

**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, as amended)

**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.**

Debtors / Petitioners

-and-

**Homco Realty Fund (52) Limited Partnership
Homco Realty Fund (61) Limited Partnership
Homco Realty Fund (88) Limited Partnership
Homco Realty Fund (89) Limited Partnership
Homco Realty Fund (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

**MOTION FOR AN EXTENSION OF THE STAY PERIOD
AND APPROVAL OF AN INVESTMENT PROPOSAL PROCESS
(Sections 11 and 11.02 of the *Companies' Creditors Arrangement Act*,
R.S.C., 1985, c. C-36)**

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

I. INTRODUCTION

1. On September 9, 2011, the Honourable Louis J. Gouin, J.S.C. issued an order (the “**Initial Order**”) pursuant to the *Companies Creditors’ Arrangement Act*, R.S.C. 1985, c. C-36 (the “**CCAA**”) in respect of Homburg Invest Inc. (“**HII**”), Homburg Shareco Inc., Churchill Estates Development Ltd., Inverness Estates Development Ltd. and CP Development Ltd. (collectively the “**Initial Debtors**”) as appears from the Court record;
2. Pursuant to the Initial Order, Samson Bélair/Deloitte & Touche Inc. (the “**Monitor**”) was appointed as Monitor of the Initial Debtors and a stay of proceedings (the “**Stay of Proceedings**”) was issued from the date of the Initial Order until October 7, 2011;
3. On October 7, 2011, this Court issued an order (the “**First Extension Order**”) extending the Stay of Proceedings. Since then, this Court has further extended the Stay of Proceedings, most recently until February 28, 2013 (the “**Stay Period**”), as appears from the Court record;
4. As appears from the Initial Order and the First Extension Order, the Stay of Proceedings was initially extended in favour of the following limited partnerships: Homco Realty Fund (52) Limited Partnership, Homco Realty Fund (88) Limited Partnership (“**Homco 88**”), Homco Realty Fund (89) Limited Partnership, Homco Realty Fund (92) Limited Partnership (“**Homco 92**”), Homco Realty Fund (94) Limited Partnership, Homco Realty Fund (105) Limited Partnership (“**Homco 105**”), Homco Realty Fund (121) Limited Partnership (“**Homco 121**”), Homco Realty Fund (122) Limited Partnership, Homco Realty Fund (142) Limited Partnership (“**Homco 142**”) and Homco Realty Fund (199) Limited Partnership (collectively the “**Initial Mises-en-cause**”);
5. On May 31, 2012, this Court issued an order amending the Initial Order to add North Calgary Land Ltd. (“**NCLL**”) as a Petitioner and Homco Realty Fund (96) Limited Partnership (“**Homco 96**”) as a Mise-en-cause thereunder. On December 14, 2012, this Court issued a further order amending the Initial Order to add Homco Realty Fund (190) Limited Partnership (“**Homco 190**”) and Homco Realty Fund (191) Limited Partnership (“**Homco 191**”) as Mises-en-cause thereunder. On February 6, 2013, this Court issued a further order amending the Initial Order to add Homco Realty Fund (61) Limited Partnership (“**Homco 61**”) and Castello Development Ltd. (“**Castello**”) as Mises-en-cause thereunder (NCLL, Homco 96, Homco 190, Homco 191, Homco 61, Castello the Initial Debtors and the Initial Mises-en-cause are collectively referred to as the “**HII Group**”);
6. The HII Group respectfully requests that this Honourable Court render the orders sought herein to extend the Stay Period until April 26, 2013 and to approve the terms and conditions of an Investment Proposal Process (as defined below) in the context of its continuing restructuring efforts;

II. PLAN OF ARRANGEMENT

7. After significant effort by the HII Group and the Monitor to craft all aspects of a plan of arrangement or compromise, on February 6, 2013, the HII Group filed with this Court the joint Plan of Compromise and Reorganization of HII and Shareco (the “**Plan**”). Simultaneously with the present Motion, the HII Group shall be presenting a *Motion for the issuance of an order for the convening, holding and conduct of a creditors’ meeting and other relief* (the “**Meeting Motion**”), in the Court record, to which stakeholders may refer for more information;

III. OPERATIONS AND RESTRUCTURING EFFORTS

8. Since the last extension of the Stay Period, the HII Group continued to make significant progress, advancing discussions with various key stakeholders including the numerous mortgage lenders and has concluded agreements with certain of these lenders, the whole as more fully set forth below. Significant effort continues to be expended in maintaining the normal course of business, in the context of the CCAA process;
9. Highlights of the most significant activities of the HII Group are provided below. The HII Group refers the stakeholders and the Court to the Twentieth Report of the Monitor to be filed in support of the present motion (the “**Monitor’s Twentieth Report**”) for a complete description of these activities;

A. *Claims process*

10. Pursuant to the Claims Process Order, in the Court record, the Claims Bar Date (as defined in the Claims Process Order, in the Court record) for the vast majority of claims was July 13, 2012. The Monitor received over 230 claims, and has been diligently processing the claims in cooperation with HII and respective counsel. All such claims have been subjected to preliminary processing;
11. The Claims Bar Date in respect of Homco 61 and Castello was February 22, 2013. The Monitor and HII are currently reviewing claims filed against these entities;
12. As more fully appears from the Monitor’s Twentieth Report, the following appeals have recently been filed:
 - (a) *Motion in appeal of a disallowance of a proof of claim pursuant to the “Claims Process Order” issued on April 1, 2013, served on February 11, 2013 by Stichting Homburg Capital Securities, in respect of the Capital Securities A trustees’ fees and expenses, and of interest accrued after the date of the Initial Order. The HII Group refers the stakeholders to the Meeting Motion for more information;*
 - (b) *Motion in appeal of a disallowance of a proof of claim pursuant to the “Claims Process Order” issued on April 1, 2013, served on February 14, 2013 by Stichting Homburg Bonds, in respect of the bondholders’ trustees’ fees and expenses for the period of August 20, 2011 to December 3, 2011;*

13. As of the date hereof, additional notices of revision or disallowance are being finalized by the Monitor, in collaboration with HII, and will be sent out in due course;

B. *Bondholder communications*

14. Representatives of the HII Group and the Monitor have held numerous meetings and calls with the bondholders' trustees (the "**Trustees**") both in Montréal and in Amsterdam, with respect to the Plan and other matters. The Trustees continue to be updated on a very regular basis on the status of the restructuring, including the discussions with the various mortgage lenders, the results of valuations and appraisals and the interactions with the Netherlands Authority of the Financial Markets ("**AFM**");
15. As previously disclosed to the Court, Deloitte has conducted and completed a forensic review in respect of the HII Group. The Monitor presented its findings at a meeting of bondholders called by the Trustees which took place on February 13, 2013 in the Netherlands;

