

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL
COURT. No.: 500-11-041305-117

SUPERIOR COURT
Commercial Division

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

**1810040 ALBERTA LTD.
(FORMERLY KNOWN AS HOMBURG INVEST
INC. AND HOMBURG SHARECO INC.)**

– and –

CHURCHILL ESTATES DEVELOPMENT LTD.

– and –

CP DEVELOPMENT LTD.

– and –

NORTH CALGARY LAND LTD.

– and –

HOMBURG MANAGEMENT (CANADA) INC.

Debtors/Petitioners

– and –

THE ENTITIES LISTED IN APPENDIX A

Mises-en-cause

– and –

SAMSON BÉLAIR/DELOITTE & TOUCHE INC.

Monitor

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

INTRODUCTION

1. On September 9, 2011, Homburg Invest Inc. and Homburg Shareco Inc. (collectively now known as 1810040 Alberta Ltd. and herein referred to as “**HII**”), and certain related entities filed and obtained protection from their respective creditors under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) pursuant to an Order rendered by the Superior Court of Quebec (as amended and extended from time to time, the “**Initial Order**”).
2. Pursuant to the Initial Order, the Stay extends to numerous limited partnerships of which HII is the limited partner, including Homco Realty Fund (61) Limited Partnership (“**Homco 61**”).
3. Samson Bélair/Deloitte & Touche Inc. was appointed as monitor (the “**Monitor**”) under the CCAA.
4. Pursuant to the Initial Order, an initial stay of proceedings (the “**Stay**”) was granted until October 7, 2011, which Stay has been extended from time to time by order of the Court. On March 11, 2014, the Court last extended the Stay up until May 5, 2014 (the “**Stay Period**”).
5. Since the Initial Order, the Monitor has filed reports with the Court and served same to the Service List from time to time. The Monitor filed thirty-three such Monitor’s reports (as well as some supplemental reports) prior to this thirty-fourth report (the “**First Distribution Report**”). Copies of all of the Monitor’s reports are available on the Monitor’s website at www.deloitte.com/ca/homburg-invest. The Monitor has also established a toll free number that is referenced on the Monitor’s website so that parties may contact the Monitor if they have questions with respect to the HII Parties’ restructuring under the CCAA.

BACKGROUND AND PURPOSE OF THE FIRST DISTRIBUTION REPORT

6. As explained in previous Monitor’s reports, the implementation of the HII/Shareco Plan and Homco 61 Plan (collectively the “**Plans**”) remained subject to certain Conditions Precedent. In the Thirty-Third Report dated March 10, 2014, it was indicated that the last Conditions Precedent were expected to be met in the coming weeks and that the implementation of the Plans would occur thereafter.
7. As indicated in the Monitor’s Certificates dated March 27, 2014, the Plan Implementation Date under the HII/Shareco Plan took place from March 24, 2014 to March 27, 2014 and the Homco 61 Plan Implementation Date under the Homco 61 Plan occurred on March 27, 2014.
8. On April 10, 2014 (the “**First Distribution Date**”), following the implementation of the Plans and in conformity thereto, the Monitor proceeded with a first distribution (the “**First Distribution**”) to the HII/Shareco Affected Creditors and Homco 61 Affected Creditors.
9. This First Distribution Report is intended to provide information on the First Distribution and the subsequent distributions. This Report is structured as follows :
 - I- Summary and timing of the distributions under the Plans;
 - II- First Distribution;
 - III- Illustration of First Distribution;
 - IV- Subsequent distributions; and
 - V- Recovery rates.

TERMS OF REFERENCE

10. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars. Capitalized terms not otherwise defined in this First Distribution Report are as defined in the previous reports of the Monitor or the Plans.

