. on behalf of Homco 70 LP will sell and transfer 860 of the 16,920 issued and outstanding ordinary shares of Coët BV to Stichting Coeval for fair market value consideration;
- (5) In satisfaction of the fair market value consideration in Section 12.3(A)(i)(B)(4), Stichting Coeval will issue to Homco 70 LP an interest-bearing promissory note in the principal amount equal to the sale price (the "**Homco 70 Note B**"); and
- (6) As approved by shareholders' resolution, all of the issued and outstanding preferred shares of Coët BV held by Stichting Coeval will be cancelled;

(b) Homburg US Transactions:

- (i) HII incorporates HII US Subco under the NSCA and HII subscribes for ten (10) common shares of HII US Subco for Cdn\$10;
- (ii) Homburg US shall issue to HII the Homburg US Intercompany Loan Note (Value) as partial payment of the Homburg US Intercompany Loan (the balance of such loan being the Homburg US Intercompany Loan (No Value));
- (iii) HII transfers the Homburg US Intercompany Loan (No Value) to HII US Subco for that number of additional common shares of HII US Subco equal to the fair market value of the Homburg US Intercompany Loan (No Value);
- (iv) HII transfers its common shares of HII US Subco to Homburg US in consideration for that number of additional shares of Homburg US equal to the fair market value of such transferred common shares; and
- (v) HII US Subco is wound up into Homburg US pursuant to section 137 of the NSCA and the Homburg US Intercompany Loan (No Value) shall be deemed to be extinguished; and
- (vi) For greater certainty, the Homburg US Intercompany Loan Note (Value) shall remain owing by Homburg US to HII.

(c) Intercompany Amalgamations – Shareco and Amalgamating Cancos:

- (i) Each of Shareco, Homburg Invest USA and Swiss Bondco shall be exported from the NSCA and imported to Alberta under the ABCA;
- (ii) The stated capital accounts for Shareco and each Amalgamating Canco shall be and shall be deemed to be reduced to zero for no consideration;
- (iii) Shareco and each Amalgamating Canco shall collectively undertake a short form vertical amalgamation pursuant to section 184 of the ABCA with HII and shall continue as amalgamated HII, and the Continuing Directors shall be deemed to be the Directors of amalgamated HII, and the Shareco Creditor Claims and the

Amalgamating Canco Creditor Claims shall be assumed by amalgamated HII, and only the Amalgamating Canco Creditor Claims shall be Unaffected Claims; and

- (iv) HII shall file Articles of Amalgamation to give effect to the short form vertical amalgamation of Shareco and each Amalgamating Canco with HII as more particularly set out above, with the name of the amalgamated entity to be a corporate number assigned under the ABCA;
- (v) The Continuing Directors shall have and be deemed to have the benefit of the Directors' Charge in connection with their serving as Directors of amalgamated HII and the Directors' Charge shall be deemed to attach to the property of amalgamated HII; and

(d) Homburg Baltic Luxembourg Continuance:

Homburg Baltic shall be exported from the NSCA and imported to Luxembourg under Luxembourg's Commercial Companies Act, 1915; and

(e) BV Intercompany Loans:

- (i) Homco 69 LP shall be deemed to repay the principal amount of the Homco 69 LP Valbonne 2 BV Intercompany Loan as follows:
  - (A) Valbonne 2 BV shall declare to Homco 69 LP a dividend in an amount equal to the principal amount of the Homco 69 LP Valbonne 2 BV Intercompany Loan, such dividend to be paid by a demand promissory note in like amount;
  - (B) Homco 69 LP and Valbonne 2 BV shall be deemed to set off the amount of the above demand promissory note against the principal amount of the Homco 69 LP Valbonne 2 BV Intercompany Loan and both obligations shall be deemed to be and shall be extinguished; and
  - (C) Valbonne 2 BV shall forgive the accrued and unpaid interest owing by Homco 69 LP on the Homco 69 LP Valbonne 2 BV Intercompany Loan; and
- (ii) Homco 70 LP shall be deemed to repay the principal amount of Homco 70 LP Coët BV Intercompany Loan as follows:
  - (A) Coët BV shall declare to Homco 70 LP a dividend in an amount equal to the principal amount of the Homco 70 LP Coët BV Intercompany Loan, such dividend to be paid by a demand promissory note in like amount;
  - (B) Homco 70 LP and Coët BV shall be deemed to set off the amount of the above demand promissory note against the principal amount of the Homco 70 LP Coët BV Intercompany Loan and both obligations shall be deemed to be and shall be extinguished; and
  - (C) Coët BV shall forgive the accrued and unpaid interest owing by Homco 70 LP on the Homco 70 LP Coët BV Intercompany Loan; and
- (iii) Homco 86 LP shall be deemed to repay the principal amount of the Homco 86 LP Homco 86 BV Intercompany Loan as follows:
  - (A) Homco 86 BV shall convert its share premium into legal stated capital;
  - (B) Homco 86 BV shall make a return of capital to Homco 86 LP in an amount equal to the principal amount of the Homco 86 LP Homco 86 BV Intercompany Loan, such return of capital to be paid by a demand promissory note in like amount;
  - (C) Homco 86 LP and Homco 86 BV shall be deemed to set off the amount of the above demand promissory note against the principal amount of the Homco 86 LP Homco 86 BV Intercompany Loan and both obligations shall be deemed to be and shall be extinguished; and
  - (D) Homco 86 BV shall forgive the accrued and unpaid interest owing by Homco 86 LP on the Homco 86 LP Homco 86 BV Intercompany Loan; and
- (iv) Homco 87 LP shall be deemed to repay the principal amount of the Homco 87 LP Homco 87 BV Intercompany Loan as follows:
  - (A) Homco 87 BV shall convert its share premium into legal stated capital;
  - (B) Homco 87 BV shall make a return of capital to Homco 87 LP in an amount equal to the principal amount of the Homco 87 LP Homco 87 BV Intercompany Loan, such return of capital to be paid by a demand promissory note in like amount;
  - (C) Homco 87 LP and Homco 87 BV shall be deemed to set off the amount of the above demand promissory note against the principal amount of the Homco 87 LP Homco 87 BV Intercompany Loan and both obligations shall be deemed to be and shall be extinguished; and

- (D) Homco 87 BV shall forgive the accrued and unpaid interest owing by Homco 87 LP on the Homco 87 LP Homco 87 BV Intercompany Loan; and
- (v) Homco 110 LP shall be deemed to repay the principal amount of the Homco 110 LP Valbonne 5 BV Intercompany Loan as follows:
  - (A) Valbonne 5 BV shall convert its share premium into legal stated capital;
  - (B) Valbonne 5 BV shall make a return of capital to Homco 110 LP in an amount equal to the principal amount of the Homco 110 LP Valbonne 5 BV Intercompany Loan, such return of capital to be paid by a demand promissory note in like amount;
  - (C) Homco 110 LP and Valbonne 5 BV shall be deemed to set off the amount of the above demand promissory note against the principal amount of the Homco 110 LP Valbonne 5 BV Intercompany Loan and both obligations shall be deemed to be and shall be extinguished; and
  - (D) Valbonne 5 BV shall forgive the accrued and unpaid interest owing by Homco 110 LP on the Homco 110 LP Valbonne 5 BV Intercompany Loan; and
- (f) Newco Bond 5 Guarantee:  
HII shall issue the Newco Bond 5 Guarantee to Stichting Homburg Bonds; and
- (g) Newco becomes Co-Obligor:
  - (i) Newco enters into the Assumption Agreement and thereunder becomes co-obligor with HII for the Newco Assumed Portion of Proven Claims and the Newco Assumed Portion of Disputed Claims, and waives any rights of or entitlement to contribution, indemnity or subrogation against HII in respect of the original obligations of HII so assumed by Newco, but for greater certainty such waiver shall not affect the principal amount of the HII Co-Obligation Note;
  - (ii) In consideration for Newco entering into the Assumption Agreement, HII shall issue the HII Co-obligation Note in favour of Newco which shall be deemed to be secured by the Newco Co-obligation Charge; and
  - (iii) The aggregate amount of the Newco Assumed Portion of Proven Claims plus the Newco Assumed Portion of Disputed Claims and the amount outstanding under the HII Co-obligation Note shall each be deemed to be equal to the Final Adjusted Newco Note Amount; and
- (h) Dissolution of Homco 190 LP, Homco 191 LP and Homco 199 LP:
  - (i) The following steps shall be taken prior to the dissolution of Homco 190 LP, Homco 191 LP and Homco 199 LP:
    - (A) Homco 199 LP shall be deemed to pay to Homco 191 LP the amount of the Homco 199 Cash Amount in a first partial repayment of the Homco 191 Loan and the Homco 191 Loan Promissory Note shall be deemed to be reduced accordingly;
    - (B) Homco 191 LP shall be deemed to make a return of capital to its sole limited partner, HII, in an amount equal to the Homco 199 Cash Amount;
    - (C) HII shall be deemed to pay to Homco 199 LP an amount equal to the Homco 199 Cash Amount in a first partial repayment of the Homco 199 Loan and the Homco 199 Loan shall be deemed to be reduced accordingly;
    - (D) Homco 199 LP shall be deemed to pay to Homco 191 LP an amount equal to the remaining balance of the Homco 191 Loan, in a second and final repayment of the Homco 191 Loan and the Homco 191 Loan Promissory Note shall be deemed to be satisfied in its entirety and such note shall be deemed to be cancelled;
    - (E) Homco 199 LP shall be deemed to pay to Homco 190 LP an amount equal to the Homco 199 Cash Amount less the amount of the final payment in D above, in a first partial repayment of the Homco 190 Loan and the Homco 190 Loan Promissory Note shall be deemed to be reduced accordingly;
    - (F) Homco 190 LP shall be deemed to make a return of capital to its sole limited partner, Homco 191 LP, in the amount equal to the partial repayment paid in E above;
    - (G) Homco 191 LP shall be deemed to make a return of capital to its sole limited partner, HII, in an amount equal to the Homco 199 Cash Amount (being the aggregate of the amounts paid in D and E above);
    - (H) HII shall be deemed to pay to Homco 199 LP the amount equal to the Homco 199 Cash Amount (and being the aggregate of the amounts paid in D and F above), in a second partial repayment of the Homco 199 Loan and the Homco 199 Loan shall be deemed to be reduced accordingly;
    - (I) Homco 199 LP shall be deemed to pay to Homco 190 LP an amount equal to the remaining balance of the Homco 190 Loan, in a second and final repayment of the Homco 190 Loan, and the Homco 190 Loan

Promissory Note shall be deemed to be satisfied in its entirety and such note shall be deemed to be cancelled;

- (J) Homco 190 LP shall be deemed to make a return of capital to its sole limited partner, Homco 191 LP, in an amount equal to the amount paid in I above;
  - (K) Homco 191 LP shall be deemed to make a return of capital to its sole limited partner, HII, in an amount equal to the amount paid in I above;
  - (L) HII shall be deemed to pay to Homco 199 LP an amount equal to the amount paid in I above, in a third partial repayment of the Homco 199 Loan and the Homco 199 Loan shall be deemed to be reduced accordingly;
  - (M) Homco 199 LP shall be deemed to make a return of capital to its sole limited partner, HII, in an amount equal to the Homco 199 Cash Amount; and
  - (N) HII shall be deemed to pay Homco 199 LP an amount equal to the Homco 199 Cash Amount (as paid in M above), as a fourth and final payment made in full satisfaction of the Homco 199 Loan, and the Homco 199 Loan shall be deemed to be satisfied in its entirety; and
- (ii) The steps in A through N above shall be deemed to be executed or repeated (with as many conforming changes as may be necessary) as many times as is necessary based upon the amount of the Homco 199 Cash Amount, in order to repay the Homco 191 Loan, the Homco 190 Loan and the Homco 199 Loan in their entireties;
  - (iii) Each of Homco 190 LP, Homco 191 LP and Homco 199 LP shall be deemed to be dissolved in accordance with its respective Limited Partnership Agreement and the NSLPA and its respective Notice to Cancel the Certificate of Limited Partnership shall be filed and recorded in the office of the Registrar of Joint Stock Companies;
  - (iv) Upon the deemed dissolution of each of Homco 190 LP, Homco 191 LP and Homco 199 LP, their respective assets including all Cash shall be deemed to be transferred to and vested in HII free and clear of Encumbrances and their respective liabilities which shall be deemed to be assumed by HII, and such liabilities shall be compromised under the Plan; and
  - (v) Each Homco GP of Homco 190 LP, Homco 191 LP and Homco 199 LP shall be deemed to be dissolved and its Certificate of Dissolution filed and recorded in accordance with the NSCA; and
- (i) Treatment of Homco 61 Intercompany Claim:

HII shall set off the amount of the HII Loan against the amount of the Homco 61 Intercompany Claim. The unpaid balance owing on the Homco 61 Intercompany Claim shall be the Homco 61 Net Intercompany Claim, which shall constitute the sole Proven Claim of Homco 61 LP entitling Homco 61 LP to the HII Homco 61 Distribution and for greater certainty Homco 61 LP shall have no other claim against HII including by subrogation or otherwise; for greater certainty, this particular Plan Transaction may be deemed to occur at such later time in the sequence of Plan Transactions contained in Section 12.3 as may be determined by HII and Shareco in accordance with Section 12.4;

(j) Treatment of Non-Corporate Creditors:

In the following Section 12.3(j), where reference is made to the Monitor holding Newco Common Shares, it is holding same on behalf of Affected Creditors (other than Convenience Class Creditors) with Disputed Claims that are finally determined to be Proven Claims:

- (i) Each Non-Corporate Creditor with a Non-Corporate Creditor Proven Claim (including for greater certainty, Electing Creditors) shall be deemed to subscribe for each such Non-Corporate Creditor's Pro Rata Share of Newco Common Shares, the entire subscription price for which shall be deemed to be an amount equal to the Newco Assumed Portion of Non-Corporate Creditor Proven Claims;
- (ii) The Monitor or its designate in respect of the Non-Corporate Creditors with Disputed Claims (including for greater certainty, Electing Creditors), based on the face value of such Disputed Claims or such lesser amount as shall be determined by the Monitor, shall be deemed to subscribe for each such Non-Corporate Creditor's Pro Rata Share of Newco Common Shares, the subscription price for which shall be equal to the nominal amount of such Newco Common Shares;
- (iii) The Non-Corporate Creditors with Non-Corporate Creditor Proven Claims (including for greater certainty Electing Creditors) who are deemed to have subscribed for Newco Common Shares in Subparagraph 12.3(j)(i) above, will be and will be deemed to be obligated to pay the subscription price for the Newco Common Shares subscribed for in Subparagraph 12.3(j)(i) above;
- (iv) The Monitor or its designate shall hold the Newco Common Shares subscribed for in Section 12.3(j)(ii) above in the Disputed Claims (Newco Shares) Reserve;
- (v) The obligation to pay the subscription price in Section 12.3(j)(iii) above by the Non-Corporate Creditors with Non-Corporate Creditor Proven Claims (including for greater certainty Electing Creditors) shall be deemed to be satisfied in full by setting off such obligation against the Newco Assumed Portion of Non-Corporate

Creditor Proven Claims, and such Newco Assumed Portion of Non-Corporate Creditor Proven Claims shall be deemed to be paid in full and each Non-Corporate Creditor's Pro Rata Share of Newco Common Shares shall become issuable to such Non-Corporate Creditors with Proven Claims in accordance with the Plan;

- (vi) Newco shall be obligated to issue the Newco Common Shares subscribed for in Section 12.3(j)(i)] above by the Non-Corporate Creditors with Proven Claims to such Non-Corporate Creditors and their obligation to pay the subscription price in Section 12.3(j)(iii) above shall be deemed to be satisfied in full by setting off both such obligations against the Newco Assumed Portion of Non-Corporate Creditor Proven Claims and such Newco Assumed Portion of Non-Corporate Creditor Proven Claims shall be deemed to be paid in full in accordance with the Plan;
- (vii) Newco shall issue the Newco Common Shares subscribed for in Section 12.3(j)(ii) above by the Monitor or its designate to the Monitor and the subscription price shall be paid up out of the share premium reserve of Newco;
- (viii) The Newco Un-assumed Portion of Non-Corporate Creditor Proven Claims shall be deemed to be settled in accordance with the Plan, in consideration for which such Non-Corporate Creditors (including Electing Creditors) shall be entitled to receive in respect of such Newco Un-assumed Portion of Non-Corporate Creditor Proven Claims, (i) their Pro Rata Share of the Cash Pool and (ii) their Pro Rata Share of the Asset Realization Cash Pool, on repayment of the Note A (Non-Corporate Creditor) principal amount;
- (ix) Newco shall issue the Newco Common Shares subscribed for above by Non-Corporate Creditors other than Electing Creditors to such Non-Corporate Creditors; and
- (x) Each Non-Corporate Creditor with a Non-Corporate Creditor Proven Claim who has elected the Newco Common Shares Cash-Out Option shall and shall be deemed to assign, transfer and sell its entitlement to its Pro Rata Share of the Newco Common Shares to which it is entitled under Section 12.3(j) above to Catalyst in consideration for its *pro rata* share of the Aggregate Newco Common Shares Cash-Out Price and such Electing Creditors shall direct Newco to issue and Newco shall issue, such Newco Common Shares to Catalyst in accordance with the Plan.

#### B. Phase Two

During Phase Two the following Plan Transactions shall and shall be deemed to occur sequentially in the following order:

- (k) Acquisition of Control of HII:
  - (i) HII shall file Articles of Reorganization under the ABCA and such Articles of Reorganization shall be deemed to give effect to the following steps or transactions:
    - (A) HII's articles of amalgamation shall be amended under the ABCA to create a new class of authorized HII New Common Shares; and
    - (B) To give effect to 12.3(k)(iii) below, HII's articles of amalgamation shall be amended under the ABCA to cancel the authorized HII Class A Shares, the authorized HII Class B Shares, the authorized HII Class A Preferred Shares and the authorized HII Class B Preferred Shares;
  - (ii) Newco shall subscribe for and HII shall issue 100 HII New Common Shares to Newco, for the subscription purchase price of Cdn\$100. Such shares shall be deemed to be validly issued and outstanding as fully paid and non-assessable on the Plan Implementation Date and an amount of Cdn\$100 shall be deemed to be added to the stated capital account for the HII New Common Shares;
  - (iii) The outstanding HII Class A Shares and outstanding HII Class B Shares and all other outstanding equity securities of HII other than the HII New Common Shares are deemed to be surrendered for cancellation and shall be deemed to be cancelled without compensation, such deemed cancellation being deemed to have occurred immediately prior to the effectiveness of the amendment in Section 12.3(k)(i)(B);
  - (iv) The stated capital account for HII's Existing Authorized Capital shall be deemed to be reduced to zero for no consideration; and
- (l) Dissolution of Core Homcos and Transfer of Core Homco Assets to HII (other than Homco 86 LP and Homco 87 LP):
  - (i) Homco 110 LP shall be deemed to repay the principal amount of the Homco 110 LP HII Intercompany Loan as follows:
    - (A) Homco 110 LP shall satisfy the Homco 110 LP HII Intercompany Loan by transferring shares of Valbonne 5 BV with a value equal to the principal amount and accrued interest of the Homco 110 LP HII Intercompany Loan to HII, in full satisfaction of the Homco LP HII Intercompany Loan;



- (ii) Each Core Homco except for Homco 86 LP and Homco 87 LP shall be deemed to be dissolved in accordance with its applicable Limited Partnership Agreement and the NSLPA and its respective Notice to Cancel the Certificate of Limited Partnership shall be filed and recorded in the office of the Registrar of Joint Stock Companies shall and shall be deemed to cease to exist;
- (iii) Upon such deemed dissolution, each Core Homco's Core Homco Assets (including the Homco 69 Note A, the Homco 70 Note A, the Homco 69 Note B and the Homco 70 Note B, as applicable) shall be deemed to be transferred to and vested in HII free and clear of all Encumbrances except the Core Homco Creditor Claims, and its respective Core Homco Liabilities shall be deemed to be assumed by HII and the Core Homco Creditor Claims shall be Unaffected Claims;
- (iv) Each Core Homco GP except for HII 86 GP and HII 87 GP shall be deemed to be dissolved and its respective Certificate of Dissolution filed and recorded in accordance with the NSCA;

(m) Treatment of Corporate Creditors:

In the following Section 12.3(m), where reference is made to the Monitor holding Newco Common Shares, it is holding same on behalf of Affected Creditors (other than Convenience Class Creditors) with Disputed Claims that are finally determined to be Proven Claims:

- (i) Each Corporate Creditor with a Corporate Creditor Proven Claim (including for greater certainty, Electing Creditors) shall be deemed to subscribe for each such Corporate Creditor's Pro Rata Share of Newco Common Shares, the entire subscription price for which shall be deemed to be an amount equal to the Newco Assumed Portion of Corporate Creditor Proven Claims;
- (ii) The Monitor or its designate in respect of the Corporate Creditors with Disputed Claims (including for greater certainty Electing Creditors), based on the face value of such Disputed Claims or such lesser amount as shall be determined by the Monitor, shall be deemed to subscribe for each such Corporate Creditor's Pro Rata Share of Newco Common Shares, the subscription price for which shall be equal to the nominal amount of such Newco Common Shares;
- (iii) The Corporate Creditors with Corporate Creditor Proven Claims (including for greater certainty Electing Creditors) who are deemed to have subscribed for Newco Common Shares in Section 12.3(m)(i) will be and will be deemed to be obligated to pay to Newco the subscription price for the Newco Common Shares in Section 12.3(m)(i) above;
- (iv) The Monitor or its designate shall hold the Newco Common Shares subscribed for in Section 12.3(m)(ii) above in the Disputed Claims (Newco Shares) Reserve;
- (v) The obligation to pay the subscription price in Section 12.3(m)(iii) above by the Corporate Creditors with Corporate Creditor Proven Claims (including for greater certainty Electing Creditors) shall be deemed to be satisfied in full by setting off such obligation against the Newco Assumed Portion of Corporate Creditor Proven Claims, and such Newco Assumed Portion of Corporate Creditor Proven Claims shall be deemed to be paid in full and each Corporate Creditor's Pro Rata Share of Newco Common Shares shall become issuable to such Corporate Creditors with Proven Claims in accordance with the Plan;
- (vi) Newco shall be obligated to issue the Newco Common Shares subscribed for by the Corporate Creditors with Proven Claims in Section 12.3(m)(i) above to such Corporate Creditors with Proven Claims, and the obligation of such Corporate Creditors to pay the subscription price in Section 12.3(m)(iii) shall be deemed to be satisfied in full by setting off both such obligations against the Newco Assumed Portion of Corporate Creditor Proven Claims, and such Newco Assumed Portion of Corporate Creditor Proven Claims shall be deemed to be paid in full in accordance with the Plan;
- (vii) Newco shall issue the Newco Common Shares subscribed for in Section 12.3(m)(ii) above by the Monitor to the Monitor or its designate and the subscription price shall be paid up out of the share premium reserve of Newco;
- (viii) The Newco Un-assumed Portion of Corporate Creditor Proven Claims shall be deemed to be settled in accordance with the Plan, in consideration for which such Corporate Creditors shall be entitled to receive in respect of such Newco Un-assumed Portion of Corporate Creditor Proven Claims, (i) their Pro Rata Share of the Cash Pool and (ii) their Pro Rata Share of the Asset Realization Cash Pool, on repayment of the Note B (Corporate Creditor) principal amount;
- (ix) Newco shall issue the Newco Common Shares subscribed for above by the Corporate Creditors other than Electing Creditors to such Corporate Creditors;
- (x) Each Corporate Creditor with a Corporate Creditor Proven Claim who has elected the Newco Common Shares Cash-Out Option shall and shall be deemed to assign, transfer and sell its entitlement to its Pro Rata Share of the Newco Common Shares to which it is entitled under Section 12.3(m)(i) above to Catalyst in consideration for its *pro rata* share of the Aggregate Newco Common Shares Cash- Out Price and such Electing Creditors shall direct Newco to issue, and Newco shall issue, such Newco Common Shares to Catalyst in accordance with the Plan; and

(n) Repayment of Newco Incorporation Loan:

Upon the issuance of Newco Common Shares to Affected Creditors with Proven Claims in accordance with the Plan, Newco shall repurchase the preference shares held by the Incorporation Foundation for the sum of EUR225,000 and the Incorporation Foundation shall direct Newco to pay such amount to HII to repay the Newco Incorporation Loan on the Incorporation Foundation's behalf, following which payment the Newco Incorporation Loan Note shall be cancelled; and

(o) Transfer of Core Business Assets to Newco and Core GP Assets to Newco Subsidiaries:

- (i) HII shall contribute the Homco 86 LP HII Intercompany Loan to Homco 86 LP in exchange for additional limited partnership interests equal to the value of such loan;
- (ii) HII shall contribute the Homco 87 LP HII Intercompany Loan to Homco 87 LP in exchange for additional limited partnership interests equal to the value of such loan;
- (iii) HII 86 GP and HII 87 GP shall transfer their respective Core GP Assets to the Newco Subsidiaries for Cdn\$1,000 respectively and such interests shall be deemed to be transferred to and shall vest in the Newco Subsidiaries, free and clear of all Encumbrances other than the Core Business Creditor Claims, and the Newco Subsidiaries shall assume and shall be deemed to assume the HII 86 GP Liabilities and the HII 87 GP Liabilities (and for greater certainty, HII 86 GP and HII 87 GP shall be deemed to have no liability in respect of such HII 86 GP Liabilities and HII 87 Liabilities, respectively);
- (iv) Pursuant to and in accordance with the HII/Shareco Sanction and Vesting Order, HII shall be deemed to transfer all of its right, title and interest in and to the Core Business Assets (other than the Core GP Assets) that it owns to Newco and such Core Business Assets shall be deemed to be transferred to and shall vest in Newco, free and clear of all Encumbrances other than the Core Business Creditor Claims, and where any Real Property Interest is being vested directly in Newco, Newco shall assume and is deemed to assume the Core Homco Liabilities (and for greater certainty HII shall be deemed to have no liability in respect of such Core Homco Liabilities);
- (v) As consideration for such transfer by HII to Newco in Subsection 12.3(o)(ii) above, Newco shall issue the Newco Note to HII and assume HII's obligations under the Newco Bond 5 Guarantee and HII shall be released from such obligations and the security relating to the Bond 5 Secured Claim shall be deemed to be released and extinguished (and for greater certainty, the Bond 5 Unsecured Claim shall remain as an obligation of HII to be compromised as an Affected Claim under the Plan); and
- (vi) The amounts owing under the HII Co-obligation Note and the Newco Note shall be deemed to be set off and the obligations thereunder shall be deemed to be satisfied in full and the HII Co-obligation Note and the Newco Note shall be deemed to be cancelled and the Newco Co-obligation Charge shall be deemed to be discharged; and

(p) Dissolution of HII 86 GP and HII 87 GP:

- (i) HII 86 GP and HII 87 GP shall be deemed to be dissolved and their respective Certificates of Dissolution shall be filed and recorded in accordance with the NSCA;

(q) Receipt of Newco Common Shares and Cash by Monitor:

- (i) Newco shall issue to the Monitor or its designate to be held on behalf of the Affected Creditors (other than Convenience Class Creditors) with Disputed Claims that are finally determined to be Proven Claims, that number of Newco Common Shares needed to establish the Disputed Claims (Newco Shares) Reserve;
- (ii) HII shall deliver to the Monitor the aggregate of all their Cash, together with the Cash Reserves;
- (iii) The Monitor shall receive from HII and Shareco:
  - (A) the Administrative Reserve and shall deposit same into the Administrative Reserve Account;
  - (B) the Disputed Claims (Cash) Reserve and shall deposit same into the Disputed Claims Reserve Account;
  - (C) the Litigation Reserve and shall deposit same into the Litigation Reserve Account; and
- (iv) The Monitor shall receive the Cash Pool from HII and Shareco and shall deposit same into the Cash Pool Account;

(r) Non-Core Business Asset Notes and Liquidation/Realization of Non-Core Business Assets:

- (i) HII shall issue Note A (Non-Corporate Creditor) to the Monitor to hold on behalf of each of the Non-Corporate Creditors evidencing each Non-Corporate Creditor's Pro Rata Share of the Asset Realization Cash Pool and which shall be repaid in full with the Asset Realization Cash Pool;
- (ii) HII shall issue Note B (Corporate Creditor) to the Monitor to hold on behalf of each of the Corporate Creditors evidencing each Corporate Creditor's Pro Rata Share of the Asset Realization Cash Pool;

- (iii) Pursuant to the HII/Shareco Sanction and Vesting Order, the Affected Creditors' Charge shall be created and deemed to secure, *inter alia*, HII's obligations to the Non-Corporate Creditors under Note A (Non-Corporate Creditor) and to the Corporate Creditors under the Note B (Corporate Creditor); and
- (iv) HII shall be deemed to enter into sole shareholder declarations assuming the management of the business and affairs of the Non-Core Business Entities that are corporations and the corporate general partners of the Non-Core Business Entities that are Homcos; and
- (s) Directors and Officers: The Continuing Directors shall and shall be deemed to resign as Directors of amalgamated HII and without requirement of further action on the part of such Continuing Directors. The Directors of the HII Group Entities, the Core Business Entities and the Non-Core Business Entities shall and shall be deemed to resign and without requirement of further action on the part of such Directors; and
- (t) Payments by Monitor: The Monitor shall pay:
  - (i) the following Administrative Reserve Costs from the Administrative Reserve on or after the Plan Implementation Date pursuant to the HII/Shareco Sanction and Vesting Order and the CCAA:
    - (A) all fees and disbursements owing as at the Plan Implementation Date to counsel to the HII Group Entities, the Monitor, and counsel to the Monitor;
    - (B) all amounts on account of Employee Priority Claims;
    - (C) all amounts on account of Government Priority Claims;
    - (D) all amounts on account of Cash Management Lender Claims;
    - (E) all amounts on account of the Post-Filing Trade Payables;
    - (F) the Bond 5 Secured Claim Cash Payment;
    - (G) the HSBC Secured Claim;
    - (H) Newco's costs incurred in respect of the issuance of the Newco Common Shares, including all financial advisory fees and expenses, legal fees and expenses, and fees and expenses paid to rating agencies;
    - (I) all amounts to be paid to Core Business Creditors in connection with the transfer of Core Business Assets, such amounts not to exceed in the aggregate EUR18,500,000; and
    - (J) the costs of administration of the Homco 61 Plan;
    - (K) Bankruptcy Trustee Fees;
    - (L) The reasonable fees and disbursements of members of the Liquidation Advisory Committee, in an amount to be agreed upon by such members and the Monitor;
    - (M) The reasonable fees and disbursements of the Continuing Directors, if any, appointed following Plan Implementation Date in an amount to be agreed upon by such Continuing Directors and the Monitor;
    - (N) The reasonable winding-up costs and expenses of Stichting Homburg Bonds, such amounts not to exceed Cdn\$35,000; and
  - (ii) from the KERP Fund, all amounts owing to Persons on account of their KERP Claims; and
- (u) Distributions:
 

The Monitor shall on behalf of HII hold, maintain and administer:

  - (i) the Cash Pool, the Asset Realization Cash Pool and the Cash Reserves, and shall hold same in escrow for the benefit of the Affected Creditors with Proven Claims for distribution in accordance with the Plan;
  - (ii) the Non-Core Business Asset Notes; and
  - (iii) the Disputed Claims (Newco Shares) Reserve in accordance with the Plan, which shall be held by the Monitor or its designate for the benefit of the Affected Creditors (other than Convenience Class Creditors) with Disputed Claims, to the extent that their Disputed Claims become Proven Claims, for distribution in accordance with the Plan; and
- (v) Directors Charge:
  - (i) The Continuing Directors shall have and be deemed to have the benefit of the Directors' Charge in connection with their serving as Directors of amalgamated HII, and the Directors' Charge shall be deemed to attach to the property, assets and undertaking of amalgamated HII under and in accordance with the Plan (but for greater certainty shall not attach to the Core Business Assets vested in Newco);
  - (ii) The Directors' Charge shall be and shall be deemed to be discharged immediately following the resignation of the last Continuing Director and for greater certainty the Directors' Charge shall survive the Plan Implementation Date until such last resignation;

(w) Plan Charges:

The HII/Shareco Sanction and Vesting Order shall provide for the following Plan Charges to be created on and to survive the Plan Implementation Date in the following order of priority:

- (i) The Administration Charge shall continue and shall attach against the Cash Pool, the Asset Realization Cash Pool, the Cash Reserves, and the Non-Core Business Assets (but for greater certainty shall not attach to the Core Business Assets vested in Newco);
  - (ii) The Liquidation Charge shall attach against the Asset Realization Cash Pool, the Asset Realization Cost Reserve and the Disputed Claims (Asset Realization) Reserve, which Liquidation Charge shall rank behind the Administration Charge (but for greater certainty shall not attach to the Core Business Assets vested in Newco); and
  - (iii) The Affected Creditors' Charge shall attach against the Cash Pool, the Asset Realization Cash Pool, the Cash Reserves and the Non-Core Business Assets, which Affected Creditors' Charge and shall rank behind the Administration Charge, the Directors' Charge and the Liquidation Charge (but for greater certainty shall not attach to the Core Business Assets vested in Newco);
- (x) Compromise and Release: The compromises with the Affected Creditors and the Release of the Released Parties referred to in Article 13 shall become effective in accordance with the Plan.

#### 12.4 Plan Transactions

HII and Shareco shall take actions as may be necessary or appropriate to effect the Plan Transactions as set forth in the Plan and as modified by any Plan Transactions Notice, including the transactions necessary or appropriate to simplify HII's and Shareco's structure and to effect a restructuring of the Business. Such actions may include, without limitation: (i) the execution and delivery of appropriate articles, agreements or other documents of incorporation, merger, amalgamation, consolidation, arrangement, continuation, restructuring, exchange, conversion, liquidation, winding-up, dissolution, transfer, reorganization, repayments, cancellations, discharges, or other transactions containing terms that are consistent with the terms of the Plan; (ii) the execution and delivery of appropriate instruments of transfer, assignment, assumption, including, where applicable, with respect to the assumption of liabilities upon the transfer or assignment of assets or liquidation or winding-up of any Homburg Group Member, Guarantee, or delegation of any property, right, privilege, liability, duty, or obligation on terms consistent with the terms of the Plan, in each case without the need to obtain any consent by any Person; (iii) the filing of appropriate articles, agreements, or other documents of incorporation, merger, amalgamation, consolidation, arrangement, continuation, restructuring, exchange, conversion, liquidation, winding-up, dissolution, transfer, reorganization, repayments, cancellations, discharges, or other transactions with the appropriate Governmental Authorities under Applicable Law; (iv) the determination of the manner and the sequence in which the Affected Claims are settled, compromised, or otherwise dealt with; (v) the modification of any Plan Transaction or the determination of the manner, timing and/or sequence in which such Plan Transactions will be effected or deemed to be effected; and (vi) all other actions that HII or Shareco may determine are necessary or appropriate to give effect to the Plan Transactions, including the making of filings or recordings in connection with the relevant Plan Transactions. HII and Shareco shall be permitted to implement certain of the Plan Transactions after the Plan Implementation Date as contemplated in the Plan and as modified by any Plan Transactions Notice as the case may be. The form of each Plan Transaction shall, where applicable, be determined by HII and Shareco and their successors party to any Plan Transaction, and shall be approved by the Monitor; provided, however, that HII and Shareco reserve the right to undertake transactions in lieu of or in addition to such Plan Transactions as HII and Shareco may deem necessary or appropriate under the circumstances and as approved by the Monitor. Notwithstanding the foregoing or any other provision of the Plan, the implementation of any of the Plan Transactions or other transactions undertaken in accordance with this Section shall not affect the distributions under the Plan and any such Plan Transactions or other transactions that are material shall be filed with the Court for approval.

### ARTICLE 13 RELEASES

#### 13.1 Plan Releases

- (a) On the Plan Implementation Date, 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 HII, legal counsel and agents, and the Named Directors (being herein referred to individually as an "**HII Released Party**")) shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Creditor, Affected Creditor or other Person may be entitled to assert, including any and all Claims in respect of the payment and receipt of proceeds and statutory liabilities of the Named Directors and employees of the HII Released Parties and any alleged fiduciary or other duty (whether such employees are acting as a Director, member or employee),

whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the later of the Plan Implementation Date and the date on which actions are taken to implement the Plan that are in any way relating to, arising out of or in connection with the Claims, the Business whenever or however conducted, the Plan, the CCAA Proceedings, or any Claim that has been barred or extinguished by the Claims Process Order and all Claims arising out of such actions or omissions shall be forever waived and released (other than the right to enforce the HII Entities' obligations under the Plan or any related document), all to the full extent permitted by Applicable Law, provided that nothing herein shall release or discharge (A) any HII Released Party if such HII Released Party is judged by the expressed terms of a judgment rendered on a final determination on the merits to have committed criminal, fraudulent or other wilful misconduct or (B) the Named Directors with respect to matters set out in section 5.1(2) of the CCAA.

- (b) On the Plan Implementation Date, Catalyst (solely in its capacity as an investor under the Restated Support Agreement), Stichting Homburg Bonds, Stichting Homburg Capital Securities, Stichting CanTrust and 1028167 Alberta Ltd. (collectively, the **"Foundation Entities"**), the Monitor, and Deloitte, and their respective directors (including current directors), officers, employees, advisors, legal counsel and agents (being herein referred to individually as a **"Non-HII Released Party"**), and together with the HII Released Parties, the **"Released Parties"**) shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Creditor, Affected Creditor or other Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the later of the Plan Implementation Date and the date on which actions are taken to implement the Plan that are in any way relating to, arising out of or in connection with the Claims, the Business whenever or however conducted, the Plan, the CCAA Proceedings, or any Claim that has been barred or extinguished by the Claims Process Order and all Claims arising out of such actions or omissions shall be forever waived and released (other than the right to enforce the HII Entities' obligations under the Plan or any related document), all to the full extent permitted by Applicable Law, provided that nothing herein shall release or discharge (A) any Non-HII Released Party if such Non-HII Released Party is judged by the expressed terms of a judgment rendered on a final determination on the merits to have committed criminal, fraudulent or other wilful misconduct or (B) any of the Foundation Entities or their respective directors or officers (other than the Named Directors and for greater certainty, current directors), employees, advisors, legal counsel and agents retained or employed prior to the HII Filing Date for any Claims in existence or relating to any period prior to the HII Filing Date.
- (c) The HII/Shareco Sanction and Vesting Order will enjoin the prosecution, whether directly, derivatively or otherwise, of any Claim, obligation, suit judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged, compromised or terminated pursuant to the Plan.
- (d) Nothing in the Plan shall be interpreted as restricting the application of Section 21 of the CCAA.

## ARTICLE 14 COURT SANCTION, CONDITIONS PRECEDENT AND IMPLEMENTATION

### 14.1 Application for HII/Shareco Sanction and Vesting Order

If the Required Majority of the Affected Creditors approves the Plan, HII and Shareco shall apply for the HII/Shareco Sanction and Vesting Order on or before the date set in the HII/Shareco Meeting Order for the hearing of the HII/Shareco Sanction and Vesting Order or such later date as the Court may set. The HII/Shareco Sanction and Vesting Order shall not become effective until the Plan Implementation Date.