C. *Decisions relating to restructured real estate portfolio and continuing negotiations with mortgage lenders*

16. Several meetings have taken place since the last extension hearing with the various mortgage lenders of the European properties to negotiate the restructuring of the HII Group loan portfolio and continue to explore alternative strategies for certain non-profitable properties;
17. The negotiations are continuing and it is difficult to predict their outcome with certainty. As of the date hereof, the status of negotiations with the most relevant mortgage lenders is as follows with respect to core assets:
 - (a) Continuation of discussions with Bank of Scotland with respect to the refinancing of two properties and determination of the best course of action to resolve the financial issues before the transfer of the entities holding these properties to Newco (as defined in the Plan), pursuant to the Plan;
 - (b) Finalization of documentation of the renegotiated terms of the loan of Falcon Private Bank Ltd. to Valbonne Real Estate 5 B.V. in connection with the Campeon property;
 - (c) Finalization of documentation of an agreement in principle entered into with Skandinaviska Enskilda Banken AB (SEB) with respect to the Baltic property portfolio. The terms and conditions would provide for renegotiated rental terms and adjusted amortization schedules in consideration for a cash payment to be made upon implementation of the Plan;
 - (d) Finalization of an agreement with HSH North Bank AG with respect of the terms of the extension of the Credit Agreement relating to the four properties held by Coët B.V., a subsidiary of Homco Realty Fund (70) Limited Partnership;

- (e) In the context of exploring different options with respect to the refinancing of the loan for the property held by Valbonne Real Estate 2 B.V., a subsidiary of Homco Realty Fund (69) Limited Partnership, NIBC Bank N.V. has requested an update of the September 2012 appraisal, which is currently being prepared;
18. As previously disclosed to the Court, negotiations in respect of the property financed by Hatfield Philips (acting as agent for noteholders) have not been moving forward to the HII Group's and the Monitor's satisfaction. The HII Group and the Monitor are considering possible scenarios to remove the property from the HII Group structure;
19. The sale of the property held by Homco 92, financed by FGH Bank N.V. ("FGH"), was authorized by this Honourable Court on February 6, 2013 and has since closed. The HII Group and the Monitor are continuing to consider possible scenarios to remove the remaining three properties (held by Homco Realty Fund (102) Limited Partnership and Homco 142) financed by FGH from the HII Group structure;
20. As previously reported to the Court, on February 1, 2013, the Government of the Netherlands nationalized SNS Reaal, the parent company of SNS Bank N.V. and SNS Property Finance B.V. (collectively "SNS"). The future actions of SNS are currently uncertain. With the assistance of Dutch counsel, the HII Group is considering its options for the properties financed by SNS, with a view to removing them from the HII Group structure;
21. Finally, as previously disclosed to the Court, the HII Group and the Monitor are currently in discussions with Frankfurter Hypotheken Bank (formerly EuroHypo AG) as regards the properties financed by this lender, with a view to removing them from the HII Group structure. It is currently anticipated that these non-core properties will be sold prior to emergence from CCAA protection. Negotiations with the potential buyer have been concluded and transaction documentation is currently under preparation;

D. *Sale process of Canadian properties*

22. As previously disclosed to the Court, the Monitor, in consultation with HII, has retained brokers for the disposition of certain Canadian properties;
23. The properties have been listed and sales processes are ongoing. HSBC Bank Canada ("HSBC") has been receiving regular updates for the properties over which it holds security (Points North (NCLL), Kai Mortensen Towers (Homco 88), Cristal Towers (Homco 105), Henderson Farms (Homco 121) and Centron Park (CP Development Ltd.));
24. As previously disclosed to the Court, a conditional offer was accepted by NCLL and the Monitor in respect of Points North; due diligence is currently ongoing with respect to this property;
25. As also previously disclosed, a letter of intent was accepted by Homco 105 and the Monitor in respect of Cristal Towers. As of the date hereof, the HII Group and the Monitor are in the process of executing a final Purchase Agreement. The closing of this

transaction is conditional upon due diligence by the offeror and, as the case may be, the approval of this Honourable Court;

26. With respect to Centron Park, the sale of which was authorized by this Honourable Court on February 6, 2013, it is currently anticipated that the transaction will close on or about March 8, 2013;
27. Following significant efforts to engage a broker to market Henderson Farms, the HII Group and the Monitor have concluded that there is likely no value in this property for stakeholders other than HSBC. Discussions are currently ongoing with HSBC regarding the best course of action for this property;
28. For the remaining Canadian properties, such as those owned by Homco Realty Fund (83) Limited Partnership (Northumberland) and Churchill Estates Development Ltd., disposition initiatives are proceeding in the ordinary course of business;
29. On February 8, 2013, the sale of one of the two remaining condominium units held by Castello failed to close due to a caveat registered on title by the condominium corporation. The HII Group is of the opinion that this registration was done without colour of right and is reviewing its options, including any claim it may have against the condominium corporation;
30. Centron Construction Corporation (“CCC”) was holding documents which the HII Group and the Monitor believed would be useful to advance the sale efforts or transactions in respect of certain properties, namely Centron Park (in respect of which CP Development Ltd. and the Monitor undertook to use commercially reasonable efforts to obtain same as part of the sale approved by the Court on February 6, 2013) and Kai Mortensen Towers. Counsel for the Monitor requested the documents in writing. Some documents were provided to the Monitor after a lengthy exchange of correspondence and counsel for CCC has undertaken to provide the last remaining documents without further delay;

E. *Sale of remaining US properties*

31. As appears from the Court record, Homburg Holdings (U.S.) Inc. (“HHUS”) still holds certain properties in the United States, located primarily in Texas and Colorado. As previously disclosed to the Court, CBRE was engaged as broker;
32. Listing prices have recently been agreed to and the marketing process conducted by CBRE is ongoing. As of the date hereof, the sale of an HHUS property known as Airport Freeway, located in Hurst, Texas, is in the final stages of being concluded. The Monitor reviewed and approved this transaction;
33. The HII Group, CBRE, the Monitor and the respective legal advisors will continue all efforts to realize maximum value from the United States portfolio for the benefit of all stakeholders;

IV. AFM PROCEEDINGS

34. As of the date hereof, the decision of the AFM on HII's objection to the revocation of HII's licence by the AFM is still pending;
35. The HII Group's and the Monitor's Dutch counsel are in regular contact with the AFM. Most recently, on February 12, 2013, HII, the Monitor and respective advisors met with the AFM to present the Plan. The Monitor also met separately with the AFM to discuss the results of its forensic review;
36. As previously disclosed to the Court and as anticipated, HII shares will be delisted by NYSE Euronext Amsterdam on March 13, 2013. The delisting of the HII shares will not have any impact on the Plan or its implementation;

V. INVESTMENT PROPOSAL PROCESS

37. As appears from the Court record and in particular from the various Monitor reports, while HII and Shareco were developing the Plan, The Catalyst Capital Group Inc. ("**Catalyst**") has been reaching out, since last November, to the bondholders with certain proposals to acquire their debt, which proposals have been amended several times, notably to expand it to include both the mortgage bondholders (Series 4, 5, 6 and 7) and the corporate bondholders (Series 8, 9, 10 and 11);
38. Since the Plan was filed with the Court, Catalyst delivered an investment proposal to the HII Group and the Monitor, which investment proposal has been further amended and clarified. Another interested party has also reached out to the HII Group and the Monitor regarding a potential investment proposal and has been in discussions with Stichting Homburg Bonds. It appears that there may in fact be additional parties who may be interested in pursuing a transaction with the HII Group;
39. Out of fairness and with a view to maximize value for stakeholders (but without delaying the proposed process for a timely approval of the Plan), the HII Group, in consultation with the Monitor, determined that it is necessary and appropriate to determine, on an expedited basis, 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 Plan. Accordingly, the HII Group wishes to establish standardized terms and conditions to govern the delivery of investment proposals to the HII Group and the Monitor and the consideration of such investment proposals by the HII Group and the Monitor by way of an investment proposal process (the "**Investment Proposal Process**");
40. The HII Group, with the assistance of the Monitor, has prepared terms and conditions for the Investment Proposal Process, the whole as appears from a copy of the Terms and Conditions (the "**Terms and Conditions**") attached herewith as Schedule I;
41. The proposed order contemplated under the Meeting Motion currently contemplates that HII and Shareco will circulate meeting materials to creditors by March 20, 2013, with a creditors' meeting to be held concurrently in Canada and the Netherlands on April 10, 2013 (the "**Creditors' Meeting**"), a proposed Plan sanction hearing date of April 19,