I. SUMMARY AND TIMING OF THE DISTRIBUTIONS UNDER THE PLANS

11. As provided by the HII/Shareco Plan and Homco 61 Plan and as further described in the Twenty-Third Report of the Monitor in support of the Plans, the Affected Creditors and the Homco 61 Affected Creditors holding respectively Proven Claims and Homco 61 Proven Claims under the Plans are entitled to receive, following Plan Implementation Date, a dividend in the form of Newco Common Shares (the “**Geneba Shares**”), namely shares of Geneba Properties N.V. (“**Geneba**”), and a cash dividend composed of the cash available to HII and the cash resulting from the sale of the Non-Core Business Assets (respectively the “**Cash Pool**” and “**Asset Realization Cash Pool**”).
12. The Plans also provide that the Affected Creditors and Homco 61 Affected Creditors had the right to elect the Newco Common Shares Cash-Out Option which entitled them to receive a cash payment funded by Catalyst instead of the Geneba Shares.
13. The following table summarizes the various categories of distributions provided under the Plans, to both the Non-Electing Creditors and the Electing Creditors, as well as the respective timing:

Distributions	Timing
Distribution of the Geneba Shares (in shares) – Non-Electing Creditors only	Shortly after Plan Implementation Date – The First Distribution included the distribution of the Geneba Shares. The NPEX accounts opened under the names of the Non-Electing Creditors were credited with the respective number of Geneba Shares to which each Non-Electing Creditor was entitled. This First Distribution constitutes an interim distribution since only parts of the total Geneba Shares were distributed due to the requirement to retain certain Geneba Shares in connection with of the Disputed Claims. These reserves are further detailed in Appendix B of this First Distribution Report.
Distribution of the Cash-Out Pool funded by Catalyst (in cash) – Electing Creditors only	No later than ten (10) Business Days following the Plan Implementation Date – On the First Distribution Date, the first distribution of the Cash-Out Pool was made to the Electing Creditors with Proven Claims. This First Distribution constitutes an interim distribution since only part of the Cash-Out Pool, which is funded by Catalyst has been distributed. Due to the requirement to retain certain Newco Common Shares in connection with of the Disputed Claims, the Monitor has received a letter of credit to guarantee the balance of Catalyst’s obligation under the Plans. Upon the resolution of the Disputed Claims, and conditional upon said resolution taking place before March 27, 2015, this letter of credit will be converted into cash for additional distributions to the Electing Creditors.

Cash Distributions from the Cash Pool and Asset Realization Cash Pool (including the Convenience Class distribution) – All Affected Creditors

No cash distribution from the Cash Pool or the Asset Realization Cash Pool will occur until all relevant tax authorities provide HII and the Monitor with a satisfactory certificate of discharge or other consent as may be required under applicable tax laws. As further explained in this First Distribution Report, a first distribution of the Cash Pool is expected to occur within the next two months, and distributions from the Asset Realization Cash Pool will follow from time to time thereafter. These distributions will also be subject to the obligation to maintain a reserve in connection with the Disputed Claims that are outstanding at the time of said distributions.

14. As indicated above, the First Distribution took place on the First Distribution Date at which time the Electing Creditors with Proven Claims received cash from the Cash-Out Pool (Catalyst) and the Non-Electing Creditors received their respective Geneba Shares. No other cash distribution was made.
15. Subsequent distributions of Geneba Shares and cash distributions will be made from time to time. The timing of the subsequent distributions to the Affected Creditors will be impacted by the following:
 - Issuance of all tax certificates. As of this date, the relevant tax certificates have been issued by the Canada Revenue Agency, and a satisfactory confirmation of the Quebec Revenue Agency has also been received. HII, in consultation with the Monitor, is currently pursuing its efforts in order to obtain a similar certificate from the Alberta tax authorities. It is currently expected by HII and the Monitor that all the relevant certificates could be obtained by the end of May 2014, such that a first distribution from the Cash Pool or the Asset Realization Cash Pool could occur within the next two months;
 - Timing of the sale of the remaining Non-Core Assets and resolution of specific matters related to the Non-Core Assets; and
 - Resolution of Disputed Claims as detailed in Appendix B.