### 14.2 HII/Shareco Sanction and Vesting Order

The HII/Shareco Sanction and Vesting Order will have effect from and after the Effective Time on the Plan Implementation Date, and shall, among other things:

- (a) declare that (i) the Plan has been approved by the Required Majority of Affected Creditors with Proven Claims in conformity with the CCAA; (ii) the HII Group Entities have complied with the provisions of the CCAA and the Orders of the Court made in these proceedings in all respects; (iii) the Court is satisfied that the HII Group Entities have not done or purported to do anything that is not authorized by the CCAA; and (iv) the Plan and the Plan Transactions contemplated thereby are fair and reasonable;
- (b) declare that the Pre-Plan Implementation Date Transactions as conditions precedent to the Plan are approved as contemplated by Schedule "B" of the Plan;
- (c) authorize the Monitor and HII to agree to the amount of the Administrative Reserve prior to the Plan Implementation Date;



- (d) confirm the amount of the Disputed Claims (Cash) Reserve and the Litigation Reserve;
- (e) declare that as of the Effective Time and in accordance with the sequence set out in Article 12, the Plan and all associated steps, compromises, transactions, arrangements, releases and reorganizations effected thereby are approved, binding and effective upon the HII Group Entities, all Affected Creditors, the Released Parties and all other Persons and Parties affected by the Plan as of the Effective Time;
- (f) grant to the Monitor in addition to its rights and obligations under the CCAA, the powers, duties and protections contemplated by and required under the Plan;
- (g) authorize the Monitor to perform its duties and functions and fulfil its obligations under the Plan to facilitate the implementation thereof;
- (h) authorize the Monitor, upon the direction of the Liquidation Advisory Committee, to investigate and assess any Litigation Claim and investigate any Creditor Cause of Action;
- (i) authorize the Monitor to prosecute and/or settle any Litigation Claim, on prior consultation with and the approval of the Liquidation Advisory Committee;
- (j) authorize the Monitor to prepare and file any tax returns in any jurisdiction on behalf of HII or any Homburg Group Member, to file any notices of objection or appeals, and to engage with any Tax Authority in connection therewith;
- (k) authorize and direct:
  - (i) HII and Shareco to create the Administrative Reserve, the Disputed Claims (Cash) Reserve and the Litigation Reserve approved in the amounts specified in the HII/Shareco Sanction and Vesting Order as agreed to among HII, Shareco and the Monitor, and to deliver same to the Monitor;
  - (ii) the Monitor to receive such Cash Reserves and to deposit same in the respective accounts more particularly described in the Plan;
  - (iii) the Monitor from and after the Plan Implementation Date to create the Disputed Claims (Asset Realization) Reserve from the Non-Core Business Asset Net Proceeds;
  - (iv) the Monitor to administer and finally determine the Homco 61 Affected Claims of Homco 61 Affected Creditors under and in accordance with the Claims Process Order, Article 9, Article 10, and Article 11 of the Plan and Article 5 of the Homco 61 Plan and manage the distribution of the HII Homco 61 Distribution directly to such Homco 61 Affected Creditors with Homco 61 Proven Claims, as if the Homco 61 Affected Creditors were Affected Creditors of HII and Article 9, Article 10 and Article 11 of the Plan shall apply *mutatis mutandis* to the Homco 61 Affected Creditors, with such changes as are necessary to read as for the Homco 61 Creditors;
  - (v) the Monitor to allocate the costs of such administration of Homco 61 Affected Claims to the Homco 61 Administrative Reserve Costs, to provide for such costs in the Administrative Reserve and deduct such costs from the HII Homco 61 Distribution; and
  - (vi) the Monitor to utilize the Disputed Claims (Cash) Reserve, the Disputed Claims (Asset Realization) Reserve and the Disputed Claims (Newco Share) Reserve in effecting the administration and determination of the Homco 61 Affected Claims;
- (l) declare that the Plan Transactions to be taken and the compromises and releases to be effected on the Plan Implementation Date are deemed to occur and to be effected in the sequential order contemplated by Section 12.3 of the Plan, as amended by any Plan Transactions Notices, on the Plan Implementation Date, beginning at the Effective Time or at such other time, times or manner as may be determined in accordance with the Plan;
- (m) declare that all right, title and interest in and to the Core Business Assets (other than the Core GP Assets) have vested absolutely in Newco and all right, title and interest in and to the Core GP Assets have vested absolutely in the Newco Subsidiaries, free and clear of all Encumbrances, other than Core Business Creditor Claims, in accordance with the HII/Shareco Sanction and Vesting Order;
- (n) compromise, discharge and release the Released Parties from any and all Affected Claims of any nature in accordance with the Plan, and declare that the ability of any Person to proceed against the Released Parties in respect of or relating to any Affected Claims shall be forever discharged and restrained, and all proceedings with respect to, in connection with or relating to such Affected Claims be permanently stayed, subject only to the right of Affected Creditors to receive distributions pursuant to the Plan in respect of their Affected Claims;
- (o) declare that any Affected Claim for which a Proof of Claim has not been filed by the Claims Bar Date in accordance with the Claims Process Order shall be forever barred and extinguished;
- (p) declare that the Stay of Proceedings and protections under the Initial Order be extended to, and including, the Final Distribution Date and, in addition to the parties currently protected thereunder, shall extend to the benefit of the Released Parties;

- (q) deem the remaining Directors of the HII Group Entities, including of the Petitioners, the Homco GPs, Homburg Baltic, Homburg US and Homburg Holdings (US) Inc. to have resigned without replacement on the Effective Time on the Plan Implementation Date other than the Continuing Directors who shall continue as Directors of amalgamated HII and who shall continue to receive the benefit of the Directors' Charge until the date of their resignation or deemed resignation;
- (r) declare that all distributions and payments by or at the direction of the Monitor, in each case on behalf of HII and Shareco, to the Affected Creditors with Proven Claims under the Plan are for the account of HII and Shareco and the fulfillment of their respective obligations under the Plan;
- (s) declare that the Monitor or its designate (i) shall hold the Newco Common Shares issued to it on the Initial Distribution Date in respect of an Affected Creditor's Disputed Claim in the Disputed Claims (Newco Shares) Reserve and (ii) shall hold in escrow the Newco Common Shares pursuant to Section 9.2 and shall have no authority to transfer Newco Common Shares to any Person other than in accordance with the Plan and that it shall have no personal liability relating to holding the Newco Common Shares in the Disputed Claims (Newco Shares) Reserve, including without limitation for any loss arising out of fluctuations in the market value of the Newco Common Shares while held in the Disputed Claims (Newco Shares) Reserve, other than its obligation to transfer shares from the Disputed Claims (Newco Shares) Reserve pursuant to and in accordance with the Plan;
- (t) declare that the Monitor shall not incur any liability under the Tax Statutes in respect of its making any payments, ordered or permitted under the HII/Shareco Sanction and Vesting Order and is thereby forever released, remised and discharged from any Claims against it under the Tax Statutes or otherwise at law, arising in respect of payments made under the Plan and the HII/Shareco Sanction and Vesting Order and any Claims of such nature are thereby forever barred;
- (u) declare that in no circumstances will the Monitor have any liability for any of the HII Group Entities' tax liabilities regardless of how or when such liability may have arisen;
- (v) the Monitor shall be authorized, in connection with the realization of any Non-Core Business Assets, the making of any payment or distribution or the taking of any step or transaction or performance of any function under or in connection with the Plan, to apply in its sole discretion to any Governmental Authority for any consent, authorization, certificate or approval in connection therewith;
- (w) declare that, in carrying out the terms of the HII/Shareco Sanction and Vesting Order and the Plan, (i) the Monitor shall benefit from all the protections given to it by the CCAA, the Initial Order and any other Order expanding the powers of the Monitor, and as an officer of the Court, including the Stay of Proceedings in its favour; (ii) the Monitor shall incur no liability or obligation as a result of carrying out the provisions of the HII/Shareco Sanction and Vesting Order and/or the Plan; (iii) the Monitor shall be entitled to rely on the books and records of the HII Group Entities and any information provided by any of the HII Group Entities without independent investigation and shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.
- (x) approve the constitution of the Liquidation Advisory Committee and authorize the Monitor to consult with and seek the approval of the Liquidation Advisory Committee as more particularly provided in the Plan;
- (y) approve the form of Monitor's Plan Implementation Date Certificate, and declare that upon the satisfaction or waiver of the Conditions Precedent to implementation of the Plan set out in Section 14.4, the Monitor shall file the Monitor's Plan Implementation Date Certificate;
- (z) provide for the creation of the Plan Charges which shall survive the Plan Implementation Date in the order of priority set out in the Plan:
- (aa) approve the form of Monitor's Plan Completion Certificate, and declare that the Monitor, in its capacity as Monitor, upon completion of its duties to effect distributions in accordance with the Plan, shall file with the Court the Monitor's Plan Completion Certificate stating that all of its duties under the Plan and the Orders have been completed and thereupon, Deloitte shall be deemed to be discharged from its duties as Monitor of the HII Group Entities in the CCAA Proceedings and released of all claims relating to its activities as Monitor, the Liquidation Advisory Committee shall be discharged and the Plan Charges shall be released;
- (bb) approve the Monitor's form of Notice of Final Distribution;
- (cc) authorize the Monitor (at its sole election) to seek an order of any court of competent jurisdiction to recognize the Plan and the HII/Shareco Sanction and Vesting Order and to confirm the Plan and the HII/Shareco Sanction and Vesting Order as binding and effective in any appropriate foreign jurisdiction; and
- (dd) declare that HII and the Monitor may apply to the Court from time to time for advice and direction in respect of any matters arising from or under the Plan, including without limitation regarding the distribution mechanics and the Plan Transactions.

### **14.3 Conditions Precedent to Catalyst Investment under the Plan**

The implementation of the Catalyst Investment under the Plan shall be conditional upon:

- (a) the fulfilment or waiver, where applicable, of the Catalyst Conditions Precedent under and in accordance with Section 7(b) of the Restated Catalyst Support Agreement;
- (b) the fulfilment or waiver, where applicable, of the Mutual Conditions Precedent under and in accordance with Section 7(a) of the Restated Catalyst Support Agreement; and
- (c) the fulfilment or waiver, where applicable, of the HII Conditions Precedent under and in accordance with Section 7(c) of the Restated Catalyst Support Agreement.

### **14.4 Conditions Precedent to Implementation of the Plan**

The implementation of the Plan shall be conditional upon the fulfilment or waiver, where applicable, of the following conditions precedent on or before the Effective Time or the date specified therefor, provided however that any waiver of Sections 14.4(a), (b), (c), (f), (g), and (h) shall require the consent of Catalyst acting reasonably (collectively the “**Conditions Precedent**”):

- (a) 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) The HII/Shareco Meeting Order shall have been granted by the Court;
- (d) 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;
- (e) 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 without limitation:
  - (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;
- (f) 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;
- (g) The Plan shall have been approved by the Required Majority of the Affected Creditors in the Unsecured Creditors’ Class at the HII/Shareco Creditors’ Meeting; and
- (h) 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 for greater certainty, shall be in full force and effect and not reversed, stayed, varied, modified, or amended.

### **14.5 Monitor’s Certificate**

Upon delivery of written notice from HII of the fulfilment or waiver of the conditions precedent to implementation of the Plan as set out in Section 14.4 of the Plan, the Monitor shall deliver the Monitor’s Plan Implementation Date Certificate to HII. Following the Plan Implementation Date, the Monitor shall file such certificate with the Court and shall post a copy of same on the Website.

## **ARTICLE 15 GENERAL**

### **15.1 Binding Effect**

On the Plan Implementation Date:

- (a) the Plan will become effective at the Effective Time and the Plan Transactions will be implemented;
- (b) the treatment of Affected Claims under the Plan shall be final and binding for all purposes and enure to the benefit of the HII Group Entities, all Affected Creditors, the Released Parties, the Named Directors and all other Persons and Parties named or referred to in, or subject to, the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;

- (c) all Affected Claims shall be and shall be deemed to be forever discharged and released, excepting only the obligations to make distributions in respect of such Affected Claims in the manner and to the extent provided for in the Plan;
- (d) each Person named or referred to in, or subject to the Plan, will be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety; and
- (e) each Person named or referred to in, or subject to the Plan, shall be deemed to have executed and delivered to HII all consents, releases, directions, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety.

## **15.2 Waiver of Defaults**

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the HII Group Entities then existing or previously committed by the HII Group Entities, or caused by the HII Group Entities, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, lease, guarantee, agreement for sale, deed, licence, permit or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and any of the HII Group Entities arising directly or indirectly from the filing by the HII Group Entities under the CCAA and the implementation of the Plan (including the Reorganization Transaction) and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under any such agreement shall be deemed to have been rescinded and of no further force or effect, provided that nothing shall be deemed to excuse the HII Group Entities from performing their obligations under the Plan or be a waiver of defaults by the HII Group Entities under the Plan and the related documents. This Section does not affect the rights of any Person to pursue any recoveries for a Claim that may be obtained from a guarantor (other than an HII Group Entity) and any security granted by such guarantor. For greater certainty, nothing in this Section shall affect the rights of the Bond 6 Claim Holders to receive distributions under the Homco 61 Plan in respect of the Bond 6 Homco 61 Claim. Notwithstanding anything in this Section 15.2, Catalyst shall not be deemed to have waived any breach by HII, Shareco or Homco 61 LP of any of their respective obligations under the Restated Catalyst Support Agreement.

## **15.3 Claims Bar Date**

Nothing in the Plan extends or shall be interpreted as extending or amending the Claims Bar Date, or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Process Order.

## **15.4 Deeming Provisions**

In the Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

## **15.5 Non-Consummation**

HII and Shareco reserve the right to revoke or withdraw the Plan at any time prior to the Plan Sanction Date with the consent of the Monitor. If HII and Shareco revoke or withdraw the Plan, or if the HII/Shareco Sanction and Vesting Order is not issued or if the Plan Implementation Date does not occur, (a) the Plan shall be null and void in all respects, (b) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain any Claim), or any document or agreement executed pursuant to the Plan shall be deemed null and void, and (c) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall (i) constitute or be deemed to constitute a waiver or release of any Claims by or against HII, Shareco or any other Person; (ii) prejudice in any manner the rights of HII or Shareco or any other Person in any further proceedings involving HII or Shareco; or (iii) constitute an admission of any sort by HII or Shareco or any other Person.

## **15.6 Modification of the Plan**

- (a) HII and Shareco reserve the right, at any time and from time to time, with the consent of the Monitor and Catalyst, acting reasonably, both prior to and during the HII/Shareco Creditors' Meeting or after the HII/Shareco Creditors' Meeting, to amend, restate, modify and/or supplement the Plan; provided (i) if made prior to or at the HII/Shareco Creditors' Meeting, such amendment, restatement, modification or supplement shall be communicated to the Affected Creditors in the manner required by the HII/Shareco Meeting Order, and (ii) if made following the HII/Shareco Creditors' Meeting, such amendment, restatement, modification or supplement shall be approved by the Court following notice to the Affected Creditors.
- (b) Notwithstanding Section 15.6(a), any amendment, restatement, modification or supplement to the Plan may be made by HII and Shareco with the consent of Catalyst, acting reasonably, and the Monitor, or pursuant to an Order, at any time and from time to time, provided that it concerns a matter which, in the opinion of HII and Shareco, acting reasonably, is of an administrative nature required to better give effect to the implementation of the Plan and the HII/Shareco Sanction and Vesting Order or to cure any errors, omissions or ambiguities and is not materially adverse to the financial or economic interests of the Affected Creditors.

- (c) Any amended, restated, modified or supplementary Plan or Plans filed with the Court and, if required by this Section, approved by the Court, shall, for all purposes, be and be deemed to be a part of, and incorporated, in the Plan.

### **15.7 Paramountcy**

Except with respect to the Unaffected Claims, from and after the Effective Time on the Plan Implementation Date, any conflict between:

- (a) the Plan; and
- (b) the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, bylaws of the HII Group Entities, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between any Person and the HII Group Entities as at the Plan Implementation Date;

will be deemed to be governed by the terms, conditions and provisions of the Plan and the HII/Shareco Sanction and Vesting Order, which shall take precedence and priority.

### **15.8 Severability of Plan Provisions**

If, prior to the Plan Sanction Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of HII and Shareco and with the consent of the Monitor, shall have the power to either (a) sever such term or provision from the balance of the Plan and provide HII and Shareco with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date, or (b) alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, and provided that HII and Shareco proceed with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

### **15.9 Responsibilities of the Monitor**

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings with respect to the HII Group Entities and not in its personal or corporate capacity, for any and all acts, or decisions to not act in the context of the realization of the Non-Core Business Assets, whether same occurs before or after the Plan Implementation Date. The Monitor is acting and will continue to act in its capacity as Monitor in the CCAA Proceedings with respect to the HII Group Entities and not in its personal and corporate capacity while establishing and administering the Cash Reserves (including any adjustments with respect to same), opening a DRS Account, holding the Non-Core Business Asset Notes, selecting a Trading Platform and establishing any of the Distribution Date, Materials Record Date, Effective Time or the timing or sequence of the Plan Transactions. The Monitor will not be responsible or liable for any obligations of the Homburg Group Members, including with respect to the payment of any of the Administrative Reserve Costs, Litigation Reserve Costs and the KERP Claim, and the making of distributions or the receipt of any distribution by an Affected Creditor pursuant to the Plan. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the HII/Shareco Meeting Order, the HII/Shareco Sanction and Vesting Order, and any other Order made in the CCAA Proceedings.

### **15.10 Different Capacities**

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Person in writing or unless its Claims overlap or are otherwise duplicative.

### **15.11 Notices**

Any notice of other communication to be delivered hereunder must be in writing and reference the Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail or by facsimile or email addressed to the respective Parties as follows:

If to HII and Shareco:

Homburg Invest Inc. and Homburg Shareco Inc.  
32 Akerley Boulevard  
Dartmouth, Nova Scotia  
B3B 1N1

Attention: Mr. Jan Schöningh, President and Chief Executive Officer and Mr. James F. Miles,  
Chief Financial Officer

Fax: (514) 841-9618

Email: jschoningh@hinvest.ca / jmiles@hinvest.ca



with a copy to:

Osler, Hoskin & Harcourt LLP  
1000 De la Gauchetiere Street West  
Suite 2100  
Montreal, Quebec  
H3B 4W5

Attention: Mr. Vitale Santoro and Ms Sandra Abitan  
Fax: (514) 904-8101  
Email: vsantoro@osler.com / sabitan@osler.com

If to a Creditor:

to the address or facsimile number or email address for such Creditor specified in the Proof of Claim or Letter of Instruction filed by such Creditor;

If to the Monitor:

Samson Belair/Deloitte & Touche Inc.  
1 Place Ville Marie  
Suite 3000  
Montreal, Quebec  
H3B 4T9

Attention: Mr. Pierre Laporte and Mr. Jean-Francois Nadon  
Fax: (514) 390-4103  
Email: pilaporte@deloitte.ca / jnadon@deloitte.ca

with a copy to:

McCarthy Tetrault LLP  
1000 De la Gauchetiere Street West  
Suite 2500  
Montreal, Quebec  
H3B OA2

Attention: Mr. Mason Poplaw and Mr. Clemens Mayr  
Fax: (514) 875-6246  
Email: mpoplaw@mccarthy.ca / cmayr@mccarthy.ca

If to Catalyst:

The Catalyst Capital Group Inc.  
77 King Street West  
Royal Trust Tower  
TD Bank Centre  
Suite 4320, PO Box 212  
Toronto, Ontario  
M5K 1J3

Attention: Mr. Gabriel De Alba  
Fax: (416) 945-3060  
Email: gdealba@catcapital.com

with a copy to:

McMillan LLP  
1000 Sherbrooke Street West  
Suite 2700  
Montreal, Quebec  
H3A 3G4

Attention: Mr. Max Mendelsohn / Mr. Marc-André Morin  
Fax: (514) 987-1213  
Email: max.mendelsohn@mcmillan.ca / marc-andre.morin@mcmillan.ca

or to such other address as any party may from time to time notify the others in accordance with this Section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, faxed or sent before 5:00 p.m. on such day.

Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

**15.12 Further Assurances**

Each of the Persons named or referred to in, or subject to, the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

**DATED** as of the 3<sup>rd</sup> day of May, 2013.

## SCHEDULE "B"

### PRE-PLAN IMPLEMENTATION DATE TRANSACTIONS

The following Pre-Plan Implementation Date Transactions shall be effected, without any further act, or formality being taken and as shall be approved by the HII/Shareco Sanction and Vesting Order prior to the Plan Implementation Date:

- (a) Incorporation of Newco and Newco Subsidiaries:
  - (i) HII shall lend to the Incorporation Foundation the Newco Incorporation Loan, the loan proceeds of which shall be used by the Incorporation Foundation to subscribe for the initial preference shares of Newco;
  - (ii) The Incorporation Foundation shall incorporate Newco under the laws of the Netherlands by subscribing for preference shares for the subscription price of EUR225,000;
  - (iii) Newco shall have such characteristics (including capital structure, protective measures and governance) as shall be appropriate in view of its size, the Trading Platform on which its shares are traded and its activities and as shall protect Newco and its stakeholders against undue interference, all in accordance with Applicable Law;
  - (iv) Newco shall adopt such governance policies and measures as are necessary to comply with (A) the Alternative Investment Fund Managers Directive and the regulations thereunder, and (B) the Dutch Corporate Governance Code, to the extent that such compliance does not conflict with the terms of the Restated Catalyst Support Agreement or is otherwise unanimously agreed to by the Newco Initial Supervisory Board;
  - (v) Newco shall incorporate two subsidiaries to receive the Core GP Assets; and
  - (vi) For greater certainty, if the Restated Catalyst Support Agreement is validly terminated prior to the Plan Implementation Date, Catalyst shall have no representation on the Newco Initial Supervisory Board or the Newco Management Board;
- (b) Collapsing of BV Preferred Share Structure:
  - (i) Each BV Preferred Shareholder shall transfer its preferred shares of a Core BV to its respective co-shareholder Homco other than the BV Preferred Shareholders of Coët BV and Valbonne 2 BV;
  - (ii) Hofer Corporation NV shall transfer its preferred shares of Valbonne 2 BV to Stichting Coeval; and
  - (iii) Torvël BV shall transfer its preferred shares of Coët BV to Stichting Coeval; and
- (c) Voluntary Bankruptcies: In their discretion, HII and the Monitor may determine whether any Homburg Group Member is an Insolvent Person, and shall cause it to file an assignment into bankruptcy under the BIA or similar step under foreign bankruptcy legislation, naming Deloitte or any other Person as Trustee in Bankruptcy as applicable; and
- (d) Core BV's Upstream Loans: In their discretion, HII and the Monitor may determine to repay or satisfy a Core BV's intercompany loans or advances owing from its sole common shareholder Core Homco, including without limitation by way of return of capital, dividend in kind, payment, set-off and forgiveness of debt;
- (e) HII Downstream Loans: In their discretion, HII and the Monitor may determine to convert HII downstream loans or advances owing from Core Homcos into units of such Core Homcos; and
- (f) Information Circular: HII shall prepare the Information Circular and shall cause the Information Circular to be sent or otherwise made available to the Affected Creditors in accordance with the HII/Shareco Meeting Order and any other Persons as may be required by the Court or under Applicable Law.

## SCHEDULE "D"

### HOMCOS

HII is the sole limited partner of the following Homcos:

<u>Defined Term</u>	<u>Meaning</u>
"Homco 52 LP" .....	Homco Realty Fund (52) Limited Partnership
"Homco 61 LP" .....	Homco Realty Fund (61) Limited Partnership
"Homco 69 LP" .....	Homco Realty Fund (69) Limited Partnership
"Homco 70 LP" .....	Homco Realty Fund (70) Limited Partnership
"Homco 71 LP" .....	Homco Realty Fund (71) Limited Partnership
"Homco 72 LP" .....	Homco Realty Fund (72) Limited Partnership
"Homco 73 LP" .....	Homco Realty Fund (73) Limited Partnership
"Homco 74 LP" .....	Homco Realty Fund (74) Limited Partnership
"Homco 76 LP" .....	Homco Realty Fund (76) Limited Partnership
"Homco 83 LP" .....	Homco Realty Fund (83) Limited Partnership
"Homco 84 LP" .....	Homco Realty Fund (84) Limited Partnership
"Homco 85 LP" .....	Homco Realty Fund (85) Limited Partnership
"Homco 86 LP" .....	Homco Realty Fund (86) Limited Partnership
"Homco 87 LP" .....	Homco Realty Fund (87) Limited Partnership
"Homco 88 LP" .....	Homco Realty Fund (88) Limited Partnership
"Homco 89 LP" .....	Homco Realty Fund (89) Limited Partnership
"Homco 92 LP" .....	Homco Realty Fund (92) Limited Partnership
"Homco 94 LP" .....	Homco Realty Fund (94) Limited Partnership
"Homco 96 LP" .....	Homco Realty Fund (96) Limited Partnership
"Homco 98 LP" .....	Homco Realty Fund (98) Limited Partnership
"Homco 102 LP" .....	Homco Realty Fund (102) Limited Partnership
"Homco 105 LP" .....	Homco Realty Fund (105) Limited Partnership
"Homco 110 LP" .....	Homco Realty Fund (110) Limited Partnership
"Homco 112 LP" .....	Homco Realty Fund (112) Limited Partnership
"Homco 113 LP" .....	Homco Realty Fund (113) Limited Partnership
"Homco 114 LP" .....	Homco Realty Fund (114) Limited Partnership
"Homco 115 LP" .....	Homco Realty Fund (115) Limited Partnership
"Homco 116 LP" .....	Homco Realty Fund (116) Limited Partnership
"Homco 117 LP" .....	Homco Realty Fund (117) Limited Partnership
"Homco 118 LP" .....	Homco Realty Fund (118) Limited Partnership
"Homco 119 LP" .....	Homco Realty Fund (119) Limited Partnership
"Homco 120 LP" .....	Homco Realty Fund (120) Limited Partnership
"Homco 121 LP" .....	Homco Realty Fund (121) Limited Partnership
"Homco 122 LP" .....	Homco Realty Fund (122) Limited Partnership
"Homco 123 LP" .....	Homco Realty Fund (123) Limited Partnership
"Homco 142 LP" .....	Homco Realty Fund (142) Limited Partnership

**APPENDIX C**  
**HII/SHARECO MEETING ORDER**



**SUPERIOR COURT  
(Commercial Division)**

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL  
No.: 500-11-041305-117  
DATE: April 29, 2013

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**PRESIDING: THE HONOURABLE LOUIS J. GOUIN, J.S.C.**

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***IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF:  
HOMBURG INVEST INC.  
HOMBURG SHARECO INC.***

Debtors/Petitioners

- and -

**CHURCHILL ESTATES DEVELOPMENT LTD.  
INVERNESS ESTATES DEVELOPMENT LTD.  
CP DEVELOPMENT LTD.  
NORTH CALGARY LAND LTD.  
HOMBURG MANAGEMENT (CANADA) INC.**

Debtors

- and -

**HOMCO REALTY FUND (52) LIMITED PARTNERSHIP  
HOMCO REALTY FUND (61) LIMITED PARTNERSHIP  
HOMCO REALTY FUND (83) 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.**

Mises-en-cause

- and -

**STICHTING HOMBURG CAPITAL SECURITIES**

Respondent

- and -

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

Monitor

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**ORDER FOR THE CONVENING, HOLDING AND CONDUCT OF THE HII/SHARECO  
CREDITORS' MEETING AND GRANTING OTHER RELIEF**

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[1] The Petitioners present a *Re-amended motion for an order for the convening, holding and conduct of the HII/Shareco Creditors' Meeting and other relief* dated April 26, 2013 (the "**Motion**") pursuant to sections 4, 5, 9, 10 and 11 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 ("**CCAA**");

[2] **CONSIDERING** the Motion and affidavit in support thereof, and the representations of counsel;

[3] **CONSIDERING** the Monitor's Twenty Second Report dated April 25, 2013 and the Monitor's Supplemental Twenty Second Report dated April 28, 2013;

[4] **CONSIDERING** the provisions of the CCAA;

**FOR THESE REASONS, THE COURT:**

1. **GRANTS** the *Re-amended motion for an order for the convening, holding and conduct of the HII/Shareco Creditors' Meeting and other relief* (the "**Motion**");

**SERVICE**

2. **DECLARES** that the Motion was duly served, that the notices of presentation of the Motion are sufficient and **DISPENSES** the Petitioners from any additional notice requirements;

**DEFINITIONS**

3. **ORDERS** that the following terms shall have the following meanings ascribed thereto:

- (a) "**ABCA**" means the *Alberta Business Corporations Act*, R.S.A. 2000, c. B-9, as amended;
- (b) "**Additional Information**" has the meaning set forth at paragraph 14 hereto;
- (c) "**Administration Charge**" means the charge created by paragraph 42 of the Initial Order in favour of the Monitor (including in its capacity as a Trustee in Bankruptcy), the Monitor's legal counsel, the Petitioners' legal counsel and other advisors over the Charged Property, and having the priority provided in paragraphs 43 and 44 of the Initial Order, and as confirmed, amended and continued for the benefit of the Monitor and its legal counsel and other advisors pursuant to the HII/Shareco Sanction and Vesting Order;
- (d) "**Affected Claim**" means any Claim against HII, Shareco, Homco Realty Fund (190) Limited Partnership, Homco Realty Fund (191) Limited Partnership and Homco Realty Fund (199) Limited Partnership and includes any Intercompany Claims only against HII and Shareco (but

excluding the Homco 190 Loan, the Homco 191 Loan and the Homco 199 Loan, as each such term is defined in the Plan), but excludes the Unaffected Claims and the Equity Claims;

- (e) **"Affected Creditor"** means a Corporate Creditor, Non-Corporate Creditor or a Convenience Class Creditor holding an Affected Claim;
- (f) **"Aggregate Newco Common Shares Final Cash-Out Amount"** means an amount equal to the number of Newco Common Shares to which Electing Creditors are entitled in respect of all Affected Claims that have become Proven Claims in whole or in part within twelve (12) months following the Plan Implementation Date, multiplied by the Newco Common Shares Cash-Out Price;
- (g) **"Amended and Restated Plan"** means the Original Plan as amended and restated and filed by HII and Shareco with the Court on April 25, 2013;
- (h) **"Applicable Law"** means, in respect of any Person, property, transaction, event or other matter, any law, statute, regulation, code, ordinance, principle of common law or equity, municipal by-law, treaty or Order, domestic or foreign, applicable to that Person, property, transaction, event or other matter and all applicable requirements, requests, official directives, rules, consents, approvals, authorizations, guidelines, and policies, in each case, having the force of law, of any Governmental Authority having or purporting to have authority over that Person, property, transaction, event or other matter and regarded by such Governmental Authority as requiring compliance;
- (i) **"Applicant Partnerships"** has the meaning ascribed thereto in the Motion;
- (j) **"Asset Realization Cash Pool"** has the meaning ascribed thereto in the Plan;
- (k) **"Bond 5 Claim"** has the meaning ascribed thereto in the Plan;
- (l) **"Bond 5 Claim Holders"** has the meaning ascribed thereto in the Plan;
- (m) **"Bond 5 Unsecured Claim"** has the meaning ascribed thereto in the Plan;
- (n) **"Bond 6 Claim Holders"** means, collectively, the holders of Series 6 bonds issued under the Bond 6 Indenture and **"Bond 6 Claim Holder"** means any one of them;
- (o) **"Bond 6 HII Claim"** means the amount of the Bond 6 Loan plus interest accruing thereon to the HII Filing Date;

- (p) **"Bond 6 HII Deficiency Claim"** means the aggregate Proven Claim for distribution purposes of the Bond 6 Claim Holders against HII under the Plan which shall be deemed to be an amount equal to the Bond 6 HII Claim net of the Bond 6 Homco 61 Recovered Amount;
- (q) **"Bond 6 Homco 61 Claim"** means the aggregate Proven Claim of the Bond 6 Claim Holders against Homco 61 LP arising under the Homco 61 Guarantee for voting and distribution purposes under the Homco 61 Plan, which shall be deemed to be in the amount of Cdn\$47,146,111 (being principal plus interest accrued as at the Homco 61 Filing Date);
- (r) **"Bond 6 Homco 61 Recovered Amount"** means the aggregate of all Bond 6 Claim Holders' *pro rata* shares of the HII Homco 61 Distribution recovered by such Bond 6 Claim Holders under the Homco 61 Plan on account of the Bond 6 Homco 61 Claim;
- (s) **"Bond 6 Indenture"** means the Fourth Supplemental Indenture dated July 1, 2005 to the Trust Indenture dated December 15, 2002 between Shareco and Stichting Homburg Bonds, as amended by the Special Supplemental Indenture to the Fourth Supplemental dated August, 2005 between Shareco and Stichting Homburg Bonds, and the Second Special Supplemental Indenture to the Fourth Supplemental dated November 30, 2007 between Shareco and Stichting Homburg Bonds;
- (t) **"Bond 6 Loan"** means the bonds issued by Shareco under the Bond 6 Indenture in the aggregate principal amount of EUR31,230,000 together with interest at the rate of 7.5% per annum;
- (u) **"Business Day"** means a day on which banks are open for business in the City of Montréal, Province of Québec, but does not include a Saturday, Sunday or a statutory holiday in the Province of Québec;
- (v) **"Capital Securities"** means the securities issued by HII under the Capital Securities Trust Indenture;
- (w) **"Capital Securities Holders"** means the holders of Capital Securities;
- (x) **"Capital Securities Claim"** means any Claim of a Capital Securities Holder or Stichting Homburg Capital Securities arising under or in connection with the Capital Securities;
- (y) **"Capital Securities Trust Indenture"** means the subordinated Trust Indenture dated as of February 28, 2009 between HII and Stichting Homburg Capital Securities as trustee;
- (z) **"Cash"** means cash, certificates of deposits, bank deposits, commercial paper, treasury bills and other cash equivalents;

- (aa) **"Cash Elected Amount"** means, in respect of an Affected Creditor for which a valid Convenience Class Claim Election has been made or deemed to have been made pursuant to and in accordance with the Plan, the Canadian dollar amount that is equal to 35 per cent of such Affected Creditor's Convenience Class Claim that is a Proven Claim;
- (bb) **"Cash-Out Election Form"** means a portion of the Proxy, substantially in the form attached hereto as Schedule "B", pursuant to which an Affected Creditor (other than a Convenience Class Creditor) can elect the Newco Common Shares Cash-Out Option and be thereby deemed to vote in favour of the Plan and receive a *pro rata* share of the Aggregate Newco Common Shares Final Cash-Out Amount, and their Pro Rata Share of the Cash Pool and the Asset Realization Cash Pool and no other entitlements under the Plan;
- (cc) **"Cash Pool"** has the meaning ascribed thereto in the Plan;
- (dd) **"Catalyst"** means The Catalyst Capital Group Inc., on behalf of funds managed by it;
- (ee) **"Catalyst Break Fee"** means the break fee payable by the HII Group Entities to Catalyst under the Restated Catalyst Support Agreement upon termination of such agreement following acceptance by HII of a Superior Offer within the meaning of such agreement, in an amount equal to EUR 2,137,500;
- (ff) **"CCAA"** means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;
- (gg) **"CCAA Charges"** means the Administration Charge and the Directors' Charge;
- (hh) **"CCAA Proceedings"** means the proceedings under the CCAA in respect of the HII Group Entities commenced pursuant to the Initial Order;
- (ii) **"Chair"** has the meaning set forth in paragraph 35 hereof;
- (jj) **"Charged Property"** means the present and future assets, rights, undertakings and properties of every nature and kind whatsoever and wherever situated, including all proceeds thereof, of the Petitioners;
- (kk) **"Claim"** means any right or claim of any Person, whether or not asserted, in connection with any Indebtedness, liability or obligation of any kind whatsoever, whether reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, by Guarantee, by surety, by warranty or otherwise, and whether or not such right is executory or anticipatory in



nature, including without limitation, any claim arising from or caused by the termination, disclaimer, rescission, assignment or repudiation of any contract, lease or other agreement, whether written or oral, the commission of a tort (intentional or unintentional), any breach of duty (including without limitation, any legal, statutory, equitable or fiduciary duty), any right of ownership of or title to property, employment, contract, a trust or deemed trust, howsoever created or any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any grievance, matter, action, cause or chose in action, whether existing at present or commenced in the future, based in whole or in part on facts which existed on the HII Filing Date (including a Claim which relates to any time period prior to the HII Filing Date), together with any other claims of any kind that, if unsecured, would constitute a debt provable in bankruptcy within the meaning of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and for greater certainty, a "Claim" shall include any Equity Claim, Intercompany Claim, Restructuring Claim and Subsequent Restructuring Claim, the Corporate Bond Claims, the Capital Securities Claims, the Mortgage Bond Claims, the Taberna Claim, the Shareco Creditor Claims, any Core Business Creditor Claim (as defined in the Plan) and any Non-Core Business Entity Creditor Claim (as defined in the Plan);

- (ll) "Claims Bar Date" has the meaning ascribed to it in the Claims Process Order;
- (mm) "Claims Process Order" means the Order of the Court made April 30, 2012 approving and implementing the claims process in respect of the HII Group Entities as further amended, restated or varied from time to time;
- (nn) "Convenience Class Claim" means one or more Affected Claims of an Affected Creditor 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 has made or been deemed to have made a Convenience Class Claim Election, pursuant to and in accordance with the Plan;
- (oo) "Convenience Class Claim Declaration" means an election form, substantially in the form attached hereto as Schedule "C", pursuant to which an Affected Creditor with one or more Affected Claims that were less than or equal to Cdn\$10,000 in the aggregate as at the Claims Bar Date may (i) make a Convenience Class Claim Election, (ii) make a Newco Common Shares Cash-Out Option Election, or (iii) make an election to be treated as an Affected Creditor (other than a Convenience Class Creditor or as an Electing Creditor) under the Plan, and thereby be entitled to vote their Voting Claims at the HII/Shareco Creditors' Meeting in respect of the Plan and to receive the rights and distributions provided for under and pursuant to the Plan;

- (pp) **"Convenience Class Claim Election"** means an election or deemed election pursuant to which an Affected Creditor with one or more Affected Claims that were less than or equal to Cdn\$10,000 in the aggregate as at the Claims Bar Date has elected by the Election/Proxy Deadline or been deemed to elect to receive only the Cash Elected Amount and is thereby deemed to vote in favour of the Plan in respect of such Affected Claims and to receive no other entitlements under the Plan;
- (qq) **"Convenience Class Creditor"** means a Person having a Convenience Class Claim;
- (rr) **"Corporate Bonds"** means the bonds issued by HII under the Corporate Bond Trust Indenture;
- (ss) **"Corporate Bondholders"** means the holders of Corporate Bonds;
- (tt) **"Corporate Bond Claim"** means any Claim of a Corporate Bondholder or Stichting Homburg Bonds arising under or in connection with the Corporate Bonds;
- (uu) **"Corporate Bond Trust Indenture"** means, collectively, a Trust Indenture dated as of May 31, 2006, between HII and Stichting Homburg Bonds, a Supplemental Indenture dated as of October 31, 2006, between HII and Stichting Homburg Bonds, a Second Supplemental Indenture dated as of December 21, 2006 between HII and Stichting Homburg Bonds, a Third Supplemental Indenture dated as of February 15, 2007 between HII and Stichting Homburg Bonds, and a Fourth Supplemental Indenture dated as of January 15, 2008 between HII and Stichting Homburg Bonds;
- (vv) **"Corporate Creditor"** means a Person having a Corporate Creditor Claim, other than a Convenience Class Creditor;
- (ww) **"Corporate Creditor Claim"** means the Bond 5 Unsecured Claim, the Bond 6 HII Deficiency Claim, the Corporate Bond Claims, the Mortgage Bond Trust Indenture Unsecured Claim, the Taberna Claim, the Capital Securities Claims, and such other Claim against HII and Shareco that HII and Shareco in consultation with the Monitor shall determine from time to time should be categorized as a Corporate Creditor Claim up to and including the Plan Implementation Date;
- (xx) **"Corporate Indenture Trustees"** means, collectively, Stichting Homburg Capital Securities, Stichting Homburg Bonds and Wells Fargo in their respective capacities as trustees under the Corporate Indentures;
- (yy) **"Corporate Indentures"** means, collectively, the Mortgage Bond Trust Indenture, the Corporate Bond Trust Indenture, the Taberna Indentures and the Capital Securities Trust Indenture;

- (zz) **"Court"** means the Superior Court of Québec (Commercial Division) or any appellate court seized with jurisdiction in the CCAA Proceedings, as the case may be;
- (aaa) **"Creditor"** means any Person asserting an Affected Claim or an Unaffected Claim and may, where the context requires, include the assignee of such Claim or a personal representative, agent, mandatary, trustee, interim receiver, receiver, receiver and manager, liquidator or other Person acting on behalf of such Person;
- (bbb) **"Designated Newspapers"** has the meaning ascribed to in paragraph 15 hereof;
- (ccc) **"Directors' Charge"** means the charge granted pursuant to paragraph 26 of the Initial Order in favour of the Directors as such term is therein defined in the Charged Property to the extent of the aggregate amount of Cdn\$2,000,000 as security for the indemnity provided in paragraph 25 of the Initial Order, having the priority set out in paragraphs 43 and 44 of such Order which shall be amended in accordance with the terms of the Plan and the HII/Shareco Sanction and Vesting Order;
- (ddd) **"Disputed Claim"** means that portion of an Affected Claim of an Affected Creditor in respect of which a Proof of Claim has been filed in accordance with the Claims Process Order and any motion appealing any disallowance thereof has been made within the period required under the Claims Process Order, and which is the subject of negotiation with the Monitor or adjudication before the Court, and that at any particular time, has not been finally determined to be a Proven Claim in whole or in part, or is subject to a revision or disallowance that is contested in accordance with the Claims Process Order, the HII/Shareco Meeting Order, or other Order made in the CCAA Proceedings and as such is not a Proven Claim in whole or in part, and in the case of Disputed Claims of Electing Creditors, the face amount of any Disputed Claim of such Electing Creditor shall be deemed to be no greater than the face amount of such Claim as at April 26, 2013;
- (eee) **"Electing Creditor"** means an Affected Creditor who has validly elected the Newco Common Shares Cash-Out Option in its Cash-Out Election Form or the Convenience Class Claim Declaration;
- (fff) **"Election/Proxy Deadline"** shall have the meaning ascribed thereto in paragraph 44 hereof;
- (ggg) **"Election Period"** means the date from the mailing of the HII/Shareco Meeting Materials to the Election/Proxy Deadline;
- (hhh) **"Equity Claim"** shall have the meaning ascribed thereto in Section 2 of the CCAA;

- (iii) **"Excluded Claim"** means (i) any Claim secured by the CCAA Charges, (ii) the KERP Claims, (iii) Claims in respect of Administrative Reserve Costs (as defined in the Plan), (iv) any Claim which cannot be compromised under the terms of the CCAA, and (v) any other Claim ordered by the Court to be treated as an Excluded Claim;
- (jii) **"Final Order"** means a final Order of the Court, the implementation, operation or effect of which shall not have been stayed, varied, vacated or subject to pending appeal and as to which Order any appeal periods relating thereto shall have expired;
- (kkk) **"Governmental Authority"** means any domestic or foreign government, including any federal, provincial, state, territorial or municipal government, and any governmental department, body, ministry, agency, tribunal, commission, board, court, bureau or other authority exercising or purporting to exercise executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government including without limitation any Taxing Authority, the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) and the Netherlands Central Bank (*De Nederlandsche Bank*);
- (lll) **"Guarantee"** of a Person means any Liability of that Person under any guarantee, agreement, endorsement (other than for collection or deposit in the ordinary course of business of that Person), discount with recourse or other obligation to pay, purchase, repurchase or otherwise be or become liable or obligated upon or in respect of any Indebtedness of any other Person to indemnify and hold harmless any Person from or against any losses, liabilities or damages, in circumstances intended to enable the Person to incur or pay any Indebtedness or to comply with any agreement relating thereto or otherwise to assure or protect Creditors against loss in respect of the Indebtedness;
- (mmm) **"HII"** means Homburg Invest Inc., a corporation incorporated under the ABCA including any successors by amalgamation;
- (nnn) **"HII Filing Date"** means September 9, 2011;
- (ooo) **"HII Group"** means, collectively, the Petitioners, the Applicant Partnerships, and Castello Development Ltd.;
- (ppp) **"HII Group Entity"** means any member of the HII Group;
- (qqq) **"HII Homco 61 Distribution"** means the aggregate value of all non-Cash and Cash distributions made to Homco 61 LP under the Plan on account of the Homco 61 Net Intercompany Claim (for greater certainty being its Pro Rata Share of the Newco Common Shares, the Cash Pool and the Asset Realization Cash Pool);

- (rrr) **"HII Loan"** means the loan by HII to Homco 61 LP evidenced by the Homco 61 Note, in the amount of Cdn\$65,197,177 as at the HII Filing Date (and as at the Homco 61 Filing Date was Cdn\$71,597,837.15);
- (sss) **"HII/Shareco Canadian Creditors' Meeting"** means a meeting of the Affected Creditors called in Montréal, Québec, Canada convened simultaneously and forming one meeting with the HII/Shareco European Creditors' Meeting for the purpose of considering and voting in respect of the Plan pursuant to the CCAA, as the same may be adjourned or rescheduled, as the case may be;
- (ttt) **"HII/Shareco Creditors' Meeting"** means, collectively, the HII/Shareco Canadian Creditors' Meeting and the HII/Shareco European Creditors' Meeting;
- (uuu) **"HII/Shareco European Creditors' Meeting"** means a meeting of the Affected Creditors called in Utrecht, the Netherlands convened simultaneously and forming one meeting with the HII/Shareco Canadian Creditors' Meeting for the purpose of considering and voting in respect of the Plan pursuant to the CCAA, as the same may be adjourned or rescheduled, as the case may be;
- (vvv) **"HII/Shareco Meeting Materials"** has the meaning set forth at paragraph 13 hereof;
- (www) **"HII/Shareco Meeting Order"** means the Order issued by the Court in respect of the present Motion, as it may be amended by any further Order of the Court;
- (xxx) **"HII/Shareco Record Date"** has the meaning set forth in paragraph 33 hereof;
- (yyy) **"HII/Shareco Sanction and Vesting Order"** means the Order to be granted by the Court as contemplated under the Plan which, *inter alia*, approves and sanctions the Plan and the transactions contemplated thereunder and vests title in and to the Core Business Assets (other than the Core GP Assets) (as each such term is defined in the Plan) in Newco and the Core GP Assets in the Newco Subsidiaries (as defined in the Plan) respectively, free and clear of Encumbrances (as defined in the Plan) other than the Core Business Creditor Claims (as defined in the Plan) and grants the Plan Charges (as defined in the Plan), which shall be a Final Order;
- (zzz) **"HII/Shareco Sanction Hearing"** means the Court hearing of HII's and Shareco's motion in respect of the HII/Shareco Sanction Motion;
- (aaaa) **"HII/Shareco Sanction Motion"** has the meaning set forth at paragraph 59 hereof;