2013 and a proposed Plan implementation date of May 31, 2013. Accordingly, the Terms and Conditions contemplate an expedited timeline that would result in the selection of a superior offer, if any, by March 11, 2013, a definitive agreement by April 5, 2013, creditor approval of such transaction, if required, at the Creditors' Meeting and the Court sanction of any such transaction;

42. Should this Honourable Court approve the Terms and Conditions, the Monitor will send notice of initiation of the Investment Proposal Process and a copy of the Terms and Conditions to those interested parties who have expressed an interest in the HII Group's assets or their business since the issuance of the Initial Order (the "**Targeted Investors**");
43. In addition, on or around March 1, 2013, HII will issue a press release announcing the initiation of the Investment Proposal Process. The Monitor will further send copy of the Terms and Conditions to any interested parties who, by written notice, express a potential interest in the HII Group's assets or their business following the initiation of the Investment Proposal Process. HII and the Monitor shall have no further obligation to actively solicit any investment proposals;
44. In order to facilitate data room access as quickly as possible should this Honourable Court approve the Terms and Conditions, the HII Group and the Monitor have prepared a form of confidentiality agreement and have circulated same to the Targeted Investors in advance of this motion. The Terms and Conditions contemplate that interested parties must sign a confidentiality agreement in form and substance similar to such form of confidentiality agreement, appended as Schedule "2" to the Terms and Conditions, should such interested wish to access the data room and continue as Qualified Investors under the Investment Proposal Process;
45. As appears from the Terms and Conditions, information with respect to the assets and the business of the HII Group will be provided by way of access to a data room, and potential investors will be invited to take part in an investment proposal process, at the conclusion of which a successful investor, if any, will be selected;
46. The details of this investment proposal process, as well as the key deadlines for each step thereof, are set out in the Terms and Conditions;
47. As will appear from the Twentieth Monitor's Report, the present Investment Proposal Process is supported by the Monitor;

VI. CASH REQUIREMENTS

48. HII will not need to access any Restricted Cash (as defined in the *Motion to extend the stay period, for access to restricted cash and to amend the Initial Order*, in the Court record) for the requested extension of the Stay Period, notably as a result of the release of funds held in escrow pursuant to the settlement with Cominar REIT. The funding the HII Group anticipates it will require for operations and restructuring costs during this period will be detailed in the Twentieth Monitor's Report;

49. As will appear from the cash flow forecast to be included in the Monitor's Twentieth Report, HII is of the view that no creditor will suffer any undue prejudice from the extension of the Stay Period;
50. The HII Group has and continues to meet its post-filing obligations as and when they become due;

VII. CONCLUSION

51. The Monitor has indicated that it will be filing the Monitor's Twentieth Report which shall contain additional information in respect of the matters addressed in the present *Motion*;
52. HII is of the view that providing the relief requested herein is appropriate in the present circumstances. Accordingly, HII respectfully requests that this Honourable Court extend the Stay Period and approve the Investment Proposal Process as provided in the conclusions herein;
53. As will appear from the Monitor's Twentieth Report, the Monitor supports the present Motion;
54. The HII Group has acted, and continues to act, in good faith and with the utmost diligence;
55. The present motion is well founded in fact and law.

WHEREFORE, MAY IT PLEASE THIS HONOURABLE COURT TO:

1. **GRANT** the present *Motion for an extension of the stay period and approval of a investment proposal process* (the "**Motion**");
2. **DECLARE** that the service of the Motion constitutes good and sufficient service on all persons and further **DECLARE** that the Petitioners are relieved of any other requirements for service of the Motion;
3. **DECLARE** that all capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Motion;
4. **EXTEND** the Stay Period (as defined in the Initial Order and as extended from time to time) to April 26, 2013, the whole subject to the terms of the Initial Order;
5. **APPROVE** the Terms and Conditions set out in Schedule I of the order to be rendered;
6. **AUTHORIZE** the HII Group, in conjunction with the Monitor and their respective advisors, to carry out the Terms and Conditions;
7. **ORDER** the provisional execution of the Order notwithstanding any appeal therefrom and without the necessity of furnishing any security;

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

MONTREAL, February 26, 2013

Osler, Hoskin & Harcourt LLP

OSLER, HOSKIN & HARCOURT LLP

Attorneys for the Debtors and Mises-en-cause

SCHEDULE I

TERMS AND CONDITIONS FOR THE SUBMISSION OF INVESTMENT PROPOSALS

On September 9, 2011, Homburg Invest Inc. (“**HII**”), Homburg Shareco Inc. (“**Shareco**”), Churchill Estates Development Ltd. and Inverness Estates Development Ltd. (collectively with HII and Shareco, the “**Petitioners**”) commenced proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”) before the Superior Court of Quebec (Commercial Division) (the “**Court**”) pursuant to an order granted by the Court on September 9, 2011 (as amended, restated or varied from time to time, the “**Initial Order**”).

Pursuant to the Initial Order, the Court appointed Samson Bélair/Deloitte & Touche Inc. as Court-appointed monitor in the CCAA Proceedings (the “**Monitor**”).

The Initial Order declared that, although not a Petitioner, each of *mise-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 (collectively, the “**Applicant Partnerships**”).

By further Orders of the Court in the CCAA Proceedings, North Calgary Land Ltd. was added as a Petitioner (hereinafter included as a “**Petitioner**”), Homco Realty Fund (96) Limited Partnership, Homco Realty Fund (190) Limited Partnership, Homco Realty Fund (191) Limited Partnership and Homco Realty Fund (61) Limited Partnership were each added as Applicant Partnerships (hereinafter included as “**Applicant Partnerships**”) and Castello Development Ltd. was added as a *mise-en-cause* (together with the Petitioners and the Applicant Partnerships, the “**HII Group Entities**”).

On February 28, 2013, the HII Group Entities brought a motion before the Court seeking an order for the approval of a process outlining the terms and conditions for the submission by third parties of investment proposals (the “**Terms and Conditions**”). The Terms and Conditions have been or will be provided to those third parties that have shown an interest in the assets and/or the business of the HII Group Entities (respectively, the “**Assets**” and the “**Business**”) since the initiation of the CCAA Proceedings and any other third party (the “**Interested Parties**”). The HII Group Entities, in collaboration with the Monitor, will review any and all investment proposals regarding the Business or Assets (each, an “**Investment Proposal**”) submitted by any of the Interested Parties to determine whether one or more Investment Proposals would be in the best interests of the HII Group Entities’ stakeholders, in comparison to the Plan of Compromise and Reorganization of HII and Shareco under the CCAA and the *Business Corporations Act* (Alberta) filed with the Court on February 6, 2013 (as it may be amended, supplemented or varied from time to time, the “**Plan**”). Accordingly, the following Terms and Conditions shall govern the submission by any Interested Party of an Investment Proposal with respect to the Business or Assets.