II. FIRST DISTRIBUTION

16. On the First Distribution Date (April 10, 2014), the Monitor proceeded with the following two (2) distributions to the holders of Proven Claims and Homco 61 Proven Claims:
 - i. Newco Common Shares (i.e. shares of Geneba) to the Non-Electing Creditors; and
 - ii. Cash-Out Pool (i.e. cash funded by Catalyst) to the Electing Creditors.
17. As part of the First Distribution, letters were sent to each holder of Proven Claims or Homco 61 Proven Claims outlining the balance of their claim and, for Non-Electing Creditors, the number of Geneba Shares deposited in an NPEX account registered under their name and, for Electing Creditors, the amount of cash distributed to them in connection with the Cash-Out Pool.

DISTRIBUTION OF GENEBA SHARES TO AFFECTED CREDITORS AND HOMCO 61 AFFECTED CREDITORS

18. As disclosed in the Twenty-Third Report and in the Information Circular, the book value of the equity of Geneba based on the valuation of the Core Business Assets as at December 31, 2012, was €62,108,000. At Plan Implementation Date, the most recent book value of Geneba was €52,738,000, which reflected the valuation of the Core Business Assets as at September 30, 2013
19. The change in the book value of the equity is mainly due to the delay in closing the Plan Transactions. Due to said delay, the HII Group had to obtain new valuations of the Core Business Assets as at September 30, 2013, which updated valuations were, in the aggregate, lower by approximately €10M. These downward revisions explain, for the most part, the reduction of Geneba's equity value. As described in previous Monitor's Reports, the delay in closing the Plan Transactions was mainly attributable to the late issuance of the AFM license to Geneba.
20. Based on an equity value of €52,738,000, an initial per share value of approximately €5.00 per share was established (precisely €5.000812). In accordance with the Plans, Geneba issued 30,542,639 shares for the benefit of the Affected Creditors and the Homco 61 Affected Creditors.
21. The table below outlines the initial *pro rata* distribution of Geneba shares to the holders of Proven Claims and Homco 61 Proven Claims, as well as the number of shares placed in escrow with the Monitor until such time as all Disputed Claims have been resolved:

First Distribution HII/Shareco Plan					
	Claim (\$)	Estimated Secured Portion as at First Distribution Date (\$)	Proven Claim as at First Distribution Date (Unsecured portion) (\$)	# of Shares distributed (Pro Rata)	Number of shares per \$100 (CAD) value of Proven Claim as at First Distribution Date (unsecured portion) (Note 1)
HMB4	27,663,250	13,417,590	14,245,660	519,993	3.65
HMB5	27,663,250	3,462,075	24,201,175	883,244	3.65
HMB6	43,174,577	43,174,577	-	-	-
HMB7	43,154,891	23,495,359	19,659,532	717,796	3.65
HB8	69,071,136	-	69,071,136	2,520,844	3.65
HB9	82,868,790	-	82,868,790	3,024,403	3.65
HB10	138,187,797	-	138,187,797	5,044,548	3.65
HB11	138,187,797	-	138,187,797	5,044,469	3.65
Trade creditors (including H61 distribution)	155,452,132	-	155,452,132	5,673,497	3.65
Reserves (Deloitte In Trust)	195,074,967	-	195,074,967	7,113,845	3.65
			836,948,986	30,542,639	3.65

Note 1: The number of shares per Eur 100 of *Proven Claim (instead than \$)* as at the First Distribution Date (unsecured portion) would be 4.98

First Distribution Homco 61 Plan					
	Claim (\$)	Secured Portion (\$)	Homco 61 Proven Claim as at First Distribution Date (\$)	# of Shares distributed	Number of shares per \$100 (CAD) value of Homco 61 Proven Claim as at First Distribution Date (\$) (Note 1)
HMB6	47,146,111	-	47,146,111	2,270,140	4.82
Trade Creditors	144,728	-	144,728	6,969	4.82
			47,290,839	2,277,109	4.82