- (bbbb) **"Homburg Group Member"** means any body corporate or limited partnership directly or indirectly owned by HII wherever incorporated or formed;
- (cccc) **"Homco 61 LP"** means the Homco Realty Fund (61) Limited Partnership, a limited partnership formed under the Nova Scotia Limited Partnership Act;
- (dddd) **"Homco 61 Affected Claim"** means any Claim against Homco 61 LP including for greater certainty the Bond 6 Homco 61 Claim but excluding the Homco 61 Unaffected Claims and the Equity Claims;
- (eeee) **"Homco 61 Affected Creditor"** means a creditor with a Homco 61 Affected Claim, including for greater certainty a Bond 6 Claim Holder;
- (ffff) **"Homco 61 Affected Creditor HII Claim"** means an Affected Claim against HII pertaining to the same obligation as a Homco 61 Affected Claim whether by Guarantee or otherwise, including for greater certainty the Bond 6 HII Claim;
- (gggg) **"Homco 61 Affected Creditor HII Deficiency Claim"** means the aggregate Proven Claim of any holder of a Homco 61 Affected Creditor HII Claim for distribution purposes under the Plan, which shall be deemed to be an amount equal to each such holder's Homco 61 Affected Creditor HII Claim less its Homco 61 Recovered Amount, including for greater certainty the Bond 6 HII Deficiency Claim;
- (hhhh) **"Homco 61 Creditors' Meeting"** means the meeting or meetings of Homco 61 Affected Creditors to be called and held concurrently with the HII/Shareco Creditors' Meeting;
- (iiii) **"Homco 61 Filing Date"** means February 6, 2013;
- (jjjj) **"Homco 61 Guarantee"** means the guarantee of Shareco's obligation under the Bond 6 Indenture granted by Homco 61 LP in favour of Stichting Homburg Bonds dated as of July 1, 2005;
- (kkkk) **"Homco 61 Intercompany Claim"** means the aggregate gross amount owing by HII to Homco 61 LP as reflected in the books and records of HII in the amount of Cdn\$127,593,683 as at the HII Filing Date;
- (llll) **"Homco 61 Meeting Order"** has the meaning ascribed thereto in the Homco 61 Plan;
- (mmmm) **"Homco 61 Net Intercompany Claim"** means the amount of CDN\$62,396,506 being the amount of the Homco 61 Intercompany Claim, after reduction pursuant to set-off effected under the Plan by the amount of the HII Loan, and which amount shall be Homco 61 LP's

deemed Proven Claim for distribution purposes against HII under the Plan;

- (nnnn) **"Homco 61 Note"** means the demand promissory note dated July 4, 2005 evidencing the HII Loan issued by Homco 61 LP to HII and pledged by HII to Shareco as security for the Shareco Loan and subsequently assigned by Shareco;
- (oooo) **"Homco 61 Original Plan"** means the Plan of Compromise of Homco 61 dated April 25, 2013, as may be amended, restated, modified, and/or supplemented from time to time in accordance with its terms;
- (pppp) **"Homco 61 Plan"** means the Homco 61 Original Plan, as amended by the Homco 61 Restated Plan, and as may be amended, restated, modified and/or supplemented from time to time in accordance with its terms;
- (qqqq) **"Homco 61 Restated Plan"** means the restated plan of compromise of Homco 61 LP dated April 26, 2013;
- (rrrr) **"Homco 61 Proven Claim"** has the meaning ascribed thereto in the Homco 61 Plan;
- (ssss) **"Homco 61 Recovered Amount"** means the *pro rata* share of the HII Homco 61 Distribution recovered by a holder of a Homco 61 Affected Creditor HII Claim under the Homco 61 Plan on account of its Homco 61 Proven Claim, including for greater certainty the Bond 6 Homco 61 Recovered Amount;
- (ttt) **"Indebtedness"** of a Person means, without duplication:
- (i) all debts and liabilities of that Person for borrowed money;
  - (ii) all debts and liabilities of that Person representing the deferred acquisition cost of property and services; and
  - (iii) all Guarantees given by that Person;
- (uuuu) **"Information Circular"** means the information circular prepared by HII, on behalf of HII, Shareco and Homco 61 LP and any schedules or appendices thereto (including the Plan and the Homco 61 Plan), as may be amended, restated, or varied from time to time, together with any other documents required by the Court in connection with the calling and holding of the HII/Shareco Creditors' Meeting and the Homco 61 Creditors' Meeting to consider and approve the HII Plan and the Homco 61 Plan;

- (vvvv) **"Initial Order"** means the Initial Order made by the Court on September 9, 2011 in the CCAA Proceedings, as the same may be amended, restated or varied from time to time;
- (wwwww) **"Intercompany Claims"** means any Claim of HII or any Homburg Group Member against HII or any other Homburg Group Member, whether or not recorded in the usual and ordinary course in the books and records of the applicable Person;
- (xxxx) **"KERP Claim"** means any Claim of any Person under the KERPS;
- (yyyy) **"KERPS"** means the Key Employee Retention Plans approved by paragraph 32 of the Initial Order as amended and extended from time to time;
- (zzzz) **"Liabilities"** of a Person means all Indebtedness, obligations and other liabilities of that Person whether absolute, contingent, fixed or otherwise, or whether due or to be come due;
- (aaaaa) **"Monitor"** means Samson Bélair/Deloitte & Touche Inc., in its capacity as Court-appointed Monitor of the Petitioners;
- (bbbbb) **"Monitor's Report Regarding the HII/Shareco Creditors' Meeting"** has the meaning set forth at paragraph 58 hereof;
- (cccc) **"Mortgage Bondholders"** means holders of the Mortgage Bonds;
- (dddd) **"Mortgage Bonds"** means all series of bonds issued by Shareco under the Mortgage Bond Trust Indenture;
- (eeee) **"Mortgage Bond Claim"** any Claim of a Mortgage Bondholder or the Trustee arising under or in connection with the Mortgage Bonds;
- (ffff) **"Mortgage Bond Trust Indenture"** means, collectively, a Trust Indenture dated as of December 15, 2002, between Shareco and Stichting Homburg Bonds, a Second Supplemental Indenture dated as of November 30, 2004, between Shareco and Stichting Homburg Bonds, a Third Supplemental Indenture dated as of December 31, 2004, between Shareco and Stichting Homburg Bonds, a Fourth Supplemental Indenture dated as of July 4, 2005, between Shareco and Stichting Homburg Bonds, a Fifth Supplemental Indenture dated as of July 1, 2005, between Shareco and Stichting Homburg Bonds, a Special Supplemental Indenture to the Second Supplement dated as of November 5, 2012, between Shareco and Stichting Homburg Bonds, a Special Supplemental Indenture to the Third Supplement dated as of August, 2005, between Shareco and Stichting Homburg Bonds, a Special Supplemental Indenture to the Third Supplement dated as of November 5, 2012, between Shareco and Stichting Homburg Bonds, a Special Supplemental

Indenture to the Fourth Supplemental dated August, 2005, between Shareco and Stichting Homburg Bonds, a Second Special Supplemental Indenture to the Fourth Supplemental dated November 30, 2007, between Shareco and Stichting Homburg Bonds, and a Special Supplemental Indenture to the Fifth Supplement dated as of November 5, 2012, between Shareco and Stichting Homburg Bonds, all of which are governed by the laws of the Province of Nova Scotia, the obligations under which are secured by the Mortgage Bond Trust Indenture Security;

- (ggggg) **“Mortgage Bond Trust Indenture Security”** means the security and Guarantees, if any, granted by HII, Shareco and/or any Homburg Group Member to Mortgage Bondholders, determined by the Monitor or the Court to be valid and opposable;
- (hhhhh) **“Mortgage Bond Trust Indenture Unsecured Claim”** means the aggregate amount outstanding as at the HII Filing Date in respect of each series of Mortgage Bonds (including interest only accrued to the HII Filing Date) after realization on the Mortgage Bond Trust Indenture Security, as applicable, but excluding with respect to the Bond 5 Claim Holders and the Bond 6 Claim Holders respectively, the Bond 5 Unsecured Claim and the Bond 6 HII Deficiency Claim;
- (iiii) **“Newco”** means a closed end property investment company without a separate manager (*beleggingsmaatschappij zonder aparte beheerder*) to be formed under the laws of the Netherlands in the Pre-Plan Implementation Date Transactions (as defined in the Plan) for purposes of the Plan, including its subsidiaries if the context so requires;
- (jjjj) **“Newco Common Shares”** has the meaning ascribed thereto in the Plan;
- (kkkkk) **“Newco Common Shares Cash-Out Option”** means the option available for Affected Creditors (other than Convenience Class Creditors who have made a Convenience Class Claim Election) to receive, 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, an amount equal to such Affected Creditor’s *pro rata* share of the Aggregate Newco Common Shares Final Cash-Out Amount;
- (llll) **“Newco Common Shares Cash-Out Option Election”** means an election pursuant to which an Affected Creditor (other than a Convenience Class Creditor who has made a Convenience Class Claim Election) has validly elected by the Election/Proxy Deadline the Newco Common Shares Cash-Out Option in respect of all of its Pro Rata Share of the Newco Common Shares pursuant to its Cash-Out Election Form and is thereby deemed to vote in favour of the Plan in respect of such Electing Creditor’s Voting Claim;

- (mmmmm) **"Newco Common Shares Cash-Out Price"** means the finally determined price per Newco Common Share, for the benefit of Electing Creditors who validly make the Newco Common Shares Cash-Out Option Election (including for greater certainty Affected Creditors with Disputed Claims that become Proven Claims under the Plan who validly make such election), based on an aggregate maximum price of €95,000,000 for 100% of the total Newco Common Shares to which Affected Creditors with Proven Claims (for distribution purposes) after final resolution of all Disputed Claims (including for greater certainty Disputed Claims of Electing Creditors) become entitled;
- (nnnnn) **"Non-Corporate Creditor"** means a Person having a Non-Corporate Creditor Claim, other than a Convenience Class Creditor;
- (ooooo) **"Non-Corporate Creditor Claim"** means any unsecured Claim against HII that is not a Corporate Creditor Claim;
- (ppppp) **"Notice of HII/Shareco Creditors' Meeting and HII/Shareco Sanction Hearing"** means the notice informing the Affected Creditors of the HII/Shareco Creditors' Meeting and of the HII/Shareco Sanction Hearing, substantially in the form attached hereto as Schedule "A";
- (qqqqq) **"Order"** means any order of the Court, or any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority;
- (rrrrr) **"Original Plan"** means the joint Plan of Compromise and Reorganization of HII and Shareco under the CCAA and the Business Corporations Act (Alberta) dated February 5, 2013 and filed in the Court record on February 6, 2013;
- (sssss) **"Person"** is to be broadly interpreted and includes an individual, a partnership, a corporation, a trust, a joint venture, any Governmental Authority, any trade union, any employee association or any incorporated or unincorporated entity or association of any kind and nature and the executors, administrators or other representatives of an individual in such capacity;
- (ttttt) **"Petitioners"** has the meaning ascribed thereto in the Motion;
- (uuuuu) **"Plan"** means the Second Joint Amended and Restated Plan of Compromise and Reorganization filed by HII and Shareco under the CCAA and the ABCA, as such Plan may be amended, varied or supplemented from time to time by HII and Shareco and Catalyst acting reasonably, as approved by the Monitor, all in accordance with the terms thereof;

- (vvvvv) **"Plan Implementation Date"** has the meaning ascribed thereto in the Plan;
- (wwwww) **"Plan Modification"** has the meaning ascribed thereto in paragraph 9 hereof;
- (xxxxx) **"Plan Transactions"** means the transactions and steps considered necessary or desirable to give effect to the transactions contemplated in the Plan, including those set out in Article 10.3 of the Plan, which steps and transactions may include one or more incorporations, mergers, amalgamations, consolidations, arrangements, continuations, restructurings, conversions, liquidations, winding ups, dissolutions, transfers, reorganizations, repayments, redemptions, exchanges, cancellations, discharges or other transactions and **"Plan Transaction"** means any one of them;
- (yyyyy) **"Plan Transactions Notice"** means one or more notices setting out and detailing substantially all of the Plan Transactions to be posted on the Website on or before the Plan Transactions Notice Filing Date with notice of such posting in each instance forthwith provided to the Service List (as such notice may thereafter be modified, amended, varied or supplemented in accordance with the Plan) and further provided that a final Plan Transactions Notice will be posted on the Website no later than the day immediately before the Plan Implementation Date with notice of such posting forthwith provided to the Service List;
- (zzzzz) **"Plan Transactions Notice Filing Date"** means the date which shall be at least ten (10) days prior Election/Proxy Deadline, which date shall be confirmed by a notice posted on the Website and forthwith provided to the Service List;
- (aaaaa) **"Pro Rata Share"** has the meaning ascribed thereto in the Plan;
- (bbbbb) **"Proof of Claim"** means the form to be completed and filed by a Creditor, pursuant to the Claims Process Order, by the applicable Claims Bar Date setting forth its applicable Claim;
- (ccccc) **"Proven Claim"** means a Claim of an Affected Creditor finally determined for voting and distribution purposes in accordance with the Claims Process Order, the Plan and this HII/Shareco Meeting Order;
- (ddddd) **"Proxy"** means the form of proxy for Affected Creditors substantially in the form attached hereto as Schedule "B";
- (eeeee) **"Required Majority"** means a majority in number of Affected Creditors who represent at least two-thirds in value of the Voting Claims of such Affected Creditors who actually vote on the Resolution (in person



or by Proxy) at the HII/Shareco Creditors' Meeting or were deemed to vote on the Resolution;

- (fffff) **"Resolution"** means the resolution approving the Plan presented to the Affected Creditors for consideration at the HII/Shareco Creditors' Meeting, substantially in the form attached to the Information Circular as Appendix A;
- (ggggg) **"Restated Catalyst Support Agreement"** means the support agreement dated April 26, 2013 between HII, Shareco, Homco 61 LP and Catalyst governing the investment to be made by Catalyst as part of the restructuring of HII, Shareco and certain of the HII Group Entities (Exhibit P-6 of the Motion);
- (hhhhh) **"Restructuring Claim"** means any Claim arising as a result of or in connection with the disclaimer, rescission, repudiation, termination or restructuring by any HII Group Entity of any contract, lease or other agreement or obligation, including any employment agreement, after the HII Filing Date but on or before April 30, 2012; provided that **"Restructuring Claim"** shall not include an Excluded Claim or Subsequent Restructuring Claim;
- (iiiiii) **"Second Amended and Restated Plan"** means the Amended and Restated Plan as amended and restated and served by HII and Shareco on April 26, 2013;
- (jjjjj) **"Service List"** means the service list posted on the Website, as the same may be amended from time to time;
- (kkkkk) **"Shareco"** means Homburg Shareco Inc., a corporation incorporated under the Nova Scotia *Companies Act*, R.S., c. 81, as amended and a Petitioner;
- (lllll) **"Shareco Loan"** means the loan by Shareco to HII as evidenced by the demand promissory note dated July 4, 2005 issued by HII to Shareco;
- (mmmmm) **"Shareholder Notice"** has the meaning set forth in paragraph 20 hereof;
- (nnnnn) **"Shareco Creditor Claim"** means any Claim against Shareco, and in the case of Stichting Homburg Bonds, means the Mortgage Bond Trust Indenture Unsecured Claim;
- (ooooo) **"Stichting Homburg Bonds"** means the trustee under the Corporate Bond Trust Indenture and the Mortgage Bond Trust Indenture (formerly Stichting Homburg Mortgage Bond);

- (pppppp) **“Stichting Homburg Capital Securities”** means the trustee under the Capital Securities Trust Indenture;
- (qqqqqq) **“Subsequent Restructuring Claim”** means any Claim arising as a result of or in connection with the disclaimer, rescission, repudiation, termination or restructuring by any HII Group Entity of any contract, lease or other agreement, including any employment agreement, after April 30, 2012;
- (rrrrrr) **“Taberna Claim”** means the aggregate Claim as set out in the Proof of Claim filed by Wells Fargo (in respect of the Taberna Indentures) pursuant to the Claims Process Order;
- (ssssss) **“Taberna Indentures”** means collectively: (i) an Indenture dated July 26, 2006 for the issuance of US\$20,000,000 of notes due 2036 between HII and Wells Fargo; (ii) an Indenture dated July 26, 2006 for the issuance of €25,000,000 of notes due 2036 between HII and Wells Fargo; (iii) an Exchange Agreement dated February 28, 2011 among HII, Taberna Preferred Funding VIII, Ltd., Taberna Europe CDO I P.L.C and Taberna Europe CDO II P.L.C.; (iv) an Amended and Restated Supplemental Indenture dated February 28, 2011 for the issuance of US\$12,000,000 due 2036 between HII and Wells Fargo on behalf of the Taberna VI noteholders; (v) an Indenture dated February 28, 2011 for the issuance of US\$8,000,000 of notes due 2036 between HII and Wells Fargo on behalf of the Taberna VIII noteholders; and (vi) an Indenture dated February 28, 2011 for the issuance of €25,000,000 of notes due 2036 between HII and Wells Fargo on behalf of the Taberna Europe I noteholders and the Taberna Europe II noteholders;
- (tttttt) **“Taberna Noteholders”** means the holders of Taberna Notes;
- (uuuuuu) **“Taberna Notes”** means the notes issued by HII under the Taberna Indentures;
- (vvvvvv) **“Taberna Order”** means a Final Order of the Court in the CCAA Proceedings addressing the distribution entitlement of the holders of the Taberna Claim under the Plan in respect of the Taberna Claim and authorizing and directing HII and the Monitor to rely on such Order in connection with the Plan;
- (wwwwww) **“Taxing Authorities”** means anyone of Her Majesty the Queen, Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, the Canada Revenue Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof and any Canadian or non-Canadian government, regulatory authority, government department, agency, commission, bureau, minister, court,

tribunal or body or regulation making entity exercising taxing authority or power, and **"Taxing Authority"** means any one of the Taxing Authorities, as well as any corresponding taxing authorities of a foreign Jurisdiction including Valsts Ieņēmumu Dienests (Latvia), Maksu- ja Tolliamet (Estonia), Valstybinė mokesčių inspekcija prie Lietuvos Respublikos finansų ministerijos (Lithuania), the Belastingdienst (Holland) and the Finanzamt (Germany);

(xxxxxx) **"Trustee in Bankruptcy"** means any trustee in bankruptcy, interim receiver, receiver, receiver and manager, custodian, sequestrator, administrator, monitor or liquidator or any other Person with similar powers shall be appointed in respect of any member of the HII Group Entities or of any Property (as defined in the Plan);

(yyyyyy) **"Unaffected Claims"** has the meaning ascribed thereto in the Plan;

(zzzzzz) **"Voting Claim"** means the amount of the Claim of an Affected Creditor as finally determined for voting purposes in accordance with paragraph 30 of the Claims Process Order and this HII/Shareco Meeting Order entitling such Affected Creditor to vote at the HII/Shareco Creditors' Meeting in accordance with the provisions of this HII/Shareco Meeting Order, the Plan and the CCAA, and includes, for greater certainty, a Proven Claim;

(aaaaaaa) **"Website"** means <http://www.deloitte.com/ca/homburg-invest>; and

(bbbbbbb) **"Wells Fargo"** means Wells Fargo Bank, N.A., the trustee under the Taberna Indentures;

#### SCHEDULES

4. **ORDERS** that the following Schedules form part of this Meeting Order:
  - (a) Schedule "A" – Notice of HII/Shareco Creditors' Meeting and HII/Shareco Sanction Hearing;
  - (b) Schedule "B" – Form of Proxy;
  - (c) Schedule "C" – Form of Convenience Class Claim Declaration; and
  - (d) Schedule "D" – Shareholder Notice;
5. **ORDERS** that HII and Shareco, with the consent of Catalyst acting reasonably and the Monitor, may make any required amendments or modifications to the Schedules without seeking approval of the Court;

**PLAN OF COMPROMISE AND REORGANIZATION AND RESTATED CATALYST SUPPORT AGREEMENT**

6. **ORDERS** that the Plan is hereby accepted for filing and HII and Shareco are hereby authorized to seek approval of the Plan from the Affected Creditors in the manner set forth herein;
7. **ORDERS** the Monitor to post a copy of the Second Amended and Restated Plan, a blackline of the Original Plan to the Second Amended and Restated Plan and the Information Circular on the Website by no later than May 3, 2013;
8. **APPROVES AND RATIFIES** the Restated Catalyst Support Agreement, including, without limitation, the Catalyst Break Fee;
9. **ORDERS** that HII and Shareco, with the consent of Catalyst acting reasonably and the Monitor, be, and they are hereby, authorized to file any modification of, or amendment, variation or supplement to, the Plan, other than any Plan Transactions Notices which are dealt with in paragraph 10 hereof, (each a "**Plan Modification**") prior to or at the HII/Shareco Creditors' Meeting, in which case any such Plan Modification shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. HII and Shareco shall give notice of any such Plan Modification at the HII/Shareco Creditors' Meeting prior to the vote being taken to approve the Plan. HII and Shareco may give notice of any such Plan Modification at or before the HII/Shareco Creditors' Meeting by notice which shall be sufficient if, in the case of notice at the HII/Shareco Creditors' Meeting, given to those Affected Creditors present at such meeting in person or by Proxy and, in the case of notice before the HII/Shareco Creditors' Meeting, provided to those Persons listed on the Service List published on the Website and posted on the Website with a copy of such posting being provided forthwith to Stichting Homburg Bonds. The Monitor shall post on the Website, as soon as possible and in any event prior to the HII/Shareco Sanction Hearing, any such Plan Modification, with notice of such posting forthwith provided to the Service List;
10. **ORDERS** that HII and Shareco, with the consent of Catalyst acting reasonably and the Monitor, be, and they are hereby, authorized to file any Plan Transactions Notice at least ten (10) days prior to the Election/Proxy Deadline (the "**Plan Transactions Notice Filing Date**"), in which case any such Plan Transactions Notice shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. HII and Shareco shall give notice of any such Plan Transactions Notices before the HII/Shareco Creditors' Meeting by providing a copy to those Persons listed on the Service List published on the Website and posting a copy on the Website with a copy of such posting being provided forthwith to Stichting Homburg Bonds, and, in any event, HII and Shareco shall post the final Plan Transactions Notice on the website no later than the day immediately before the Plan Implementation Date with notice of such posting forthwith provided to the Service List;

11. **ORDERS** that after the HII/Shareco Creditors' Meeting (and both prior to and subsequent to the obtaining of the HII/Shareco Sanction and Vesting Order), HII and Shareco may at any time and from time to time, with the consent of Catalyst acting reasonably and the Monitor, modify, amend, vary or supplement the Plan pursuant to an Order of the Court or where it concerns a matter which, in the opinion of HII, Shareco and the Monitor, acting reasonably, is of an administrative nature required to better give effect to the implementation of the Plan and the HII/Shareco Sanction and Vesting Order or to cure any errors, omissions, or ambiguities and is not materially adverse to the financial or economic interests of the Affected Creditors. The Monitor shall post on the Website, as soon as possible, any such modification, amendment, variation or supplement to the Plan;

**CLASSIFICATION OF CREDITORS**

12. **ORDERS** that for the purpose of considering and voting on the Plan, the Affected Creditors shall constitute a single class, the "Unsecured Creditors' Class";

**NOTICE OF HII/SHARECO CREDITORS' MEETING**

13. **ORDERS** that the Monitor shall post an electronic copy, in English and in Dutch, of the Shareholder Notice and of the following documents on its Website (collectively, the "HII/Shareco Meeting Materials") at least 15 days prior to the HII/Shareco Creditors' Meeting;

- (a) the Notice of HII/Shareco Creditors' Meeting and HII/Shareco Sanction Hearing;
- (b) the Plan;
- (c) the Proxy;
- (d) the Information Circular;
- (e) the Convenience Class Claim Declaration;
- (f) a copy of this HII/Shareco Meeting Order (in English only); and
- (g) any other materials as the Monitor may consider appropriate or desirable in the circumstances;

14. **ORDERS** that HII and Shareco be and they are hereby authorized to make such modifications, amendments or supplements ("**Additional Information**") to the HII/Shareco Meeting Materials (other than the Plan which may be modified, amended or supplemented in accordance with paragraphs 9, 10, and 11 hereof) as HII and Shareco may determine, with the consent of Catalyst acting reasonably and the Monitor, and HII and Shareco shall distribute or make available such Additional Information by one or more of the following methods

determined in their discretion with the consent of the Monitor: (i) posting on the Website and/or HII's website; (ii) news release; (iii) newspaper advertisement; (iv) pre-paid regular mail, email, fax or delivery (in person or by courier); (v) except for Proxies, Convenience Class Claim Declarations, and Cash-Out Election Forms, distribution at the HII/Shareco Creditors' Meeting; or (vi) such other reasonably practicable method in the circumstances;

15. **ORDERS** that on or about 15 days prior to the HII/Shareco Creditors' Meeting, the Monitor shall use reasonable efforts to cause the Notice of HII/Shareco Creditors' Meeting and HII/Shareco Sanction Hearing to be published in the Globe and Mail, the Calgary Herald, the Halifax Chronicle Herald and The Guardian (published in Charlottetown, Prince Edward Island) (English Version) and De Volkskrant, De Telegraaf, the NRC and Het Financieele Dagblad (all published in the Netherlands) (Dutch Version) (collectively, the "**Designated Newspapers**");
16. **ORDERS** that no later than one (1) Business Day following the date of this Order, Stichting Homburg Bonds shall provide the Monitor with a list of all of the Corporate Bondholders and Mortgage Bondholders who, as of the HII/Shareco Record Date, are or were registered as owners or holders of the relevant Corporate Bonds and Mortgage Bonds, as applicable, and their respective addresses, telephone numbers, fax numbers and email addresses, to the extent available;
17. **ORDERS** that the Monitor shall only send the HII/Shareco Meeting Materials (only the English version thereof) to Wells Fargo and not to each of the Taberna Noteholders, by prepaid ordinary mail at least 15 days prior to the HII/Shareco Creditors' Meeting;
18. **ORDERS** that, notwithstanding paragraph 17 of this Order, the Person or Persons entitled to vote in respect of the Taberna Claim shall be determined in accordance with the Taberna Indentures;
19. **ORDERS** that the Monitor shall send the HII/Shareco Meeting Materials (only the English version thereof, in respect of those Affected Creditors with Voting Claims who have an address in Canada or the United States, pursuant to their Proof of Claim or the lists provided pursuant to paragraph 16 of this Order) by prepaid ordinary mail to all Affected Creditors with Voting Claims as of the HII/Shareco Record Date at least 15 days prior to the HII/Shareco Creditors' Meeting (other than in respect of the Taberna Claim);
20. **ORDERS** that HII, Shareco and the Monitor shall not be required to provide the HII/Shareco Meeting Materials to any holder of an Equity Claim in respect of such Equity Claim, provided that the shareholder notice, substantially in the form attached hereto as Schedule "D" (the "**Shareholder Notice**"), which is hereby approved, shall be published by the Monitor in the Designated Newspapers at least 15 days prior to the HII/Shareco Creditors' Meeting;



21. **ORDERS** that publication of a copy of the Notice of HII/Shareco Creditors' Meeting and HII/Shareco Sanction Hearing in the manner set out in paragraphs 13, 14 and 15, the publication of the Shareholder Notice in the manner set out in paragraphs 13, 14 and 20 and the delivery of the HII/Shareco Meeting Materials as set out in paragraphs 14 and 17, shall constitute good and sufficient service of the HII/Shareco Meeting Materials on all Persons who may be entitled to receive notice thereof, or of these proceedings, or who may wish to be present in person or by Proxy at the HII/Shareco Creditors' Meeting, or who may wish to appear in these proceedings, and no other form of notice or service need be made on such Persons, and no other document or material need be served on such Persons in respect of these proceedings;

**CORPORATE CREDITOR CLAIMS**

22. **ORDERS** that the Proven Claim of each Corporate Bondholder for voting and distribution purposes shall be equal to the aggregate principal amount owing under the Corporate Bonds issued by HII and beneficially held by such Corporate Bondholder, together with accrued and unpaid interest to and including the HII Filing Date;
23. **ORDERS** that the Proven Claim of each Mortgage Bondholder (excluding the Bond 6 Claim Holders) for voting and distribution purposes shall be equal to the aggregate principal amount owing under the Mortgage Bonds issued by Shareco and beneficially held by such Mortgage Bondholder, together with accrued and unpaid interest to and including the HII Filing Date, after realization of the Mortgage Bond Trust Indenture Security, as applicable; provided that to the extent the realization of the Mortgage Bond Trust Indenture Security has not occurred by the date of the HII/Shareco Creditors' Meeting, the Proven Claim of each Mortgage Bondholder for voting purposes shall be determined by the Monitor in accordance with paragraph 30 of the Claims Process Order;
24. **ORDERS** that, subject to the Taberna Order, the Proven Claim of each Taberna Noteholder for voting and distribution purposes shall be equal to the aggregate principal amount owing under the Taberna Notes issued by HII and beneficially held by such Taberna Noteholder, together with accrued and unpaid interest to and including the HII Filing Date;
25. **ORDERS** that notwithstanding any aggregate Proof of Claim filed by Stichting Homburg Bonds on behalf of an underlying Corporate Bondholder or Mortgage Bondholder, each such Affected Creditor shall be permitted to vote its respective Voting Claim at the HII/Shareco Creditors' Meeting as determined and dealt with in accordance with the terms of this HII/Shareco Meeting Order;
26. **ORDERS** that, notwithstanding any other paragraph of this HII/Shareco Meeting Order, holders of Intercompany Claims, Capital Securities Holders, and Stichting Homburg Capital Securities shall not be entitled to receive notice of or vote at the HII/Shareco Creditors' Meeting;

27. **ORDERS** that Capital Securities Holders shall not be entitled to receive any distribution under the Plan;
28. **DISMISSES** the *Motion in appeal of a disallowance of a proof of claim pursuant to the "Claims Process Order" issued on April 30, 2012 served on February 13, 2013* by Stichting Homburg Capital Securities;
29. **ORDERS** that, notwithstanding any Proofs of Claim as filed (and as such may be amended for the purposes of the Plan):
  - (a) The Homco 61 Net Intercompany Claim shall be deemed to be CDN\$62,396,506 for distribution purposes under the Plan;
  - (b) The aggregate Proven Claim of the Bond 6 Claim Holders for voting and distribution purposes under the Homco 61 Plan shall be deemed to be equal to the Bond 6 Homco 61 Claim;
  - (c) The aggregate Proven Claim of the Homco 61 Affected Creditors for voting purposes under the Plan shall be the full amount of their Claim in accordance with this Order and the Homco 61 Meeting Order, and for greater certainty, the aggregate Proven Claim of the Bond 6 Claim Holders for voting purposes under the Plan shall be the Bond 6 HII Claim;
  - (d) The aggregate Proven Claim of the Homco 61 Affected Creditors with a Homco 61 Affected Creditor HII Claim for distribution purposes under the Plan shall be the Homco 61 Affected Creditor HII Deficiency Claim, and for greater certainty, the aggregate Proven Claim of the Bond 6 Claim Holders for distribution purposes under the Plan shall be the Bond 6 HII Deficiency Claim; and
  - (e) The Monitor shall be authorized and directed to accept and administer the Bond 6 Homco 61 Claim, the Homco 61 Net Intercompany Claim, the Bond 6 HII Deficiency Claim and the Bond 6 HII Claim in such amounts and on such basis for voting and distribution purposes as applicable under the Claims Process Order, the HII/Shareco Meeting Order, the Homco 61 Meeting Order, the Plan, the Homco 61 Plan,

The foregoing shall be without prejudice to the parties' rights and entitlements at law, equity and otherwise if the Plan and the Homco 61 Plan are not approved by the Required Majority of Affected Creditors, and the Required Majority of Homco 61 Affected Creditors (as each such term is defined in the Homco 61 Plan), respectively, and sanctioned by this Honourable Court;

30. **ORDERS** that none of HII, Shareco, Homco 61 LP or the Monitor shall be required to take any additional steps or actions in respect of the Claims of any of the Homburg Group Members relating to Homco 61 LP or the Bond 6 Claims Holders, including, without limitation, the need to file any amended Proofs of Claim in respect thereof;

**HOMCO 61 AND HOMCO 61 AFFECTED CREDITORS**

31. **ORDERS** that if a Homco 61 Affected Creditor elects the Newco Common Shares Cash-Out Option under the Plan, Homco 61 LP will be deemed to make a corresponding election in respect of such Homco 61 Affected Creditor's *pro rata* share of the HII Homco 61 Distribution;
32. **ORDERS** that the treatment of Homco 61 LP and the Homco 61 Affected Creditors under the Plan is conditioned on and subject to the approval of the Plan by the Required Majority and the approval of the Homco 61 Plan by the Required Majority (as defined in the Homco 61 Plan) and in each case the Court, and **ORDER** that in the event either the Plan or the Homco 61 Plan is not approved by the applicable Required Majority and the Court, then the aggregate Proven Claim of Homco 61 LP and the Homco 61 Affected Creditors for voting and distribution purposes under the Plan shall be determined by the Monitor and/or the Court;

**HII/SHARECO RECORD DATE**

33. **ORDERS** that the record date for determining which Affected Creditors are entitled to receive notice of and vote at the HII/Shareco Creditors' Meeting shall be April 17, 2013, or such other date as may be determined by the Monitor and communicated in accordance with paragraph 14 hereof (the "**HII/Shareco Record Date**");

**CONDUCT AT HII/SHARECO CREDITORS' MEETING**

34. **ORDERS** that HII and Shareco be and are hereby authorized to call, hold and conduct the HII/Shareco Creditors' Meeting on May 30, 2013 at 9:00 a.m. (Eastern Prevailing Time) in Montréal, Québec, Canada and at 3:00 p.m. (Central European Time) in Utrecht, the Netherlands, and that the HII/Shareco Canadian Creditors' Meeting and the European HII/Shareco Creditors' Meeting shall be convened and held concurrently on such date, for the purpose of considering and, if deemed advisable, approving the Plan, unless the Affected Creditors with Voting Claims decide by resolution carried by the majority of votes (one vote for each dollar of every Voting Claim) to postpone the HII/Shareco Creditors' Meeting at which such resolution is carried;
35. **ORDERS** that a representative of the Monitor, designated by the Monitor, shall preside as the chair of the HII/Shareco Creditors' Meeting (the "**Chair**") and, subject to any further order of this Court, shall decide all matters relating to the conduct of the HII/Shareco Creditors' Meeting. HII and Shareco, or any Affected Creditor, may appeal from any decision of the Chair to the Court, within three (3) Business Days of any such decision;
36. **ORDERS** that the Chair is authorized to accept and rely upon Proxies or such other forms as may be acceptable to the Chair;

37. **ORDERS** that the quorum required at a HII/Shareco Creditors' Meeting shall be one (1) Affected Creditor with a Voting Claim present at such meeting in person or by Proxy;
38. **ORDERS** that the Monitor may appoint scrutineers for the supervision and tabulation of the attendance at, quorum at and votes cast at the HII/Shareco Creditors' Meeting. A Person designated by the Monitor shall act as secretary at the HII/Shareco Creditors' Meeting;
39. **ORDERS** that if (a) the requisite quorum is not present at the HII/Shareco Creditors' Meeting, or (b) the HII/Shareco Creditors' Meeting is postponed by the vote of the majority in value of Affected Creditors holding Voting Claims present in person or by Proxy at the HII/Shareco Creditors' Meeting, then the HII/Shareco Creditors' Meeting shall be adjourned by the Chair to such time and place as the Chair deems necessary or desirable;
40. **ORDERS** that the Chair be, and he or she is hereby, authorized to adjourn, postpone or otherwise reschedule the HII/Shareco Creditors' Meeting on one or more occasions to such time(s), date(s) and place(s) as the Chair deems necessary or desirable (without the need to first convene such HII/Shareco Creditors' Meeting for the purpose of any adjournment, postponement or other rescheduling thereof). None of HII, Shareco, the Chair or the Monitor shall be required to deliver any notice of the adjournment of the HII/Shareco Creditors' Meeting or adjourned HII/Shareco Creditors' Meeting, provided that the Monitor shall: (i) announce the adjournment of the HII/Shareco Creditors' Meeting or adjourned HII/Shareco Creditors' Meeting, as applicable; (ii) post notice of the adjournment at the originally designated time and location of the HII/Shareco Creditors' Meeting or adjourned HII/Shareco Creditors' Meeting, as applicable; (iii) forthwith post notice of the adjournment on the Website; and (iv) provide notice of the adjournment to the Service List forthwith. Any Proxies validly delivered in connection with the HII/Shareco Creditors' Meeting shall be accepted as Proxies in respect of any adjourned HII/Shareco Creditors' Meeting;
41. **ORDERS** that the only Persons entitled to attend and speak at the HII/Shareco Creditors' Meeting are representatives of the Homburg Group Members and their respective legal counsel and advisors, the Monitor and its legal counsel, the Corporate Indenture Trustees (other than Stichting Homburg Capital Securities) and Catalyst and their respective legal counsel and advisors, and all other Persons, including the other holders of proxies, entitled to vote at the HII/Shareco Creditors' Meeting and their legal counsel and advisors. Any other Person may be admitted to the HII/Shareco Creditors' Meeting on invitation of the Chair;

**VOTING PROCEDURE AT THE HII/SHARECO CREDITORS' MEETING**

42. **ORDERS** that the Chair shall direct a vote on the Resolution to approve the Plan and any amendments or variations thereto as the Monitor, HII and Shareco may consider appropriate;

43. **ORDERS** that only Affected Creditors holding Voting Claims as of the HII/Shareco Record Date will be entitled to provide instructions relating to voting or otherwise vote at the HII/Shareco Creditors' Meeting;
44. **ORDERS** that any Proxy in respect of the HII/Shareco Creditors' Meeting (or any adjournment, postponement or other rescheduling thereof) must be (i) received by the Monitor by 11:00 a.m. (Eastern Prevailing Time) / 5:00 p.m. (Central European Time) on May 29, 2013, or 24 hours (excluding Saturdays, Sundays and Québec statutory holidays) prior to any adjourned, postponed or rescheduled HII/Shareco Creditors' Meeting, or (ii) deposited with the Chair at the relevant HII/Shareco Creditors' Meeting (or any adjournment, postponement or other rescheduling thereof) immediately prior to the vote at the time specified by the Chair (the "Election/Proxy Deadline");
45. **ORDERS** that in the absence of instruction to vote for or against the approval of the Resolution in a duly signed and returned Proxy providing the appointment of the Monitor as proxyholder, the Proxy shall be deemed to include instructions to vote for the approval of the Resolution, provided the Proxy holder does not exercise its right to vote at the HII/Shareco Creditors' Meeting;
46. **ORDERS** that each Affected Creditor with a Voting Claim shall be entitled to vote at one but not both of the HII/Shareco Canadian Creditors' Meeting and the HII/Shareco European Creditors' Meeting. Each Affected Creditor with a Voting Claim will be entitled to a number of votes equal to the value in Canadian Dollars of its Voting Claim as determined in accordance with the Claims Process Order and the HII/Shareco Meeting Order. The Monitor shall keep a separate record of votes cast by Affected Creditors holding Disputed Claims and shall report to the Court with respect thereto at the HII/Shareco Sanction Hearing. The vote cast in respect of any Disputed Claim shall not be counted for any purpose unless, until and only to the extent that such Disputed Claim is finally determined to be a Proven Claim. For greater certainty, an Affected Creditor having Voting Claims against more than one of HII and Shareco shall only be entitled to one vote in respect of such Voting Claims;
47. **ORDERS** that:
  - (a) if an Affected Creditor makes a Newco Common Shares Cash-Out Option Election, such Affected Creditor shall:
    - (i) be deemed to have voted in favour of the Plan;
    - (ii) be deemed to agree to waive any Disputed Claim on the date of the Plan, being April 26, 2013, relating to post-HII Filing Date interest accruing on its Affected Claim; and
    - (iii) be deemed to agree that the face amount of any Disputed Claim of such Electing Creditor shall be deemed to be no greater than the face amount of such Claim as set out in such Electing Creditor's

Proof of Claim on the date of the Plan, being April 26, 2013, for purposes of determining such Electing Creditor's respective Affected Creditors' Entitlement;

- (b) all Homco 61 Affected Creditors will be entitled to make a Newco Common Shares Cash-Out Option Election in respect of their pro rata share of the HII Homco 61 Distribution; and
  - (c) in the event that a Homco 61 Affected Creditor is an Electing Creditor, such Homco 61 Affected shall be deemed to vote in favour of the Plan;
48. **ORDERS** that each Convenience Class Creditor who has made a Convenience Class Election shall be deemed to have voted in favour of the Plan;
49. **ORDERS** that notwithstanding any other paragraph of this HII/Shareco Meeting Order, holders of Intercompany Claims, Capital Securities Claims, and Stichting Homburg Capital Securities shall not be entitled to receive notice of or vote at the HII/Shareco Creditors' Meeting;
50. **ORDERS** that an Affected Creditor's Voting Claim shall not include fractional numbers and Voting Claims shall be rounded down to the nearest whole Canadian Dollar amount;
51. **ORDERS** that, solely for voting purposes at any HII/Shareco Creditors' Meeting, no assignee, transferee or purchaser of any Voting Claim who shall have acquired or become the assignee or transferee of such Voting Claim after the HII/Shareco Record Date shall have any right or entitlement whatsoever to attend or vote at, either in person or by Proxy, the HII/Shareco Creditors' Meeting, and **ORDERS** further that, any transferee, assignee or acquirer of a Voting Claim who acquired or became the assignee or transferee of such a Voting Claim on or prior to the HII/Shareco Record Date but whose name does not appear as of the HII/Shareco Record Date as the holder of such transferred or assigned Voting Claim may, prior to the HII/Shareco Record Date, deliver evidence satisfactory to the Monitor of (A) its ownership of the whole of such Voting Claim as of the HII/Shareco Record Date, and (B) that the transfer or assignment was valid under Applicable Law, upon which:
- (a) such transferee or assignee shall be entitled to receive from the Monitor a package containing the HII/Shareco Meeting Materials;
  - (b) such transferee's or assignee's name shall be included on the list of Affected Creditors entitled to vote at the HII/Shareco Creditors' Meeting; and
  - (c) such transferee or assignee shall be entitled to attend and vote, either in person or by Proxy, the transferor's or assignor's Voting Claim at the HII/Shareco Creditor's Meeting in lieu and to the exclusion of the



transferor's or assignor's right to attend and vote at the HII/Shareco Creditors' Meeting with respect to the transferred Voting Claim;

**CONVENIENCE CLASS CLAIM DECLARATION**

52. **ORDERS** that any Affected Creditor with one or more Affected Claims that were less than or equal to Cdn\$10,000 in the aggregate as at the Claims Bar Date shall be entitled during the Election Period to:
- (a) make a Convenience Class Claim Election, and thereby elect to receive only the Cash Elected Amount and be deemed to vote in favour of the Plan in accordance with paragraph 48 hereof;
  - (b) make a Newco Common Shares Cash-Out Option Election and thereby receive their *pro rata* share of the Aggregate Newco Common Shares Final Cash-Out Amount and their Pro Rata Share of the Cash Pool and the Asset Realization Cash Pool and be deemed to vote in favour of the Plan in accordance with paragraph 47 hereof; or
  - (c) elect to be treated as an Affected Creditor (other than a Convenience Class Creditor or an Electing Creditor) under the Plan, and thereby be entitled to vote their Voting Claims at the HII/Shareco Creditors' Meeting (in person or by Proxy) and to receive the rights and distributions provided for under and pursuant to the Plan,

in each case by returning an executed Convenience Class Claim Declaration to the Monitor prior to the Election/Proxy Deadline;

53. **ORDERS** that any Affected Creditor with one or more Affected Claims that were less than or equal to Cdn\$10,000 in the aggregate as at the Claims Bar Date who does not return an executed Convenience Class Claim Declaration to the Monitor by the Election/Proxy Deadline shall be deemed have made a Convenience Class Claim Election and to vote in favour of the Plan in accordance with paragraph 48 hereof;