Summary of the Terms and Conditions

The Terms and Conditions set forth herein describe the opportunity available for the submission of an Investment Proposal, the manner in which Interested Parties may gain access to or continue to have access to due diligence materials and information concerning the Assets and the Business (the “**Information**”), the manner in which such Interested Parties and their Investment Proposals may become Qualified Investment Proposals (as defined below), the receipt and negotiation of Investment Proposals received, the ultimate selection of the Successful Investor (as defined below) and the Court’s approval thereof (collectively, the “**Investment Proposal Process**”). The HII Group Entities, in consultation with their legal advisors and the Monitor shall be coordinating the solicitation and consideration of any Investment Proposals.

Sale and Investment Opportunity

All Interested Parties that execute a Confidentiality Agreement (as defined herein) with HII will be given an opportunity to access the Information and deliver an Investment Proposal.

“As Is, Where Is”

All Investment Proposals shall be on an “as is, where is” basis and without representations or warranties of any kind, nature or description by the HII Group Entities, the Monitor or any of their respective directors, officers, employees, agents, estates, advisors, professionals or otherwise, except to the extent set forth in the relevant agreement concluded with the Successful Investor.

HII Group Entities’ Assets Free Of Any And All Claims And Interests

In the event of a sale, all of the rights, title and interests of the HII Group Entities in and to the Assets, or any portion thereof, to be acquired will be sold free and clear of all security interests, charges, pledges, liens, encumbrances, claims, options, interests or other restrictions thereon and against the HII Group Entities’ Assets (collectively, the “**Claims and Interests**”) pursuant to section 36(6) of the CCAA, such Claims and Interests to attach to the net proceeds of the sale of such Assets (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), except to the extent otherwise set forth in the relevant agreement concluded with the Successful Investor.

An Investment Proposal may, at the option of the Successful Investor, include one or more of the following: a restructuring, recapitalization or other form of reorganization of the business and affairs of the HII Group Entities as a going concern; a sale of Assets to a newly formed acquisition entity on terms described in the above paragraph; or a plan of compromise or arrangement pursuant to the CCAA or any applicable corporate legislation which, *inter alia*, compromises the Claims and Interests as set out in the Investment Proposal.

Press Release

On or around March 1, 2013, HII will issue a press release announcing the initiation of the Investment Proposal Process.

Interested Parties

The Monitor will send a notice of the initiation of the Investment Proposal Process and a copy of the present Terms and Conditions to the Interested Parties. The Monitor will further send copy of the Terms and Conditions to any other Interested Party who, by written notice, expresses a potential interest in the Assets or in the Business following the initiation of the Investment Proposal Process. Other than as set out herein, neither the HII Group Entities nor the Monitor shall have any further obligation to advertise the Investment Proposal Process or to solicit Investment Proposals from Interested Parties.

Participation Requirements

Unless otherwise ordered by the Court or as otherwise determined by the HII Group Entities, in consultation with the Monitor, in order to participate in the Investment Proposal Process, each Interested party (a “**Potential Investor**”) must deliver the following documents (the “**Participation Documents**”) to the parties set out in Schedule “1” hereto (the “**Notice Parties**”) by facsimile transmission, electronic mail, personal delivery or reliable overnight courier to the addresses set out in Schedule “1” hereto:

- (a) an executed confidentiality agreement on terms substantially similar to the template confidentiality agreement included as Schedule “2” hereto (a “**Confidentiality Agreement**”);
- (b) current audited financial statements and latest unaudited financial statements of the Potential Investor or, if the Potential Investor is an entity formed for the purpose of concluding the Proposed Investment, current audited financial statements and last unaudited financial statements of the equity holders or sponsors of the Potential Investor who will guarantee the obligations of the Potential Investor, or such other form of financial disclosure and credit-quality support or enhancement that will allow the HII Group Entities and the Notice Parties to make a reasonable determination as to the Potential Investor’s financial and other capabilities to consummate the transaction; and
- (c) a letter setting forth the identity of the Potential Investor (and if applicable, its sponsor), the contact information for such Potential Investor and its principal advisors, and full disclosure of any pre-filing or post-filing affiliations that the Potential Investor has or may have with (i) the HII Group Entities, (ii) any affiliates of the HII Group Entities, (iii) any creditor of the HII Group Entities, (iv) any holder of equity securities of the HII Group Entities and (v) any current or former officers, managers or directors of the HII Group Entities or their affiliates.

Determination of Qualified Investors and Access to Information

As promptly as practicable after a Potential Investor delivers the Participation Documents to the Notice Parties, a Potential Investor that delivers the required Participation Documents, whose financial information and credit quality support or enhancement demonstrate to the satisfaction of the HII Group Entities and the Monitor the financial capability of the Potential

Investor to consummate its Proposed Investment, that has executed a Confidentiality Agreement, and that the HII Group Entities determine in their reasonable business judgment, after consultation with their advisors and the Monitor, is likely (based on availability of financing, experience and other considerations, including regulatory approvals) to be able to proceed with an Investment Proposal which could be in the best interests of the stakeholders, taking into account and when compared to the recoveries provided to stakeholders under the Plan, will be deemed a “**Qualified Investor**”. Contemporaneous with such determination, the HII Group Entities will undertake to provide the Qualified Investor with access to a data room containing the Information. If there is no Qualified Investor by March 11, 2013, or any other date to be agreed upon between the HII Group Entities and the Monitor, the Investment Proposal Process shall be deemed terminated.

Due Diligence

Only Qualified Investors may conduct due diligence with respect to the Business and the Assets and such due diligence must be completed by **9:00 a.m. (Eastern Prevailing Time) on March 11, 2013**.

At the HII Group Entities’ discretion, in consultation with the Monitor, due diligence access may include management presentations (as may be scheduled by the HII Group Entities), access to physical and online data rooms, on-site inspections and such other matters that a Qualified Investor may reasonably request and as to which the HII Group Entities, in their reasonable exercise of discretion, in consultation with the Monitor, may agree.

The HII Group Entities will designate employee(s) or other representative(s) to coordinate, under the supervision of the Monitor, a Qualified Investor’s reasonable requests for additional information and due diligence access. In addition, the HII Group Entities, in consultation with the Monitor, may, in their discretion, coordinate due diligence efforts such that multiple Qualified Investors have simultaneous access to due diligence materials. Neither the HII Group Entities nor any of their affiliates (nor any of their respective representatives), nor the Monitor, are obligated to furnish any information relating to all or a portion of the Assets or the Business to any person other than to Qualified Investors. Except and to the extent contemplated under any definitive agreement with a Successful Investor (as defined herein), the HII Group Entities and the Monitor make no representation or warranty as to the information in any materials provided.

Deadline

All Investment Proposals must be submitted by facsimile transmission, electronic mail, personal delivery or reliable overnight courier to the Notice Parties at the addresses set out in Schedule “1” hereto so as to be actually received by **9:00 a.m. (Eastern Prevailing Time) on March 11, 2013** (the “**Investment Proposal Deadline**”).