Note 1: The number of shares per Eur 100 of Homco 61 *Proven Claim in Euros (instead than \$)* as at the First Distribution Date would be 6.49

22. As indicated in the notes of the above tables, 3.65 Geneba Shares were distributed for each \$100 (CAD) value in Proven Claim pursuant to the HII/Shareco Plan, and 4.82 Geneba Shares were distributed for each \$100 (CAD) value of Homco 61 Proven Claim under the Homco 61 Plan. As presented in the table following paragraph 32 hereunder, when looking at the Euro value of the claims, this means that 4.98 Geneba Shares were distributed for each EUR100 value of Proven Claim pursuant to the HII/Shareco Plan, and 6.49 Geneba Shares were distributed for each EUR 100 value of Homco 61 Proven Claim under the Homco 61 Plan.
23. It is important to note that the value of the Proven Claims used is that as at the First Distribution Date and, as described hereinabove and in Appendix B to this report, some shares are held in the Disputed Claims (Newco Shares) Reserve in respect inter alia of the Taberna Claim and the various

series of bonds and that these shares could end up being distributed in part or in total to the respective holders of bonds if their Disputed Claims become a Proven Claim.

24. The *pro rata* calculation presented in the above table will then be impacted by the final resolution of the Disputed Claims, which may trigger the cancellation of some of the Geneba shares held in escrow by the Monitor.

DISTRIBUTION OF THE CASH-OUT POOL TO THE AFFECTED CREDITORS AND HOMCO 61 AFFECTED CREDITORS

25. As part of the Newco Common Share Cash-Out Option, Catalyst offered €5M for all of the Newco Common Shares. This represents approximately 62.2% of the total estimated equity value of Geneba at €152,738,000. Accordingly, the amount of cash payable to the Electing Creditors has been calculated using 62.2% of the estimated value of the Geneba Shares they were entitled to based on the amount of their Proven Claim as at the First Distribution Date.
26. It is important to note that the Newco Common Shares Cash-Out Option is only valid until March 27, 2015. Hence, the Electing Creditors holding a Disputed Claim for which shares are held in the Disputed Claims (Newco Shares) Reserve (see Appendix B) will receive these shares (rather than cash from the Cash-Out Pool funded by Catalyst) if their Disputed Claim or a portion thereof is resolved in their favor after March 27, 2015.

RESERVES FOR DISPUTED CLAIMS

27. Appendix B provides additional details on each of the reserves created pursuant to the Plans and the steps that need to take place prior to the distribution of each reserve. For additional information please refer to Appendix B.
28. As mentioned in this report, the timing of the subsequent distributions will be impacted by the timing of the resolution of the Disputed Claims. The resolution of the Disputed Claims will also have an impact on the actual recovery for both the Electing and Non-Electing Creditors. For example, if a Disputed Claim is finally disallowed, the Geneba Shares held in the Disputed Claims (Newco Shares) Reserve in relation to said Disputed Claim will be cancelled and the Electing Creditors will receive a subsequent distribution out of the Cash-Out Pool. The cancellation of Geneba Shares will automatically increase the book value of the shares distributed as part of the First Distribution, consequently resulting in a positive impact for the Non-Electing Creditors with Proven Claims.
29. In the hypothetical and improbable scenario that all the Geneba Shares held in reserve would end up being cancelled (excluding however the shares related to the Taberna Notes reserve), the share value of a Geneba Share would increase from €5.00 to €6.01. Based on the estimated aggregate book value of the equity as at September 30, 2013, the per share book value of a single Geneba Share can therefore potentially range from €5.00 to €6.01. Obviously, the market value can differ from the book value.
30. The final book value of Geneba Shares will only be fully known once all the Disputed Claims have been finally resolved. Any Creditor selling his Geneba Shares before the final resolution of the Disputed Claims should take the potential fluctuation of said book value into account in the context of his decision process.
31. As mentioned, the Cash-Out Option will expire 12 months after Plan Implementation Date, i.e. on March 27, 2015. If Disputed Claims are resolved after March 27, 2015 then the shares held in