**CASH-OUT ELECTION FORM**

54. **ORDERS** that any Affected Creditor (other than a Convenience Class Creditor) shall be entitled during the Election Period to make a Newco Common Shares Cash-Out Option Election and thereby be deemed to vote in favour of the Plan and such Electing Creditor shall be entitled to receive an amount equal to the *pro rata* share of the Aggregate Newco Common Shares Final Cash-Out Amount, and its Pro Rata Share of the Cash Pool and the Asset Realization Cash Pool by returning an executed Cash-Out Election Form to the Monitor prior to the Election/Proxy Deadline;

**APPROVAL OF THE PLAN**

55. **ORDERS** that in order to be approved, the Plan must receive an affirmative vote by the Required Majority;
56. **ORDERS** that following the vote at the HII/Shareco Creditors' Meeting, the Monitor shall tally the votes and determine whether the Plan has been approved by the Required Majority;
57. **ORDERS** that the results of any and all votes conducted at the HII/Shareco Creditors' Meeting shall be binding on all Affected Creditors, whether or not any such Affected Creditor is present or voting at the HII/Shareco Creditors' Meeting;

#### **HII/SHARECO SANCTION HEARING**

58. **ORDERS** that the Monitor shall provide a report to the Court no later than five (5) Business Days after the HII/Shareco Creditors' Meeting (the "**Monitor's Report Regarding the HII/Shareco Creditors' Meeting**") with respect to:
  - (a) the results of voting at the HII/Shareco Creditors' Meeting on the Resolution;
  - (b) whether the Required Majority has approved the Plan;
  - (c) the effect of the results of the voting had all of the Affected Creditors with Disputed Claims also voted the full amount of their Disputed Claims; and
  - (d) in its discretion, any other matter relating to the motion of HII and Shareco seeking sanction of the Plan;
59. **ORDERS** that an electronic copy of the Monitor's Report Regarding the HII/Shareco Creditors' Meeting, the Plan, including any amendments and variations thereto, and a copy of the motion seeking the HII/Shareco Sanction and Vesting Order in respect of the Plan (the "**HII/Shareco Sanction Motion**") shall be posted on the Website prior to the motion for the HII/Shareco Sanction Hearing;
60. **ORDERS** that in the event that the Plan has been approved by the Required Majority, HII and Shareco may bring the HII/Shareco Sanction Motion before this Honourable Court on June 5, 2013, or such later date as shall be acceptable to HII, Shareco and Catalyst, and the Monitor is set by this Honourable Court upon motion by HII and Shareco, seeking the HII/Shareco Sanction and Vesting Order;
61. **ORDERS** that service of this HII/Shareco Meeting Order by HII and Shareco to the parties on the Service List, the posting of the HII/Shareco Meeting Materials on the Website in accordance with paragraphs 13 and 14 hereof, the publication of the Notice of HII/Shareco Creditors' Meeting and HII/Shareco Sanction Hearing in accordance with paragraphs 13, 14 and 15 hereof, the publication of the Shareholder Notice in accordance with paragraphs 13, 14 and 20 hereof and the mailing to Affected Creditors of the HII/Shareco Meeting Materials in

accordance with paragraphs 14 and 17 hereof shall constitute good and sufficient service of the notice of the HII/Shareco Sanction Motion;

62. **ORDERS** that any Person intending to object to the HII/Shareco Sanction Motion shall file with the Court a written notice, which notice shall include its grounds of contestation and shall effect service of same upon the Service List at least three (3) Business Days prior to the HII/Shareco Sanction Hearing;
63. **ORDERS** that in the event that the HII/Shareco Sanction Motion is adjourned, only those Persons appearing on the Service List as of the date of service shall be served with notice of the adjourned date;
64. **ORDERS** that, subject to any further Order of this Honourable Court, in the event of any conflict, inconsistency, ambiguity or difference between the terms, conditions and provisions of the Plan and this HII/Shareco Meeting Order, the terms, conditions and provisions of the Plan shall govern and be paramount and any such provision of this HII/Shareco Meeting Order shall be deemed to be amended to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference;

#### **GENERAL PROVISIONS**

65. **ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA and the Initial Order, shall assist HII and Shareco in connection with the matters described herein, and is hereby authorized and directed to take such other actions and fulfill such other roles as are contemplated by this HII/Shareco Meeting Order;
66. **ORDERS** that the Monitor, HII and Shareco shall use reasonable discretion as to the adequacy of compliance with respect to the manner in which any forms hereunder are completed and executed and the time in which they are submitted and may waive strict compliance with the requirements of this HII/Shareco Meeting Order including with respect to the completion, execution and time of delivery of required forms;
67. **ORDERS** that the Monitor may, if necessary, apply to this Court for directions regarding its obligations under this HII/Shareco Meeting Order;
68. **ORDERS** that if any provision of this HII/Shareco Meeting Order is amended by or contrary to a provision of an Order of the Court made in the CCAA Proceedings, such Order shall have precedence over the provisions of this HII/Shareco Meeting Order;
69. **ORDERS** that any notice or other communication to be given under this HII/Shareco Meeting Order by a Creditor to the Monitor, HII or Shareco shall be in writing in substantially the form, if any, provided for in this HII/Shareco Meeting Order and will be sufficiently given only if given by electronic mail, facsimile, courier or registered mail addressed to:

Hll and  
Shareco's  
Counsel: Osler, Hoskin & Harcourt LLP  
1000 De La Gauchetière Street West  
Suite 2100  
Montréal, QC H3B 4W5

Attention: Sandra Abitan and Martin Desrosiers  
Fax: (514) 904-8101  
E-mail: sabitan@osler.com / mdesrosiers@osler.com

The Monitor: Samson Bélair/Deloitte & Touche Inc., in its capacity as Court-  
appointed Monitor of Homburg Invest Inc. and related entities  
1 Place Ville Marie  
Suite 3000  
Montréal, QC H3B 4T9

Attention: Pierre Laporte and Benoît Clouâtre  
Fax: (514) 393-5344  
E-mail: pilaporte@deloitte.ca / bclouatre@deloitte.ca

With a copy to  
Monitor's  
Counsel: McCarthy Tétrault LLP  
1000 De La Gauchetière Street West  
Suite 2500  
Montréal, QC H3B 0A2

Attention: Mason Poplaw and Jocelyn Perreault  
Fax: (514) 875-6246  
E-Mail: mpoplaw@mccarthy.ca / jperreault@mccarthy.ca

70. **ORDERS** that any such notice or other communication (i) if given by prepaid ordinary mail, shall be deemed received on the third (3<sup>rd</sup>) Business Day after mailing within Québec, the fifth (5<sup>th</sup>) Business Day after mailing elsewhere in Canada or to the United States and the tenth (10<sup>th</sup>) Business Day after mailing to any other country; (ii) if given by courier or delivery shall be deemed received on the next Business Day following dispatch; (iii) if given by facsimile transmission or electronic mail before 5:00 p.m. (Eastern Prevailing Time) on a Business Day, shall be deemed received on such Business Day; and (iv) if given by facsimile transmission or electronic mail after 5:00 p.m. (Eastern Prevailing Time) on a Business Day, shall be deemed received on the following Business Day;
71. **ORDERS** that, in the event that the day on which any notice or communication required to be delivered pursuant to this Hll/Shareco Meeting Order is not a Business Day, then such notice or communication shall be required to be delivered on the next Business Day;

72. **ORDERS** that, if during any period during which notices or other communications are being given pursuant to this HII/Shareco Meeting Order a postal strike or postal work stoppage of general application should occur, such notices or other communications then not received or deemed received shall not, absent further Order of this Court, be effective. Notices and other communications given hereunder during the course of any such postal strike or postal work stoppage of general application shall only be effective if given by electronic mail, courier, delivery or facsimile transmission in accordance with this HII/Shareco Meeting Order;
73. **ORDERS** that all references to time in this HII/Shareco Meeting Order shall mean prevailing local time in Montréal, Québec and any references to an event occurring on a Business Day shall mean prior to 5:00 p.m. on the Business Day unless otherwise indicated;
74. **ORDERS** that references to the singular shall include the plural, references to the plural shall include the singular and to any gender shall include the other gender;
75. **ORDERS** that in the event of any conflict between the English version and the French or Dutch translations of any of the documents approved by this HII/Shareco Meeting Order, the English version shall prevail;
76. **REQUESTS** the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada, the Federal Court of Canada and any judicial, regulatory or administrative body of the United States or of the Netherlands and of any other nation or state, to assist the HII Group and the Monitor and their respective agents in carrying out the terms of this HII/Shareco Meeting Order and any other Order in these proceedings, to make such orders and to provide such assistance to the HII Group and the Monitor, as an officer of the Court, as may be necessary or desirable to give effect to this HII/Shareco Meeting Order and to grant representative status to any HII Group Entity and the Monitor in any foreign proceeding; and
77. **ORDERS** the provisional execution of this HII/Shareco Meeting Order notwithstanding any appeal and without the necessity of furnishing security.

**THE WHOLE WITHOUT COSTS.**

  
\_\_\_\_\_  
LOUIS J. GOUIN, J.S.C.

Hearing date : April 29, 2013

**Me Martin Desrosiers**  
**Me Sandra Abitan**  
**Me Julien Morissette**  
Osler, Hoskin & Harcourt LLP  
Counsel to Petitioners



**SCHEDULE "A"**

**NOTICE OF HII/SHARECO CREDITORS' MEETING (HII/SHARECO) AND  
HII/SHARECO SANCTION HEARING**

**CANADA**

**PROVINCE OF QUÉBEC**

**DISTRICT OF MONTRÉAL**

No.: 500-11-041305-117

**S U P E R I O R C O U R T**  
(Commercial Division)

(Sitting as a court designated pursuant to the  
*Companies' Creditors Arrangement Act*,  
R.S.C. 1985, c. C-36)

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

**Homburg Invest Inc.  
Homburg Shareco Inc.  
Churchill Estates Development Ltd.  
Inverness Estates Development Ltd.  
CP Development Ltd.  
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 (83) 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.**

**Mises-en-cause**

-and-

**Samson Bélair/Deloitte & Touche Inc.**

**Monitor**

**NOTICE OF HII/SHARECO CREDITORS' MEETING AND HII/SHARECO  
SANCTION HEARING**

**TO: AFFECTED CREDITORS OF HOMBURG INVEST INC. AND HOMBURG  
SHARECO INC.**

NOTICE IS HEREBY GIVEN that a meeting of the Affected Creditors of Homburg Invest Inc. ("HII") and Homburg Shareco Inc. ("Shareco") will be held simultaneously on May 30, 2013 at Montréal, Québec, Canada (the "HII/Shareco Canadian Creditors' Meeting") and at Utrecht, the Netherlands (the "HII/Shareco European Creditors' Meeting", and together with the HII/Shareco Canadian Creditors' Meeting, the "HII/Shareco Creditors' Meeting") at the times and locations set out below, for the following purposes:

- (a) to consider and, if deemed advisable, to pass, with or without variation, a resolution (the "Resolution") approving the Second Joint Amended and Restated Plan of Compromise and Reorganization of HII and Shareco pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA") and the *Business Corporations Act* (Alberta) dated April 26, 2013 (as amended, restated, modified and/or supplemented from time to time in accordance with the terms thereof, the "Plan"); and
- (b) to transact such other business as may properly come before the HII/Shareco Creditors' Meeting or any adjournment or postponement thereof.

The HII/Shareco Creditors' Meeting is being held pursuant to an order (the "HII/Shareco Meeting Order") of the Superior Court of Québec (Commercial Division) (the "Court") made on [April 29], 2013 by the Honourable Justice Louis J. Gouin.

Capitalized terms used and not otherwise defined in this Notice have the respective meanings given to them in the HII/Shareco Meeting Order.

The Plan contemplates the compromise of Claims of the Affected Creditors. The HII/Shareco Creditors' Meeting will be held simultaneously in Montréal, Québec, Canada and in Utrecht, the Netherlands, on the following date and at the following times:

<u>Location</u>	<u>Date</u>	<u>Time</u>
McCarthy Tétrault LLP Suite 2500 Lafleur room 1000 De La Gauchetière Street West Montréal QC H3B 0A2	May 30, 2013	9:00 a.m. (Eastern Prevailing Time)
Jaarbeursplein 6 3521 AL Utrecht The Netherlands	May 30, 2013	3:00 p.m. (Central European Time)

Quorum for the HII/Shareco Creditors' Meeting has been set by the HII/Shareco Meeting Order as the presence, in person or by Proxy, at the HII/Shareco Creditors' Meeting of one Affected Creditor with a Voting Claim. Only Affected Creditors holding Voting Claims as of the HII/Shareco Record Date, being April 17, 2013, are entitled to attend and vote at the HII/Shareco Creditors' Meeting. Notwithstanding the foregoing, none of the holders of Capital Securities Claims, Intercompany Claims, or Stichting Homburg Capital Securities shall be entitled to vote on the Resolution or attend at the HII/Shareco Creditors' Meeting.

In order for the Plan to be approved and be binding in accordance with the CCAA, the Resolution must be approved by that number of Affected Creditors representing at least a majority in number of Voting Claims, whose Affected Claims represent at least two-thirds in value of the Voting Claims of Affected Creditors who validly vote

(in person or by Proxy) on the Resolution at the HII/Shareco Creditors' Meeting or were deemed to vote on the Resolution as provided for in the HII/Shareco Meeting Order (the "Required Majority"). Each Affected Creditor will be entitled to one vote at the HII/Shareco Creditors' Meeting, which vote will have the value of such person's Voting Claim, as determined pursuant to the Claims Process Order, the HII/Shareco Meeting Order and the Plan. Each Affected Creditor may vote at one of the HII/Shareco Canadian Creditors' Meeting or the HII/Shareco European Creditors' Meeting but not both. The Plan must also be sanctioned by the Court under the CCAA. Subject to satisfaction of the other conditions precedent to the implementation of the Plan, all Affected Creditors will then receive the treatment set forth in the Plan.

**Deemed Voting in Favour of the Plan**

1. Convenience Class Creditors will be deemed to vote in favour of the Plan.
2. Affected Creditors (other than Convenience Class Creditors) who make a Newco Common Shares Cash-Out Option Election will be deemed to have voted in favour of the Plan.

**Forms and Proxies**

**Convenience Class Claim Declaration**

Affected Creditors with Affected Claims that were less than or equal to Cdn\$10,000 in the aggregate as at the Claims Bar Date shall (i) file with the Monitor a Convenience Class Claim Declaration pursuant to which such Affected Creditors may (a) elect to be treated as a Convenience Class Creditor and receive only the Cash Elected Amount and shall be deemed thereby to vote in favour of the Plan; (b) make a Newco Common Shares Final Cash-Out Option Election and receive an amount equal to their *pro rata* share of the Aggregate Newco Common Shares Final Cash-Out Amount, and their Pro Rata Share of the Cash Pool and the Asset Realization Cash Pool, and shall be deemed thereby to vote in favour of the Plan; or (c) elect to be treated as an Affected Creditor (other than a Convenience Class Creditor or an Electing Creditor) under the Plan, and thereby be entitled to vote their Voting Claims at the HII/Shareco Creditors' Meeting (in person or by Proxy) and to receive the rights and distributions provided for under and pursuant to the Plan, prior to 11:00 a.m. (Eastern Prevailing Time) / 5:00 p.m. (Central European Time) on May 29, 2013, or 24 hours (excluding Saturdays, Sundays and Quebec statutory holidays) prior to the time of any adjournment, postponement or rescheduling of the relevant HII/Shareco Creditors' Meeting; or (ii) deposit such Convenience Class Claim Declaration with the Chair at the relevant HII/Shareco Creditors' Meeting (or any adjournment, postponement or rescheduling thereof) immediately prior to the vote at the time specified by the Chair (the "Election/Proxy Deadline").

If any such Affected Creditor does not return the Convenience Class Claim Declaration to the Monitor by such deadline, they shall be deemed to have elected to receive the Cash Elected Amount and shall be deemed to vote in favour of the Plan.

**Proxy Form**

All other Affected Creditors who desire to make a Newco Common Shares Cash-Out Option Election and receive an amount equal to their *pro rata* share of the Aggregate Newco Common Shares Final Cash-Out Amount, and their Pro Rata Share of the Cash Pool and the Asset Realization Cash Pool, and no other entitlements under the Plan and be deemed thereby to vote in favour of the Plan, must complete the bottom portion of the Proxy.

For Affected Creditors (other than those who make a Newco Common Shares Cash-Out Option Election) who wish to appoint a proxy to attend the HII/Shareco Creditors' Meeting, please complete the top portion of the Proxy. Such Affected Creditors may attend the HII/Shareco Creditors' Meeting in person or may appoint another person as its proxyholder by inserting the name of such person in the space provided in the form of Proxy to be provided to Affected Creditors by Samson Bélair/Deloitte & Touche Inc. (the "Monitor"), or by completing another valid form of Proxy. Persons appointed as proxyholders need not be Affected Creditors.

In order to be effective, Proxies must be (i) received by the Monitor at either of (a) 1 Place Ville Marie, Suite 3000, Montréal, Québec, Canada, H3B 4T9 (Attention: Mr. Patrick Fillion), facsimile number: (514) 393-5344, or e-mail: [homburginvestccaa@deloitte.ca](mailto:homburginvestccaa@deloitte.ca), or (b) Monitor of Homburg Invest Incorporated, et. al, Deloitte Financial Advisory Services B.V. (Attention: Restructuring Services), Antwoordnummer 45485, 1040 WD Amsterdam, facsimile number: +31 (0)882889750, or e-mail: [homburginvestccaa@deloitte.ca](mailto:homburginvestccaa@deloitte.ca); or (ii) deposited with the Chair at the HII/Shareco Creditors' Meeting, in either case prior to the Election/Proxy Deadline.

If an Affected Creditor (other than those who are deemed to vote as set out above) specifies a choice with respect to voting on the Resolution on a Proxy, the Proxy will be voted in accordance with the specification so made. **In the absence of such specification and in the event that the Monitor is appointed as proxyholder, a Proxy will be voted FOR the Resolution.**

**NOTICE IS ALSO HEREBY GIVEN** that if the Plan is approved by the Required Majority at the HII/Shareco Creditors' Meeting, HII and Shareco intend to bring a motion before the Court on or about June 5, 2013 at 9:15 a.m. (Eastern Prevailing Time) at the Court located at 1 Notre-Dame Street East, Montréal, Québec, Canada. The motion will be seeking the granting of the HII/Shareco Sanction and Vesting Order sanctioning the Plan under the CCAA and for the ancillary relief consequent upon such sanction. Any Affected Creditor that wishes to appear or be represented, and to present evidence or arguments, at such Court hearing must serve a notice of intention to appear on the Service List at least three (3) Business Days before the Court hearing. Affected Creditors wishing to object to the relief to be sought at the Court hearing must also file with the Court a written notice which notice shall include its grounds of contestation and shall effect service of same on the Service List at least three (3) Business Days prior to the hearing. A copy of the Service List may be obtained by contacting the Monitor at the particulars set out above or from the Monitor's website set out below.

This Notice is given by HII and Shareco pursuant to the HII/Shareco Meeting Order.

You may view copies of the documents relating to this process on the Monitor's website at <http://www.deloitte.com/ca/homburg-invest>.

**DATED** this ● day of ●, 2013.

**SCHEDULE "B"**

**FORM OF PROXY**

**PROXY AND INSTRUCTIONS  
FOR AFFECTED CREDITORS IN THE MATTER OF THE PROPOSED  
PLAN OF COMPROMISE AND REORGANIZATION OF  
HOMBURG INVEST INC. AND HOMBURG SHARECO INC.**

**MEETING OF AFFECTED CREDITORS**

to be held pursuant to an Order of the Québec Superior Court (Commercial Division) made on April ●, 2013 (the "HII/Shareco Meeting Order") in connection with the Second Amended and Restated Plan of Homburg Invest Inc. and Homburg Shareco Inc. pursuant to the *Companies' Creditors Arrangement Act* (Canada) and the *Business Corporations Act* (Alberta) dated April ●, 2013 (as amended, restated, modified and/or supplemented from time to time, the "Plan")

on May 30, 2013 at 9:00 a.m. (Eastern Prevailing Time) at

McCarthy Tétrault LLP  
Suite 2500  
Lafleur room  
1000 De La Gauchetière Street West  
Montréal Quebec, Canada  
H3B 0A2

- and -

on May 30, 2013 at 3:00 p.m. (Central European Time) at

Jaarbeursplein 6  
3521 AL Utrecht  
The Netherlands

and at any adjournment, postponement or other rescheduling thereof (the "HII/Shareco Creditors' Meeting")

**PROXY AND INSTRUCTIONS**

PLEASE COMPLETE, SIGN AND DATE THIS PROXY AND (I) RETURN IT TO SAMSON BÉLAIR/DELOITTE & TOUCHE INC., IN ITS CAPACITY AS MONITOR, BY 11:00 A.M. (EASTERN PREVAILING TIME) / 5:00 P.M. (CENTRAL EUROPEAN TIME) ON MAY 29, 2013 OR (EXCLUDING SATURDAYS, SUNDAYS AND QUEBEC STATUTORY HOLIDAYS) OR 24 HOURS (EXCLUDING SATURDAYS, SUNDAYS AND QUEBEC STATUTORY HOLIDAYS) PRIOR TO THE TIME OF ANY ADJOURNMENT, POSTPONEMENT OR RESCHEDULING OF THE RELEVANT HII/SHARECO CREDITORS' MEETING OR (II) DEPOSIT THIS PROXY WITH THE CHAIR AT THE RELEVANT HII/SHARECO CREDITORS' MEETING (OR ANY ADJOURNMENT, POSTPONEMENT OR RESCHEDULING THEREOF) IMMEDIATELY PRIOR TO THE VOTE AT THE TIME SPECIFIED BY THE CHAIR (THE "ELECTION/PROXY DEADLINE"). PLEASE RETURN OR DEPOSIT YOUR ORIGINAL PROXY SO THAT IT IS ACTUALLY RECEIVED BY THE MONITOR OR THE CHAIR ON OR BEFORE THE ELECTION/PROXY DEADLINE.

**THE DUTCH VERSION OF THIS PROXY AND INSTRUCTIONS ARE AVAILABLE FROM THE MONITOR. YOU CAN CONTACT THE MONITOR BY E-MAIL AT [homburginvestcaa@deloitte.ca](mailto:homburginvestcaa@deloitte.ca) TO REQUEST THESE, OR VISIT THE MONITOR'S WEBSITE AT [www.deloitte.com/ca/homburg-invest](http://www.deloitte.com/ca/homburg-invest). [Dutch translation of the two foregoing sentences to be added in English version when translation is complete.]**

Please use the top portion of this Proxy form if you do not wish to attend the HII/Shareco Creditors' Meeting to vote in person but wish to appoint a proxyholder to attend the HII/Shareco Creditors' Meeting, vote your Voting Claim to accept or reject the Plan and otherwise act for and on your behalf at the HII/Shareco Creditors' Meeting and any adjournment(s), postponement(s) or rescheduling(s) thereof.

Please use the bottom portion of this Proxy form if you wish to elect the Newco Common Shares Cash-Out Option.

The Plan is Appendix B to the Information Circular of Homburg Invest Inc. prepared on behalf of Homburg Invest Inc., Homburg Shareco Inc. and Homco Realty Fund (61) Limited Partnership dated April 9, 2013 (collectively, the "Information Circular"), a copy of which you have received. All capitalized terms used but not defined in this Proxy shall have the meanings ascribed to such terms in the Information Circular.

You should review the Information Circular and the Plan before you vote. In addition, on [April 29], 2013, the Québec Superior Court (Commercial Division) issued an order establishing certain procedures for the conduct of the HII/Shareco Creditors' Meeting (the "HII/Shareco Meeting Order"), a copy of which is Appendix C to the Information Circular. The HII/Shareco Meeting



Order contains important information regarding the voting process. Please read the HII/Shareco Meeting Order and the instructions sent with this Proxy prior to submitting this Proxy.

If the Plan is approved by the Required Majority and is sanctioned by the Québec Superior Court Commercial Division, it will be binding on you whether or not you vote.

**Convenience Class Creditors do not need to complete or return a Proxy as they are deemed to vote in favour of the Plan pursuant to the HII/Shareco Meeting Order and the Plan.**

AFFECTED CREDITORS WHO ELECT THE NEWCO COMMON SHARES CASH-OUT OPTION ONLY NEED TO COMPLETE THE BOTTOM PORTION OF THIS PROXY FORM – THE CASH-OUT ELECTION FORM.

**PLAN PROXY**

**FOR AFFECTED CREDITORS (OTHER THAN CONVENIENCE CLASS CREDITORS AND ELECTING CREDITORS) WHO WISH TO APPOINT A PROXYHOLDER TO ATTEND AND VOTE AT THE HII/SHARECO CREDITORS' MEETING, PLEASE COMPLETE THE TOP OF THIS PROXY FORM.**

**APPOINTMENT OF PROXYHOLDER AND VOTE**

By checking one of the three boxes below, the undersigned Affected Creditor hereby revokes all proxies previously given and nominates, constitutes, and appoints either (*if no box is checked, the Monitor will act as your proxyholder*):

- \_\_\_\_\_, or
- a representative of Samson Bélair/Deloitte & Touche Inc., in its capacity as Monitor, or
- a representative of Stichting Homburg Bonds, in its capacity as trustee under the Corporate Bond Trust Indenture or Mortgage Bond Trust Indenture, as applicable

as proxyholder, with full power of substitution, to attend, vote and otherwise act for and on behalf of the undersigned at the HII/Shareco Creditors' Meeting and at adjournment(s), postponement(s) and rescheduling(s) thereof, and to vote the amount of the Affected Creditor's Voting Claim. Without limiting the generality of the power hereby conferred, the person named as proxyholder is specifically directed to vote as shown below. The person named as proxyholder is also directed to vote at the proxyholder's discretion and otherwise act for and on behalf of the undersigned with respect to any amendments or variations to the Plan and to any matters that may come before the HII/Shareco Creditors' Meeting or any adjournment, postponement or rescheduling thereof and to vote the amount of the Affected Creditors' Voting Claim as follows (*mark only one*):

- Vote **FOR** the approval of the Plan
- Vote **AGAINST** the approval of the Plan

**Please note that if no specification is made hereinabove and the Affected Creditor has appointed the Monitor as its proxyholder, the Affected Creditor will be deemed to have voted FOR approval of the Plan at the HII/Shareco Creditors' Meeting.**

Dated at \_\_\_\_\_ this \_\_\_\_ day of \_\_\_\_\_, 2013.

Affected Creditor's Signature: \_\_\_\_\_

(Print Legal Name of the Affected Creditor)

\_\_\_\_\_

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(Signature of the Affected Creditor or an Authorized Signing Officer of the Affected Creditor)

\_\_\_\_\_  
(Print Name and Title of an Authorized Signing Officer of the Affected Creditor, if applicable)

\_\_\_\_\_  
(Mailing Address of the Affected Creditor)

\_\_\_\_\_  
(Telephone Number of the Affected Creditor or Authorized Signing Officer of the Affected Creditor)

\_\_\_\_\_  
(Name of Affected Creditors' Banking Institution and Address, Account Number and IBAN)

<b>CASH-OUT ELECTION FORM</b>
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PRIOR TO COMPLETING THIS FORM, YOU SHOULD REVIEW THE INFORMATION CIRCULAR INCLUDING THE SECTIONS ENTITLED "*DESCRIPTION OF THE HII/SHARECO PLAN - NEWCO COMMON SHARES CASH-OUT OPTION*" AND "*ESTIMATED RECOVERY BY AFFECTED CREDITORS AND ELECTING CREDITORS UNDER THE HII/SHARECO PLAN AND BY HOMCO 61 AFFECTED CREDITORS AND ELECTING CREDITORS UNDER THE HOMCO 61 PLAN*" AS WELL AS THE ACCOMPANYING MONITOR'S REPORT IN SUPPORT OF THE PLANS. THESE DOCUMENTS CONTAIN IMPORTANT INFORMATION REGARDING THIS OPTION.

In connection with the Second Joint Amended and Restated Plan of Compromise and Reorganization of Homburg Invest Inc. and Homburg Shareco Inc. pursuant to the *Companies' Creditors Arrangement Act* (Canada) and the *Business Corporations Act* (Alberta) dated April 26, 2013 (as amended, restated, modified and/or supplemented from time to time, the "**Plan**"), the undersigned hereby elects:

- To receive the Newco Common Shares Cash-Out Option** (offered by Catalyst)  
– The undersigned makes this election with respect its Pro Rata Share of Newco Common Shares under the Plan. By selecting this option, the undersigned hereby:
- (i) acknowledges that it shall receive its *pro rata* share of the Aggregate Newco Common Shares Final Cash-Out Amount and its Pro Rata Share of the Cash Pool and the Asset Realization Cash Pool and no other entitlement to the Newco Common Shares;

- (ii) irrevocably directs and is deemed irrevocably to direct Newco to issue its Pro Rata Share of Newco Common Shares pursuant to and in accordance with the Letter of Instruction to be provided by Catalyst to the Monitor in accordance with the Plan; and
- (iii) represents and warrants that it has all the requisite power, capacity and authority to make the Newco Common Shares Cash-Out Option Election and has received any required consents and approvals so that Catalyst will receive free and clear title to the Newco Common Shares when issued.

**YOUR PROXY MUST BE RECEIVED (I) BY THE MONITOR AT ONE OF THE ADDRESSES LISTED BELOW OR (II) BY THE CHAIR AT THE RELEVANT HII/SHARECO CREDITORS' MEETING BEFORE THE ELECTION/PROXY DEADLINE.**

**SAMSON BÉLAIR/DELOITTE & TOUCHE INC.  
MONITOR OF HOMBURG INVEST INC., et al.  
1 Place Ville Marie  
Suite 3000  
Montréal, Québec  
H3B 4T9 Canada  
Attention: Mr. Patrick Fillion**

**Facsimile number: (514) 393-5344  
E-mail: [homburginvestccaa@deloitte.ca](mailto:homburginvestccaa@deloitte.ca)**

**or**

**MONITOR OF HOMBURG INVEST INCORPORATED, ET. AL.  
CARE OF DELOITTE FINANCIAL ADVISORY SERVICES B.V.  
Antwoordnummer 45485  
1040 WD Amsterdam  
The Netherlands  
Attention: Restructuring Services**

**Facsimile number: +31 (0)88 2889750  
E-mail: [homburginvestccaa@deloitte.ca](mailto:homburginvestccaa@deloitte.ca)**

**IF YOU HAVE ANY QUESTIONS REGARDING THIS PROXY OR THE VOTING PROCEDURES, OR IF YOU NEED AN ADDITIONAL COPY OR ADDITIONAL COPIES OF THE ENCLOSED MATERIALS, PLEASE CONTACT THE MONITOR AT [homburginvestccaa@deloitte.ca](mailto:homburginvestccaa@deloitte.ca) OR VISIT THE MONITOR'S WEBSITE AT [www.deloitte.com/ca/homburg-invest](http://www.deloitte.com/ca/homburg-invest)**

### **INSTRUCTIONS FOR COMPLETION OF PROXY**

1. All capitalized terms used but not defined in this Proxy shall have the meanings ascribed to such terms in the Information Circular of Homburg Invest Inc. prepared on behalf of Homburg Invest Inc., Homburg Shareco Inc. and Homco Realty Fund (61) Limited Partnership dated April ●, 2013, a copy of which you have received.
2. Please read and follow these instructions carefully. Your Proxy must actually be received (i) by the Monitor at either (a) 1 Place Ville Marie, Suite 3000, Montréal, Québec, Canada, H3B 4T9 (Attention: Mr. Patrick Fillion), facsimile number: (514) 393-5344, or e-mail: [homburginvestccaa@deloitte.ca](mailto:homburginvestccaa@deloitte.ca) or (b) Monitor of Homburg Invest Incorporated, et. al, Deloitte Financial Advisory Services B.V. (Attention: Restructuring Services), Antwoordnummer 45485, 1040 WD Amsterdam, facsimile number: +31 (0)88 2889750, or e-mail: [homburginvestccaa@deloitte.ca](mailto:homburginvestccaa@deloitte.ca), prior to 11:00 a.m. (Eastern Prevailing Time) / 5:00 p.m. (Central European Time) on May 29, 2013 or 24 hours (excluding Saturdays, Sundays and Québec statutory holidays) prior to the time of any adjournment, postponement or rescheduling of the relevant HII/Shareco Creditors' Meeting or (ii) by the Chair at the relevant HII/Shareco Creditors' Meeting (or any adjournment, postponement or rescheduling thereof) immediately prior to the vote at the time specified by the Chair (the "Election/Proxy Deadline"). If your Proxy is not received by the Proxy Deadline, unless such time is extended, your Proxy will not be counted and any Newco Common Shares Cash-Out Option Election made therein will not be valid.
3. The aggregate amount of your Claim in respect of which you are entitled to vote (your "Voting Claim") shall be your Proven Claim, or with respect to a Disputed Claim, the amount as determined by the Monitor to be your Voting Claim in accordance with paragraph 30 of the Claims Process Order and the HII/Shareco Meeting Order.
4. Each Affected Creditor who has a right to vote at the HII/Shareco Creditors' Meeting has the right to appoint a person (who need not be an Affected Creditor) to attend, act and vote for and on behalf of the Affected Creditor and such right may be exercised by inserting in the space provided the name of the person to be appointed, or to select a representative of the Monitor or Stichting Homburg Bonds as its proxyholder. If no proxyholder is selected, the Affected Creditor will be deemed to have appointed any officer of Samson Bélair/Deloitte & Touche Inc., in its capacity as Monitor, or such other person as Samson Bélair/Deloitte & Touche Inc. may designate, as proxyholder of the Affected Creditor, with power of substitution, to attend on behalf of and act for the Affected Creditor at the HII/Shareco Creditors' Meeting to be held in connection with the Plan and at any and all adjournments, postponements or other rescheduling thereof.
5. All Affected Creditors that wish to make a Newco Common Shares Cash-Out Option Election should complete the bottom portion of the Proxy Form. **If you make such an election, you will be deemed to vote in favour of the Plan and be deemed to direct Newco to issue your Pro Rata Share of Newco Common Shares to Catalyst.**
6. In the event that you do not make a Newco Common Shares Cash-Out Option Election, and you wish to appoint a proxyholder for the HII/Shareco Creditors' Meeting using this Proxy and for your vote to accept or reject the Plan to count, you must:



- (a) If you wish to vote by proxy rather than in person at the HII/Shareco Creditors' Meeting, complete the top portion of the Proxy and either write in the name of your proxyholder or select a representative of the Monitor or Stichting Homburg Bonds as your proxyholder. If you do not write in the name of your proxyholder, a representative of the Monitor will act as your proxyholder; and
  - (b) Check the appropriate box if you wish to vote by proxy rather than in person at the HII/Shareco Creditors' Meeting (**NOTE: if you do not check either box and you have appointed the Monitor as your proxyholder, you will be deemed to have voted FOR approval of the HII/Shareco Plan at the HII/Shareco Creditors' Meeting.**)
7. In all cases, you must:
- (a) Sign the Proxy – your original signature is required on the Proxy in order to make a Newco Common Shares Cash-Out Option Election or appoint a proxyholder and vote at the HII/Shareco Creditors' Meeting;
  - (b) If you are completing the Proxy as a duly authorized representative of a corporation or other entity, indicate your relationship with such corporation or other entity and the capacity in which you are signing, and if subsequently requested, provide proof of your authorization to so sign. In addition, please provide your name and mailing address; and
  - (c) Return the completed Proxy (i) to the Monitor at either (a) 1 Place Ville-Marie, Suite 3000, Montréal, Québec, Canada, H3B 4T9 (Attention: Mr. Patrick Fillion), facsimile number: (514) 393-5344, or e-mail: [homburginvestcca@deloitte.ca](mailto:homburginvestcca@deloitte.ca) or (b) Monitor of Homburg Invest Incorporated, et. al, Deloitte Financial Advisory Services B.V. (Attention: Restructuring Services), Antwoordnummer 45485, 1040 WD Amsterdam, facsimile number: +31 (0)88 2889750, or e-mail: [homburginvestccaa@deloitte.ca](mailto:homburginvestccaa@deloitte.ca), so that it is actually received by no later than the Election/Proxy Deadline.
8. If you need additional Proxies, please immediately contact the Monitor.
9. If multiple Proxies are received from the same person with respect to the same Claims prior to the Election/Proxy Deadline, the latest dated, validly executed Proxy timely received will supersede and revoke any earlier received Proxy. However, if a holder of Claims casts Proxies received by the Monitor dated with the same date, but which are voted inconsistently, such Proxies will not be counted. If a Proxy is not dated in the space provided, it shall be deemed dated as of the date it is received by the Monitor.
10. If an Affected Creditor on the top portion of the form appoints a Proxyholder to attend, act and vote for and on behalf of the Affected Creditor and on the bottom portion of the form elects the Newco Common Shares Cash-Out Option then such Affected Creditor will be deemed to have made a Newco Common Shares Cash-Out Option Election and to vote in favour of the Plan and will be deemed irrevocably to direct Newco to issue its *pro rata* share of Newco Common Shares to Catalyst pursuant to and in accordance with the

Letter of Instruction to be provided by Catalyst to the Monitor in accordance with the Plan.

11. If an Affected Creditor (other than an Electing Creditor) validly submits a Proxy to the Monitor and subsequently attends the HII/Shareco Creditors' Meeting and votes in person inconsistently, such Affected Creditor's vote at the HII/Shareco Creditors' Meeting will supersede and revoke the earlier received proxy.
12. Proxies may also be accepted for purposes of voting at an adjourned, postponed or other rescheduled HII/Shareco Creditors' Meeting, if received by the Monitor by the Election/Proxy Deadline.
13. Any Proxy that is illegible or contains insufficient information to permit the identification of the claimant shall not be counted.
14. Any Proxy that attempts to partially accept and partially reject the Plan will not be counted.
15. After the Election/Proxy Deadline, no Proxy may be withdrawn or modified, except by an Affected Creditor voting in person at the HII/Shareco Creditors' Meeting, without the prior consent of HII and Shareco.
16. If you have one or more Affected Claims that were less than or equal to CDNS\$10,000 in the aggregate as at the Claims Bar Date, you may (i) elect to receive the Cash Elected Amount in full and final satisfaction of your Affected Claims, (ii) make a Newco Common Shares Cash-Out Option Election and receive a *pro rata* share of the Aggregate Newco Common Shares Final Cash-Out Amount and a Pro Rata Share of the Cash Pool and the Asset Realization Cash Pool; or (iii) elect to be treated as an Affected Creditor (other than an Electing Creditor or Convenience Class Creditor) under the Plan, and thereby be entitled to vote your Voting Claims at the HII/Shareco Creditors' Meeting (in person or by proxy) and to receive the rights and distributions provided for under and pursuant to the Plan, in each case by completing the Convenience Class Claim Declaration contained in the HII/Shareco Meeting Materials you received from the Monitor. If you make a Newco Common Shares Cash-Out Option Election or elect to receive the Cash Elected Amount you are deemed to have voted in favour of the Plan and do not need to complete this Proxy.

**IF YOU HAVE ANY QUESTIONS REGARDING THIS PROXY OR THE VOTING PROCEDURES, OR IF YOU NEED AN ADDITIONAL COPY OR ADDITIONAL COPIES OF THE ENCLOSED MATERIALS, PLEASE CONTACT THE MONITOR AT [homburginvestcaa@deloitte.ca](mailto:homburginvestcaa@deloitte.ca) OR VISIT THE MONITOR'S WEBSITE AT [www.deloitte.com/ca/homburg-invest](http://www.deloitte.com/ca/homburg-invest)**

**SCHEDULE "C"**

**FORM OF CONVENIENCE CLASS CLAIM DECLARATION**

**TO: SAMSON BÉLAIR/DELOITTE & TOUCHE INC., in its capacity as Monitor of the HII Group Entities**

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PRIOR TO COMPLETING THIS FORM, YOU SHOULD REVIEW THE INFORMATION CIRCULAR INCLUDING THE SECTIONS ENTITLED "*DESCRIPTION OF THE HII/SHARECO PLAN - NEWCO COMMON SHARES CASH-OUT OPTION*" AND "*ESTIMATED RECOVERY BY AFFECTED CREDITORS AND ELECTING CREDITORS UNDER THE HII/SHARECO PLAN AND BY HOMCO 61 AFFECTED CREDITORS AND ELECTING CREDITORS UNDER THE HOMCO 61 PLAN*", WHICH CONTAIN IMPORTANT INFORMATION REGARDING THE NEWCO COMMON SHARES CASH-OUT OPTION.

In connection with the Second Joint Amended and Restated Plan of Compromise and Reorganization of Homburg Invest Inc. and Homburg Shareco Inc. pursuant to the *Companies' Creditors Arrangement Act* (Canada) and the *Business Corporations Act* (Alberta) dated April ●, 2013 (as amended, restated, modified and/or supplemented from time to time, the "Plan"), the undersigned hereby elects as follows (*check one*):

- To be treated as a Convenience Class Creditor** and thereby to receive the Cash Elected Amount in full and final satisfaction of the Proven Claim(s) of the undersigned, and hereby acknowledges that the undersigned shall be deemed to vote its Voting Claim(s) in favour of the Plan at the HII/Shareco Creditors' Meeting;

**OR**

- To receive the Newco Common Shares Cash-Out Option** with respect to its Pro Rata Share of the Newco Common Shares under the Plan. By selecting this option, the undersigned hereby:
- (i) acknowledges that it shall receive its *pro rata* share of the Aggregate Newco Common Shares Final Cash-Out Amount () and its Pro Rata Share of the Cash Pool and the Asset Realization Cash Pool and no other entitlement to the Newco Common Shares.
  - (ii) irrevocably directs and is deemed irrevocably to direct Newco to issue its Pro Rata Share of Newco Common Shares pursuant to and in accordance with the Letter of Instruction to be provided by Catalyst to the Monitor in accordance with the Plan; and

- (iii) represents and warrants that it has the all power, capacity and authority to make the Newco Common Shares Cash-Out Election and has received any required consents and approvals so that Catalyst will receive free and clear title to the Newco Common Shares when issued.

**OR**

- To be treated as an Affected Creditor (other than a Convenience Class Creditor or an Electing Creditor) and thereby be entitled to vote its Voting Claim(s) of the undersigned (in person or by Proxy) at the HII/Shareco Creditors' Meeting and to receive the rights and distributions provided for under and pursuant to the Plan.**

For purposes of this declaration terms not defined herein shall have the meanings ascribed thereto in the Plan.

**DATED** the            day of            2013.

\_\_\_\_\_  
(Print Legal Name of Affected Creditor)

\_\_\_\_\_  
(Signature of Affected Creditor or an Authorized Signing Officer of the Affected Creditor)

\_\_\_\_\_  
(Print Name, Title and Phone Number of Authorized Signatory)

\_\_\_\_\_  
(Amount of Affected Claim(s) as at Claims bar Date)

\_\_\_\_\_  
(Mailing Address of Affected Creditor)

\_\_\_\_\_  
(Name of Affected Creditors' Banking Institution and Address, Account Number and IBAN)

PLEASE COMPLETE, SIGN AND DATE THIS CONVENIENCE CLASS CLAIM DECLARATION AND (I) RETURN IT TO SAMSON BÉLAIR/DELOITTE & TOUCHE INC., IN ITS CAPACITY AS MONITOR, BY 11:00 A.M. (EASTERN PREVAILING TIME) / 5:00 P.M. (CENTRAL EUROPEAN TIME) ON MAY 29, 2013 OR (EXCLUDING SATURDAYS, SUNDAYS AND QUEBEC STATUTORY HOLIDAYS) OR 24 HOURS (EXCLUDING SATURDAYS, SUNDAYS AND QUEBEC STATUTORY HOLIDAYS) PRIOR TO THE TIME OF ANY ADJOURNMENT, POSTPONEMENT OR RESCHEDULING OF THE

RELEVANT HII/SHARECO CREDITORS MEETING OR (II) DEPOSIT THIS PROXY WITH THE CHAIR AT THE RELEVANT HII/SHARECO CREDITORS' MEETING (OR ANY ADJOURNMENT, POSTPONEMENT OR RESCHEDULING THEREOF) IMMEDIATELY PRIOR TO THE VOTE AT THE TIME SPECIFIED BY THE CHAIR (THE "ELECTION/PROXY DEADLINE"). PLEASE RETURN OR DEPOSIT YOUR CONVENIENCE CLASS CLAIM DECLARATION SO THAT IT IS ACTUALLY RECEIVED BY THE MONITOR OR THE CHAIR ON OR BEFORE THE ELECTION/PROXY DEADLINE.