Qualified Investment Proposals

An Investment Proposal will be considered a Qualified Investment Proposal only if (i) the Investment Proposal is received on or before the Investment Proposal Deadline and (ii) the Investment Proposal complies with the following (a “**Qualified Investment Proposal**”):

- (a) it includes a duly authorized and executed term sheet describing the terms and conditions of the proposed transaction, including (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 time frame and any anticipated impediments for obtaining such approvals, (iii) any conditions to closing that the Qualified Investor may wish to impose, (iv) the material terms and provisions of any ancillary agreements as may be required by a Qualified Investor, and (v) any other terms or conditions that the Qualified Investor believes are material to the transaction, and, in the case of a proposed acquisition of Assets, the (vi) the purchase price expressed in Canadian dollars (including liabilities to be assumed by the Qualified Investor), (vii) any of the Assets expected to be included in the transaction, and (viii) the structure and financing of the transaction (the “**Term Sheet**”);
- (b) it includes a letter stating that the Qualified Investor’s offer is irrevocable until the earlier of (i) the selection of the Successful Investor and (ii) thirty (30) days following the Investment Proposal Deadline, provided that if such Qualified Investor is selected as the Successful Investor, its offer shall remain irrevocable until the closing of the investment by the Successful Investor;
- (c) it includes written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the proposed transaction, that will allow the HII Group Entities, in consultation with the Monitor, to make a reasonable determination as to the Qualified Investor’s financial and other capabilities to consummate the transaction contemplated by the Investment Proposal;
- (d) it is not conditional on (i) the outcome of unperformed due diligence by the Qualified Investor and/or (ii) obtaining financing or capital;
- (e) it fully discloses the identity of each entity that will be sponsoring or participating in the Investment Proposal, and the complete terms of any such participation;
- (f) it includes an acknowledgement and representation that the Qualified Investor: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets to be acquired and liabilities to be assumed in making its Investment Proposal and (ii) did not rely on any written or oral statements, representations, promises, warranties or guarantees whatsoever, whether express or implied (by operation of law or otherwise) regarding the Business or Assets of the HII Group Entities or the completeness of any information to be provided in connection therewith, except as expressly stated in the Term Sheet;

- (g) it includes evidence, in form and substance satisfactory to the HII Group Entities, in consultation with the Monitor, of authorization and approval from the Qualified Investor's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Investment Proposal;
- (h) it is accompanied by a refundable deposit in the form of a wire transfer payable to the Monitor (to a bank account specified by the Monitor) in an amount equal to Cdn\$2,000,000.00 (the "**Deposit**") to be held and dealt with in accordance with these Terms and Conditions; and
- (i) it contains any other information reasonably requested by the HII Group Entities, in consultation with the Monitor.

Determination of Qualified Investment Proposals

Whether an Investment Proposal of a Qualified Investor meets the foregoing requirements to become a Qualified Investment Proposal will be determined by the HII Group Entities in their reasonable business judgment, after consultation with their advisors and the Monitor. The HII Group Entities will notify the applicable Qualified Investor if they determine that a Qualified Investor has submitted a Qualified Investment Proposal on the day that any such determination is made.

The HII Group Entities, in their reasonable business judgment, after consultation with their advisors and the Monitor, may reject any Investment Proposal that (a) is inadequate or insufficient, (b) does not conform to the requirements of the CCAA or these Terms and Conditions or (b) is contrary to the best interests of the HII Group Entities' estate, their creditors or other parties in interest.

If the HII Group Entities do not receive any Qualified Investment Proposals by the Investment Proposal Deadline, the Investment Proposal Process shall be terminated and the HII Group Entities shall report same to the Court.

Negotiation of Qualified Investment Proposals

If the HII Group Entities determine in their reasonable business judgment, after consultation with their advisors and the Monitor, that a Qualified Investor has submitted a Qualified Investment Proposal, the HII Group Entities, in consultation with their advisors and the Monitor, shall 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 any 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 and in comparison to the recoveries under the Plan (the "**Selected Superior Offer**") and shall negotiate and settle a definitive agreement with the Qualified Investor by April 5, 2013 (the "**Transaction Deadline**") conditional on Court approval, and creditor approval if applicable.

Once a definitive agreement has been negotiated and settled in respect of the Selected Superior Offer in accordance with the provisions hereof, the Selected Superior Offer shall be the “**Successful Investment Proposal**” hereunder and the person(s) who made the Selected Superior Offer shall be the “**Successful Investor**” hereunder.

The HII Group Entities, in consultation with the Monitor, may terminate the Investment Proposal Process at any time or reject one or more Qualified Investors if the HII Group Entities, in consultation with the Monitor, determine that the Investment Proposal Process is not in the best interests of the HII Group Entities or that any Qualified Investor is not acting in good faith or is acting contrary to the interests of the HII Group Entities or their stakeholders.

Approval Motion

The hearing to authorize some or all of the HII Group Entities to enter into agreements with respect to the Successful Investment Proposal (the “**Approval Motion**”) will be held on a date to be scheduled by the Court upon application by the HII Group Entities. The Approval Motion may be adjourned or rescheduled by the HII Group Entities, with the consent of the Monitor, without further notice by an announcement of the adjourned date at the Approval Motion.

On February 28, 2013, the Court issued an Order calling for the convening, holding and conduct of a creditors’ meeting to consider and approve the Plan (the “**Creditors’ Meeting**”). The Creditors’ Meeting is currently scheduled to be held concurrently in Montreal, Canada and Utrecht, the Netherlands on April 10, 2013 or such later date as may be determined by the HII Group Entities, the Monitor and the Successful Investor. To the extent that the Successful Investment Proposal contemplates plan of compromise or arrangement pursuant to the CCAA or any applicable corporate legislation, it is currently contemplated that the Successful Investment Proposal will be put before creditors for consideration and approval at the Creditors’ Meeting.

All Qualified Investment Proposals (other than the Successful Investment Proposal) shall be deemed rejected on and as of the date of the approval of the Successful Investment Proposal by the Court. If a definitive agreement with respect to a Successful Investment Proposal has not been negotiated and settled by the Transaction Deadline, the Investment Proposal Process shall terminate. If following approval of the Successful Investment Proposal by the Court, and creditors if applicable, the Successful Investor fails to consummate the proposed transaction for any reason, the HII Group Entities will not have to consummate any other transaction or re-open the Investment Proposal Process.

Deposits

All Deposits shall be retained by the Monitor and invested in an interest bearing trust account. If there is a Successful Investment Proposal, the Deposit (plus accrued interest) paid by the Successful Investor whose Successful Investment Proposal is approved at the Approval Motion, and by creditors if applicable, shall be applied to the purchase price to be paid or investment to be made by the Successful Investor upon closing of the approved transaction. If a Successful Investor fails to consummate a Court-approved sale or investment transaction because of a breach or failure to perform on the part of such Successful Investor, the HII Group Entities shall be entitled to retain the Deposit of the Successful Investor as part of their damages resulting

from the breach or failure to perform by the Successful Investor. The Deposits (plus applicable interest) of Qualified Investors not selected as the Successful Investor shall be returned to such Qualified Investors within five Business Days of the earlier of the date upon which the Successful Investment Proposal is selected or the date upon which the Investment Proposal Process is terminated in accordance with these Terms and Conditions.