**Samson Bélair/Deloitte & Touche Inc., Court-appointed Monitor of Homburg Invest Inc. and related entities**  
1 Place Ville-Marie, Suite 3000  
Montréal, QC, H3B 4T9

**Attention: Mr. Patrick Fillion**  
**Fax: (514) 393-5344**  
**Email: [homburginvestccaa@deloitte.ca](mailto:homburginvestccaa@deloitte.ca)**

or

**Deloitte Financial Advisory Services B.V., agent for the Court-appointed Monitor of Homburg Invest Incorporated et. al**  
Antwoordnummer 48485  
1040 WD Amsterdam

**Attention: Restructuring Services**  
**Fax: +31 (0)88 2889750**  
**Email: [homburginvestccaa@deloitte.ca](mailto:homburginvestccaa@deloitte.ca)**

**SCHEDULE "D"**  
**SHAREHOLDER NOTICE**

**NOTICE TO SHAREHOLDERS OF HOMBURG INVEST INC.**

Capitalized terms used but not defined herein shall have the meanings set out in the Second Joint Amended and Restated Plan of Compromise and Reorganization of Homburg Invest Inc. ("HII") and Homburg Shareco Inc. ("Shareco") pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA") and the *Business Corporations Act* (Alberta) dated April 26, 2013 (as amended, restated, modified and/or supplemented from time to time in accordance with the terms thereof, the "Plan").

TAKE NOTICE that all persons holding Equity Claims, including the Claims of holders of the Class A subordinate voting shares of HII (the "HII Class A Shares") and holders of Class B multiple voting shares of HII (the "HII Class B Shares"), are hereby notified that in connection with the HII's ongoing proceedings under the CCAA, a meeting of the Affected Creditors of HII and Shareco (the "HII/Shareco Creditors' Meeting") will be held on May 30, 2013 at 9:00 a.m. (Eastern Prevailing Time) at McCarthy Tétrault LLP, Suite 2500 Lafleur room, 1000 De La Gauchetière Street West, Montréal QC, H3B 0A2 and on May 30, 2013 at 3:00 p.m. (Central European Time) at Jaarbeursplein 6, 3521 AL Utrecht, the Netherlands, to consider and, if deemed advisable, approve the Plan.

**HOLDERS OF EQUITY CLAIMS ARE NEITHER ENTITLED TO ATTEND NOR VOTE AT THE HII/SHARECO CREDITORS' MEETING IN RESPECT OF SUCH EQUITY CLAIMS.**

Holders of Equity Claims are further notified that the Plan contemplates that, if such Plan is approved and implemented, all of the existing and authorized capital of HII, including the HII Class A Shares and the HII Class B Shares, will be cancelled and holders will receive no recoveries.

Montréal, Québec, Canada, ●, 2013

[Signatory]



**APPENDIX D**  
**INFORMATION RELATING TO STATUS OF CLAIMS**

**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>
<b>Trade Creditors</b>				
A-1 Vacuum Sales & Services Ltd. ....	33,428.47	—	4,701.74	28,726.73 <sup>(1)</sup>
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 <sup>(1)</sup>
Day Nite Neon Signs Ltd. ....	63,410.16	—	—	63,410.16
DBA Solar Electric Inc. ....	414,137.54	—	23,457.27	390,680.27 <sup>(1)</sup>
Delta Prince Edward .....	4,750.82	—	—	4,750.82
Fitzgerald and Snow .....	1,740,039.01	—	126,500.48	1,613,538.53 <sup>(1)</sup>
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 <sup>(1)</sup>
Mystique Mechanical .....	4,078,867.60	—	4,078,867.60	— <sup>(1)</sup>
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 <sup>(1)</sup>
Province of PEI (Property Tax) .....	79,539.46	—	—	79,539.46
Queens County condominium Corp. ....	4,500,000.00	—	4,500,000.00	— <sup>(1)</sup>
Revenu Quebec .....	82,170.57	—	—	82,170.57
Richmar Northumberland Limited Partnership .....	5,000.00	—	5,000.00	— <sup>(1)</sup>
Servicemaster .....	11,304.32	—	10,069.92	1,234.40 <sup>(1)</sup>
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 <sup>(1)</sup>
WHW Architects Inc. ....	35,073.51	—	15,334.17	19,739.34 <sup>(1)</sup>
XPI Inc .....	2,500.00	—	2,500.00	— <sup>(1)</sup>
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
James C. Johnson Associates Inc. ....	70,941.72	—	2,077.59	68,864.13 <sup>(1)</sup>
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 Entreprises .....	15,797.73	—	2,090.20	13,707.53 <sup>(1)</sup>

<i>(CND\$)</i>	<b>Amount Filed or Amended</b>	<b>Amount Reduced or Withdrawn</b>	<b>Amount Rejected</b>	<b>Amount Accepted</b>
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
<b>Sub-total</b> .....	<b>13,840,916.53</b>	<b>—</b>	<b>8,859,731.48</b>	<b>4,981,185.05</b>
<b>Bonds and Corporate</b>				
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)
<b>Sub-total</b> .....	<b>728,721,435.03</b>	<b>56,980,944.79</b>	<b>78,268,063.94</b>	<b>593,472,426.30</b>
<b>Restructuring</b>				
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)
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)
<b>Sub-total</b> .....	<b>81,771,279.73</b>	<b>—</b>	<b>45,877,181.74</b>	<b>35,894,097.99</b>
<b>Cominar</b>				
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)

<i>(CND\$)</i>	<u>Amount Filed or Amended</u>	<u>Amount Reduced or Withdrawn</u>	<u>Amount Rejected</u>	<u>Amount Accepted</u>
HCR LP (CP Calgary) . . . . .	1,597,817.67	1,204,897.01	—	392,920.66 <sup>(10)</sup>
Homburg Canada REIT Management Inc. . . . .	7,500,000.00	7,500,000.00	—	— <sup>(10)</sup>
Homburg Canada REIT Management Inc. . . . .	10,715,081.72	10,715,081.72	—	— <sup>(10)</sup>
Homburg Canada REIT Management Inc. . . . .	2,843,937.18	2,843,937.18	—	— <sup>(10)</sup>
Homburg Canada REIT Management Inc. . . . .	114,915.03	114,915.03	—	— <sup>(10)</sup>
Homburg Canada REIT Management Inc. . . . .	4,749,264.47	4,749,264.47	—	— <sup>(10)</sup>
Homco130 . . . . .	4,714,359.00	4,714,359.00	—	— <sup>(10)</sup>
<b>Sub-total</b> . . . . .	<b>67,145,672.75</b>	<b>65,552,752.09</b>	<b>—</b>	<b>1,592,920.66</b>
<b>Intercos</b>				
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 <sup>(11)</sup>
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
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 <sup>(6)</sup>
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	—	—
<b>Sub-total</b> . . . . .	<b>629,043,009.00</b>	<b>243,414,592.44</b>	<b>—</b>	<b>385,628,416.56</b>
<b>Others</b>				
163086 CANADA INC. . . . .	340,138.67	—	216,610.80	123,527.87 <sup>(2)</sup>
DEGI Homburg Harris LP . . . . .	11,191,349.93	—	TBD	TBD <sup>(2)</sup>
City of Charlottetown . . . . .	431,000.00	—	428,910.50	2,089.50 <sup>(1)</sup>
FGH Bank N.V . . . . .	6,813,000.00	—	TBD	TBD <sup>(2)</sup>
Homburg Canada Inc. . . . .	3,307,575.00	—	TBD	TBD <sup>(2)</sup>
Homco Realty Fund (68) LP . . . . .	40,717,935.34	—	TBD	TBD <sup>(2)(7)</sup>
Island Investment Development Inc. . . . .	29,114,745.00	—	TBD	TBD <sup>(17)</sup>
Minister of national revenue . . . . .	2,914,108.74	—	1,864,807.26	1,049,301.48 <sup>(2)(8)</sup>
Valbone Real Estate BV . . . . .	62,567,226.30	—	TBD	TBD <sup>(2)(7)</sup>
<b>Sub-total</b> . . . . .	<b>157,397,078.98</b>	<b>—</b>	<b>2,510,328.56</b>	<b>1,174,918.85</b>
<b>TOTAL</b> . . . . .	<b><u>1,677,919,392.02</u></b>	<b><u>365,948,289.32</u></b>	<b><u>135,515,305.72</u></b>	<b><u>1,022,743,965.41</u></b>

- (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, on 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 Order 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.

**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>
<b><i>Bonds and Corporate</i></b>				
Stichting Homburg Bonds-HMB_4 .....	29,471,737.68	—	1,808,332.35	27,663,405.33 <sup>(1)</sup>
Stichting Homburg Bonds-HMB_5 .....	29,471,737.68	—	1,808,332.34	27,663,405.34 <sup>(1)</sup>
Stichting Homburg Bonds-HMB_6 .....	45,997,119.83	—	2,822,299.81	43,174,820.02 <sup>(1)</sup>
Stichting Homburg Bonds-HMB_7 .....	45,882,601.58	—	2,728,475.63	43,154,125.95 <sup>(1)</sup>
<b>TOTAL .....</b>	<b><u>150,823,196.77</u></b>	<b><u>—</u></b>	<b><u>9,167,440.13</u></b>	<b><u>141,655,756.64</u></b>

- (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>
<b>Trade Creditors</b>				
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>
<b>Bonds and Corporate</b>				
Homburg Mortgage Bonds – serie 6 .....	51,191,326.17	—	4,045,215.17	47,146,111.00 <sup>(1)</sup>
<b>Intercos</b>				
Homburg Invest Inc. ....	65,197,177.00	65,197,177.00	—	— <sup>(2)</sup>
<b>Others</b>				
DEGI Homburg Harris LP .....	11,191,349.93	—	TBD	TBD <sup>(3)</sup>
<b>TOTAL</b> .....	<b><u>127,724,581.53</u></b>	<b><u>65,197,177.00</u></b>	<b><u>TBD</u></b>	<b><u>TBD</u></b>

- (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>
<b>Cominar</b>				
Homburg Canada Reit LP .....	4,749,264	4,749,264	—	— <sup>(1)</sup>
Cominar Real Estate Investment Trust .....	3,593,937	3,593,937	—	— <sup>(1)</sup>
Cominar Real Estate Investment Trust .....	114,915	114,915	—	— <sup>(1)</sup>
<b>Sub-total</b> .....	<b><u>8,458,117</u></b>	<b><u>8,458,117</u></b>	<b><u>—</u></b>	<b><u>—</u></b>
<b>Intercos</b>				
Homburg Invest Inc. ....	5,454,433	5,454,433	—	—
<b>TOTAL</b> .....	<b><u>13,912,550</u></b>	<b><u>13,912,550</u></b>	<b><u>—</u></b>	<b><u>—</u></b>

- (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><b>Cominar</b></i>				
Cominar Real Estate Investment Trust .....	4,749,264	4,749,264	—	— (1)
Cominar Real Estate Investment Trust .....	10,897,707	10,897,707	—	— (1)
<i><b>Sub-total</b></i> .....	<b>15,646,972</b>	<b>15,646,972</b>	<b>—</b>	<b>—</b>
<i><b>Intercos</b></i>				
Homburg Invest Inc. ....	2,629,229	—	—	2,629,229
<b>TOTAL</b> .....	<b>18,276,201</b>	<b>15,646,972</b>	<b>—</b>	<b>2,629,229</b>

(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><b>Cominar</b></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><b>Sub-total</b></i> .....	<b>13,610,832</b>	<b>13,610,832</b>	<b>—</b>	<b>—</b>
<i><b>Intercos</b></i>				
Homburg Invest (190) LP .....	95,530,165	—	—	95,530,165
Homburg Invest (191) LP .....	118,585,019	—	—	118,585,019
<b>TOTAL</b> .....	<b>227,726,016</b>	<b>13,610,832</b>	<b>—</b>	<b>214,115,184</b>

(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.

**APPENDIX E**  
**INFORMATION RELATING TO ESTIMATED RECOVERY BY AFFECTED CREDITORS**

**HII Consolidated**  
**Estimated Recovery Rates of Unsecured Creditors**

<u>In Euros (000)</u>	<u>At emergence (June 30 2013),</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>
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
	<b>202,045</b>	<b>204,856</b>	<b>33,188</b>	<b>49,561</b>	<b>235,233</b>	<b>254,417</b>
Unsecured creditors .....	568,780	552,130	—	—	568,780	552,130
<b>Estimated dividend</b>	<b>35.52%</b>	<b>37.10%</b>	<b>5.83%</b>	<b>8.98%</b>	<b>41.36%</b>	<b>46.08%</b>
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 cash at emergence – June 30, 2013**

	<u>Low</u>	<u>High</u>
Cash before adjustments – June 30, 2013 .....	53,117	53,117
Bond 5 Secured Claim Cash Payment .....	(2,250)	(2,250)
Loan negotiations .....	(18,500)	(18,500)
Release of restricted cash and others .....	15,366	15,366
Administrative and litigation reserves .....	(1,499)	(1,499)
Professionnal fees post emergence .....	(3,748)	(2,249)
HSBC Secured Claim .....	(13,155)	(13,155)
	(23,786)	(22,287)
<b>Cash adjusted</b> .....	<b>29,331</b>	<b>30,830</b>

*Notes to estimated cash at emergence*

Bond 5 Secured Claim Cash Payment

Cash disbursement projected to purchase the security of the holders of Bond 5 Claims pursuant to the Bond 5 Secured Claim Settlement Agreement.

Loan negotiations

Negotiations with certain secured lenders and reserve in connection with the refinancing of the loans.

Restricted Cash, Administrative, Litigation and other Reserves

Funds held in a trust account relating to claims against HII that have been settled, litigation reserve for costs relating to investigation and assessment of certain Litigation Claims and an estimate reserve to settle pending issues.

Professional fees post emergence

Cash disbursements estimated by the HII Group Entities for professional fees to be incurred after the emergence date.

HSBC Secured Claim

HII expects that the secured claims of HSBC over certain of the Non-Core Business Assets that are guaranteed by a secured guarantee of HII will be satisfied in full from the Cash at emergence. The proceeds of sale of such Non-Core Business Assets will only be available to Affected Creditors with Proven Claims on disposition of such Non-Core Business Assets.

**Mortgage bonds**  
**Estimated net realization value**

In Euros (000)	Debt	Estimated realization value				Estimated unsecured portion				Estimated distribution in cash				Estimated distribution in shares				Total estimated distribution	
		Low		High		Low		High		Low		High		Low		High		Low	High
		Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High		
<b>HB4</b>																			
Homco 52/Homburg																			
	Spring East	20,302	4,123	6,746	16,179	13,556	4,123	6,746	2,297	2,509	—	—	5,093	4,406	11,513	13,661			
<b>HB5</b>																			
	HC69		1,125	1,125			1,125	1,125											
	HC70		1,125	1,125			1,125	1,125											
		20,302	2,250	2,250	18,052	18,052	2,250	2,250	2,563	3,341	—	—	5,682	5,868	10,495	11,459			
<b>HB6</b>																			
	HC61		17,393	19,374			5,407	7,029											
	HC71		—	—			—	—											
	HC72		—	—			—	—											
	HC73		—	—			—	—											
	HC74		—	—			—	—											
	HC75		—	—			—	—											
	HC76		—	—			—	—											
	HC84		—	—			—	—											
	HC85		—	—			—	—											
	HC98		—	—			—	—											
	HC120		—	—			—	—											
		31,686	17,393	19,374	14,293	12,312	5,407	7,029	2,030	2,279	11,986	12,345	4,499	4,002	23,922	25,655			
<b>HB7</b>																			
Homco 88/Kai																			
	Mortensen		11,618	16,491			11,618	16,491											
		31,670	11,618	16,491	20,052	15,179	11,618	16,491	2,847	2,810	—	—	6,312	4,934	20,777	24,235			
<b>Total</b>		<b>103,960</b>	<b>35,384</b>	<b>44,861</b>	<b>68,576</b>	<b>59,099</b>	<b>23,398</b>	<b>32,516</b>	<b>9,737</b>	<b>10,939</b>	<b>11,986</b>	<b>12,345</b>	<b>21,586</b>	<b>19,210</b>	<b>66,707</b>	<b>75,010</b>			

**Liabilities**

(000)	Local currency	In CA \$		In Euros		
		Low	High	Low	High	
<b>Secured creditors</b>						
<i>Mortgage bonds</i>						
	HMB4	Euros	27,663	27,663	20,302	20,302
	HMB5	Euros	27,663	27,663	20,302	20,302
	HMB6	Euros	43,175	43,175	31,686	31,686
	HMB7	Euros	43,154	43,154	31,670	31,670
					<b>103,960</b>	<b>103,960</b>
<b>Corporate debt</b>						
	Non-asset backed bonds	Euros	428,318	428,318	314,339	314,339
	Junior subordinated notes	Euros/USD	54,508	54,508	40,003	40,003
	Homburg Capital Securities A	CAD	—	—	—	—
					<b>354,342</b>	<b>354,342</b>
	Trade creditors and others	CAD	98,396	90,688	72,212	66,555
	Restructuring claims	CAD	37,960	35,894	27,858	26,342
	Inter-Company claims	CAD	62,397	62,397	45,792	45,792
	<b>Total debt (secured and unsecured)</b>				<b>604,164</b>	<b>596,991</b>

**APPENDIX F**  
**FORM OF HOMCO 61 RESOLUTION**

**BE IT RESOLVED THAT:**

1. the Restated Plan of Compromise (the “**Plan**”) of Homco Realty Fund (61) Limited Partnership (“**Homco 61 LP**”) pursuant to the provisions of the *Companies’ Creditors Arrangement Act* (Canada), which Plan has been presented to this meeting attached as Appendix “G” to the management information circular of Homburg Invest Inc., Homburg Shareco Inc. and Homco 61 LP dated May 3, 2013 (the “**Information Circular**”) (as such Plan may be amended, restated, modified and/or supplemented as provided for in the Plan) be and it is hereby accepted, approved, agreed to and authorized; and
2. any director or officer of HII (61) GP Inc., in its capacity as general partner of Homco 61 LP, is hereby authorized and directed, for and on behalf of Homco 61 LP, (whether under its respective corporate seal or otherwise), to execute and deliver, or cause to be executed and delivered, any and all documents and instruments and to take or cause to be taken such other actions as he or she may deem necessary or desirable to implement this resolution and the matters authorized hereby, including the transactions required by the Plan, such determination to be conclusively evidenced by the execution and delivery of such documents or other instruments or the taking of any such actions.

**APPENDIX G  
HOMCO 61 PLAN OF COMPROMISE**

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:**

**Homburg Invest Inc.**  
**Homburg Shareco Inc.**  
**Churchill Estates Development Ltd.**  
**Inverness Estates Development Ltd.**  
**CP Development Ltd.**  
**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 (83) 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.**

**Mises-en-cause**

-and-

**Samson Bélair/Deloitte & Touche Inc.**

**Monitor**

**RESTATED PLAN OF COMPROMISE OF  
HOMCO REALTY FUND (61) LIMITED PARTNERSHIP  
(Section 11 of the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36)**



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## RESTATED HOMCO 61 PLAN OF COMPROMISE

### WHEREAS:

- A. Homburg Invest Inc. (“**HII**”), Homburg Shareco Inc. (“**Shareco**”), Churchill Estates Development Ltd., Inverness Estates Development Ltd., CP Development Ltd., North Calgary Land Ltd. and Homburg Management (Canada) Inc. (collectively, the “**Petitioners**”) are insolvent;
- B. The Petitioners filed and obtained protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”);
- C. The Petitioners, excluding North Calgary Land Ltd. and Homburg Management (Canada) Inc., obtained an Order of the Superior Court of Quebec (Commercial Division) (the “**Court**”) under the CCAA on September 9, 2011, as amended pursuant to further orders of the Court (and as same may be further amended, restated or varied from time to time, the “**Initial Order**”);
- D. The Initial Order declared that, although not a Petitioner, each of *mis-en-cause* Homco Realty Fund (52) 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 (105) Limited Partnership, Homco Realty Fund (121) Limited Partnership, Homco Realty Fund (122) Limited Partnership, Homco Realty Fund (142) Limited Partnership and Homco Realty Fund (199) Limited Partnership shall enjoy the protections and authorizations provided by the Initial Order (such partnerships collectively referred to in the Initial Order as the “**Applicant Partnerships**”);
- E. By Order dated May 31, 2012, the Initial Order was amended to add North Calgary Land Ltd. as a Petitioner and *mis-en-cause* Homco Realty Fund (96) Limited Partnership as an Applicant Partnership thereunder (hereinafter included as an “Applicant Partnership”);
- F. By Order of the Court made on December 14, 2012, *mis-en-cause* Homco Realty Fund (190) Limited Partnership and Homco Realty Fund (191) Limited Partnership were each added as additional Applicant Partnerships (hereinafter each included as an “Applicant Partnership”);
- G. HII and Shareco filed with the Court a joint Plan of Compromise and Reorganization under and pursuant to the CCAA and the Alberta *Business Corporations Act* (“**ABCA**”) dated February 5, 2013 (the “**Original Plan**”);
- H. By Order of the Court made on February 6, 2013, the Initial Order was further amended to add Homco Realty Fund (61) Limited Partnership as an additional Applicant Partnership (“**Homco 61 LP**”, hereinafter included as an “**Applicant Partnership**”) and Castello Development Ltd. as a *mis-en-cause* thereunder;
- I. By Order of the Court made on March 1, 2013, and amended by further Order of the Court made on March 14, 2013, an investment proposal process was approved providing for the terms and conditions governing the delivery of investment proposals to HII and the Monitor (the “**Investment Proposal Process**”);
- J. By Order of the Court made on March 14, 2013, the Initial Order was further amended to add Homburg Management (Canada) Inc. as a Petitioner;
- K. Pursuant to the Initial Order the Petitioners and the Applicant Partnerships have the authority to file with the Court and to submit to their creditors one or more plans of compromise or arrangement under the CCAA, which plans will provide, among other things, for certain recoveries to their respective stakeholders;
- L. Under the Investment Proposal Process, The Catalyst Capital Group Inc., on behalf of funds managed by it (“**Catalyst**”) submitted the Catalyst Final Offer (as herein defined) which was selected by HII as the “Selected Superior Offer” under the Investment Proposal Process and Catalyst was selected as the “Qualified Investor” under the Investment Proposal Process;
- M. As required under and in accordance with the Investment Proposal Process, HII, Shareco, Homco 61 LP and Catalyst entered into a support agreement dated April 15, 2013 (the “**Original Catalyst Support Agreement**”). The Original Catalyst Support Agreement was terminated by HII, Shareco and Homco 61 LP by written notice delivered to Catalyst on April 24, 2013;
- N. HII and Shareco accordingly filed an amended and restated Plan on April 25, 2013, amending and restating the Original Plan (the “**Amended and Restated Plan**”). Homco 61 LP proposed its own plan of compromise to its creditors dated April 25, 2013 under and pursuant to the CCAA (the “**Homco 61 Original Plan**”), which plan was also filed with the Court on April 25, 2013 and forms an integrated and cohesive plan with the Amended and Restated Plan. Concurrently with the filing of the Amended and Restated Plan and the Homco 61 Original Plan, HII, Shareco and Homco 61 LP served motions for the convening and conduct of the HII/Shareco Creditors’ Meeting and the Homco 61 Creditors’ Meeting;
- O. By Order of the Court made on April 26, 2013 *mis en cause* Homco Realty Fund (83) Limited Partnership was added as an additional Applicant Partnership (and hereinafter included as an “**Applicant Partnership**”).

- P. HII, Shareco and Homco 61 LP have entered into a restated support agreement with Catalyst dated April 26, 2013 (the **“Restated Catalyst Support Agreement”**) governing the investment to be made by Catalyst as part of the restructuring of HII, Shareco and certain of the HII Group Entities together with the filing of further revised Plans by each of HII, Shareco and Homco 61 LP to reflect such investment (the **“Catalyst Investment”**);
- Q. Homco 61 LP desires to restate the Homco 61 Original Plan, among other things, to give effect to the Restated Catalyst Support Agreement and to reflect the terms of the Second Joint Amended and Restated Plan of Compromise and Reorganization under and pursuant to the CCAA and the ABCA (the **“Second Amended and Restated Plan”**);
- R. Homco 61 LP hereby proposes and presents this Restated Plan of Compromise under and pursuant to the CCAA.

## ARTICLE 1 INTERPRETATION

### 1.1 Definitions

In the Homco 61 Plan, terms used but not defined herein shall have the meaning ascribed thereto in the HII Plan. Unless otherwise stated or unless the subject matter or context otherwise requires, the following terms shall have the following meanings:

**“Amended and Restated Plan”** has the meaning ascribed thereto in the Recitals;

**“Applicable Law”** means, in respect of any Person, property, transaction, event or other matter, any law, statute, regulation, code, ordinance, principle of common law or equity, municipal by-law, treaty or Order, domestic or foreign, applicable to that Person, property, transaction, event or other matter and all applicable requirements, requests, official directives, rules, consents, approvals, authorizations, guidelines, and policies, in each case, having the force of law, of any Governmental Authority having or purporting to have authority over that Person, property, transaction, event or other matter and regarded by such Governmental Authority as requiring compliance;

**“Bond 6 Claim Holders”** means, collectively, the holders of Series 6 bonds issued under the Bond 6 Indenture, and **“Bond 6 Claim Holder”** means any one of them;

**“Bond 6 HII Deficiency Claim”** means the aggregate Proven Claim for distribution purposes of the Bond 6 Claim Holders against HII under the HII Plan which shall be deemed to be an amount equal to the Bond 6 HII Claim net of the Bond 6 Homco 61 Recovered Amount;

**“Bond 6 Homco 61 Claim”** means the aggregate Homco 61 Proven Claim of the Bond 6 Claim Holders against Homco 61 LP arising under the Homco 61 Guarantee for voting and distribution purposes under the Homco 61 Plan which shall be deemed to be in the amount of Cdn\$47,146,111 (being principal plus interest accrued as at the Homco 61 Filing Date);

**“Bond 6 Homco 61 Recovered Amount”** means the aggregate of all Bond 6 Claim Holders’ *pro rata* shares of the HII Homco 61 Distribution recovered by such Bond 6 Claim Holders under the Homco 61 Plan on account of the Bond 6 Homco 61 Claim;

**“Bond 6 Indenture”** means the Fourth Supplemental Indenture dated July 1, 2005 to the Trust Indenture dated December 15, 2002, between Shareco and the Trustee, as amended by the Special Supplemental Indenture to the Fourth Supplemental dated August, 2005 between Shareco and the Trustee, and the Second Special Supplemental Indenture to the Fourth Supplemental dated November 30, 2007, between Shareco and the Trustee;

**“Business”** means the direct and indirect business operations and activities of Homco 61 LP;

**“Cash”** means cash, certificates of deposits, bank deposits, commercial paper, treasury bills and other cash equivalents including for greater certainty, the Cash component of the HII Homco 61 Distribution paid to Homco 61 LP pursuant to and in accordance with the HII Plan;

**“Cash-Out Election Form”** means the portion of the Proxy pursuant to which a Homco 61 Affected Creditor can elect the Newco Common Shares Cash-Out Option under and in accordance with the Homco 61 Plan;

**“Catalyst”** has the meaning ascribed thereto in the Recitals;

**“CCAA”** means the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;

**“CCAA Proceedings”** means the proceedings under the CCAA in respect of Homco 61 LP;

**“Claim”** means any right or claim of any Person, whether or not asserted, in connection with any Indebtedness, liability or obligation of any kind whatsoever, whether reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, by Guarantee, by surety, by warranty or otherwise, and whether or not such right is executory or anticipatory in nature, including without limitation, any claim arising from or caused by the termination, disclaimer, resiliation, assignment or repudiation of any contract, lease or other agreement, whether written or oral, the commission of a tort (intentional or unintentional), any breach of duty (including without limitation, any legal, statutory, equitable or fiduciary

duty), any right of ownership of or title to property, employment, contract, a trust or deemed trust, howsoever created or any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any grievance, matter, action, cause or chose in action, whether existing at present or commenced in the future, based in whole or in part on facts which existed on the Homco 61 Filing Date (including a Claim which relates to any time period prior to the Homco 61 Filing Date), together with any other claims of any kind that, if unsecured, would constitute a debt provable in bankruptcy within the meaning of the BIA, and for greater certainty, a "Claim" shall include any Equity Claim and any Bond 6 Homco 61 Claim;

**"Claim Process Order"** means the Order of the Court made on April 30, 2012, as amended, restated and varied from time to time, including in particular on February 6, 2013, approving and implementing the claims process in respect of, *inter alia*, Homco 61 LP;

**"Court"** means the Quebec Superior Court (Commercial Division) or any appellate court seized with jurisdiction in the CCAA Proceedings, as the case may be;

**"Deloitte"** means Samson/Bélair Deloitte & Touche Inc.;

**"Electing Creditor"** means a Homco 61 Affected Creditor who has validly elected the Newco Common Shares Cash-Out Option;

**"Election/Proxy Deadline"** means the deadline for making a Newco Common Shares Cash-Out Option Election, and for submitting Proxies in accordance with the Homco 61 Meeting Order;

**"Excluded Claim"** means: (i) any Claim secured by the CCAA Charges (ii) Homco 61 Post-Filing Trade Payables; and (iii) any other Claim ordered by the Court to be treated as an Excluded Claim;

**"Final Order"** means a final Order of the Court, the implementation, operation or effect of which shall not have been stayed, varied, vacated or subject to pending appeal and as to which Order any appeal periods relating thereto shall have expired;

**"Governmental Authority"** means any domestic or foreign government, including any federal, provincial, state, territorial or municipal government, and any government department, body, ministry, agency, tribunal, commission, board, court, bureau or other authority exercising or purporting to exercise executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government including without limitation any Taxing Authority;

**"Guarantee"** of a Person means any Liability of that Person under any guarantee, agreement, endorsement (other than for collection or deposit in the ordinary course of business of that Person), discount with recourse or other obligation to pay, purchase, repurchase or otherwise be or become liable or obligated upon or in respect of any Indebtedness of any other Person to indemnify or hold harmless any Person from or against any losses, liabilities or damages, in circumstances intended to enable the Person to incur or pay any Indebtedness or to comply with any agreement relating thereto or otherwise to assure or protect Homco 61 Creditors against loss in respect of the Indebtedness;

**"HII Filing Date"** means September 9, 2011;

**"HII Homco 61 Distribution"** means the aggregate value of all non-Cash and Cash distributions made to Homco 61 LP under the HII Plan on account of the Homco 61 Net Intercompany Claim (for greater certainty being its Pro Rata Share of the Newco Equity Pool, the Cash Pool and the Asset Realization Cash Pool);

**"HII Loan"** means the loan by HII to Homco 61 LP evidenced by the Homco 61 Note, in the amount of Cdn\$65,197,177 as at the HII Filing Date (and as at the Homco 61 Filing Date was Cdn\$71,597,837,15);

**"HII Plan"** means the Joint Plan of Compromise and Arrangement of HII and Shareco pursuant to the CCAA and the ABCA dated February 5, 2013, as amended and restated by the Amended and Restated Plan and the Second Amended and Restated Plan, and as may be further amended, restated, supplemented or otherwise modified from time to time in accordance with its terms;

**"HII/Shareco Meeting Order"** means the Order, substantially in the form attached as Schedule "C" to the HII Plan, to be made by the Court under the CCAA that, among other things, sets the date for the HII/Shareco Creditors' Meeting, approves the HII/Shareco Meeting Material and contains the Restated Catalyst Support Agreement Approval, as same may be amended, restated or varied from time to time;

**"Homco 61 Administrative Reserve Costs"** means all amounts on account of Homco 61 Employee Priority Claims, Homco 61 Government Priority Claims and the Homco 61 Post-Filing Trade Payables;

**"Homco 61 Affected Claim"** means any Claim against Homco 61 LP, including the Bond 6 Homco 61 Claim, but excluding the Homco 61 Unaffected Claims and the Equity Claims;

**"Homco 61 Affected Creditor"** means any Creditor holding a Homco 61 Affected Claim under the Homco 61 Plan;

**"Homco 61 Affected Creditors' Entitlement"** means the full entitlement of Homco 61 Affected Creditors under the Homco 61 Plan, including without limitation the entitlement of such Homco 61 Affected Creditors to receive Newco Common Shares and/or distributions of Cash from the Cash Pool and the Asset Realization Cash Pool, and "Homco 61 Affected Creditor's Entitlement" means the full entitlement of a Homco 61 Affected Creditor;

**“Homco 61 Affected Creditor’s Pro Rata Share”** means each Homco 61 Affected Creditor’s *pro rata* share of the HII Homco 61 Distribution;

**“Homco 61 Claims Bar Date”** means the claims bar date for Claims against Homco 61 LP as set out in the Claims Process Order;

**“Homco 61 Conditions Precedent”** means the conditions precedent to the implementation of the Homco 61 Plan set out in Section 8.3 of the Homco 61 Plan;

**“Homco 61 Creditor”** means any Person asserting a Homco 61 Affected Claim or a Homco 61 Unaffected Claim and may, where the context requires, include the assignee of such Claim or a personal representative, agent, mandatary, trustee, interim receiver, receiver, receiver and manager, liquidator or other Person acting on behalf of such Person;

**“Homco 61 Creditors’ Meeting”** means the meeting or meetings of the Homco 61 Affected Creditors to be called and held concurrently with the HII/Shareco Creditors’ Meeting, pursuant to the Homco 61 Meeting Order, for the purpose of considering and voting upon the Homco 61 Plan and includes any adjournment, postponement or rescheduling of such meeting or meetings;

**“Homco 61 Disputed Claim”** means that portion of a Homco 61 Affected Claim of a Homco 61 Affected Creditor in respect of which a Homco 61 Proof of Claim has been filed in accordance with the Claims Process Order, and which is the subject of negotiation with the Monitor or adjudication before the Court, and that at any particular time, has not been finally determined to be a Homco 61 Proven Claim in whole or in part, or is subject to a revision or disallowance that is contested in accordance with the Claims Process Order, the Homco 61 Meeting Order, or any other Order made in the CCAA Proceedings and as such is not a Homco 61 Proven Claim in whole or in part, and in the case of Homco 61 Disputed Claim of Electing Creditors, the face amount of any Homco 61 Disputed Claim of such Electing Creditor shall be deemed to be no greater than the face amount of such Claim on April 26, 2013;

**“Homco 61 Distribution Date”** means the date or dates from time to time set in accordance with the provisions of the Homco 61 Plan at the sole and absolute discretion of the Monitor to effect distributions in respect of the Homco 61 Proven Claims of the Homco 61 Affected Creditors, including the Homco 61 Final Distribution Date but excluding the Homco 61 Initial Distribution Date;

**“Homco 61 Effective Time”** means 12:02 a.m. on the Homco 61 Plan Implementation Date or such other time on such date Homco 61 LP and the Monitor shall determine or as otherwise ordered by the Court but in any event such Homco 61 Effective Time shall occur immediately following the Effective Time under the HII Plan;

**“Homco 61 Employee Priority Claim”** means of the following Claims of Homco 61 Employees and former or inactive employees of Homco 61 LP:

- (a) Claims equal to the amounts that such Homco 61 Employees and former or inactive employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if Homco 61 LP had become bankrupt on the Homco 61 Filing Date; and
- (b) Claims for wages, salaries, commissions or compensation for services rendered by them after the Homco 61 Filing Date and on or before the Homco 61 Plan Implementation Date together with, in the case of travelling salespersons, disbursements properly incurred by them in and about the Business during the same period;

**“Homco 61 Employees”** means any and all (i) employees of Homco 61 LP who are actively at work (including full-time, part-time or temporary employees), and (ii) employees of Homco 61 LP who are on approved leaves of absence (including maternity leave, parental leave, short-term disability leave, workers’ compensation and other statutory leaves);

**“Homco 61 Filing Date”** means February 6, 2013;

**“Homco 61 Final Distribution Date”** means such date, after all of the Homco 61 Disputed Claims are finally resolved, that the Monitor shall determine in its sole and absolute discretion or the Court shall otherwise order;

**“Homco 61 Government Priority Claims”** means all Claims of Governmental Authorities in respect of amounts that are outstanding and that are of a kind that could be subject to a demand on or before the Homco 61 Final Distribution Date under:

- (a) subsections 224(1.2) and 224(1.3) of the ITA;
- (b) any provision of the *Canada Pension Plan* or the *Employment Insurance Act* (Canada) that refers to subsection 224(1.2) of the ITA and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or employee’s premium or employer’s premium as defined in the *Employment Insurance Act* (Canada), or a premium under Part VII.1 of that Act, and of any related interest, penalties or other amounts; or
- (c) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the ITA, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:
  - (i) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the ITA; or



- (ii) is of the same nature as a contribution under the *Canada Pension Plan* if the province is a “province providing a comprehensive pension plan” as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a “provincial pension plan” as defined in that subsection;

“**Homco 61 GP**” means HII (61) GP Inc.;

“**Homco 61 GP Named Directors**” means Jan Schöningh and James F. Miles;

“**Homco 61 Guarantee**” means the guarantee of Shareco’s obligations under the Bond 6 Indenture granted by Homco 61 LP in favour of the Trustee dated July 1, 2005;

“**Homco 61 Initial Distribution Date**” means the Initial Distribution Date under the HII Plan, or such other date as determined by the Monitor in its sole discretion under the Homco 61 Plan;

“**Homco 61 Intercompany Claim**” means the aggregate gross amount owing by HII to Homco 61 LP as reflected in the books and records of HII, in the amount of Cdn\$127,593,683 as at the HII Filing Date;

“**Homco 61 LP**” means Homco Realty Fund (61) Limited Partnership, a limited partnership formed under the NSLPA;

“**Homco 61 Meeting Order**” means the Order, substantially in the form set out in Schedule “A” to the Homco 61 Plan, to be made by the Court under the CCAA that, among other things, sets the date for the Homco 61 Creditors’ Meeting, as same may be amended, restated or varied from time to time;

“**Homco 61 Net Intercompany Claim**” means the amount of Cdn\$62,396,506 being the amount of the Homco 61 Intercompany Claim, after reduction pursuant to set off effected under the HII Plan by the amount of the HII Loan, which amount shall be Homco 61 LP’s deemed Proven Claim against HII under the HII Plan;

“**Homco 61 Note**” means the demand promissory note dated July 4, 2005 evidencing the HII Loan, issued by Homco 61 LP to HII and pledged by HII to Shareco as security for the Shareco Loan and subsequently assigned by Shareco to the Trustee as security for amounts owed by Shareco under the Bond 6 Indenture;

“**Homco 61 Plan**” means the Homco 61 Original Plan, as amended by this Restated Plan of Compromise filed by Homco 61 LP under the CCAA, as such Homco 61 Plan may be amended, varied or supplemented from time to time by Homco 61 LP as approved by HII, Homco 61 LP, and Catalyst acting reasonably and by the Monitor, all in accordance with the terms hereof;

“**Homco 61 Plan Implementation Date**” means the Business Day or Business Days on which all of the Homco 61 Conditions Precedent have been fulfilled or, to the extent permitted pursuant to the terms and conditions of the Homco 61 Plan, waived, as evidenced by the Monitor’s Homco 61 Plan Implementation Date Certificate to be filed with the Court;

“**Homco 61 Plan Released Party**” means a Person who is released pursuant to Section 7.1 of the Homco 61 Plan, including for greater certainty a Homco 61 Released Party (as defined therein) and a non-Homco 61 Released Party (as defined therein);

“**Homco 61 Plan Sanction Date**” means the date that the Homco 61 Sanction Order is made by the Court;

“**Homco 61 Plan Transactions**” means the steps or transactions considered necessary or desirable to give effect to the transactions contemplated in the Homco 61 Plan, including those set out in Article 6 hereof, which steps and transactions may include one or more incorporations, mergers, amalgamations, consolidations, arrangements, continuations, restructurings, conversions, liquidations, winding ups, dissolutions, transfers, reorganizations, repayments, redemptions, exchanges, cancellations, offsets, compromises, releases, discharges or other transactions;

“**Homco 61 Post-Filing Trade Payables**” means Homco 61 post-Homco 61 Filing Date trade payables (excluding for greater certainty any Tax Claims) that were incurred by Homco 61 LP (i) after the Homco 61 Filing Date and before the Homco 61 Plan Implementation Date, (ii) in the ordinary course of Business, and (iii) in compliance with the Initial Order and other Orders issued in connection with the CCAA Proceedings;

“**Homco 61 Proof of Claim**” means the form to be completed and filed by a Homco 61 Creditor, pursuant to the Claims Process Order, by the applicable Homco 61 Claims Bar Date setting forth its applicable Claim;

“**Homco 61 Proven Claim**” means a Claim of a Homco 61 Affected Creditor as finally determined for voting and distribution purposes in accordance with the Claims Process Order, the Homco 61 Plan and the Homco 61 Meeting Order;

“**Homco 61 Record Date**” has the meaning ascribed thereto in the Homco 61 Meeting Order;

“**Homco 61 Resolution**” means the resolution approving the Homco 61 Plan presented to the Homco 61 Affected Creditors for consideration at the Homco 61 Creditors’ Meeting;

“**Homco 61 Sanction Hearing**” means the Court hearing of Homco 61 LP’s motion for the Homco 61 Sanction Order;

“**Homco 61 Sanction Order**” means the Order to be granted by the Court as contemplated under the Homco 61 Plan which, *inter alia*, approves and sanctions the Homco 61 Plan and the transactions contemplated thereunder, which shall be a Final Order;

**“Homco 61 Unaffected Claims”** means the Excluded Claims, the Homco 61 Employee Priority Claims and the Homco 61 Government Priority Claims;

**“Homco 61 Unaffected Creditors”** means a Creditor who has a Homco 61 Unaffected Claim, but only in respect of and to the extent of such Homco 61 Unaffected Claim;

**“Homco 61 Unsecured Creditors’ Class”** means the sole class of Homco 61 Affected Creditors entitled to vote on the Homco 61 Plan at the Homco 61 Creditors’ Meeting;

**“Homco 61 Voting Claim”** means the amount of the Homco 61 Affected Claim of a Homco 61 Affected Creditor as finally determined for voting purposes in accordance with paragraph 30 of the Claims Process Order, the HII/Shareco Meeting Order and the Homco 61 Meeting Order entitling such Homco 61 Affected Creditor to vote at the Homco 61 Creditors’ Meeting in accordance with the provisions of the HII/Shareco Meeting Order, the Homco 61 Meeting Order, the Homco 61 Plan and the CCAA, and includes, for greater certainty, a Homco 61 Proven Claim;

**“Information Circular”** means the information circular prepared by HII on behalf of HII, Shareco and Homco 61 LP and any schedules or appendices thereto (including the HII Plan and the Homco 61 Plan), as may be amended, restated, or varied from time to time, together with any other documents required by the Court in connection with the calling and holding of the HII/Shareco Creditors’ Meeting and the Homco 61 Creditors’ Meeting to consider and approve the HII Plan and the Homco 61 Plan respectively;

**“ITA”** means the *Income Tax Act* (Canada) R.S.C. 1985, c.1 (Fifth Supp.) as amended and any regulations thereunder;

**“Letter of Instruction”** means a form to be completed by the Homco 61 Affected Creditors that is to be delivered by such Homco 61 Affected Creditors to the Monitor in accordance with the Homco 61 Plan, which form shall be the same as the form of Letter of Instruction under the HII Plan;

**“Monitor’s Homco 61 Plan Completion Certificate”** means the certificate substantially in the form attached as Schedule “C” to the Homco 61 Sanction Order to be filed by the Monitor with the Court;

**“Monitor’s Homco 61 Plan Implementation Date Certificate”** means the certificate substantially in the form appended as Schedule “A” to the Homco 61 Sanction Order to be filed by the Monitor with the Court declaring that all of the Homco 61 Conditions Precedent to implementation of the Homco 61 Plan have been satisfied or waived in accordance with the Homco 61 Sanction Order;

**“Newco Common Shares Cash-Out Election”** means an election pursuant to which a Homco 61 Affected Creditor has validly elected, by the Election/Proxy Deadline, the Newco Common Shares Cash-Out Option, pursuant to its Cash-Out Election Form, and is thereby deemed to vote in favour of the Homco 61 Plan in respect of such Electing Creditor’s Homco 61 Voting Claim;

**“Newco Common Shares Cash-Out Option”** means the option for a Homco 61 Affected Creditor to receive, instead of all of its *pro rata* share of the Newco Common Shares forming part of such Homco 61 Affected Creditor’s Entitlement, an amount equal to such number of Newco Common Shares multiplied by the Newco Common Shares Cash-Out Price;

**“Notice of Final Distribution”** means a notice to Homco 61 Affected Creditors to be published at least thirty (30) days in advance of the Homco 61 Final Distribution Date in the *Globe and Mail*, the *Calgary Herald* and the *Halifax Chronicle Herald* (English version) and *De Volkskrant*, *de Telegraaf* and the *NRC* (all published in the Netherlands) (Dutch version), notifying Homco 61 Affected Creditors of the Homco 61 Final Distribution Date, substantially in the form of Schedule “B” to the Homco 61 Sanction Order;

**“Order”** means any order of the Court or any order, directive, judgement, decree, injunction, decision, ruling, award or writ of any Governmental Authority;

**“Person”** is to be broadly interpreted and includes an individual, a partnership, a corporation, a trust, a joint venture, any Governmental Authority, any trade union, any employee association or any incorporated or unincorporated entity or association of any nature and the executors, administrators, or other representatives of an individual in such capacity;

**“Principal Claim”** has the meaning ascribed thereto in Section 3.10;

**“Required Majority”** means a majority in number of Homco 61 Affected Creditors who represent at least two-thirds in value of the Homco 61 Voting Claims of such Homco 61 Affected Creditors who actually vote on the Homco 61 Resolution (in person or by proxy) at the Homco 61 Creditors’ Meeting;

**“Reserves”** means the Cash Reserves, the Disputed Claims (Newco Shares) Reserve and the Disputed Claims (Cash-Out) Reserve;

**“Second Amended and Restated Plan”** has the meaning ascribed thereto in the Recitals;

**“Shareco Loan”** means the loan by Shareco to HII as evidenced by the demand promissory note dated July 4, 2005 issued by HII to Shareco;

“**Tax**” means any and all taxes including all income, sales, use, goods and services, harmonized sales, value added, capital gains, alternative, net worth, transfer, profits, withholding, payroll, employer, health, excise, franchise, real property, and personal property taxes and other taxes, customs, duties, fees, levies, imposts and other assessments or similar charges in the nature of a tax including Canada Pension Plan and provincial pension plan contributions, employment insurance and unemployment insurance payments and workers’ compensation premiums, together with any instalments with respect thereto, and any interest, penalties, fines, fees, other charges and additions with respect thereto;

“**Tax Claims**” means claims of any Taxing Authorities against Homco 61 LP and Homco 61 GP arising from and after the Homco 61 Plan Implementation Date;

“**Tax Obligation**” means any amount of Tax owing by a Person to a Taxing Authority;

“**Tax Statutes**” means section 159 of the *Income Tax Act* (Canada), section 270 of the *Excise Tax Act*, (Canada), R.S.C. c.E-15, as amended, and any regulations thereunder, the Alberta Corporate Tax Act, and section 14 of the *Tax Administration Act* (Quebec), or any other similar, federal, provincial or territorial tax legislation;

“**Taxing Authorities**” means anyone of Her Majesty the Queen, Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, the Canada Revenue Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof and any Canadian or non-Canadian government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, and “**Taxing Authority**” means any one of the Taxing Authorities, as well as any corresponding taxing authorities of a foreign jurisdiction;

“**Trustee**” means Stichting Homburg Bonds, formerly Stichting Homburg Mortgage Bond, in its capacity as trustee under the Bond 6 Indenture;

“**Withholding Obligation**” shall have the meaning ascribed thereto in Section 5.6.

## 1.2 Certain Rules of Interpretation

For the purposes of the Homco 61 Plan:

- (a) any reference in the Homco 61 Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (b) any reference in the Homco 61 Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;
- (c) unless otherwise specified, all references herein to (i) currency and to “\$” or “Cdn\$” are to Canadian dollars; and (ii) “EUR” are to Euros, except as otherwise indicated;
- (d) the division of the Homco 61 Plan into “Articles” and “Sections” and the insertion of a Table of Contents are for convenience of reference only and do not affect the construction or interpretation of the Homco 61 Plan, nor are the descriptive headings of “Articles” and “Sections” or otherwise intended as complete or accurate descriptions of the content thereof;
- (e) references in the Homco 61 Plan to “Articles”, “Sections”, “Subsections” and “Schedules” are references to Articles, Sections, Subsections and Schedules of or to the Homco 61 Plan;
- (f) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Homco 61 Plan or a Schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (g) the words “includes” and “including” and similar terms of inclusion shall not, unless expressly modified by the words “only” or “solely”, be construed as terms of limitation, but rather shall mean “includes but is not limited to” and “including but not limited to”, so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;
- (h) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation;
- (i) the terms “the Homco 61 Plan”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions shall be deemed to refer generally to the Homco 61 Plan and not to any particular “article”, “section” or other portion of the Homco 61 Plan and include any documents supplemental hereto; and
- (j) the word “or” is not exclusive.



### 2.3 Persons Not Affected

For greater certainty, the Homco 61 Plan does not affect the Homco 61 Unaffected Creditors with respect to and to the extent of their Homco 61 Unaffected Claims. Nothing in the Homco 61 Plan shall affect Homco 61 LP's rights and defences, both legal and equitable, with respect to any Homco 61 Unaffected Claims including, but not limited to, all rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Homco 61 Unaffected Claims.

### 2.4 Equity Claims

All Persons holding Equity Claims in respect of Homco 61 LP shall not be entitled to vote at or attend the Homco 61 Creditors' Meeting, and shall not receive a distribution under the Homco 61 Plan or otherwise receive anything in respect of such Equity Claims. At the Homco 61 Effective Time on the Homco 61 Plan Implementation Date, all Equity Claims in respect of Homco 61 LP shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

### 2.5 Homco 61 Affected Creditors (including Bond 6 Claim Holders) and the Homco 61 Intercompany Claim

- (a) The treatment of the Homco 61 Affected Creditors, including the Bond 6 Claim Holders, under the Homco 61 Plan is conditioned on and subject to approval of the Homco 61 Plan by the Required Majority of the Homco 61 Affected Creditors, and the HII Plan by the Required Majority, and in each case by the Court.
- (b) In the event that either the HII Plan is not approved by the Required Majority of Affected Creditors with Proven Claims and the Court, or the Homco 61 Plan is not approved by the Required Majority of the Homco 61 Affected Creditors and the Court, then the Proven Claims of Homco 61 LP for both voting and distribution purposes under the HII Plan, and the Homco 61 Affected Creditors under the Homco 61 Plan, shall be determined by the Monitor and/or the Court; provided however that the Bond 6 Claim for voting purposes under the HII Plan shall not be redetermined, and the Proven Claim of Homco 61 LP for voting and distribution purposes under the HII Plan shall be determined by the Monitor and/or the Court.
- (c) In the event that both the HII Plan is approved by the Required Majority of the Affected Creditors and the Court, and the Homco 61 Plan is approved by the Required Majority of Homco 61 Affected Creditors and the Court, then each Homco 61 Affected Creditor with a Homco 61 Affected Creditor HII Claim (excluding Bond 6 Claim Holders as described below) that has a Homco 61 Proven Claim, shall have a Proven Claim against Homco 61 LP for the full amount of its Homco 61 Affected Creditor Claim.
- (d) The aggregate Proven Claim of the Bond 6 Claim Holders for voting and distribution purposes under this Homco 61 Plan shall be the full amount of the Bond 6 Homco 61 Claim in accordance with and as provided in the HII/Shareco Meeting Order and the Homco 61 Meeting Order.
- (e) At the Effective Time on the Plan Implementation Date the Homco 61 Affected Creditors Claims (including the Bond 6 Homco 61 Claim) shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

## ARTICLE 3 CLASSIFICATION OF HOMCO 61 CREDITORS, HOMCO 61 VOTING CLAIMS AND RELATED MATTERS

### 3.1 Classification of Homco 61 Creditors

For the purposes of considering, voting on and receiving distributions under the Homco 61 Plan, the Homco 61 Affected Creditors shall constitute a single class, the **"Homco 61 Unsecured Creditors' Class"**.

### 3.2 Homco 61 Affected Claims

Homco 61 Affected Creditors will be entitled to:

- (a) make a valid Newco Common Shares Cash-Out Option Election on or before the Election/Proxy Deadline and thereby shall be an Electing Creditor under the Homco 61 Plan and shall be deemed to vote in favour of the Homco 61 Plan and shall be entitled to receive:
  - (i) such Electing Creditor's *pro rata* share of Homco 61 LP's *pro rata* share of the Aggregate Newco Common Shares Final Cash-Out Amount; and
  - (ii) such Electing Creditor's *pro rata* share of Homco 61 LP's Pro Rata Share of the Cash Pool and the Asset Realization Cash Pool; and



- (b) vote its Homco 61 Voting Claim at the Homco 61 Creditors' Meeting in respect of the Homco 61 Plan and shall be entitled to receive its respective Homco 61 Affected Creditors' Entitlement provided for under and pursuant to the Homco 61 Plan.

### **3.3 Electing Creditors**

In the event that a Homco 61 Affected Creditor validly elects the Newco Common Shares Cash-Out Option, and becomes an Electing Creditor:

- (a) for greater certainty the Newco Common Shares Cash-Out Option Election may only be made in respect of all of the Electing Creditor's entitlement to receive Newco Common Shares under the Homco 61 Plan;
- (b) then as a result of such Homco 61 Affected Creditor becoming an Electing Creditor:
  - (i) Homco 61 LP shall be deemed to make a corresponding election in respect of such Electing Creditor's Newco Common Shares Cash-Out Option Election;
  - (ii) Catalyst shall not and shall be deemed never to have acquired or held any right, title or interest in the Homco 61 Affected Claim of such Electing Creditor; and
  - (iii) Such Electing Creditor shall be deemed to have received its *pro rata* share of Homco 61 LP's Affected Creditors' Entitlement under the HII Plan, and to have assigned, transferred and sold its entitlement to receive in any Newco Common Shares to be issued to such Homco 61 Affected Creditor under and pursuant to the Homco 61 Plan to Catalyst in consideration for its *pro rata* share of Homco 61 LP's Pro Rata Share of the Aggregate Newco Common Shares Final Cash-Out Amount;
  - (iv) Such Electing Creditor shall be deemed to agree to waive that portion of its Homco 61 Disputed Claim, if any, relating to post-Filing Date Interest accruing on its Homco 61 Affected Claim as and from April 26, 2013; and
  - (v) Such Electing Creditor shall be deemed to agree that the face amount of any Homco 61 Disputed Claim or such Electing Creditor shall be deemed to be no greater than the face amount of such Claim as set out in such Electing Creditor's Proof of Claim on April 26, 2013 for the purpose of determining such Electing Creditor's Affected Creditors' Entitlement; and
- (c) for greater certainty, Catalyst shall not be entitled to make a Newco Common Share Cash-Out Option Election in respect of its Catalyst Affected Claims.

### **3.4 Homco 61 Unaffected Claims**

Homco 61 Unaffected Claims shall not be compromised under the Homco 61 Plan. No holder of a Homco 61 Unaffected Claim shall:

- (a) be entitled to make a Newco Common Shares Cash-Out Option Election;
- (b) be entitled to vote on the Homco 61 Plan or attend at any Homco 61 Creditors' Meeting; or
- (c) be entitled to or receive any Homco 61 Affected Creditors' Entitlement in respect of such Homco 61 Unaffected Claims, unless specifically provided for under and pursuant to the Homco 61 Plan.

### **3.5 Priority Claims**

The Homco 61 Employee Priority Claims and the Homco 61 Government Priority Claims, if any, shall be paid on or after the Homco 61 Plan Implementation Date from the Administrative Reserve under the HII Plan pursuant to and in accordance with Section 5.1 of the Homco 61 Plan, the Homco 61 Sanction Order and the CCAA.

### **3.6 Homco 61 Creditors' Meeting**

The Homco 61 Creditors' Meeting shall be held in accordance with the Homco 61 Plan, the Claims Process Order, the Homco 61 Meeting Order and any further Order of the Court. The only Persons entitled to attend the Homco 61 Creditors' Meeting shall be representatives of Homco 61 LP and its legal counsel and advisors, the Monitor and its legal counsel, the Trustee and Catalyst and their respective legal counsel and advisors, and all other Persons, including the holders of proxies, entitled to vote at the Homco 61 Creditors' Meeting and their legal counsel and advisors.

### **3.7 Voting**

- (a) Each Homco 61 Affected Creditor in the Homco 61 Unsecured Creditors' Class who is entitled to vote at the Homco 61 Creditors' Meeting, pursuant to and in accordance with the Claims Process Order, the HII/Shareco Meeting Order, the Homco 61 Meeting Order, the Homco 61 Plan and the CCAA, shall be entitled to one vote equal to the dollar value of its Homco 61 Affected Claim determined as a Homco 61 Voting Claim. Bond 6 Claim Holders



who have beneficial ownership of a Homco 61 Voting Claim as of the Homco 61 Voting Record Date shall be entitled to vote on the Homco 61 Plan at the Homco 61 Creditors' Meeting pursuant to and in accordance with the Homco 61 Meeting Order; and

- (b) Homco 61 Affected Creditors with Proven Claims who are deemed to be Electing Creditors shall be deemed to vote in favour of the Homco 61 Plan.

### **3.8 Procedure for Valuing Homco 61 Voting Claims**

The procedure for valuing Homco 61 Voting Claims and resolving disputes and entitlements to voting is set forth in the Claims Process Order, the HII/Shareco Meeting Order, the HII Plan, the Homco 61 Meeting Order, the Homco 61 Plan and the CCAA. Homco 61 LP and the Monitor shall have the right to seek the assistance of the Court in valuing any Homco 61 Voting Claim in accordance with the Claims Process Order, the HII/Shareco Meeting Order, the HII Plan, the Homco 61 Meeting Order and the Homco 61 Plan, if required, and to ascertain the result of any vote on the Homco 61 Plan.

### **3.9 Approval by Homco 61 Creditors**

In order to be approved, the Homco 61 Plan must receive an affirmative vote in the Required Majority of the Homco 61 Unsecured Creditors' Class.

### **3.10 Guarantees and Similar Covenants**

No Person who has a Claim under a Guarantee, surety, indemnity or similar covenant in respect of any Claim which is compromised under the Homco 61 Plan (such compromised Claim being the "Principal Claim"), or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Principal Claim shall:

- (a) be entitled to any greater rights as against Homco 61 than the Person holding the Principal Claim;
- (b) be entitled to vote on the Homco 61 Plan to the extent that the Person holding the Principal Claim is voting on the Homco 61 Plan; or
- (c) be entitled to receive any distribution under the Homco 61 Plan to the extent that the Person holding the Principal Claim is receiving a distribution.

For greater certainty, nothing in this Section 3.10 shall affect the rights of Bond 6 Claim Holders to advance a Claim against Homco 61 LP pursuant to the Homco 61 Guarantee under the Homco 61 Plan or to advance the Bond 6 HII Deficiency Claim against HII under the HII Plan.

## **ARTICLE 4 THE HII HOMCO 61 DISTRIBUTION**

### **4.1 The HII Homco 61 Distribution**

The principal asset of Homco 61 LP is Homco's 61 LP's entitlement to the HII Homco 61 Distribution based on its Homco 61 Net Intercompany Claim. The Homco 61 Affected Creditors with Homco 61 Proven Claims shall receive their *pro rata* share of the HII Homco 61 Distribution in full satisfaction of such Homco 61 Proven Claims and on the Homco 61 Plan Implementation Date all Homco 61 Affected Claims will be affected and compromised, settled, released and discharged in accordance with the terms of the Homco 61 Plan, the Homco 61 Sanction Order and the CCAA. For greater certainty, the Homco 61 Affected Creditors with Homco 61 Proven Claims will receive their respective *pro rata* share of Homco 61's Pro Rata Share of the Newco Equity Pool, the Cash Pool and the Asset Realization Cash Pool as determined under the HII Plan.

### **4.2 Administrative Convenience**

For administrative convenience the Monitor shall not be required under the Homco 61 Plan to establish any Cash pools or related Cash or non-Cash Reserves in connection with the administration of Homco 61 Affected Claims and the determination of Homco 61 Proven Claims as the administration and determination of such Claims is to be effected through cash pools, related Cash and non-Cash Reserves established under the HII Plan.

## **ARTICLE 5 DISTRIBUTIONS AND PAYMENTS TO HOMCO 61 AFFECTED CREDITORS**

### **5.1 Distribution Mechanics**

The Monitor shall administer and finally determine the Homco 61 Affected Claims of Homco 61 Affected Creditors under and in accordance with the Claims Process Order and Article 5, Article 9, Article 10 and Article 11 of the HII Plan, as if the Homco 61 Affected Creditors were Affected Creditors of HII and Article 9, Article 10 and Article 11 of the HII Plan

applied *mutatis mutandis* to the Homco 61 Affected Creditors, with such changes as necessary to apply such Articles to the Homco 61 Affected Creditors only. In particular, the Monitor shall:

- (a) utilize the Disputed Claims (Cash-Out) Reserve, the Disputed Claims (Cash) Reserve, the Disputed Claims (Asset Realization) Reserve, the Disputed Claims (Newco Shares) Reserve and the Disputed Claims (Cash-Out) Reserve in effecting the administration and determination of Homco 61 Affected Claims; and
- (b) allocate the costs of such administration of Homco 61 Affected Claims to the Homco 61 Administrative Reserve Costs, provide for such costs in the Administrative Reserve under the HII Plan and deduct such costs from the HII Homco 61 Distribution, including for greater certainty:
  - (i) all amounts on account of Homco 61 Employee Priority Claims;
  - (ii) all amounts on account of Homco 61 Government Priority Claims; and
  - (iii) all amounts on account of the Homco 61 Post-Filing Trade Payables.

To the extent of an inconsistency between the provisions of Article 5, Article 9, Article 10 and Article 11 of the HII Plan and the Homco 61 Plan, the provisions of the Homco 61 Plan shall govern in relation to the administration and determination of the Homco 61 Proven Claims.

## **5.2 Currency**

Unless specifically provided for in the Homco 61 Plan or the Homco 61 Sanction Order, for the purposes of voting or distribution under the Plan, a Claim shall be denominated in Canadian dollars and all payments and distributions to the Homco 61 Affected Creditors on account of their Homco 61 Proven Claims shall be made in Canadian dollars. Any Claim in a currency other than Canadian dollars must be converted to Canadian dollars, and such amount shall be regarded as having been converted at the noon spot rate of exchange quoted by the Bank of Canada for exchanging such currency to Canadian dollars as at the Homco 61 Filing Date, which rate is Cdn\$1.3473: EUR1.0000, and Cdn \$0.9960: US\$1.

## **5.3 Interest**

Interest shall not accrue or be paid on Homco 61 Affected Claims after the Homco 61 Filing Date, and no holder of a Homco 61 Affected Claim shall be entitled to interest accruing in respect of a Homco 61 Affected Claim on or after the Homco 61 Filing Date and any Claims in respect of interest accruing on or after the Homco 61 Filing Date shall be deemed to be forever extinguished and released.

## **5.4 Assignment of Claims for Voting and Distribution Purposes Prior to the Homco 61 Creditors' Meeting**

Subject to any restrictions contained in Applicable Laws, a Homco 61 Affected Creditor may transfer or assign the whole of its Homco 61 Claim prior to the Homco 61 Creditors' Meeting provided that Homco 61 LP shall not be obliged to deal with any such transferee or assignee as a Homco 61 Affected Creditor in respect thereof, including allowing such transferee or assignee to vote at the Homco 61 Creditors' Meeting, unless and until (i) actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received by Homco 61 LP and the Monitor prior on or prior to the Homco 61 Record Date or (ii) the name of such transferee or assignee appears as of the HII/Shareco Record Date as the holder of such transferred or assigned Homco 61 Voting Claim in accordance with the Homco 61 Meeting Order. Thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Process Order and the Homco 61 Meeting Order constitute a Homco 61 Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor in respect of such Homco 61 Claim. For greater certainty, partial transfers or assignments of Homco 61 Voting Claims shall not be recognized by Homco 61 LP or the Monitor.

## **5.5 Assignment of Claims for Distribution Purposes After the Homco 61 Creditors' Meeting**

Subject to any restrictions contained in Applicable Laws, a Homco 61 Affected Creditor may transfer or assign the whole of its Homco 61 Claim after the Homco 61 Creditors' Meeting, provided that the Monitor shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as a Homco 61 Affected Creditor in respect thereof, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment and a duly completed and executed Letter of Instruction has been received by Homco 61 LP and the Monitor; thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Process Order, the Homco 61 Meeting Order and the Homco 61 Plan constitute a Homco 61 Affected Creditor and shall be bound by notices given and steps taken in respect of such Claim. For greater certainty, partial transfers or assignments of Claims shall not be recognized by Homco 61 LP or the Monitor.

## **5.6 Tax Matters**

- (a) Any terms and conditions of any Homco 61 Affected Claims which purport to deal with the ordering of or grant priority of payment of principal, interest, penalties or other amounts shall be deemed to be void and ineffective (for greater certainty without any impact on any inter-lender arrangements).

- (b) All distributions made by the Monitor pursuant to this Homco 61 Plan shall be first in consideration for the outstanding principal amount of such Homco 61 Affected Claims and secondly in consideration for accrued and unpaid interest and penalties, if any, which form part of such Claims. Notwithstanding any provisions of the Homco 61 Plan, each Homco 61 Affected Creditor that is to receive a distribution pursuant to the Homco 61 Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax Obligations imposed by any Taxing Authority on account of such distribution.
- (c) The Monitor shall be entitled to deduct and withhold from any distribution, payment or consideration otherwise payable to any Homco 61 Affected Creditor or to any Person on behalf of any Homco 61 Affected Creditor such amounts (a “**Withholding Obligation**”) if the Monitor is required to deduct and withhold with respect to such payment under the ITA, or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended or succeeded.
- (d) To the extent that amounts are so withheld or deducted and paid over to the applicable Taxing Authority, such withheld or deducted amounts shall be treated for all purposes of the Homco 61 Plan as having been paid to such Person as the remainder of the payment in respect of which such withholding and deduction were made. For greater certainty, no distribution, payment or other consideration shall be made to or on behalf of a holder of a Homco 61 Proven Claim pursuant to the Homco 61 Plan unless and until such holder has made arrangements satisfactory to the Monitor for the payment and satisfaction of any Withholding Obligations imposed on the Monitor by any Taxing Authority.

## ARTICLE 6 HOMCO 61 PLAN IMPLEMENTATION DATE TRANSACTIONS

### 6.1 Corporate Authorizations

The adoption, execution, delivery, implementation and consummation of all matters contemplated under the Homco 61 Plan involving corporate action of Homco 61 LP by the Homco 61 GP will occur and be effective as of the Homco 61 Plan Implementation Date, and will be authorized and approved under the Homco 61 Plan and by the Court, where appropriate, as part of the Homco 61 Sanction Order, in all respects and for all purposes without any requirement of further action by partners of Homco 61 LP or the shareholders, directors or officers of the Homco 61 GP. All necessary approvals to take actions shall be deemed to have been obtained from such partners, directors or officers, including the deemed passing of any resolutions under the Homco 61 Limited Partnership Agreement of Homco 61 LP.

### 6.2 Homco 61 Plan Implementation Date Transactions

Subject to Section 6.3, the following transactions, steps, offsets, compromises, releases and discharges to be effected in the implementation of the Homco 61 Plan (the “**Homco 61 Plan Transactions**”) shall occur, and be deemed to have occurred sequentially in the following order without any further act or formality, on the Homco 61 Plan Implementation Date beginning at the Homco 61 Effective Time:

- (a) Treatment of Homco 61 Intercompany Claim: HII shall, pursuant to the HII Plan, set off the amount of the HII Loan against the amount of the Homco 61 Intercompany Claim. The unpaid balance owing on the Homco 61 Intercompany Claim shall be the Homco 61 Net Intercompany Claim, which shall constitute the sole Proven Claim of Homco 61 LP for distribution purposes entitling Homco 61 LP to the HII Homco 61 Distribution and for greater certainty Homco 61 LP shall have no other claim against HII including by subrogation or otherwise;
- (b) Directors and Officers: The Directors of the Homco 61 GP shall and shall be deemed to resign and without requirement of further action on the part of such Directors;
- (c) Payments by Monitor: The Monitor shall pay the Homco 61 Administrative Reserve Costs from the Administrative Reserve under the HII Plan on or after the Homco 61 Plan Implementation Date pursuant to the HII/Shareco Sanction and Vesting Order, the Homco 61 Sanction Order and the CCAA; and
- (d) Compromise and Release: The compromises with the Homco 61 Affected Creditors and the Release of the Homco 61 Plan Released Parties referred to in Article 7 shall become effective in accordance with the Homco 61 Plan.

### 6.3 Homco 61 Plan Transactions

Homco 61 GP on behalf of Homco 61 LP shall take actions as may be necessary or appropriate to effect the Homco 61 Plan Transactions as set forth in the Homco 61 Plan. Such actions may include, without limitation: (i) the execution and delivery of appropriate articles, agreements or other documents of incorporation, merger, amalgamation, consolidation, arrangement, continuation, restructuring, exchange, conversion, liquidation, winding-up, dissolution, transfer, reorganization, repayments, cancellations, discharges, or other transactions containing terms that are consistent with the terms of the Homco 61 Plan; (ii) the execution and delivery of appropriate instruments of transfer, assignment, assumption, including, where applicable, with respect to the assumption of liabilities upon the transfer or assignment of assets or liquidation or winding-up of Homco 61 LP, Guarantee, or delegation of any property, right, privilege, liability, duty, or obligation on terms consistent

with the terms of the Homco 61 Plan, in each case without the need to obtain any consent by any Person; (iii) the filing of appropriate articles, agreements, or other documents of incorporation, merger, amalgamation, consolidation, arrangement, continuation, restructuring, exchange, conversion, liquidation, winding-up, dissolution, transfer, reorganization, repayments, cancellations, discharges, or other transactions with the appropriate Governmental Authorities under Applicable Law; (iv) the determination of the manner and the sequence in which the Homco 61 Affected Claims are settled, compromised, or otherwise dealt with; (v) the modification of any Plan Transaction or the determination of the manner, timing and/or sequence in which such Plan Transactions will be effected or deemed to be effected; and (vi) all other actions that Homco 61 LP may determine are necessary or appropriate to give effect to the Homco 61 Plan Transactions, including the making of filings or recordings in connection with the relevant Homco 61 Plan Transactions. Homco 61 LP shall be permitted to implement certain of the Homco 61 Plan Transactions after the Homco 61 Plan Implementation Date as contemplated in the Homco 61 Plan. The form of each Homco 61 Plan Transaction shall, where applicable, be determined by Homco 61 LP and its successors party to any Homco 61 Plan Transaction, and shall be approved by the Monitor; provided, however, that Homco 61 LP reserves the right to undertake transactions in lieu of or in addition to such Homco 61 Plan Transactions as Homco 61 LP may deem necessary or appropriate under the circumstances and as approved by the Monitor. Notwithstanding the foregoing or any other provision of the Homco 61 Plan, the implementation of any of the Homco 61 Plan Transactions or other transactions undertaken in accordance with this Section shall not affect the distributions under the Homco 61 Plan and any such Homco 61 Plan Transactions or other transactions that are material shall be filed with the Court for approval.

## ARTICLE 7 HOMCO 61 PLAN RELEASES

### 7.1 Homco 61 Plan Releases

- (a) On the Homco 61 Plan Implementation Date, Homco 61 LP, Homco 61 GP and their respective employees, legal counsel and agents, and the Homco 61 GP Named Directors (being herein referred to individually as a “**Homco 61 Plan Released Party**”) shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Homco 61 Creditor, Homco 61 Affected Creditor or other Person may be entitled to assert, including any and all Claims in respect of the payment and receipt of proceeds and statutory liabilities of the Homco 61 GP Named Directors, the Homco 61 Employees and any alleged fiduciary or other duty (whether such employees are acting as a Homco 61 GP Named Directors member or employee), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the later of the Homco 61 Plan Implementation Date and the date on which actions are taken to implement the Homco 61 Plan that are in any way relating to, arising out of or in connection with the Claims, the Business whenever or however conducted, the Homco 61 Plan, the CCAA Proceedings, or any Claim that has been barred or extinguished by the Claims Process Order and all Claims arising out of such actions or omissions shall be forever waived and released (other than the right to enforce Homco 61 LP’s obligations under the Homco 61 Plan or any related document), all to the full extent permitted by Applicable Law, provided that nothing herein shall release or discharge (A) any Homco 61 Released Party if such Homco 61 Plan Released Party is judged by the expressed terms of a judgment rendered on a final determination on the merits to have committed criminal, fraudulent or other wilful misconduct or (B) the Homco 61 GP Named Directors with respect to matters set out in section 5.1(2) of the CCAA.
- (b) On the Homco 61 Plan Implementation Date, the Trustee, the Monitor, Deloitte, Catalyst solely in its capacity as an investor under the Restated Catalyst Support Agreement and their respective directors (including current directors), officers, employees, advisors, legal counsel and agents (being herein referred to individually as a “**Non-Homco 61 Plan Released Party**”, and together with the Homco 61 Plan Released Parties, the “**Homco 61 Plan Released Parties**”) shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Homco 61 Creditor, Homco 61 Affected Creditor or other Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the later of the Homco 61 Plan Implementation Date and the date on which actions are taken to implement the Homco 61 Plan that are in any way relating to, arising out of or in connection with the Claims, the Business whenever or however conducted, the HII Plan (as it pertains to the administration and final determination of Homco 61 Affected Claims), the Homco 61 Plan, the CCAA Proceedings, or any Claim that has been barred or extinguished by the Claims Process Order and all Claims arising out of such actions or omissions shall be forever waived and released (other than the right to enforce Homco 61 LP’s obligations under the Homco 61 Plan or any related document), all to the full extent permitted by Applicable Law, provided that nothing herein shall release or discharge (A) any Non-Homco 61 Plan Released Party if such Non-Homco 61 Plan Released Party is judged by the expressed terms of a judgment rendered on a final determination on the merits to have committed

criminal, fraudulent or other wilful misconduct, or (B) the Trustee or its directors or officers, employees, advisors, legal counsel and agents retained or employed prior to the Homco 61 Filing Date for any Claims in existence or relating to any period prior to the Homco 61 Filing Date.

- (c) The Homco 61 Sanction Order will enjoin the prosecution, whether directly, derivatively or otherwise, of any Claim, obligation, suit judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged, compromised or terminated pursuant to the Homco 61 Plan.
- (d) Nothing in this Plan shall be interpreted as to restrict the application of Section 21 of the CCAA.

## **ARTICLE 8**

### **COURT SANCTION, HOMCO 61 CONDITIONS PRECEDENT AND IMPLEMENTATION**

#### **8.1 Application for Homco 61 Sanction Order**

If the Required Majority of the Homco 61 Affected Creditors approves the Homco 61 Plan, Homco 61 LP shall apply for the Homco 61 Sanction Order on or before the date set in the Homco 61 Meeting Order for the hearing of the Homco 61 Sanction Order or such later date as the Court may set. The Homco 61 Sanction Order shall not become effective until the Homco 61 Effective Time on the Homco 61 Plan Implementation Date.

#### **8.2 Homco 61 Sanction Order**

The Homco 61 Sanction Order shall, among other things:

- (a) declare that (i) the Homco 61 Plan has been approved by the Required Majority of Homco 61 Affected Creditors with Homco 61 Proven Claims in conformity with the CCAA; (ii) Homco 61 LP has complied with the provisions of the CCAA and the Orders of the Court made in the CCAA Proceedings in all respects; (iii) the Court is satisfied that Homco 61 LP has not done or purported to do anything that is not authorized by the CCAA; and (iv) the Homco 61 Plan and the Homco 61 Plan Transactions contemplated thereby are fair and reasonable;
- (b) declare that as of the Homco 61 Effective Time, the Homco 61 Plan and all associated steps, compromises, transactions, arrangements, and releases effected thereby are approved, binding and effective upon Homco 61 LP, Homco 61 GP, all Homco 61 Affected Creditors, the Homco 61 Plan Released Parties and all other Persons and Parties affected by the Homco 61 Plan as of the Homco 61 Effective Time;
- (c) authorize the Monitor to perform its duties and functions and fulfil its obligations under the Homco 61 Plan to facilitate the implementation thereof;
- (d) declare that the Homco 61 Plan Transactions to be taken and the compromises and releases to be effected on the Homco 61 Plan Implementation Date are deemed to occur and to be effected in the sequential order contemplated by Section 6.2 of the Homco 61 Plan on the Homco 61 Plan Implementation Date, beginning at the Homco 61 Effective Time or at such other time, times, or manner as may be set forth in the Homco 61 Plan;
- (e) compromise, discharge and release the Homco 61 Plan Released Parties from any and all Homco 61 Affected Claims of any nature in accordance with the Homco 61 Plan, and declare that the ability of any Person to proceed against the Homco 61 Released Parties in respect of or relating to any Homco 61 Affected Claims shall be forever discharged and restrained, and all proceedings with respect to, in connection with or relating to such Homco 61 Affected Claims be permanently stayed, subject only to the right of Homco 61 Affected Creditors to receive distributions pursuant to the Homco 61 Plan in respect of their Homco 61 Affected Claims;
- (f) authorize and direct the Monitor to administer and finally determine the Homco 61 Affected Claims of Homco 61 Affected Creditors and to manage the distribution of the HII Homco 61 Distribution directly to such Homco 61 Affected Creditors with Homco 61 Proven Claims in each case under and in accordance with the Claims Process Order, Article 5, Article 9, Article 10 and Article 11 of the HII Plan, and Article 5 of the Homco 61 Plan as if the Homco 61 Affected Creditors were Affected Creditors of HII;
- (g) declare that the Monitor shall not be required to establish any cash pools or related cash or non-cash reserves in connection with the administration of Homco 61 Affected Claims, the determination of Homco 61 Proven Claims and the management of the distribution of the HII Homco 61 Distribution directly to such Homco 61 Affected Creditors with Homco 61 Proven Claims and authorize the Monitor to utilize the Cash Pool, the Asset Realization Cash Pool, the Cash-Out Pool and the Reserves under the HII Plan to administer the Homco 61 Affected Claims and determine the Homco 61 Proven Claims;
- (h) declare that any Homco 61 Affected Claim for which a Homco 61 Proof of Claim has not been filed by the Homco 61 Claims Bar Date in accordance with the Claims Process Order shall be forever barred and extinguished;



- (i) declare that the Stay of Proceedings and protections under the Initial Order be extended to, and including, the Homco 61 Final Distribution Date and, in addition to the parties currently protected thereunder, shall extend to the benefit of the Homco 61 Plan Released Parties;
- (j) deem the Homco 61 GP Named Directors to have resigned without replacement on the Homco 61 Effective Time on the Homco 61 Plan Implementation Date;
- (k) declare that all distributions to and payments by or at the direction of the Monitor, in each case on behalf of Homco 61 LP, to the Homco 61 Affected Creditors with Homco 61 Proven Claims under the Homco 61 Plan are for the account of Homco 61 LP and the fulfillment of its obligations under the Homco 61 Plan including to make distributions to Homco 61 Affected Creditors with Homco 61 Proven Claims;
- (l) declare that the Monitor shall not incur any liability under the Tax Statutes in respect of its making any payments, ordered or permitted under the Homco 61 Sanction Order and is thereby forever released, remised and discharged from any Claims against it under the Tax Statutes or otherwise at law, arising in respect of payments made under the Homco 61 Plan and the Homco 61 Sanction Order and any Claims of such nature are thereby forever barred;
- (m) declare that in no circumstances will the Monitor have any liability for Homco 61 LP's tax liabilities regardless of how or when such liability may have arisen;
- (n) approve the form of Monitor's Homco 61 Plan Implementation Date Certificate, and declare that upon the satisfaction or waiver of the Homco 61 Conditions Precedent to implementation of the Homco 61 Plan set out in Section 8.3, the Monitor shall file the Monitor's Homco 61 Plan Implementation Date Certificate;
- (o) approve the form of Monitor's Homco 61 Plan Completion Certificate, and declare that the Monitor, in its capacity as Monitor, upon completion of its duties to effect distributions in accordance with the Homco 61 Plan, shall file with the Court the Monitor's Homco 61 Plan Completion Certificate stating that all of its duties under the Homco 61 Plan and the Orders have been completed and thereupon, Deloitte shall be deemed to be discharged from its duties as Monitor of Homco 61 LP in the CCAA Proceedings and released of all claims relating to its activities as Monitor of Homco 61 LP;
- (p) approve the Monitor's form of Notice of Final Distribution;
- (q) authorize the Monitor (at its sole election) to seek an order of any court of competent jurisdiction to recognize the Homco 61 Plan and the Homco 61 Sanction Order and to confirm the Homco 61 Plan and the Homco 61 Sanction Order as binding and effective in any appropriate foreign jurisdiction; and
- (r) declare that Homco 61 LP and the Monitor may apply to the Court from time to time for advice and direction in respect of any matters arising from or under the Homco 61 Plan, including without limitation regarding the distribution mechanics thereunder and under the HII Plan and the Homco 61 Plan Transactions.

### **8.3 Homco 61 Conditions Precedent to Implementation of the Homco 61 Plan**

The implementation of the Homco 61 Plan shall be conditional upon the fulfilment or waiver, where applicable, of the following conditions precedent on or before the Homco 61 Effective Time or the date specified therefor (collectively the "**Homco 61 Conditions Precedent**"):

- (a) The HII/Shareco Meeting Order shall have been granted by the Court;
- (b) The HII Plan shall have been approved by the Required Majority (as defined in the HII Plan) at the HII/Shareco Creditors' Meeting, as well as the Court pursuant to the HII/Shareco Sanction and Vesting Order, and that Plan Implementation Date under the HII Plan shall have occurred;
- (c) Homco 61 LP shall have satisfied its Homco 61 Post-Filing Trade Payables in the ordinary course or provision shall have been made in respect thereof as a Homco 61 Administrative Reserve Cost in the Administrative Reserve under the HII Plan 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 Homco 61 LP and the Monitor in respect of the Homco 61 Plan Transactions shall have been obtained;
- (e) The Homco 61 Plan shall have been approved by the Required Majority of the Homco 61 Affected Creditors in the Homco 61 Unsecured Creditors' Class at the Homco 61 Creditors' Meeting; and
- (f) The Homco 61 Sanction Order shall have been granted by the Court in form satisfactory to Homco 61 LP and the Monitor, and for greater certainty shall be a Final Order.
- (g) With respect to the availability of the Newco Common Share Cash-Out Option for Homco 61 LP and the Homco 61 Affected Creditors with Proven Claims, all of the conditions precedent to the Catalyst Investment under section 14.3 of the HII Plan shall have been satisfied or waived as applicable.



#### **8.4 Monitor's Certificate**

Upon delivery of written notice from Homco 61 LP of the fulfilment or waiver of the Homco 61 Conditions Precedent to implementation of the Homco 61 Plan as set out in Section 8.3 of the Homco 61 Plan, the Monitor shall deliver the Monitor's Homco 61 Plan Implementation Date Certificate to Homco 61 LP. Following the Homco 61 Plan Implementation Date, the Monitor shall file such certificate with the Court and shall post a copy of same on the Website.

### **ARTICLE 9 GENERAL**

#### **9.1 Binding Effect**

On the Homco 61 Plan Implementation Date:

- (a) the Homco 61 Plan will become effective at the Homco 61 Effective Time and the Homco 61 Plan Transactions will be implemented;
- (b) the treatment of Homco 61 Affected Claims under the Homco 61 Plan shall be final and binding for all purposes and enure to the benefit of Homco 61 LP, Homco 61 GP, all Homco 61 Affected Creditors, the Homco 61 Plan Released Parties and all other Persons and Parties named or referred to in, or subject to, the Homco 61 Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;
- (c) all Homco 61 Affected Claims shall be and shall be deemed to be forever discharged and released, excepting only the obligations to make distributions in respect of such Homco 61 Affected Claims in the manner and to the extent provided for in the Homco 61 Plan;
- (d) each Person named or referred to in, or subject to the Homco 61 Plan, will be deemed to have consented and agreed to all of the provisions of the Homco 61 Plan, in its entirety; and
- (e) each Person named or referred to in, or subject to the Homco 61 Plan, shall be deemed to have executed and delivered to Homco 61 LP all consents, releases, directions, assignments and waivers, statutory or otherwise, required to implement and carry out the Homco 61 Plan in its entirety.

#### **9.2 Waiver of Defaults**

From and after the Homco 61 Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of Homco 61 LP then existing or previously committed by Homco 61 LP, or caused by Homco 61 LP, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, lease, guarantee, agreement for sale, deed, licence, permit or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and Homco 61 LP arising directly or indirectly from the filing by Homco 61 LP under the CCAA and the implementation of the Homco 61 Plan and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under any such agreement shall be deemed to have been rescinded and of no further force or effect, provided that nothing shall be deemed to excuse Homco 61 LP from performing its obligations under the Homco 61 Plan or be a waiver of defaults by Homco 61 LP under the Homco 61 Plan and the related documents. This Section does not affect the rights of any Person to pursue any recoveries for a Claim that may be obtained from a guarantor (other than Homco 61 LP) and any security granted by such guarantor. Notwithstanding this section 9.2, Catalyst shall not be deemed to have waived any breach by HII, Shareco or Homco 61 LP of any of their respective obligations under the Restated Catalyst Support Agreement.

#### **9.3 Homco 61 Claims Bar Date**

Nothing in the Homco 61 Plan extends or shall be interpreted as extending or amending the Homco 61 Claims Bar Date, or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Process Order.