Approvals

For greater certainty, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the CCAA or any other statute or are otherwise required at law in order to implement a Successful Investment Proposal.

Modifications

The HII Group Entities, in their reasonable business judgment, may modify or amend this Investment Proposal Process, including the process and procedures set out herein at any time after consultation with the Monitor, and, if such modification or amendment materially deviates from these Terms and Conditions, by order of the Court.

Schedule “1”: Addresses for Notices and Deliveries

(a) 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
Email: jschoningh@hinvest.ca / jmiles@hinvest.ca

With a copy to:

Osler, Hoskin & Harcourt LLP
1000 De La Gauchetière Street West
Suite 2100
Montréal, Québec
H3B 4W5

Attention: Mr. Vitale Santoro and Ms. Sandra Abitan
Fax: (514) 904-8101
Email: vsantoro@osler.com / sabitan@osler.com

(b) Samson Bélair/Deloitte & Touche Inc.

1 Place Ville Marie
Suite 3000
Montréal, Québec
H3B 4T9

Attention: Mr. Pierre Laporte and Mr. Jean-François Nadon
Fax: (514) 390-4103
Email: pilaporte@deloitte.ca / jnadon@deloitte.ca

With a copy to:

McCarthy Tétrault LLP
1000 De la Gauchetière Street West
Suite 2500
Montréal, Québec
H3B OA2

Attention: Mr. Mason Poplaw and Mr. Clemens Mayr
Fax: (514) 875-6246
Email: mpoplaw@mccarthy.ca / cmayr@mccarthy.ca

Schedule “2”: Template Confidentiality Agreement

(See attached.)

CONFIDENTIALITY AGREEMENT

●, 2013

Homburg Invest Inc.
32 Akerley Blvd.
Dartmouth, Nova Scotia
Canada B3B 1N1

Attention: Jan Schöningh
President and Chief Executive Officer

Dear Sirs & Mesdames:

In connection with discussions between ● (the “**Receiving Party**”, “us” or “we”) and Homburg Invest Inc. (the “**Disclosing Party**” or “you”) relating to the potential submission by the Receiving Party of an investment proposal regarding the assets and/or the business of the Disclosing Party and its affiliates by way of supported transaction (the “**Transaction**”), you have agreed to furnish or cause to be furnished to us certain information which is non-public, confidential, personal or proprietary in nature (“**Information**”), including information about identifiable individuals (“**Personal Information**”). In consideration of the receipt of such Information, we have agreed to the following:

1. **Information** – The term “Information” includes (a) any information of whatever nature or form relating to you and your affiliates (including, without limitation, your respective properties) or any customer, supplier, tenant or lender to you and your affiliates regardless of whether the Information was communicated orally, in writing or by electronic transmission; and (b) any summaries, notes, analyses, compilations, studies or other records that contain or otherwise reflect or have been generated, wholly or partly, or derived from such Information (“**Derivative Information**”). The term “Information” shall not include such portions of the Information which (i) are, or prior to the time of disclosure or utilization become, generally available to the public other than as a result of a disclosure by us or our Representatives (as hereafter defined), or (ii) are received by us from an independent third party who had obtained the Information lawfully and was under no obligation of secrecy or duty of confidentiality owed to you, or (iii) we can show were in our lawful possession before we received such Information from you, or (iv) we can show were independently developed by us or on our behalf by personnel having no access to the Information at the time of its independent development.
2. **Non-Disclosure and Restricted Use** – The Information will be kept confidential and will not, without your prior written consent, or as expressly provided in this agreement, be disclosed by us in any manner whatsoever, in whole or in part, and will not be used by us, directly or indirectly, for any purpose other than evaluating the Transaction and negotiating it with the Disclosing Party (the “**Purpose**”). We will not use the Information so as to obtain any commercial advantage over you or in any way which is, directly or indirectly, detrimental to you.

3. **Storage and Records** – We shall store the Information properly and securely and ensure that appropriate physical, technological and organisational measures are in place to protect the Information against unauthorised or unintended access, use or disclosure. We shall keep a record of the Information furnished to us, in any medium other than oral, and of the location of such Information.
4. **Access Limited to Representatives** – We may reveal or permit access to the Information only to our agents, representatives (including lawyers, accountants and financial advisors), directors, officers and employees (each a “**Representative**”) who need to know the Information for the Purpose, who are informed by us of the confidential nature of the Information, who are directed by us to hold the Information in the strictest confidence and who agree to act in accordance with the terms and conditions of this agreement and in the case of Representatives other than our directors, officers, employees and professional advisors, have signed an agreement in substantially the form of this agreement. We will provide you with a list of such Representatives forthwith after your request for same. We will take all necessary precautions or measures as may be reasonable in the circumstances to prevent improper access to the Information or use or disclosure of the Information by our Representatives and will be responsible for any breach of this agreement by any of our Representatives. We will, in the event of a breach of this agreement or any disclosure of Information by us or any of our Representatives, other than as permitted by this agreement, through accident, inadvertence or otherwise, notify you of the nature of the breach promptly upon our discovery of the breach or disclosure.
5. **No Disclosure of Transaction** – We and our Representatives will not, without your prior written consent, disclose to any person the fact that the Information has been made available, that this agreement has been entered into, that discussions or negotiations are taking place or have taken place concerning a possible Transaction or any of the terms, conditions or other facts with respect to any such possible Transaction, including the status thereof. Nothing in this agreement shall limit or otherwise restrict you announcing, publicly disclosing or responding to inquiries or otherwise communicating with a stock exchange upon which your securities are or were listed or a securities regulatory authority having jurisdiction over you any of these matters in circumstances where pursuant to legal requirements or as a result of inquiries from a stock exchange upon which your securities are or were listed, or a securities regulatory authority having jurisdiction over you, you consider it appropriate or necessary to make such announcement, public disclosure, response or communication. You will provide us with prior notice of any such announcement, public disclosure, response or communication.
6. **Contact Persons** – In respect of Information requests or any other matters concerning the Information or the Transaction, we agree to communicate only with your President and Chief Executive Officer or Chief Financial Officer or with such other individual or individuals as they may authorize in writing. Without your prior written consent, neither we nor any of our Representatives will initiate or cause to be initiated or maintain any communication with any officer, director, agent, employee, consultant, creditor, bondholder, unitholder, shareholder, customer or supplier of yours or any of your affiliates (other than in the ordinary course of business and not related to the Transaction)

concerning your business, operations, prospects or finances, or the Information or the Transaction.