#### **9.4 Deeming Provisions**

In the Homco 61 Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

#### **9.5 Non-Consummation**

Homco 61 LP reserves the right to revoke or withdraw the Homco 61 Plan at any time prior to the Homco 61 Plan Sanction Date with the consent of Catalyst, acting reasonably, and the Monitor. If Homco 61 LP revokes or withdraws the Homco 61 Plan, or if the Homco 61 Sanction Order is not issued or if the Homco 61 Plan Implementation Date does not occur, (a) the Homco 61 Plan shall be null and void in all respects, (b) any settlement or compromise embodied in the Homco 61 Plan (including the fixing or limiting to an amount certain any Claim including the Bond 6 Homco 61 Claim), or any document or agreement executed pursuant to the Homco 61 Plan shall be deemed null and void, and (c) nothing contained in the Homco 61 Plan, and no acts taken in preparation for consummation of the Homco 61 Plan, including in respect of the

Bond 6 Homco 61 Claim, shall (i) constitute or be deemed to constitute a waiver or release of any Claims by or against Homco 61 LP or any other Person; (ii) prejudice in any manner the rights of Homco 61 LP or any other Person in any further proceedings involving Homco 61 LP; or (iii) constitute an admission of any sort by Homco 61 LP or any other Person.

## **9.6 Modification of the Plan**

- (a) Homco 61 LP reserves the right, at any time and from time to time prior to or at the Homco 61 Creditors' Meeting, both prior to and during the Homco 61 Creditors' Meeting, to amend, restate, modify and/or supplement the Plan; provided (i) if made prior to or at the Homco 61 Creditors' Meeting, such amendment, restatement, modification or supplement shall be communicated to the Homco 61 Affected Creditors in the manner required by the Homco 61 Meeting Order, and (ii) if made following the Homco 61 Creditors' Meeting, such amendment, restatement, modification or supplement shall be approved by the Court following notice to the Affected Creditors.
- (b) Notwithstanding Section 9.6(a), any amendment, restatement, modification and/or supplement the Homco 61 Plan may be made by Homco 61 LP with the consent of Catalyst, acting reasonably, the consent of the Monitor, or pursuant to an Order, at any time and from time to time, provided that it concerns a matter which, in the opinion of Homco 61 LP, acting reasonably, is of an administrative nature required to better give effect to the implementation of the Homco 61 Plan and the Homco 61 Sanction Order or to cure any errors, omissions or ambiguities and is not materially adverse to the financial or economic interests of the Homco 61 Affected Creditors.
- (c) Any amended, restated, modified or supplementary Homco 61 Plan or Plans filed with the Court and, if required by this Section, approved by the Court, shall, for all purposes, be and be deemed to be a part of, and incorporated, in the Homco 61 Plan.

## **9.7 Paramountcy**

Except with respect to the Homco 61 Unaffected Claims, from and after the Homco 61 Effective Time on the Homco 61 Plan Implementation Date, any conflict between:

- (a) the Homco 61 Plan; and
- (b) the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, constating documents of Homco 61 LP and Homco 61 GP, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between any Person and Homco 61 LP as at the Homco 61 Plan Implementation Date;

will be deemed to be governed by the terms, conditions and provisions of the Homco 61 Plan and the Homco 61 Sanction Order, which shall take precedence and priority.

## **9.8 Severability of Plan Provisions**

If, prior to the Homco 61 Plan Sanction Date, any term or provision of the Homco 61 Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of Homco 61 LP and with the consent of the Monitor, shall have the power to either (a) sever such term or provision from the balance of the Homco 61 Plan and provide Homco 61 LP with the option to proceed with the implementation of the balance of the Homco 61 Plan as of and with effect from the Homco 61 Plan Implementation Date, or (b) alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, and provided that Homco 61 LP proceeds with the implementation of the Homco 61 Plan, the remainder of the terms and provisions of the Homco 61 Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

## **9.9 Responsibilities of the Monitor**

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings with respect to Homco 61 LP and not in its personal or corporate capacity for any and all acts, or decisions to not act in the implementation of the HII Plan and the Homco 61 Plan, whether same occurs before or after the Plan Implementation Date. The Monitor is acting and will continue to act in its capacity as Monitor in the CCAA Proceedings with respect to the HII Group Entities and not in its personal and corporate capacities while establishing and administering the Cash Reserves (including any adjustments with respect to same), opening a DRS Account, holding the Non-Core Business Assets Notes, selecting a Trading Platform and establishing any of the Distribution Dates, Materials Record Date, Effective Time, or the timing or sequence of the Plan Transactions under the HII Plan or the Homco 61 Plan. The Monitor will not be responsible or liable for any obligations of Homco 61 LP, including with respect to the payment of the Homco 61 Administrative Reserve Costs and the making of distributions or the receipt of any distribution by a Homco 61 Affected Creditor pursuant to the Homco 61 Plan. The Monitor will have the powers and protections granted to it by the Homco 61 Plan, the CCAA, the Initial Order, the HII/Shareco Meeting Order, the Homco 61 Meeting Order, the Homco 61 Sanction and Vesting Order, and any other Order made in the CCAA Proceedings.

## 9.10 Different Capacities

Persons who are affected by the Homco 61 Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Person in writing or unless its Claims overlap or are otherwise duplicative.

## 9.11 Notices

Any notice of other communication to be delivered hereunder must be in writing and reference the Homco 61 Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail or by facsimile or email addressed to the respective Parties as follows:

If to Homco 61 LP:

c/o Homburg Invest Inc.  
32 Akerley Boulevard  
Dartmouth, Nova Scotia  
B3B 1N1

Attention: Mr. Jan Schöningh, President and Chief Executive Officer and Mr. James F. Miles, Chief Financial Officer  
Fax: (514) 841-9618  
Email: jschonigh@hinvest.ca / jmiles@hinvest.ca

with a copy to:

Osler, Hoskin & Harcourt LLP  
1000 De la Gauchetiere Street West  
Suite 2100  
Montreal, Quebec  
H3B 4W5

Attention: Mr. Vitale Santoro and Ms. Sandra Abitan  
Fax: (514) 904-8101  
Email: vsantoro@osler.com / sabitan@osler.com

If to a Creditor:

to the address or facsimile number or email address for such Creditor specified in the Proof of Claim or Letter of Instruction filed by such Creditor;

If to the Monitor:

Samson Belair/Deloitte & Touche Inc.  
1 Place Ville Marie  
Suite 3000  
Montreal, Quebec  
H3B 4T9

Attention: Mr. Pierre Laporte and Mr. Jean-Francois Nadon  
Fax: (514) 390-4103  
Email: pilaporte@deloitte.ca / jnadon@deloitte.ca

with a copy to:

McCarthy Tetrault LLP  
1000 De la Gauchetiere Street West  
Suite 2500  
Montreal, Quebec  
H3B OA2

Attention: Mr. Mason Poplaw and Mr. Clemens Mayr  
Fax: (514) 875-6246  
Email: mpoplaw@mccarthy.ca / cmayr@mccarthy.ca

If to Catalyst:

The Catalyst Capital Group Inc.  
77 King Street West  
Royal Trust Tower  
TD Bank Centre  
Suite 4320, PO Box 212  
Toronto, Ontario  
M5K 1J3

Attention: Mr. Gabriel De Alba  
Fax: (416) 945-3060  
Email: gdealba@catcapital.com

with a copy to:

McMillan LLP  
1000 Sherbrooke Street West  
Suite 2700  
Montreal, Quebec  
H3A 3G4

Attention: Mr. Max Mendelsohn / Mr. Marc-André Morin  
Fax: (514) 987-1213  
Email: max.mendelsohn@mcmillan.ca / marc-andre.morin@mcmillan.ca

or to such other address as any party may from time to time notify the others in accordance with this Section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, faxed or sent before 5:00 p.m. on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

#### **9.12 Further Assurances**

Each of the Persons named or referred to in, or subject to, the Homco 61 Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Homco 61 Plan and to give effect to the transactions contemplated herein.

**DATED** as of the 26<sup>th</sup> day of April, 2013.

**APPENDIX H  
HOMCO 61 MEETING ORDER**

**SUPERIOR COURT  
(Commercial Division)**

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL  
No.: 500-11-041305-117  
DATE: April 29, 2013

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**PRESIDING: THE HONOURABLE LOUIS J. GOUIN, J.S.C.**

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

**HOMCO REALTY FUND (61) LIMITED PARTNERSHIP**

Petitioner

- and -

**HOMBURG INVEST INC.  
HOMBURG SHARECO INC.  
CHURCHILL ESTATES DEVELOPMENT LTD.  
INVERNESS ESTATES DEVELOPMENT LTD.  
CP DEVELOPMENT LTD.  
NORTH CALGARY LAND LTD.  
HOMBURG MANAGEMENT (CANADA) INC.**

Debtors

- and -

**HOMCO REALTY FUND (52) LIMITED PARTNERSHIP  
HOMCO REALTY FUND (83) 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.**

Mises-en-cause

- and -

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

Monitor

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**ORDER FOR THE CONVENING, HOLDING AND CONDUCT OF A CREDITORS'  
MEETING IN RESPECT OF HOMCO REALTY FUND (61) LIMITED PARTNERSHIP  
AND GRANTING OTHER RELIEF**

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[1] The Petitioners present an *Amended motion for an order for the convening, holding and conduct of a creditors' meeting in respect of Homco Realty Fund (61) Limited Partnership and other relief* dated April 26, 2013 (the "**Motion**") pursuant to sections 4, 5, 9, 10 and 11 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 ("**CCAA**");

[2] **CONSIDERING** the Motion and affidavit in support thereof, and the representations of counsel;

[3] **CONSIDERING** the Monitor's Twenty Second Report dated April 25, 2013 and the Monitor's Supplemental Twenty Second Report dated April 28, 2013;

[4] **CONSIDERING** the provisions of the CCAA;

**FOR THESE REASONS, THE COURT:**

1. **GRANTS** the *Amended motion for an order for the convening, holding and conduct of a creditors' meeting in respect of Homco Realty Fund (61) Limited Partnership and other relief* (the "**Motion**");

**SERVICE**

2. **DECLARES** that the Motion was duly served, that the notices of presentation of the present Motion are sufficient and **DISPENSES** Homco 61 LP (as defined herein) from any additional notice requirements;

**DEFINITIONS**

3. **ORDERS** that the following terms shall have the following meanings ascribed thereto:

- (a) "**Additional Information**" has the meaning ascribed thereto in paragraph 11 hereof;
- (b) "**Aggregate Newco Common Shares Final Cash-Out Amount**" has the meaning ascribed thereto in the HII Plan;
- (c) "**Applicable Law**" means, in respect of any Person, property, transaction, event or other matter, any law, statute, regulation, code, ordinance, principle of common law or equity, municipal by-law, treaty or Order, domestic or foreign, applicable to that Person, property, transaction, event or other matter and all applicable requirements, requests, official directives, rules, consents, approvals, authorizations, guidelines, and policies, in each case, having the force of law, of any Governmental Authority having or purporting to have authority over that Person, property, transaction, event or other matter and regarded by such Governmental Authority as requiring compliance;

- (d) **"Asset Realization Cash Pool"** has the meaning ascribed thereto in the HII Plan;
- (e) **"Bond 6 Claim Holders"** means, collectively, the holders of Series 6 bonds issued under the Bond 6 Indenture, and **"Bond 6 Claim Holder"** means any one of them;
- (f) **"Bond 6 Homco 61 Claim"** means the aggregate Homco 61 Proven Claim of the Bond 6 Claim Holders against Homco 61 LP arising under the Homco 61 Guarantee for voting and distribution purposes under the Homco 61 Plan which shall be deemed to be in the amount of CDN\$47,146,111 (being principal plus interest accrued as at the Homco 61 Filing Date);
- (g) **"Bond 6 Indenture"** means the Fourth Supplemental Indenture dated July 1, 2005 to the Trust Indenture dated December 15, 2002, between Shareco and the Trustee, as amended by the Special Supplemental Indenture to the Fourth Supplemental dated August, 2005 between Shareco and the Trustee, and the Second Special Supplemental Indenture to the Fourth Supplemental dated November 30, 2007, between Shareco and the Trustee;
- (h) **"Business Day"** means a day on which banks are open for business in the City of Montréal, Province of Québec, but does not include a Saturday, Sunday or a statutory holiday in the Province of Québec;
- (i) **"Cash"** means cash, certificates of deposits, bank deposits, commercial paper, treasury bills and other cash equivalents including for greater certainty, the Cash component of the HII Homco 61 Distribution paid to Homco 61 LP pursuant to and in accordance with the HII Plan;
- (j) **"Cash-Out Election Form"** means a portion of the Proxy, substantially in the form attached hereto as Schedule "B", pursuant to which a Homco 61 Affected Creditor can elect the Newco Common Shares Cash-Out Option and be thereby deemed to vote in favour of the Homco 61 Plan and receive an amount equal to such Homco 61 Affected Creditor's *pro rata* share of Homco 61 LP's *pro rata* share of the Aggregate Newco Common Shares Final Cash-Out Amount, and their *pro rata* share of Homco 61 LP's Pro Rata Share of the Cash Pool and the Asset Realization Cash Pool and no other entitlements under the Homco 61 Plan;
- (k) **"Catalyst"** means The Catalyst Capital Group Inc., on behalf of funds managed by it;
- (l) **"Cash Pool"** has the meaning ascribed thereto in the HII Plan;
- (m) **"CCAA"** means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. 36, as amended;

- (n) "**CCAA Charges**" has the meaning ascribed thereto in the HII Plan;
- (o) "**CCAA Proceedings**" means the proceedings under the CCAA in respect of Homco 61 LP commenced pursuant to the Initial Order;
- (p) "**Chair**" has the meaning set forth in paragraph 23 hereof;
- (q) "**Claim**" means any right or claim of any Person, whether or not asserted, in connection with any Indebtedness, liability or obligation of any kind whatsoever, whether reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, by Guarantee, by surety, by warranty or otherwise, and whether or not such right is executory or anticipatory in nature, including without limitation, any claim arising from or caused by the termination, disclaimer, rescission, assignment or repudiation of any contract, lease or other agreement, whether written or oral, the commission of a tort (intentional or unintentional), any breach of duty (including without limitation, any legal, statutory, equitable or fiduciary duty), any right of ownership of or title to property, employment, contract, a trust or deemed trust, howsoever created or any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any grievance, matter, action, cause or chose in action, whether existing at present or commenced in the future, based in whole or in part on facts which existed on the Homco 61 Filing Date (including a Claim which relates to any time period prior to the Homco 61 Filing Date), together with any other claims of any kind that, if unsecured, would constitute a debt provable in bankruptcy within the meaning of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and for greater certainty, a "**Claim**" shall include any Equity Claim and any Bond 6 Homco 61 Claim;
- (r) "**Claims Process Order**" means the Order of the Court made April 30, 2012, as amended, restated or varied from time to time, including in particular on February 6, 2013, approving and implementing the claims process in respect of, *inter alia*, Homco 61 LP;
- (s) "**Court**" means the Superior Court of Québec (Commercial Division) or any appellate court seized with jurisdiction in the CCAA Proceedings, as the case may be;
- (t) "**Designated Newspapers**" has the meaning ascribed thereto in paragraph 12 hereof;
- (u) "**Electing Creditor**" means a Homco 61 Affected Creditor who has validly elected the Newco Common Shares Cash-Out Option;

- (v) **"Election/Proxy Deadline"** shall have the meaning ascribed thereto in paragraph 32 hereof;
- (w) **"Equity Claim"** shall have the meaning ascribed thereto in Section 2 of the CCAA;
- (x) **"Election Period"** means the period from the date of the mailing of the Homco 61 Meeting Materials to Homco 61 Affected Creditors to the Election/Proxy Deadline;
- (y) **"Excluded Claim"** means (i) any Claim secured by the CCAA Charges; (ii) Homco 61 Post-Filing Trade Payables; and (iii) any other Claim ordered by the Court to be treated as an Excluded Claim;
- (z) **"Final Order"** means a final Order of the Court, the implementation, operation or effect of which shall not have been stayed, varied, vacated or subject to pending appeal and as to which Order any appeal periods relating thereto shall have expired;
- (aa) **"Governmental Authority"** means any domestic or foreign government, including any federal, provincial, state, territorial or municipal government, and any governmental department, body, ministry, agency, tribunal, commission, board, court, bureau or other authority exercising or purporting to exercise executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government including without limitation any Taxing Authority, the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) and the Netherlands Central Bank (*De Nederlandsche Bank*);
- (bb) **"Guarantee"** of a Person means any Liability of that Person under any guarantee, agreement, endorsement (other than for collection or deposit in the ordinary course of business of that Person), discount with recourse or other obligation to pay, purchase, repurchase or otherwise be or become liable or obligated upon or in respect of any Indebtedness of any other Person to indemnify and hold harmless any Person from or against any losses, liabilities or damages, in circumstances intended to enable the Person to incur or pay any Indebtedness or to comply with any agreement relating thereto or otherwise to assure or protect Homco 61 Creditors against loss in respect of the Indebtedness;
- (cc) **"HII Filing Date"** means September 9, 2011;
- (dd) **"HII Homco 61 Distribution"** means the aggregate value of all non-Cash and Cash distributions made to Homco 61 LP under the HII Plan on account of the Homco 61 Net Intercompany Claim (for greater certainty being its Pro Rata Share of Newco Common Shares, the Cash Pool and the Asset Realization Cash Pool);

- (ee) **"HII Loan"** means the loan by HII to Homco 61 LP evidenced by the Homco 61 Note, in the amount of CDN\$65,197,177 as at the HII Filing Date (and as at the Homco 61 Filing Date was CDN\$71,597,837.15);
- (ff) **"HII Plan"** has the meaning ascribed thereto in the Recitals;
- (gg) **"HII/Shareco Creditors' Meeting"** has the meaning ascribed thereto in the HII Plan;
- (hh) **"HII/Shareco Meeting Order"** means the Order issued by the Court in respect of the HII/Shareco Meeting Order Motion, as it may be amended by any further Order of the Court;
- (ii) **"Homco 61 LP"** means the Homco Realty Fund (61) Limited Partnership, a limited partnership formed under the *Nova Scotia Limited Partnership Act*;
- (jj) **"Homco 61 Affected Claim"** means any Claim against Homco 61 LP, including for greater certainty the Bond 6 Homco 61 Claim, but excluding the Homco 61 Unaffected Claims and the Equity Claims;
- (kk) **"Homco 61 Affected Creditor"** means any Homco 61 Creditor holding a Homco 61 Affected Claim, including for greater certainty a Bond 6 Claim Holder;
- (ll) **"Homco 61 Affected Creditors' Entitlement"** means the full entitlement of Homco 61 Affected Creditors under the Homco 61 Plan, including without limitation the entitlement of such Homco 61 Affected Creditors to receive Newco Common Shares and/or distributions of Cash from the Cash Pool and the Asset Realization Cash Pool, and **"Homco 61 Affected Creditor's Entitlement"** means the full entitlement of a Homco 61 Affected Creditor;
- (mm) **"Homco 61 Claims Bar Date"** has the meaning ascribed to it in the Claims Process Order;
- (nn) **"Homco 61 Canadian Creditors' Meeting"** means a meeting of the Homco 61 Affected Creditors called in Montréal, Québec, Canada convened simultaneously and forming one meeting with the Homco 61 European Creditors' Meeting for the purpose of considering and voting in respect of the Homco 61 Plan pursuant to the CCAA, as the same may be adjourned, postponed or rescheduled, as the case may be;
- (oo) **"Homco 61 Creditor"** means any Person asserting a Homco 61 Affected Claim or a Homco 61 Unaffected Claim and may, where the context requires, include the assignee of such Claim or a personal representative, agent, mandatary, trustee, interim receiver, receiver, receiver and manager, liquidator or other Person acting on behalf of such Person;

- (pp) **"Homco 61 Creditors' Meeting"** means, collectively, the Homco 61 Canadian Creditors' Meeting and the Homco 61 European Creditors' Meeting (which shall be held concurrently with the HII/Shareco Creditors' Meeting, including any adjourned, postponed or rescheduled HII/Shareco Creditors' Meeting);
- (qq) **"Homco 61 Disputed Claim"** means that portion of a Homco 61 Affected Claim of a Homco 61 Affected Creditor in respect of which a Homco 61 Proof of Claim has been filed in accordance with the Claims Process Order and any motion appealing any disallowance thereof has been made within the period required under the Claims Process Order, and which is the subject of negotiation with the Monitor or adjudication before the Court, and that at any particular time, has not been finally determined to be a Homco 61 Proven Claim in whole or in part, or is subject to a revision or disallowance that is contested in accordance with the Claims Process Order, the Homco 61 Meeting Order, or any other Order made in the CCAA Proceedings and as such is not a Homco 61 Proven Claim in whole or in part, and in the case of Homco 61 Disputed Claim of Electing Creditors, the face amount of any Homco 61 Disputed Claims of such Electing Creditor shall be deemed to be no greater than the face amount of such Claim as at April 26, 2013;
- (rr) **"Homco 61 European Creditors' Meeting"** means a meeting of the Homco 61 Affected Creditors called in Utrecht, the Netherlands convened simultaneously and forming one meeting with the Homco 61 Canadian Creditors' Meeting for the purpose of considering and voting in respect of the Homco 61 Plan pursuant to the CCAA, as the same may be adjourned, postponed or rescheduled, as the case may be;
- (ss) **"Homco 61 Filing Date"** means February 6, 2013;
- (tt) **"Homco 61 Guarantee"** means the guarantee of Shareco's obligations under the Bond 6 Indenture granted by Homco 61 LP in favour of the Trustee dated as of July 1, 2005;
- (uu) **"Homco 61 Meeting Materials"** has the meaning set forth at paragraph 10 hereof;
- (vv) **"Homco 61 Meeting Order"** means the Order issued by the Court in respect of the present Motion, as it may be amended by any further Order of the Court;
- (ww) **"Homco 61 Intercompany Claim"** means the aggregate gross amount owing by HII to Homco 61 LP as reflected in the books and records of HII, in the amount of CDN\$127,593,683 as at the HII Filing Date;
- (xx) **"Homco 61 Net Intercompany Claim"** means the amount of CDN\$62,396,506 being the amount of the Homco 61 Intercompany



Claim, after reduction pursuant to set-off effected under the HII Plan by the amount of the HII Loan, and which amount shall be Homco 61 LP's deemed Proven Claim (as defined in the HII Plan) for distribution purposes against HII under the HII Plan;

- (yy) **"Homco 61 Plan"** means the Restated Homco 61 Plan, as may be amended, varied or supplemented from time to time by Homco 61 LP as approved by HII, Homco 61 LP, the Monitor and by Catalyst acting reasonably, all in accordance with its terms;
- (zz) **"Homco 61 Post-Filing Trade Payables"** means Homco 61 LP post-Homco 61 Filing Date trade payables (excluding for greater certainty any Tax Claims that were incurred by Homco 61 LP (i) after the Homco 61 Filing Date and before the Homco 61 Plan Implementation Date (as defined in the Homco 61 Plan), (ii) in the ordinary course of Business (as defined in the Homco 61 Plan), and (iii) in compliance with the Initial Order and other Orders issued in connection with the CCAA Proceedings;
- (aaa) **"Homco 61 Proof of Claim"** means the form to be completed and filed by a Homco 61 Creditor, pursuant to the Claims Process Order, by the applicable Homco 61 Claims Bar Date, setting forth its applicable Claim;
- (bbb) **"Homco 61 Proven Claim"** means a Claim of a Homco 61 Affected Creditor finally determined for voting and distribution purposes in accordance with the Claims Process Order, the Homco 61 Plan and this Homco 61 Meeting Order;
- (ccc) **"Homco 61 Record Date"** shall have the meaning ascribed thereto in paragraph 21 hereof;
- (ddd) **"Homco 61 Resolution"** means the resolution approving the Homco 61 Plan presented to the Homco 61 Affected Creditors for consideration at the Homco 61 Creditors' Meeting, substantially in the form attached to the Information Circular as Appendix F;
- (eee) **"Homco 61 Sanction Hearing"** means the Court hearing in respect of the Homco 61 Sanction Motion;
- (fff) **"Homco 61 Sanction Motion"** has the meaning set forth at paragraph 43 hereof;
- (ggg) **"Homco 61 Sanction Order"** means the Order to be granted by the Court as contemplated under the Homco 61 Plan which, *inter alia*, approves and sanctions the Homco 61 Plan and the transactions contemplated thereunder which shall be a Final Order;
- (hhh) **"Homco 61 Unaffected Claims"** has the meaning ascribed thereto in the Homco 61 Plan;

- (iii) **"Homco 61 Voting Claim"** means the amount of the Claim of a Homco 61 Affected Creditor as finally determined for voting purposes in accordance with paragraph 30 of the Claims Process Order, the HII/Shareco Meeting Order and this Homco 61 Meeting Order entitling such Homco 61 Affected Creditor to vote at the Homco 61 Creditors' Meeting in accordance with the provisions of the HII/Shareco Meeting Order, this Homco 61 Meeting Order, the Homco 61 Plan and the CCAA, and includes, for greater certainty, a Homco 61 Proven Claim;
- (jjj) **"Indebtedness"** of a Person means, without duplication:
  - (i) all debts and liabilities of that Person for borrowed money;
  - (ii) all debts and liabilities of that Person representing the deferred acquisition cost of property and services; and
  - (iii) all Guarantees given by that Person;
- (kkk) **"Information Circular"** means the information circular prepared by HII, on behalf of HII, Shareco and Homco 61 LP and any schedules or appendices thereto (including the HII Plan and the Homco 61 Plan), as may be amended, restated, or varied from time to time, together with any other documents required by the Court in connection with the calling and holding of the HII/Shareco Creditors' Meeting and the Homco 61 Creditors' Meeting to consider and approve the HII Plan and the Homco 61 Plan;
- (lll) **"Initial Order"** means the Initial Order made by the Court on September 9, 2011 in the CCAA Proceedings, as the same may be amended, restated or varied from time to time;
- (mmm) **"Liabilities"** of a Person means all Indebtedness, obligations and other liabilities of that Person whether absolute, contingent, fixed or otherwise, or whether due or to be come due;
- (nnn) **"Monitor"** means Samson Bélair/Deloitte & Touche Inc., in its capacity as Court-appointed Monitor of Homco 61 LP;
- (ooo) **"Monitor's Report Regarding the Homco 61 Creditors' Meeting"** has the meaning set forth at paragraph 42 hereof;
- (ppp) **"Newco Common Shares"** has the meaning ascribed thereto in the HII Plan;
- (qqq) **"Newco Common Shares Cash-Out Option"** means the option for a Homco 61 Affected Creditor to receive, instead of all of its *pro rata* share of the Newco Common Shares forming part of such Homco 61 Affected Creditor's Entitlement, an amount equal to such Homco 61 Affected

Creditors' *pro rata* share of Homco 61 LP's *pro rata* share of the Aggregate Newco Common Shares Final Cash-Out Amount;

- (rrr) "**Newco Common Shares Cash-Out Option Election**" means an election pursuant to which a Homco 61 Affected Creditor has validly elected, by the Election/Proxy Deadline, the Newco Common Shares Cash-Out Option and is thereby deemed to vote in favour of the Homco 61 Plan in respect of such Electing Creditor's Homco 61 Voting Claim;
- (sss) "**Newco Common Shares Cash-Out Price**" has the meaning ascribed thereto in the HI Plan;
- (ttt) "**Notice of Homco 61 Creditors' Meeting and Homco 61 Sanction Hearing**" means the notice informing the Homco 61 Affected Creditors of the Homco 61 Creditors' Meeting and of the Homco 61 Sanction Hearing, substantially in the form attached hereto as Schedule "A";
- (uuu) "**Order**" means any order of the Court, or any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority;
- (vvv) "**Person**" is to be broadly interpreted and includes an individual, a partnership, a corporation, a trust, a joint venture, any Governmental Authority, any trade union, any employee association or any incorporated or unincorporated entity or association of any kind and nature and the executors, administrators or other representatives of an individual in such capacity;
- (www) "**Pro Rata Share**" has the meaning ascribed thereto in the HII Plan;
- (xxx) "**Proxy**" means the form of proxy for Homco 61 Affected Creditors substantially in the form attached hereto as Schedule "B";
- (yyy) "**Required Majority**" means a majority in number of Homco 61 Affected Creditors who represent at least two-thirds in value of the Homco 61 Voting Claims of such Homco 61 Affected Creditors who actually vote on the Homco 61 Resolution (in person or by Proxy) at the Homco 61 Creditors' Meeting or were deemed to vote on the Resolution;
- (zzz) "**Service List**" means the service list posted on the Website, as the same may be amended from time to time;
- (aaaa) "**Shareco**" means Homburg Shareco Inc., a corporation incorporated under the Nova Scotia *Companies Act*, R.S., c. 81, as amended and a Petitioner;
- (bbbb) "**Taxing Authorities**" means anyone of Her Majesty the Queen, Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of

any province or territory of Canada, the Canada Revenue Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof and any Canadian or non-Canadian government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, and "**Taxing Authority**" means any one of the Taxing Authorities, as well as any corresponding taxing authorities of a foreign jurisdiction including Valsts Ieņēmumu Dienests (Latvia), Maksu- ja Tolliamet (Estonia), Valstybinė mokesčių inspekcija prie Lietuvos Respublikos finansų ministerijos (Lithuania), the Belastingdienst (Holland) and the Finanzamt (Germany);

(cccc) "**Tax Claims**" means claims of any Taxing Authorities against HII and Shareco arising from and after the Plan Implementation Date (as defined in the HII Plan);

(dddd) "**Trustee**" means Stichting Homburg Bonds, formerly Stichting Homburg Mortgage Bond, in its capacity as trustee under the Bond 6 Indenture; and

(eeee) "**Website**" means <http://www.deloitte.com/ca/homburg-invest>.

#### **SCHEDULES**

4. **ORDERS** that the following Schedules form part of this Homco 61 Meeting Order:

(a) Schedule "A" – Notice of Homco 61 Creditors' Meeting and Homco 61 Sanction Hearing; and

(b) Schedule "B" – Form of Proxy;

5. **ORDERS** that Homco 61 LP, with the consent of Catalyst acting reasonably and the Monitor may make any required amendments or modifications to the Schedules without seeking approval of the Court;

#### **PLAN OF COMPROMISE**

6. **ORDERS** that the Homco 61 Plan is hereby accepted for filing and Homco 61 LP is hereby authorized to seek approval of the Homco 61 Plan from the Homco 61 Affected Creditors in the manner set forth herein;

7. **ORDERS** that Homco 61 LP, with the consent of Catalyst acting reasonably and the Monitor, be, and is hereby, authorized to file any modification of, or amendment, variation or supplement to, the Homco 61 Plan (each a "**Plan Modification**") prior to or at the Homco 61 Creditors' Meeting, in which case any such Plan Modification shall, for all purposes, be and be deemed to form part of

and be incorporated into the Homco 61 Plan. Homco 61 LP shall give notice of any such Plan Modification at the Homco 61 Creditors' Meeting prior to the vote being taken to approve the Homco 61 Plan. Homco 61 LP may give notice of any such Plan Modification at or before the Homco 61 Creditors' Meeting by notice which shall be sufficient if, in the case of notice at the Homco 61 Creditors' Meeting, given to those Homco 61 Affected Creditors present at such meeting in person or by Proxy and, in the case of notice before the Homco 61 Creditors' Meeting, provided to those Persons listed on the Service List published on the Website and posted on the Website with a copy of such posting being provided forthwith to the Trustee. The Monitor shall post on the Website, as soon as possible and in any event prior to the Homco 61 Sanction Hearing, any such Plan Modification, with notice of such posting forthwith provided to the Service List;

8. **ORDERS** that after the Homco 61 Creditors' Meeting (and both prior to and subsequent to the obtaining of the Homco 61 Sanction Order), Homco 61 LP may at any time and from time to time, with the consent of Catalyst acting reasonably and the Monitor, modify, amend, vary or supplement the Homco 61 Plan pursuant to an Order of the Court or where it concerns a matter which, in the opinion of Homco 61 LP and the Monitor, acting reasonably, is of an administrative nature required to better give effect to the implementation of the Homco 61 Plan and the Homco 61 Sanction Order or to cure any errors, omissions, or ambiguities and is not materially adverse to the financial or economic interests of the Homco 61 Affected Creditors. The Monitor shall post on the Website, as soon as possible, any such modification, amendment, variation or supplement to the Homco 61 Plan;

#### **CLASSIFICATION OF CREDITORS**

9. **ORDERS** that for the purpose of considering and voting on the Homco 61 Plan, the Homco 61 Affected Creditors shall constitute a single class, the "Homco 61 Unsecured Creditors' Class";

#### **NOTICE OF HOMCO 61 CREDITORS' MEETING**

10. **ORDERS** that the Monitor shall post an electronic copy, in English and in Dutch, of the following documents on its Website (collectively, the "**Homco 61 Meeting Materials**") at least 15 days prior to the Homco 61 Creditors' Meeting:
- (a) the Notice of Homco 61 Creditors' Meeting and Homco 61 Sanction Hearing;
  - (b) the Homco 61 Plan;
  - (c) the Proxy;
  - (d) the Information Circular;
  - (e) a copy of this Homco 61 Meeting Order (in English only); and

- (f) any other materials as the Monitor may consider appropriate or desirable in the circumstances;
11. **ORDERS** that Homco 61 LP be and is hereby authorized to make such modifications, amendments or supplements ("**Additional Information**") to the Homco 61 Meeting Materials (other than the Homco 61 Plan which may be modified, amended or supplemented in accordance with paragraphs 7 and 8 hereof) as Homco 61 LP may determine, with the consent of Catalyst acting reasonably and the Monitor, and Homco 61 LP shall distribute or make available such Additional Information by one or more of the following methods determined in their discretion with the consent of the Monitor: (i) posting on the Website and/or HII's website; (ii) news release; (iii) newspaper advertisement; (iv) pre-paid regular mail, email, fax or delivery (in person or by courier); (v) except for Proxies and Cash-Out Election Forms, distribution at the Homco 61 Creditors' Meeting; or (vi) such other reasonably practicable method in the circumstances;
  12. **ORDERS** that on or about 15 days prior to the Homco 61 Creditors' Meeting, the Monitor shall use reasonable efforts to cause the Notice of Homco 61 Creditors' Meeting and Homco 61 Sanction Hearing to be published in the Globe and Mail, the Calgary Herald and the Halifax Chronicle Herald (English Version) and De Volkskrant, De Telegraaf, the NRC and Het Financieele Dagblad (all published in the Netherlands) (Dutch Version) (collectively, the "**Designated Newspapers**");
  13. **ORDERS** that no later than one (1) Business Day following the date of this Order, the Trustee shall provide the Monitor with a list of all Bond 6 Claim Holders who, as of the Homco 61 Record Date, are or were registered as owners or holders of the bonds issued under the Bond 6 Indenture, and their respective addresses, telephone numbers, fax numbers and email addresses, to the extent available;
  14. **ORDERS** that the Monitor shall send the Homco 61 Meeting Materials (only the English version thereof, in respect of those Homco 61 Affected Creditors with Homco 61 Voting Claims who have an address in Canada or the United States, pursuant to their Proof of Claim or the lists provided pursuant to paragraph 13 of this Order) by prepaid ordinary mail to all Homco 61 Affected Creditors with a Homco 61 Voting Claim as of the Homco 61 Record Date at least 15 days prior to the Homco 61 Creditors' Meeting;
  15. **ORDERS** that Homco 61 LP and the Monitor shall not be required to provide the Homco 61 Meeting Materials to any holder of an Equity Claim in respect of such Equity Claim;
  16. **ORDERS** that publication of a copy of the Notice of Homco 61 Creditors' Meeting and Homco 61 Sanction Hearing in the manner set out in paragraphs 10, 11 and 12, and the delivery of the Homco 61 Meeting Materials as set out in paragraphs 11 and 14, shall constitute good and sufficient service of the Homco 61 Meeting Materials on all Persons who may be entitled to receive notice thereof, or of



these proceedings, or who may wish to be present in person or by Proxy at the Homco 61 Creditors' Meeting, or who may wish to appear in these proceedings, and no other form of notice or service need be made on such Persons, and no other document or material need be served on such Persons in respect of these proceedings;

**CLAIMS OF HOMCO 61 AFFECTED CREDITORS (INCLUDING BOND 6 CLAIM HOLDERS)**

17. **ORDERS** that the aggregate Proven Claim of each Bond 6 Claim Holder for voting and distribution purposes under the Homco 61 Plan shall be equal to such Bond 6 Claim Holder's *pro rata* beneficial interest in the Bond 6 Homco 61 Claim;
18. **ORDERS** that the treatment of Homco 61 Affected Creditors, including the Bond 6 Claim Holders, under the Homco 61 Plan is conditioned on and subject to the approval of the Homco 61 Plan by the Required Majority and the approval of the HII Plan by the Required Majority (as defined in the HII Plan) and in each case the Court, and **ORDERS** that in the event that either the Homco 61 Plan or the HII Plan is not approved by the applicable Required Majority and the Court, then the aggregate Proven Claim of Homco 61 Affected Creditors, including the Bond 6 Claim Holders, under the Homco 61 Plan shall be determined by the Monitor and/or the Court;
19. **ORDERS** that notwithstanding any aggregate Homco 61 Proof of Claim filed by the Trustee on behalf of the Bond 6 Claim Holders, each Bond 6 Claim Holder shall be permitted to vote its respective Homco 61 Voting Claim at the Homco 61 Creditors' Meeting as determined and dealt with in accordance with the terms of this Homco 61 Meeting Order;
20. **ORDERS** that none of Homco 61 LP or the Monitor shall be required to take any additional steps or actions in respect of the Claims relating to the Bond 6 Indenture, including, without limitation, the need to file any amended Proofs of Claim in respect thereof;

**HOMCO 61 RECORD DATE**

21. **ORDERS** that the record date for determining which Homco 61 Affected Creditors are entitled to receive notice of and vote at the Homco 61 Creditors' Meeting shall be April 17, 2013, or such other date as may be determined by the Monitor and communicated in accordance with paragraph 11 hereof (the "**Homco 61 Record Date**");

**CONDUCT AT HOMCO 61 CREDITORS' MEETING**

22. **ORDERS** that Homco 61 LP be and is hereby authorized to call, hold and conduct the Homco 61 Creditors' Meeting on May 30, 2013 at 9:00 a.m. (Eastern Prevailing Time) in Montréal, Québec, Canada and at 3:00 p.m. (Central European Time) in Utrecht, the Netherlands, provided that no vote will be

conducted in respect of the Homco 61 Resolution until a vote has first been conducted in respect of the Resolution (as defined in the HII Plan) at the HII/Shareco Creditors' Meeting, and that the Homco 61 Canadian Creditors' Meeting and the Homco 61 European Creditors' Meeting shall be convened and held concurrently on such date, for the purpose of considering and, if deemed advisable, approving the Homco 61 Plan, unless (a) the Homco 61 Affected Creditors with Homco 61 Voting Claims decide by resolution carried by the majority of votes (one vote for each dollar of every Homco 61 Voting Claim) to postpone the Homco 61 Creditors' Meeting at which such resolution is carried; or (b) the HII/Shareco Creditors' Meeting is postponed in accordance with the HII/Shareco Meeting Order, in which case, the Homco 61 Creditors' Meeting will be automatically postponed such time; or (c) the HII Plan is not approved by the Required Majority of HII Affected Creditors under the HII Plan at the HII/Shareco Creditors' Meeting;

23. **ORDERS** that a representative of the Monitor, designated by the Monitor, shall preside as the chair of the Homco 61 Creditors' Meeting (the "**Chair**") and, subject to any further order of this Court, shall decide all matters relating to the conduct of the Homco 61 Creditors' Meeting. Homco 61 LP, or any Homco 61 Affected Creditor, may appeal from any decision of the Chair to the Court, within three (3) Business Days of any such decision;
24. **ORDERS** that the Chair is authorized to accept and rely upon Proxies or such other forms as may be acceptable to the Chair;
25. **ORDERS** that the quorum required at a Homco 61 Creditors' Meeting shall be one (1) Homco 61 Affected Creditor with a Homco 61 Voting Claim present at such meeting in person or by Proxy;
26. **ORDERS** that the Monitor may appoint scrutineers for the supervision and tabulation of the attendance at, quorum at and votes cast at the Homco 61 Creditors' Meeting. A Person designated by the Monitor shall act as secretary at the Homco 61 Creditors' Meeting;
27. **ORDERS** that if (a) the requisite quorum is not present at the Homco 61 Creditors' Meeting, (b) the Homco 61 Creditors' Meeting is postponed by the vote of the majority in value of Homco 61 Affected Creditors holding Homco 61 Voting Claims present in person or by Proxy at the Homco 61 Creditors' Meeting, or (c) the HII/Shareco Creditors' Meeting is adjourned, postponed or rescheduled in accordance with the HII/Shareco Meeting Order, then the Homco 61 Creditors' Meeting shall be adjourned, postponed or rescheduled by the Chair to such time and place as the Chair deems necessary or desirable, but for greater certainty, to a time concurrently with the HII/Shareco Creditors' Meeting as adjourned, postponed or rescheduled;
28. **ORDERS** that the Chair be, and he or she is hereby, authorized to adjourn, postpone or otherwise reschedule the Homco 61 Creditors' Meeting on one or

more occasions to such time(s), date(s) and place(s) as the Chair deems necessary or desirable (without the need to first convene such Homco 61 Creditors' Meeting for the purpose of any adjournment, postponement or other rescheduling thereof). None of Homco 61 LP, the Chair or the Monitor shall be required to deliver any notice of the adjournment of the Homco 61 Creditors' Meeting or adjourned Homco 61 Creditors' Meeting, provided that the Monitor shall: (i) announce the adjournment of the Homco 61 Creditors' Meeting or adjourned Homco 61 Creditors' Meeting, as applicable; (ii) post notice of the adjournment at the originally designated time and location of the Homco 61 Creditors' Meeting or adjourned Homco 61 Creditors' Meeting, as applicable; (iii) forthwith post notice of the adjournment on the Website; and (iv) provide notice of the adjournment to the Service List forthwith. Any Proxies validly delivered in connection with the Homco 61 Creditors' Meeting shall be accepted as Proxies in respect of any adjourned Homco 61 Creditors' Meeting;

29. **ORDERS** that the only Persons entitled to attend and speak at the Homco 61 Creditors' Meeting are representatives of Homco 61 LP, HII, the Monitor and the Trustee and Catalyst, together with their legal counsel and advisors, and all other Persons, including the other holders of proxies, entitled to vote at the Homco 61 Creditors' Meeting and their legal counsel and advisors. Any other Person may be admitted to the Homco 61 Creditors' Meeting on invitation of the Chair;

#### **VOTING PROCEDURE AT THE HOMCO 61 CREDITORS' MEETING**

30. **ORDERS** that the Chair shall direct a vote on the Homco 61 Resolution to approve the Homco 61 Plan and any amendments or variations thereto as the Monitor and Homco 61 LP may consider appropriate;
31. **ORDERS** that only Homco 61 Affected Creditors holding Homco 61 Voting Claims as of the Homco 61 Record Date will be entitled to provide instructions relating to voting or otherwise vote at the Homco 61 Creditors' Meeting;
32. **ORDERS** that any Proxy in respect of the Homco 61 Creditors' Meeting (or any adjournment, postponement or other rescheduling thereof) must be (i) received by the Monitor by 11:00 a.m. (Eastern Prevailing Time) / 5:00 p.m. (Central European Time) on May 28, 2013, or 24 hours (excluding Saturdays, Sundays and Québec statutory holidays) prior to any adjourned, postponed or rescheduled Homco 61 Creditors' Meeting or (ii) deposited with the Chair at the relevant Homco 61 Creditors' Meeting (or any adjournment, postponement or other rescheduling thereof) immediately prior to the vote at the time specified by the Chair (the "**Election/Proxy Deadline**");
33. **ORDERS** that in the absence of instruction to vote for or against the approval of the Homco 61 Resolution in a duly signed and returned Proxy providing for the appointment of the Monitor as proxyholder, the Proxy shall be deemed to include instructions to vote for the approval of the Homco 61 Resolution, provided the

proxyholder does not exercise its right to vote at the Homco 61 Creditors' Meeting;

34. **ORDERS** that each Homco 61 Affected Creditor with a Homco 61 Voting Claim shall be entitled to vote at one but not both of the Homco 61 Canadian Creditors' Meeting and the Homco 61 European Creditors' Meeting. Each Homco 61 Affected Creditor with a Homco 61 Voting Claim will be entitled to a number of votes equal to the value in Canadian Dollars of its Homco 61 Voting Claim as determined in accordance with the Claims Process Order and the Homco 61 Meeting Order. The Monitor shall keep a separate record of votes cast by Homco 61 Affected Creditors holding Homco 61 Disputed Claims and shall report to the Court with respect thereto at the Homco 61 Sanction Hearing. The vote cast in respect of any Homco 61 Disputed Claim shall not be counted for any purpose unless, until and only to the extent that such Homco 61 Disputed Claim is finally determined to be a Homco 61 Proven Claim;
35. **ORDERS** that:
- (a) all Homco 61 Affected Creditors shall be entitled to make a Newco Common Shares Cash-Out Option Election in respect of their *pro rata* share of the Newco Common Shares forming part of the H11 Homco 61 Distribution;
  - (b) to the extent a Homco 61 Affected Creditor makes a Newco Common Shares Cash-Out Option Election under the Homco 61 Plan, Homco 61 LP will be deemed to make a corresponding election under the H11 Plan in respect of such Homco 61 Affected Creditor's *pro rata* share of the Newco Common Shares to which it is entitled under the Homco 61 Plan; and
  - (c) if a Homco 61 Affected Creditor makes or is deemed to make a Newco Common Shares Cash-Out Option Election, such Electing Creditor shall:
    - (i) be deemed to have voted in favour of the Homco 61 Plan;
    - (ii) be deemed to agree to waive any Homco 61 Disputed Claim as of the date of the Homco 61 Plan, being April 26, 2013, relating to post-Homco 61 Filing Date interest accruing on its Homco 61 Affected Claim, if any; and
    - (iii) be deemed to agree that the face amount of any Homco 61 Disputed Claim of such Electing Creditor shall be deemed to be no greater than the face amount of such Claim as set out in such Electing Creditor's Proof of Claim on the date of the Homco 61 Plan, being April 26, 2013, for the purposes of determining such Electing Creditor's Homco 61 Affected Creditors' Entitlement;

36. **ORDERS** that a Homco 61 Affected Creditor's Homco 61 Voting Claim shall not include fractional numbers and Homco 61 Voting Claims shall be rounded down to the nearest whole Canadian Dollar amount;
37. **ORDERS** that, solely for voting purposes at any Homco 61 Creditors' Meeting, no assignee, transferee or purchaser of any Homco 61 Voting Claim who shall have acquired or become the assignee or transferee of such Homco 61 Voting Claim after the Homco 61 Record Date shall have any right or entitlement whatsoever to attend or vote at, either in person or by Proxy, the Homco 61 Creditors' Meeting, and **ORDERS** further that, any transferee, assignee or acquirer of a Homco 61 Voting Claim who acquired or became the assignee or transferee of such a Homco 61 Voting Claim on or prior to the Homco 61 Record Date but whose name does not appear as of the Homco 61 Record Date as the holder of such transferred or assigned Homco 61 Voting Claim may, prior to the Homco 61 Record Date, deliver evidence satisfactory to the Monitor of (A) its ownership of the whole of such Homco 61 Voting Claim as of the Homco 61 Record Date, and (B) that the transfer or assignment was valid under Applicable Law, upon which:
- (a) such transferee or assignee shall be entitled to receive from the Monitor a package containing the Homco 61 Meeting Materials;
  - (b) such transferee's or assignee's name shall be included on the list of Homco 61 Affected Creditors entitled to vote at the Homco 61 Creditors' Meeting; and
  - (c) such transferee or assignee shall be entitled to attend and vote, either in person or by Proxy, the transferor's or assignor's Homco 61 Voting Claim at the Homco 61 Creditor's Meeting in lieu and to the exclusion of the transferor's or assignor's right to attend and vote at the Homco 61 Creditors' Meeting with respect to the transferred Homco 61 Voting Claim;

#### **CASH-OUT ELECTION FORM**

38. **ORDERS** that any Homco 61 Affected Creditor shall be entitled during the Election Period to make a Newco Common Shares Cash-Out Option Election and thereby be deemed to vote in favour of the Homco 61 Plan and such Electing Creditor and shall be entitled to receive an amount equal to its *pro rata* share of Homco 61 LP's *pro rata* share of the Aggregate Newco Common Shares Final Cash-Out Amount, and its *pro rata* share of Homco 61 LP's Pro Rata Share of the Cash Pool and the Asset Realization Cash Pool by returning an executed Cash-Out Election Form to the Monitor prior to the Election/Proxy Deadline;

#### **APPROVAL OF THE HOMCO 61 PLAN**

39. **ORDERS** that in order to be approved, the Homco 61 Plan must receive an affirmative vote by the Required Majority;

40. **ORDERS** that following the vote at the Homco 61 Creditors' Meeting, the Monitor shall tally the votes and determine whether the Homco 61 Plan has been approved by the Required Majority;
41. **ORDERS** that the results of any and all votes conducted at the Homco 61 Creditors' Meeting shall be binding on all Homco 61 Affected Creditors, whether or not any such Homco 61 Affected Creditor is present or voting at the Homco 61 Creditors' Meeting;

**HOMCO 61 SANCTION HEARING**

42. **ORDERS** that the Monitor shall provide a report to the Court no later than five (5) Business Days after the Homco 61 Creditors' Meeting (the "**Monitor's Report Regarding the Homco 61 Creditors' Meeting**") with respect to:
- (a) the results of voting at the Homco 61 Creditors' Meeting on the Homco 61 Resolution;
  - (b) whether the Required Majority has approved the Homco 61 Plan;
  - (c) the effect of the results of the voting had all of the Homco 61 Affected Creditors with Homco 61 Disputed Claims also voted the full amount of their Homco 61 Disputed Claims; and
  - (d) in its discretion, any other matter relating to the motion of Homco 61 LP seeking sanction of the Homco 61 Plan;
43. **ORDERS** that an electronic copy of the Monitor's Report Regarding the Homco 61 Creditors' Meeting, the Homco 61 Plan, including any amendments and variations thereto, and a copy of the motion seeking the Homco 61 Sanction Order in respect of the Homco 61 Plan (the "**Homco 61 Sanction Motion**") shall be posted on the Website prior to the motion for the Homco 61 Sanction Hearing;
44. **ORDERS** that in the event that the Homco 61 Plan has been approved by the Required Majority, Homco 61 LP may bring the Homco 61 Sanction Motion before this Honourable Court on June 5, 2013, or such later date as is set by this Honourable Court upon motion by Homco 61 LP, seeking the Homco 61 Sanction Order;
45. **ORDERS** that service of this Homco 61 Meeting Order by Homco 61 LP to the parties on the Service List, the posting of the Homco 61 Meeting Materials on the Website in accordance with paragraphs 10 and 11 hereof, the publication of the Homco 61 Notice of Creditors' Meeting and Homco 61 Sanction Hearing in accordance with paragraphs 10, 11 and 12 hereof, and the mailing to Homco 61 Affected Creditors of the Homco 61 Meeting Materials in accordance with paragraphs 11 and 14 hereof shall constitute good and sufficient service of the notice of the Homco 61 Sanction Motion;



46. **ORDERS** that any Person intending to object to the Homco 61 Sanction Motion shall file with the Court a written notice, which notice shall include its grounds of contestation and shall effect service of same upon the Service List at least three (3) Business Days prior to the Homco 61 Sanction Hearing;
47. **ORDERS** that in the event that the Homco 61 Sanction Motion is adjourned, only those Persons appearing on the Service List as of the date of service shall be served with notice of the adjourned date;
48. **ORDERS** that, subject to any further Order of this Honourable Court, in the event of any conflict, inconsistency, ambiguity or difference between the terms, conditions and provisions of the Homco 61 Plan and this Homco 61 Meeting Order, the terms, conditions and provisions of the Homco 61 Plan shall govern and be paramount and any such provision of this Homco 61 Meeting Order shall be deemed to be amended to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference;

#### **GENERAL PROVISIONS**

49. **ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA and the Initial Order, shall assist Homco 61 LP in connection with the matters described herein, and is hereby authorized and directed to take such other actions and fulfill such other roles as are contemplated by this Homco 61 Meeting Order;
50. **ORDERS** that the Monitor and Homco 61 LP shall use reasonable discretion as to the adequacy of compliance with respect to the manner in which any forms hereunder are completed and executed and the time in which they are submitted and may waive strict compliance with the requirements of this Homco 61 Meeting Order including with respect to the completion, execution and time of delivery of required forms;
51. **ORDERS** that the Monitor may, if necessary, apply to this Court for directions regarding its obligations under this Homco 61 Meeting Order;
52. **ORDERS** that if any provision of this Homco 61 Meeting Order is amended by or contrary to a provision of an Order of the Court made in the CCAA Proceedings, such Order shall have precedence over the provisions of this Homco 61 Meeting Order;
53. **ORDERS** that any notice or other communication to be given under this Homco 61 Meeting Order by a Homco 61 Creditor to the Monitor or Homco 61 LP shall be in writing in substantially the form, if any, provided for in this Homco 61 Meeting Order and will be sufficiently given only if given by electronic mail, facsimile, courier or registered mail addressed to:

Homco 61's  
Counsel: Osler, Hoskin & Harcourt LLP  
1000 De La Gauchetière Street West  
Suite 2100  
Montréal, QC H3B 4W5

Attention: Sandra Abitan and Martin Desrosiers  
Fax: (514) 904-8101  
E-mail: [sabitan@osler.com](mailto:sabitan@osler.com) / [mdesrosiers@osler.com](mailto:mdesrosiers@osler.com)

The Monitor: Samson Bélair/Deloitte & Touche Inc., in its capacity as Court-  
appointed Monitor of Homburg Invest Inc. and related entities  
1 Place Ville Marie  
Suite 3000  
Montréal, QC H3B 4T9

Attention: Pierre Laporte and Benoît Clouâtre  
Fax: (514) 393-5344  
E-mail: [pilaporte@deloitte.ca](mailto:pilaporte@deloitte.ca) / [bclouatre@deloitte.ca](mailto:bclouatre@deloitte.ca)

With a copy to  
Monitor's  
Counsel: McCarthy Tétrault LLP  
1000 De La Gauchetière Street West  
Suite 2500  
Montréal, QC H3B 0A2

Attention: Mason Poplaw and Jocelyn Perreault  
Fax: (514) 875-6246  
E-Mail: [mpoplaw@mccarthy.ca](mailto:mpoplaw@mccarthy.ca) / [jperreault@mccarthy.ca](mailto:jperreault@mccarthy.ca)

54. **ORDERS** that any such notice or other communication (i) if given by prepaid ordinary mail, shall be deemed received on the third (3<sup>rd</sup>) Business Day after mailing within Québec, the fifth (5<sup>th</sup>) Business Day after mailing elsewhere in Canada or to the United States and the tenth (10<sup>th</sup>) Business Day after mailing to any other country; (ii) if given by courier or delivery shall be deemed received on the next Business Day following dispatch; (iii) if given by facsimile transmission or electronic mail before 5:00 p.m (Eastern Prevailing Time) on a Business Day, shall be deemed received on such Business Day; and (iv) if given by facsimile transmission or electronic mail after 5:00 p.m. (Eastern Prevailing Time) on a Business Day, shall be deemed received on the following Business Day;
55. **ORDERS** that, in the event that the day on which any notice or communication required to be delivered pursuant to this Homco 61 Meeting Order is not a

Business Day, then such notice or communication shall be required to be delivered on the next Business Day;

56. **ORDERS** that, if during any period during which notices or other communications are being given pursuant to this Homco 61 Meeting Order a postal strike or postal work stoppage of general application should occur, such notices or other communications then not received or deemed received shall not, absent further Order of this Court, be effective. Notices and other communications given hereunder during the course of any such postal strike or postal work stoppage of general application shall only be effective if given by electronic mail, courier, delivery or facsimile transmission in accordance with this Homco 61 Meeting Order;
57. **ORDERS** that all references to time in this Homco 61 Meeting Order shall mean prevailing local time in Montréal, Québec and any references to an event occurring on a Business Day shall mean prior to 5:00 p.m. on the Business Day unless otherwise indicated;
58. **ORDERS** that references to the singular shall include the plural, references to the plural shall include the singular and to any gender shall include the other gender;
59. **ORDERS** that in the event of any conflict between the English version and the French or Dutch translations of any of the documents approved by this Homco 61 Meeting Order, the English version shall prevail;
60. **REQUESTS** the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada, the Federal Court of Canada and any judicial, regulatory or administrative body of the United States or of the Netherlands and of any other nation or state, to assist Homco 61 LP and the Monitor and their respective agents in carrying out the terms of this Homco 61 Meeting Order and any other Order in these proceedings, to make such orders and to provide such assistance to Homco 61 LP and the Monitor, as an officer of the Court, as may be necessary or desirable to give effect to this Homco 61 Meeting Order and to grant representative status to Homco 61 LP and the Monitor in any foreign proceeding; and
61. **ORDERS** the provisional execution of this Homco 61 Meeting Order notwithstanding any appeal and without the necessity of furnishing security.

**THE WHOLE WITHOUT COSTS.**

  
\_\_\_\_\_  
LOUIS J. GOJIN, J.S.C.

Hearing date : April 29, 2013

**Me Martin Desrosiers**  
**Me Sandra Abitan**  
**Me Julien Morissette**  
Osler, Hoskin & Harcourt LLP  
Counsel to Petitioners

**SCHEDULE "A"**

**NOTICE OF HOMCO 61 CREDITORS' MEETING AND HOMCO 61 SANCTION HEARING**

**CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL**

No.: 500-11-041305-117

**S U P E R I O R C O U R T**  
(Commercial Division)  
(Sitting as a court designated pursuant to the  
*Companies' Creditors Arrangement Act*,  
R.S.C. 1985, c. C-36)

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

**Homburg Invest Inc.  
Homburg Shareco Inc.  
Churchill Estates Development Ltd.  
Inverness Estates Development Ltd.  
CP Development Ltd.  
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 (83) 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.**

**Mises-en-cause**

-and-

**Samson Bélair/Deloitte & Touche Inc.**

**Monitor**

**NOTICE OF HOMCO 61 CREDITORS' MEETING AND HOMCO 61 SANCTION HEARING**

**TO: AFFECTED CREDITORS OF HOMCO REALTY FUND (61) LIMITED PARTNERSHIP**

NOTICE IS HEREBY GIVEN that a meeting of the Homco 61 Affected Creditors of Homco Realty Fund (61) Limited Partnership ("**Homco 61 LP**") will be held simultaneously on May 30, 2013 at Montréal, Québec, Canada (the "**Homco 61 Canadian Creditors' Meeting**") and at Utrecht, the Netherlands (the "**Homco 61 European Creditors' Meeting**", and together with the Homco 61 Canadian Creditors' Meeting, the "**Homco 61 Creditors' Meeting**") at the locations and the times set out below, for the following purposes:

- (a) to consider and, if deemed advisable, to pass, with or without variation, a resolution (the "**Homco 61 Resolution**") approving the Restated Plan of Compromise of Homco 61 LP pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "**CCA**") dated April 26, 2013 (as amended, restated, modified and/or supplemented from time to time in accordance with the terms thereof, the "**Homco 61 Plan**"); and
- (b) to transact such other business as may properly come before the Homco 61 Creditors' Meeting or any adjournment or postponement thereof.

The Homco 61 Creditors' Meeting is being held pursuant to an order (the "**Homco 61 Meeting Order**") of the Superior Court of Québec (Commercial Division) (the "**Court**") made on April 26, 2013 by the Honourable Justice Louis J. Gouin.

Capitalized terms used and not otherwise defined in this Notice have the respective meanings given to them in the Homco 61 Meeting Order.

The Homco 61 Plan contemplates the compromise of Claims of the Homco 61 Affected Creditors. The Homco 61 Creditors' Meeting will be held simultaneously in Montréal, Québec, Canada and in Utrecht, the Netherlands, on the following date and at the following times:

<u>Location</u>	<u>Date</u>	<u>Time</u>
McCarthy Tétrault LLP Suite 2500 Lafleur room 1000 De La Gauchetière Street West Montréal, QC H3B 0A2	May 30, 2013	9:00 a.m. (Eastern Prevailing Time)
Jaarbeursplein 6 3521 AL Utrecht The Netherlands	May 30, 2013	3:00 p.m. (Central European Time)

The HII/Shareco Creditors' Meeting and the Homco 61 Creditors' Meeting shall be held concurrently at the same time on the same date, provided that a vote on the Homco 61 Resolution at the Homco 61 Creditors' Meeting will not occur until the completion of the vote on the Resolution (as defined in the HII Plan) at the HII/Shareco Creditors' Meeting or any adjourned, continued or rescheduled HII/Shareco Creditors' Meeting. As such, the vote in respect of the Homco 61 Resolution at the Homco 61 Creditors' Meeting may be delayed.

Quorum for the Homco 61 Creditors' Meeting has been set by the Homco 61 Meeting Order as the presence, in person or by Proxy, at the Homco 61 Creditors' Meeting of one Homco 61 Affected Creditor with a Homco 61 Voting Claim. Only Homco 61 Affected Creditors holding Homco 61 Voting Claims as of the Homco 61 Record Date, being April 17, 2013, are entitled to attend and vote at the Homco 61 Creditors' Meeting.



In order for the Homco 61 Plan to be approved and be binding in accordance with the CCAA, the Homco 61 Resolution must be approved by that number of Homco 61 Affected Creditors representing at least a majority in number of Homco 61 Voting Claims, whose Homco 61 Affected Claims represent at least two-thirds in value of the Homco 61 Voting Claims of Homco 61 Affected Creditors who validly vote (in person or by Proxy) or were deemed to vote on the Homco 61 Resolution at the Homco 61 Creditors' Meeting as provided for in the Homco 61 Meeting Order (the "Required Majority"). Each Homco 61 Affected Creditor will be entitled to one vote at the Homco 61 Creditors' Meeting, which vote will have the value of such person's Homco 61 Voting Claim, as determined pursuant to the Claims Process Order, the HII/Shareco Meeting Order, the Homco 61 Meeting Order and the Homco 61 Plan. Each Homco 61 Affected Creditor may vote at one of the Homco 61 Canadian Creditors' Meeting or the Homco 61 European Creditors' Meeting but not both. The Homco 61 Plan must also be sanctioned by the Court under the CCAA. Subject to satisfaction of the other conditions precedent to the implementation of the Homco 61 Plan, all Homco 61 Affected Creditors will then receive the treatment set forth in the Homco 61 Plan.

#### **Deemed voting in Favour of the Homco 61 Plan**

Homco 61 Affected Creditors who make or are deemed to make a Newco Common Shares Cash-Out Option Election shall be deemed to have voted in favour of the Homco 61 Plan.

#### **Proxy Form**

Homco 61 Affected Creditors with Homco 61 Affected Claims who desire to make a Newco Common Shares Cash-Out Option Election and receive their *pro rata* share of Homco 61 LP's *pro rata* share of the Aggregate Newco Common Shares Final Cash-Out Amount, and their *pro rata* share of Homco 61 LP's Pro Rata Share of the Cash Pool and the Asset Realization Cash Pool and no other entitlements under the Homco 61 Plan and be deemed thereby to vote in favour of the Homco 61 Plan, shall complete the bottom portion of the Proxy. All Homco 61 Affected Creditors who have made a Newco Common Shares Cash-Out Option Election under the HII Plan are deemed to make a corresponding election under the Homco 61 Plan and are deemed thereby to vote in favour of the Homco 61 Plan and do not need to complete a Proxy.

For Homco 61 Affected Creditors there is one form of proxy (the "Proxy"). **Such Homco 61 Affected Creditors may attend the Homco 61 Creditors' Meeting in person or may appoint another person as its proxyholder by inserting the name of such person in the space provided in the form of Proxy to be provided to Homco 61 Affected Creditors by Samson Bélair/Deloitte & Touche Inc. (the "Monitor"), or by completing another valid form of Proxy. Persons appointed as proxyholders need not be Homco 61 Affected Creditors.**

In order to be effective, Proxies must be: (i) received by the Monitor at either of (a) 1 Place Ville Marie, Suite 3000, Montréal, Québec, Canada, H3B 4T9 (Attention: Mr. Patrick Fillion), facsimile number: (514) 393-5344, or e-mail: [homburginvestccaa@deloitte.ca](mailto:homburginvestccaa@deloitte.ca) or (b) Monitor of Homburg Invest Incorporated, et. al, Deloitte Financial Advisory Services B.V. (Attention: Restructuring Services), Antwoordnummer 45485, 1040 WD Amsterdam, facsimile number: +31 (0)88 2889750, or e-mail: [homburginvestccaa@deloitte.ca](mailto:homburginvestccaa@deloitte.ca), or (ii) deposited with the Chair at the relevant Homco 61 Creditors' Meeting (or any adjournment, postponement or other rescheduling thereof), in either case prior to the Election/Proxy Deadline.

If a Homco 61 Affected Creditor specifies a choice with respect to voting on the Homco 61 Resolution on a Proxy, the Proxy will be voted in accordance with the specification so made. **In the absence of such specification and the Affected Creditor has appointed the Monitor as its proxyholder, a Proxy will be voted FOR the Homco 61 Resolution.**

**NOTICE IS ALSO HEREBY GIVEN** that if the Homco 61 Plan is approved by the Required Majority at the Homco 61 Creditors' Meeting, Homco 61 LP intends to bring a motion before the Court on or about June 5, 2013 at 9:15 a.m. (Eastern Prevailing Time) at the Court located at 1 Notre-Dame Street East, Montréal, Québec, Canada. The motion will be seeking the granting of the Homco 61 Sanction Order sanctioning the Homco 61 Plan under the CCAA and for the ancillary relief consequent upon such sanction. Any Homco 61 Affected Creditor that wishes to appear or be represented, and to present evidence or arguments, at such Court hearing must serve a notice of intention to appear on the Service List at least three (3) Business Days before the Court hearing. Homco 61 Affected Creditors wishing to object to the relief to be sought at the Court hearing must also file with the Court a

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written notice which notice shall include its grounds of contestation and shall effect service of same on the Service List at least three (3) Business Days prior to the hearing. A copy of the Service List may be obtained by contacting the Monitor at the particulars set out above or from the Monitor's website set out below.

This Notice is given by Homco 61 LP pursuant to the Homco 61 Meeting Order.

You may view copies of the documents relating to this process on the Monitor's website at <http://www.deloitte.com/ca/homburg-invest>.

**DATED** this ● day of ●, 2013.

**SCHEDULE "B"**

**FORM OF PROXY**

**PROXY AND INSTRUCTIONS  
FOR HOMCO 61 AFFECTED CREDITORS IN THE MATTER OF THE PROPOSED  
PLAN OF COMPROMISE OF  
HOMCO REALTY FUND (61) LIMITED PARTNERSHIP**

**MEETING OF HOMCO 61 AFFECTED CREDITORS**

to be held pursuant to an Order of the Québec Superior Court (Commercial Division) made on April [29], 2013 (the "**Homco 61 Meeting Order**") in connection with the Restated Plan of Compromise of Homco Realty Fund (61) Limited Partnership ("**Homco 61 LP**") pursuant to the *Companies' Creditors Arrangement Act* (Canada) dated April 26, 2013 (as amended, restated, modified and/or supplemented from time to time, the "**Homco 61 Plan**")

on May 30, 2013 at 9:00 a.m. (Eastern Prevailing Time) at  
McCarthy Tétrault LLP  
Suite 2500  
Lafleur room  
1000 De La Gauchetière Street West  
Montréal, Québec, Canada  
H3B 0A2

- and -

on May 30, 2013 at 3:00 p.m. (Central European Time) at  
Jaarbeursplein 6  
3521 AL Utrecht  
The Netherlands

and at any adjournment, postponement or other rescheduling thereof (the "**Homco 61 Creditors' Meeting**")

**PROXY AND INSTRUCTIONS FOR  
HOMCO 61 AFFECTED CREDITORS**

PLEASE COMPLETE, SIGN AND DATE THIS PROXY AND (I) RETURN IT TO SAMSON BÉLAIR/DELOITTE & TOUCHE INC., IN ITS CAPACITY AS MONITOR, BY 11:00 A.M. (EASTERN PREVAILING TIME) / 5:00 P.M. (CENTRAL EUROPEAN TIME) ON MAY 28, 2013 OR (EXCLUDING SATURDAYS, SUNDAYS AND QUEBEC STATUTORY HOLIDAYS) OR 24 HOURS (EXCLUDING SATURDAYS, SUNDAYS AND QUEBEC STATUTORY HOLIDAYS) PRIOR TO THE TIME OF ANY ADJOURNMENT, POSTPONEMENT OR RESCHEDULING OF THE RELEVANT HOMCO 61 CREDITORS MEETING OR (II) DEPOSIT THIS PROXY WITH THE CHAIR AT THE RELEVANT HOMCO 61 CREDITORS' MEETING (OR ANY ADJOURNMENT, POSTPONEMENT OR RESCHEDULING THEREOF) IMMEDIATELY PRIOR TO THE VOTE AT THE TIME SPECIFIED BY THE CHAIR (THE "ELECTION/PROXY DEADLINE"). PLEASE RETURN OR DEPOSIT YOUR ORIGINAL PROXY SO THAT IT IS ACTUALLY RECEIVED BY THE MONITOR OR THE CHAIR ON OR BEFORE THE ELECTION/PROXY DEADLINE.

**THE DUTCH VERSION OF THIS PROXY AND INSTRUCTIONS ARE AVAILABLE FROM THE MONITOR. YOU CAN CONTACT THE MONITOR BY E-MAIL AT [homburginvestccaa@deloitte.ca](mailto:homburginvestccaa@deloitte.ca) TO REQUEST THESE, OR VISIT THE MONITOR'S WEBSITE AT [www.deloitte.com/ca/homburg-invest](http://www.deloitte.com/ca/homburg-invest). [Dutch translation of the two foregoing sentences to be added in English version when translation is complete.]**

Please use the top portion of this Proxy if you do not wish to attend the Homco 61 Creditors' Meeting to vote in person but wish to appoint a proxyholder to attend the Homco 61 Creditors' Meeting, vote your Homco 61 Voting Claim to accept or reject the Homco 61 Plan and otherwise act for and on your behalf at the Homco 61 Creditors' Meeting and any adjournment(s), postponement(s) or rescheduling(s) thereof.

Please use the bottom portion of this Proxy form if you wish to elect the Newco Common Shares Cash-Out Option.

The Homco 61 Plan is Appendix G to the Information Circular of Homburg Invest Inc. prepared on behalf of Homburg Invest Inc., Homburg Shareco Inc. and Homco Realty Fund (61) Limited Partnership dated April 9, 2013 (collectively, the "Information Circular"), a copy of which you have received. All capitalized terms used but not defined in this Proxy shall have the meanings ascribed to such terms in the Information Circular.

You should review the Information Circular and the Homco 61 Plan before you vote. In addition, on [April 29], 2013, the Québec Superior Court (Commercial Division) issued an order establishing certain procedures for the conduct of the Homco 61 Creditors' Meeting (the "Homco 61 Meeting Order"), a copy of which is Appendix H to the Information Circular. The Homco 61 Meeting Order contains important information regarding the voting process. Please

read the Homco 61 Meeting Order and the instructions sent with this Proxy prior to submitting this Proxy.

If the Homco 61 Plan is approved by the Required Majority and is sanctioned by the Québec Superior Court (Commercial Division), it will be binding on you whether or not you vote.

**HOMCO 61 AFFECTED CREDITORS WHO ELECT THE NEWCO COMMON SHARE CASH-OUT OPTION ONLY NEED TO COMPLETE THE BOTTOM PORTION OF THIS PROXY FORM – THE CASH-OUT ELECTION FORM.**

**HOMCO 61 PLAN PROXY**

**FOR HOMCO 61 AFFECTED CREDITORS WHO WISH TO APPOINT A PROXYHOLDER TO ATTEND AND VOTE AT THE HOMCO 61 CREDITORS' MEETING, PLEASE COMPLETE THE TOP PORTION OF THIS PROXY FORM.**

**APPOINTMENT OF PROXYHOLDER AND VOTE**

By checking one of the three boxes below, the undersigned Homco 61 Affected Creditor hereby revokes all proxies previously given and nominates, constitutes, and appoints either (*if no box is checked, the Monitor will act as your proxyholder*):

- \_\_\_\_\_, or  
 a representative of Samson Bélair/Deloitte & Touche Inc., in its capacity as Monitor, or  
 a representative of Stichting Homburg Bonds, in its capacity as trustee under the Bond 6 Indenture

as proxyholder, with full power of substitution, to attend, vote and otherwise act for and on behalf of the undersigned at the Homco 61 Creditors' Meeting and at adjournment(s), postponement(s) and rescheduling(s) thereof, and to vote the amount of the Homco 61 Affected Creditor's Homco 61 Voting Claim. Without limiting the generality of the power hereby conferred, the person named as proxyholder is specifically directed to vote as shown below. The person named as proxyholder is also directed to vote at the proxyholder's discretion and otherwise act for and on behalf of the undersigned with respect to any amendments or variations to the Homco 61 Plan and to any matters that may come before the Homco 61 Creditors' Meeting or any adjournment, postponement or rescheduling thereof and to vote the amount of the Homco 61 Affected Creditors' Homco 61 Voting Claim as follows (*mark only one*):

- Vote **FOR** the approval of the Homco 61 Plan       Vote **AGAINST** the approval of the Homco 61 Plan

**Please note that if no specification is made hereinabove and the Homco 61 Affected Creditor has appointed the Monitor as its proxyholder, the Homco 61 Affected Creditor will be deemed to have voted FOR approval of the Homco 61 Plan at the Homco 61 Creditors' Meeting.**

Dated at \_\_\_\_\_ this \_\_\_\_ day of \_\_\_\_\_, 2013.

**Homco 61 Affected Creditor's Signature:** \_\_\_\_\_  
(Print Legal Name of the Homco 61 Affected Creditor)

\_\_\_\_\_



(Signature of the Homco 61 Affected Creditor or an Authorized Signing Officer of the Homco 61 Affected Creditor)

\_\_\_\_\_  
(Print Name and Title of an Authorized Signing Officer of the Homco 61 Affected Creditor, if applicable)

\_\_\_\_\_  
(Mailing Address of the Homco 61 Affected Creditor)

\_\_\_\_\_  
(Telephone Number of the Homco 61 Affected Creditor or Authorized Signing Officer of the Homco 61 Affected Creditor)

\_\_\_\_\_  
(Name of Homco 61 Affected Creditors' Banking Institution and Address, Account Number and IBAN)

<b>CASH-OUT ELECTION FORM</b>
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PRIOR TO COMPLETING THIS FORM, YOU SHOULD REVIEW THE INFORMATION CIRCULAR INCLUDING THE SECTIONS ENTITLED "*DESCRIPTION OF THE HII/SHARECO PLAN – NEWCO COMMON SHARES CASH-OUT OPTION*" AND "*ESTIMATED RECOVERY BY AFFECTED CREDITORS AND ELECTING CREDITORS UNDER THE HII/SHARECO PLAN AND BY HOMCO 61 AFFECTED CREDITORS AND ELECTING CREDITORS UNDER THE HOMCO 61 PLAN*" AS WELL AS THE ACCOMPANYING MONITOR'S REPORT IN SUPPORT OF THE PLANS. THESE DOCUMENTS CONTAIN IMPORTANT INFORMATION REGARDING THIS OPTION.

In connection with the Restated Plan of Compromise of Homco 61 LP pursuant to the *Companies' Creditors Arrangement Act* (Canada) dated April 26, 2013 (as amended, restated, modified and/or supplemented from time to time, the "**Homco 61 Plan**"), the undersigned hereby elects:

- To receive the Newco Common Shares Cash-Out Option** (offered by Catalyst)  
– The undersigned makes this election with respect to its *pro rata* share of Homco 61 LPs Pro Rata Share of Newco Common Shares under the Homco 61 Plan. By selecting this option, the undersigned hereby:
- (i) acknowledges that it shall receive its *pro rata* share of Homco 61 LP's *pro rata* share of the Aggregate Newco Common Shares Final Cash-Out Amount and its *pro rata* share of Homco 61 LP's Pro Rata Share of the Cash Pool and the Asset Realization Cash Pool and no other entitlement to Newco Common Shares.
  - (ii) irrevocably directs and is deemed to irrevocably direct Newco to issue its *pro rata* share of Homco 61 LP's Pro Rata Share of Newco Common

Shares pursuant to and in accordance with the Letter of Instruction to be provided by Catalyst to the Monitor in accordance with the Homco 61 Plan; and

- (iii) represents and warrants that it has all the requisite power, capacity and authority to make the Newco Common Shares Cash-Out Option Election and has received any required consents and approvals so that Catalyst will receive file and clear title to the Newco Common Shares when issued.

**YOUR PROXY MUST BE RECEIVED (I) BY THE MONITOR AT ONE OF THE ADDRESSES LISTED BELOW OR (II) BY THE CHAIR AT THE RELEVANT HOMCO 61 CREDITORS' MEETING BEFORE THE ELECTION/PROXY DEADLINE.**

**SAMSON BÉLAIR/DELOITTE & TOUCHE INC.  
MONITOR OF HOMCO REALTY FUND (61) LIMITED PARTNERSHIP  
1 Place Ville Marie  
Suite 3000  
Montréal, Québec  
H3B 4T9 Canada  
Attention: Mr. Patrick Fillion**

**Facsimile number: (514) 393-5344  
E-mail: [homburginvestccaa@deloitte.ca](mailto:homburginvestccaa@deloitte.ca)**

**or**

**MONITOR OF HOMCO REALTY FUND (61) LIMITED PARTNERSHIP  
CARE OF DELOITTE FINANCIAL ADVISORY SERVICES B.V.  
Antwoordnummer 45485  
1040 WD Amsterdam  
The Netherlands  
Attention: Restructuring Services**

**Facsimile number: +31 (0)88 2889750  
E-mail: [homburginvestccaa@deloitte.ca](mailto:homburginvestccaa@deloitte.ca)**

**IF YOU HAVE ANY QUESTIONS REGARDING THIS PROXY OR THE VOTING PROCEDURES, OR IF YOU NEED AN ADDITIONAL COPY OR ADDITIONAL COPIES OF THE ENCLOSED MATERIALS, PLEASE CONTACT THE MONITOR AT [homburginvestccaa@deloitte.ca](mailto:homburginvestccaa@deloitte.ca) OR VISIT THE MONITOR'S WEBSITE AT [www.deloitte.com/ca/homburg-invest](http://www.deloitte.com/ca/homburg-invest)**

### **INSTRUCTIONS FOR COMPLETION OF PROXY**

1. All capitalized terms used but not defined in this Proxy shall have the meanings ascribed to such terms in the Information Circular of Homburg Invest Inc. prepared on behalf of Homburg Invest Inc., Homburg Shareco Inc. and Homco Realty Fund (61) Limited Partnership dated April [●], 2013, a copy of which you have received.
2. Please read and follow these instructions carefully. Your Proxy must actually be received (i) by the Monitor at either (a) 1 Place Ville Marie, Suite 3000, Montréal, Québec, Canada, H3B 4T9 (Attention: Mr. Patrick Fillion), facsimile number: (514) 393-5344, or e-mail: [homburginvestccaa@deloitte.ca](mailto:homburginvestccaa@deloitte.ca) or (b) Monitor of Homburg Invest Incorporated, et. al, Deloitte Financial Advisory Services B.V. (Attention: Restructuring Services), Antwoordnummer 45485, 1040 WD Amsterdam, facsimile number: +31 (0)88 2889750, or e-mail: [homburginvestccaa@deloitte.ca](mailto:homburginvestccaa@deloitte.ca), prior to 11:00 a.m. (Eastern Prevailing Time) / 5:00 p.m. (Central European Time) on May 28, 2013 or 24 hours (excluding Saturdays, Sundays and Québec statutory holidays) prior to the time of any adjournment, postponement or rescheduling of the relevant Homco 61 Creditors' Meeting or (ii) by the Chair at the relevant Homco 61 Creditors' Meeting (or any adjournment, postponement or rescheduling thereof) immediately prior to the vote at the time specified by the Chair (the "Election/Proxy Deadline"). If your Proxy is not received by the Proxy Deadline, unless such time is extended, your Proxy will not be counted and any Newco Common Share Cash-Out Option Election made therein will not be valid.
3. The aggregate amount of your Claim in respect of which you are entitled to vote (your "Homco 61 Voting Claim") shall be your Homco 61 Proven Claim, or with respect to a Homco 61 Disputed Claim, the amount as determined by the Monitor to be your Homco 61 Voting Claim in accordance with paragraph 30 of the Claims Process Order and the Homco 61 Meeting Order.
4. Each Homco 61 Affected Creditor who has a right to vote at the Homco 61 Creditors' Meeting has the right to appoint a person (who need not be an Homco 61 Affected Creditor) to attend, act and vote for and on behalf of the Homco 61 Affected Creditor and such right may be exercised by inserting in the space provided the name of the person to be appointed, or to select a representative of the Monitor or Stichting Homburg Bonds as its proxyholder. If no proxyholder is selected, the Homco 61 Affected Creditor will be deemed to have appointed any officer of Samson Bélair/Deloitte & Touche Inc., in its capacity as Monitor, or such other person as Samson Bélair/Deloitte & Touche Inc. may designate, as proxyholder of the Homco 61 Affected Creditor, with power of substitution, to attend on behalf of and act for the Homco 61 Affected Creditor at the Homco 61 Creditors' Meeting to be held in connection with the Homco 61 Plan and at any and all adjournments, postponements or other rescheduling thereof.
5. All Homco 61 Affected Creditors that wish to make a Newco Common Shares Cash-Out Option Election should complete the bottom portion of the Proxy Form. **If you make such an election, you will be deemed to vote in favour of the Homco 61 Plan and be deemed to direct Newco to issue your pro rata share of Homco 61 LP's Pro Rata Share of Newco Common Shares to Catalyst.**

6. In the event that you do not make a Newco Common Shares Cash-Out Option Election, and you wish to appoint a proxyholder for the Homco 61 Creditors' Meeting using this Proxy, and for your vote to accept or reject the Homco 61 Plan to count, you must:
  - (a) If you wish to vote by Proxy rather than in person at the Homco 61 Creditors' Meeting, complete the top portion of the Proxy and either write in the name of your proxyholder or select a representative of the Monitor or Stichting Homburg Bonds as your proxyholder. If you do not make a selection, a representative of the Monitor will act as your proxyholder; and
  - (b) Check the appropriate box if you wish to vote by Proxy rather than in person at the Homco 61 Creditors' Meeting (**NOTE: if you do not check either box, and you have appointed the Monitor as your proxyholder you will be deemed to have voted FOR approval of the Homco 61 Plan, provided your proxyholder does not exercise his or her right to vote at the Homco 61 Creditors' Meeting**);
7. In all cases you must:
  - (a) Sign the Proxy – your original signature is required on the Proxy in order to make a Newco Common Shares Cash-Out Option Election or appoint a proxyholder and vote at the Homco 61 Creditors' Meeting;
  - (b) If you are completing the Proxy as a duly authorized representative of a corporation or other entity, indicate your relationship with such corporation or other entity and the capacity in which you are signing, and if subsequently requested, provide proof of your authorization to so sign. In addition, please provide your name and mailing address; and
  - (c) Return the completed Proxy (i) to the Monitor at either (a) 1 Place Ville-Marie, Suite 3000, Montréal, Québec, Canada, H3B 4T9 (Attention: Mr. Patrick Fillion), facsimile number: (514) 393-5344, or e-mail: [homburginvestcca@deloitte.ca](mailto:homburginvestcca@deloitte.ca) or (b) Monitor of Homburg Invest Incorporated, et. al, Deloitte Financial Advisory Services B.V. (Attention: Restructuring Services), Antwoordnummer 45485, 1040 WD Amsterdam, facsimile number: +31 (0)88 2889750, or e-mail: [homburginvestccaa@deloitte.ca](mailto:homburginvestccaa@deloitte.ca), so that it is actually received by no later than the Election/Proxy Deadline.
8. If you need additional Proxies, please immediately contact the Monitor.
9. If multiple Proxies are received from the same person with respect to the same Claims prior to the Election/Proxy Deadline, the latest dated, validly executed Proxy timely received will supersede and revoke any earlier received Proxy. However, if a holder of Claims casts Proxies received by the Monitor dated with the same date, but which are voted inconsistently, such Proxies will not be counted. If a Proxy is not dated in the space provided, it shall be deemed dated as of the date it is received by the Monitor.

10. If a Homco 61 Affected Creditor on the top portion of the form appoints a Proxyholder to attend, act and vote for and on behalf of the Homco 61 Affected Creditor and on the bottom portion of the form elects the Newco Common Shares Cash-Out Option then such Homco 61 Affected Creditor will be deemed irrevocably to have made a Newco Common Shares Cash-Out Option Election and to vote in favour of the Homco 61 Plan and will be deemed to direct Newco to issue its *pro rata* share of Homco 61 LP's Pro Rata Share of Newco Common Shares to Catalyst pursuant to and in accordance with the Letter of Instruction to be provided by Catalyst to the Monitor in accordance with the Homco 61 Plan.
11. If a Homco 61 Affected Creditor (other than an Electing Creditor) validly submits a Proxy to the Monitor and subsequently attends the Homco 61 Creditors' Meeting and votes in person inconsistently, such Homco 61 Affected Creditor's vote at the Homco 61 Creditors' Meeting will supersede and revoke the earlier received proxy.
12. Proxies may also be accepted for purposes of voting at an adjourned, postponed or other rescheduled Homco 61 Creditors' Meeting, if received by the Monitor by the Election/Proxy Deadline.
13. Any Proxy that is illegible or contains insufficient information to permit the identification of the claimant shall not be counted.
14. Any Proxy that attempts to partially accept and partially reject the Homco 61 Plan will not be counted.
15. After the Election/Proxy Deadline, no Proxy may be withdrawn or modified, except by a Homco 61 Affected Creditor voting in person at the Homco 61 Creditors' Meeting, without the prior consent of Homco 61 LP.

**IF YOU HAVE ANY QUESTIONS REGARDING THIS PROXY OR THE VOTING PROCEDURES, OR IF YOU NEED AN ADDITIONAL COPY OR ADDITIONAL COPIES OF THE ENCLOSED MATERIALS, PLEASE CONTACT THE MONITOR AT [homburginvestccaa@deloitte.ca](mailto:homburginvestccaa@deloitte.ca) OR VISIT THE MONITOR'S WEBSITE AT [www.deloitte.com/ca/homburg-invest](http://www.deloitte.com/ca/homburg-invest)**



**HOMBURG INVEST INC.**