7. **Proprietary Rights** – We acknowledge that the Information is a proprietary asset of the Disclosing Party and its affiliates and agree that as between you and us, you will retain proprietary rights in the Information and the disclosure of such Information shall not be deemed to confer upon us any rights whatsoever in respect of any Information.
8. **Return of Information** – If we determine not to pursue a Transaction, we will promptly advise you of that fact. At the time of such notice, or if, at any earlier time, you so direct (whether or not we determine to pursue a Transaction), we and our Representatives will, at our own expense, promptly return all copies of the Information upon your request (and, in any event, within five (5) business days after such request), except for that portion of the Information which consists of Derivative Information which will be destroyed and in the case of Information stored in electronic form, it will be permanently erased. Compliance pursuant to this Section 8 shall be certified in writing by one of our senior officers. Notwithstanding the return or destruction of the Information, we and our Representatives shall continue to be bound by the confidentiality and other obligations hereunder.
9. **No Representation** – We acknowledge that neither you nor any of your Representatives make any express or implied representation or warranty as to the accuracy or completeness of the Information, and agree that neither you nor your Representatives shall have any liability, direct or indirect, to us or our Representatives relating to or resulting from the Information or the use thereof, errors therein or omissions therefrom and except in accordance with any specific representations and warranties made in any definitive agreement entered into regarding the Transaction. We also acknowledge that there are valid reasons why particular Information may not be made available to us. Neither you nor we have any obligation to the other to negotiate a Transaction. We further understand and agree that: (i) you are free to conduct any solicitation process with respect to the Transaction as you, in your sole discretion, shall determine (including, without limitation, negotiating with any prospective offeror and entering into any agreement without prior notice to us or any other person); (ii) any process or procedures relating to the Transaction may be changed at any time and without notice to us or any other person; (iii) any data room containing Information may be closed by you at any time; and (iv) we shall not have any claim whatsoever against you or any of your Representatives arising out of or relating to the Transaction (other than as expressly set forth in a subsequent definitive agreement entered into between us in connection with the Transaction).
10. **Required Disclosure** – In the event that we or any of our Representatives become legally compelled or are required by regulatory authorities having appropriate jurisdiction to disclose any of the Information, we will promptly provide you with written notice so that you may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this agreement. We will cooperate with you on a reasonable basis to obtain a protective order or other remedy. In the event that such protective order or other remedy is not obtained or you waive compliance with the provisions of this agreement, we will furnish only that portion of the Information which we are advised by written opinion of counsel addressed to you and to us, is legally required to be disclosed

and will exercise all reasonable efforts to obtain reliable assurance that confidential treatment will be accorded to the Information so furnished.

11. **Non-Solicitation; No-hire** – Without the prior written consent of your President, for a period of two (2) years from the date of this agreement, we agree that neither we nor any of our affiliates will, either directly or indirectly, solicit for employment, employ or otherwise contract for the services of (or cause or seek to cause to leave the employ of you or any of your affiliates) any person who is now employed or engaged (either as an employee or consultant) or becomes employed or engaged during the term of this agreement by you or your affiliates in your operations, other than persons whose employment or engagement shall have been terminated at least six (6) months prior to the date of such solicitation, employment or other contractual arrangements.

12. **Standstill** – We agree that, for a period of eighteen (18) months from the date of this agreement, neither we nor any of our affiliates (including any person or entity directly or indirectly through one or more intermediaries controlling us or controlled by or under common control with us) will, without the prior written authorization of the Disclosing Party's board of directors, directly, indirectly, or jointly or in concert with any other person: (i) purchase, offer or agree to purchase any securities (including, without limitation, shares, notes or bonds), direct or indirect rights or options to acquire securities or assets of yours or any of your affiliates or subsidiaries (other than through ordinary course trading of securities that do not exceed in aggregate 1% of your outstanding equity securities); (ii) enter into, offer or agree to enter into or engage in any discussions or negotiations with respect to any acquisition or other business combination transaction relating to you or any of your affiliates, or any acquisition transaction relating to all or part of the assets of you, any of your affiliates or any of their respective businesses, or propose any of the foregoing; (iii) solicit proxies from your shareholders (or shareholders, noteholders or bondholders of any of your affiliates) or otherwise attempt to influence the conduct of your shareholders or the voting of any of your or any of your affiliates' securities (including, without limitation, shares, notes or bonds); (iv) form, join or in any way participate in any group acting jointly or in concert with respect to the foregoing; (v) seek any modification to or waiver of our agreements and obligations under this agreement; (vi) seek, propose or otherwise act alone or in concert with others, to influence or control the management, board of directors or policies of you or any of your affiliates; (vii) make any public announcement, or take any action which could require you to make any public announcement, with respect to any of the foregoing; (viii) advise, assist or encourage, act as a financing source for or otherwise invest in any other person in connection with any of the foregoing activities; or (ix) disclose any intention, plan or arrangement, or take any action inconsistent with the foregoing.

We agree to promptly advise you of any inquiry or proposal made to us or any of our affiliates with respect to any of the foregoing. We also agree that, for a period of eighteen (18) months from the date of this agreement, neither we nor any of our affiliates (including any person or entity directly or indirectly through one or more intermediaries controlling us or controlled by or under common control with us) will, directly or indirectly or in concert with any other person: (i) request you or any of your affiliates or Representatives to (1) amend or waive any provisions of this paragraph (including this sentence) or (2) otherwise consent to any action inconsistent with any provision of this

paragraph (including this sentence); or (ii) take any initiative with respect to you or any of your affiliates which could require you or any such affiliate to make a public announcement regarding (1) such initiative, (2) any of the activities referred to in the first sentence of this paragraph, (3) the possibility of a transaction involving us or any similar transaction or (4) the possibility of us or any other person acquiring control of you or any of your affiliates, whether by means of a business combination or otherwise. This paragraph shall also apply with respect to any of the foregoing activities with respect to any holding company that may subsequently be formed to hold the Receiving Party and/or its assets.

13. **Acknowledgement** – We acknowledge that access by us or our Representatives to the Information may provide us with material information concerning you which has not been publicly disclosed. Accordingly, we may be subject to applicable securities laws, including the securities laws in Canada and in the Netherlands, which would restrict our ability to trade in any of your securities. We acknowledge and agree that we are aware of such laws and agree to fully comply with such laws.
14. **Certain Definitions** – In this agreement, the term “affiliate” shall mean a person directly or indirectly controlling, or controlled by, or under common control with, us or you, as the case may be, with “control” meaning the possession, directly or indirectly or as trustee or executor, of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise. The term “Person” shall mean an individual, corporation, partnership, limited partnership, limited liability company, joint venture, estate, association, trust, unincorporated organization, or other entity of any kind or nature, as well as any syndicate or group that would be deemed to be a person under Section 13(d)(3) of the United States Securities Exchange Act of 1934, as amended.
15. **Governing Law** – This agreement shall be governed by and construed in accordance with the laws of the Province of Quebec and the federal laws of Canada applicable in the Province of Quebec. We hereby irrevocably (a) submit to the exclusive jurisdiction of the courts of competent jurisdiction in the Province of Quebec in respect of any actions or proceedings (“**Proceedings**”) relating in any way to this agreement and the transactions contemplated hereby (and we agree not to commence any Proceeding relating thereto except in such courts); and (b) waive any objection to the venue of any Proceeding relating to this agreement or the transactions contemplated hereby in the courts of competent jurisdiction in the Province of Quebec, including the objection that any such Proceeding has been brought in an inconvenient forum.
16. **Non-Waiver** – No failure or delay by you in exercising any right, power or privilege under this agreement will operate as a waiver thereof, nor will any single or partial exercise preclude any other or further exercise of any right, power or privilege under this agreement.
17. **Notice** – Any notice, consent or approval required or permitted to be given in connection with this agreement (“**Notice**”) shall be in writing and shall be sufficiently given if delivered (whether in person, by courier service or other personal method of delivery), or if transmitted by facsimile or e-mail:

(a) to us at:



Attention: _____

Fax No.: _____

E-mail: _____

(b) to you at:

Homburg Invest Inc.
32 Akerley Blvd.
Dartmouth, Nova Scotia
Canada B3B 1N1

Attention: Jan Schöningh
Fax No.: (902) 469-6776
E-mail: jschonigh@hinvest.ca

with a copy to:

Osler, Hoskin & Harcourt LLP
1000 De La Gauchetière Street West
Montréal, Québec, Canada
H3B 4W5

Attention: Vitale Santoro and Sandra Abitan
Facsimile: (514) 904-8101
Email: vsantoro@osler.com and sabitan@osler.com

Any Notice delivered or transmitted as provided above shall be deemed to have been given and received on the day it is delivered or transmitted, provided that it is delivered or transmitted on a business day prior to 5:00 p.m. local time in the place of delivery or receipt. However, if the Notice is delivered or transmitted after 5:00 p.m. local time or if such day is not a business day then the Notice shall be deemed to have been given and received on the next business day. Both you and we may, from time to time, change our respective addresses by giving Notice to the other in accordance with the provisions of this section.

18. **Waiver of Conflict** – This agreement also constitutes notice to us that you have engaged Osler, Hoskin & Harcourt LLP (“**Osler**”) as your legal counsel in connection with the Transaction, and we hereby (i) consent to your continued representation by Osler in

relation to the Transaction notwithstanding the fact that Osler may have represented, and may currently or in the future represent, us and/or any of our affiliates with respect to unrelated matters, and (ii) waive any actual or alleged conflict and actual or alleged violation of ethical or comparable rules applicable to Osler that may arise from your representation in connection with the Transaction, including but not limited to representing you against us and/or any of our affiliates in litigation, arbitration, or mediation in connection with the Transaction. In addition, we hereby acknowledge that our consent and waiver under this paragraph is voluntary and informed, and that we have obtained independent legal advice with respect to this consent and waiver.

19. **Privileged Information** – We acknowledge that certain of the Information to which we may be given access pursuant to this agreement is Information to which solicitor-client privilege and/or litigation privilege (“**Privilege**”) attaches (collectively, “**Privileged Information**”). We acknowledge and agree that access to the Privileged Information is being provided solely for the purpose set out in this agreement and that such access is not intended and should not be interpreted as a waiver of any Privilege in respect of the Privileged Information or of any right to assert or claim Privilege in respect of Privileged Information. To the extent there is any waiver of Privilege, it is intended to be a limited waiver in favour of us, solely for the purposes and on the terms set out in this agreement. We shall, at your request, claim or assert, or cooperate to claim or assert, Privilege in respect of Privileged Information.
20. **Indemnity** – We shall indemnify and hold harmless you and your Representatives from any damages, loss, cost or liability (including reasonable legal fees and the cost of enforcing this indemnity) arising out of or resulting from any breach of this agreement by us or any of our Representatives.
21. **Injunctive Relief** – We acknowledge that disclosure of the Information or other breach of this agreement would cause serious and irreparable damage and harm to you and that remedies at law would be inadequate to protect against breach of this agreement, and agree in advance that you may seek injunctive relief in your favour for any breach of the provisions of this agreement and to the specific enforcement of the terms of this agreement, without proof of actual damages, and without the requirement to post a bond or other security, in addition to any other remedy to which you would be entitled.
22. **Term** – The confidentiality and non-use obligations described in this agreement shall terminate on the earlier of (a) the date of completion of the proposed Transaction; and (b) three (3) years from the date upon which all copies of the Information are returned or destroyed in accordance with this agreement. Notwithstanding the foregoing, we acknowledge that the confidentiality and non-use obligations in this agreement pertaining to Personal Information shall survive any termination or expiration of this agreement.

23. **Facsimile** – This agreement may be executed and delivered by facsimile or email in Portable Document Format (PDF). A facsimile or Portable Document Format (PDF) signature shall have the same legal effect as a manual signature. This agreement may be validly executed in any number of counterparts, all of which taken together shall constitute one and the same agreement and each of which shall constitute an original.

Yours very truly,

By: _____

Name:

Title:

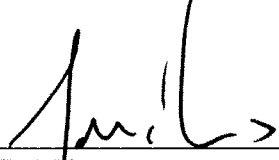
Duly authorized as he or she so declares

AFFIDAVIT

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


1. I am the Vice-President and Chief Financial Officer of Homburg Invest Inc. and duly authorized representative of the Petitioners for the purpose hereof;
2. I have taken cognizance of the attached Motion;
3. All of the facts alleged in the said Motion are true.

AND I HAVE SIGNED:

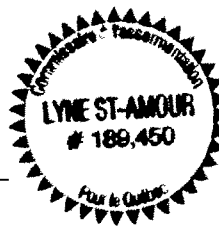


James F. Miles

SOLEMNLY DECLARED BEFORE ME
IN MONTRÉAL, QUÉBEC ON THE
26TH DAY OF FEBRUARY 2013.



Commissioner for oaths for
the Province of Québec



NOTICE OF PRESENTATION

- TO : McCARTHY TÉTRAULT LLP Attorneys for the Monitor
1000 De La Gauchetière Street West, Suite 2500
Montréal QC H3B 0A2
Me Mason Poplaw
Me Jocelyn Perreault
Me Miguel Bourbonnais
email : mpoplaw@mccarthy.ca
jperreault@mccarthy.ca
mbourbonnais@mccarthy.ca
- TO : BENNETT JONES LLP Attorneys for Penn West
4500 Bankers Hall East
855 2nd Street West
Calgary AB T2P 4K7
Me Kenneth T. Lenz
email : lenzk@bennettjones.com
- TO : BENNETT JONES LLP Attorneys for Statoil Canada
4500 Bankers Hall East Limited
855 2nd Street West
Calgary AB T2P 4K7
Me Chris Simard
email : simardc@bennettjones.com
- TO : LANGLOIS KRONSTRÖM DESJARDINS LLP Attorneys for Statoil Canada
1002 Sherbrooke Street West Limited
28th Floor
Montréal QC H3A 3L6
Me Gerry Apostolatos
Me Dimitri Maniatis
Me Stefan Chripounoff
email : gerry.apostolatos@lkd.ca
dimitri.maniatis@lkd.ca
stefan.chripounoff@lkd.ca
- TO : HOMBURG CANADA INC.
1741 Brunswick Street, Suite 600
Halifax NS B3J 3X8
Me Michael J. O'Hara
email : mohara@homburg.com

TO : BORDEN LADNER GERVAIS LLP
1000 De La Gauchetière Street West, Suite 900
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TAKE NOTICE that the *Motion for an extension of the stay period and approval of a investment proposal process* will be presented for hearing and allowance in the Superior Court, commercial division, in room 15.09 of the Montréal Courthouse, 1 Notre-Dame Street East, Montréal, on February 28, 2013, at 9:00 a.m., or so soon thereafter as counsel may be heard.

PLEASE ACT ACCORDINGLY.

MONTRÉAL, February 26, 2013

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

No: 500-11-041305-117

**SUPERIOR COURT
(Commercial Division)
DISTRICT OF MONTRÉAL**

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

**HOMBURG INVEST INC. ET AL.
Debtors/Petitioners**

-and-

**HOMCO REALTY FUND (52) LIMITED
PARTNERSHIP ET AL.
Mises-en-cause**

-and-

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

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

ORIGINAL

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