escrow by the Monitor could no longer be canceled and would result in a subsequent distribution of Newco Common Shares to the Affected Creditors and the Homco 61 Affected Creditors regardless of any election for the Newco Common Shares Cash-Out Option. In this context, the Electing Creditors would receive shares instead of cash.

III. ILLUSTRATION OF FIRST DISTRIBUTION

32. In order to illustrate the impact of the First Distribution for the Creditors, the Monitor has prepared examples of a First Distribution.
33. The following table illustrate the First Distribution for a creditor holding one (1) bond in each of the different series of bonds issued by HII and for a trade creditor having an unsecured claim in the amount of €15,000:

First Distribution example - on a creditors by creditors basis

	HMB4	HMB5	HMB6	HMB7	HB8	HB9	HB10	HB11	Trade creditors
HII/Shareco									
# of bonds	1	1	1	1	1	1	1	1	N/A
Nominal value (Euros)	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	N/A
Claim Value (Euro - Sept. 9, 2011)	15,219	15,219	15,219	15,212	15,204	15,204	15,211	15,211	15,000
Estimated secured portion	7,382	1,687	-	8,282	-	-	-	-	-
Estimated unsecured portion (Proven Claim as at First Distribution Date)	7,837	13,314	15,219	6,930	15,204	15,204	15,211	15,211	15,000
Number of shares per Eur 100 of Proven Claim (Unsecured portion)	4.98	4.98	-	4.98	4.98	4.98	4.98	4.98	4.98
Non-electing creditors									
Geneba Shares received	390	662	-	345	756	756	757	757	746
Current estimate value of Geneba Shares (Euros) (Note 1)	1,950	3,310	-	1,725	3,780	3,780	3,785	3,785	3,730
Cash-Out Election - % of estimated value of Geneba Shares	62.2%	62.2%	-	62.2%	62.2%	62.2%	62.2%	62.2%	62.2%
Electing creditors									
Cash-Out distribution (Euros)	1,213	2,059	-	1,073	2,351	2,351	2,354	2,354	2,320
Homco 61									
# of bonds			1						N/A
Nominal value (Euros)			15,000						N/A
Claim Value (Euro - Feb 6, 2013)	N/A	N/A	16,806	N/A	N/A	N/A	N/A	N/A	15,000
Homco 61 Proven Claim			16,806						15,000
Number of shares per Eur 100 of Homco 61 Proven Claim			6.49						6.49
Non-electing creditors									
Geneba Shares received			1,091						973
Current estimate value of Geneba Shares (Euros) (Note 1)			5,455						4,865
Cash-Out Election - % of estimated value of Geneba Shares			62.2%						62.2%
Electing creditors									
Cash-Out distribution (Euros)			3,393						3,026


Note 1: The current estimated value of shares represents the estimated book value of the shares distributed based on the latest available information as at the First Distribution Date, namely €152,738,000 in the aggregate. As explained in this report, the per value share may vary from time to time as shares currently in the Disputed Claims (Newco Shares) Reserve would get cancelled, resulting in an increase of the value per share and an increase of the amount payable out of Cash-Out Pool to the Electing Creditors.

34. As shown in the table above, and as explained previously in this First Distribution Report, holders of Mortgage Bond Claims (i.e. series 4, 5, 6 & 7) received a smaller First Distribution as a further distribution will be made to them in relation to their respective security.
35. The timing of the subsequent distributions to the holders of a Mortgage Bond Claim, is estimated as follows:
 - The holders of the Series 5 Bonds should receive the distribution pertaining to the secured portion of their Claim on or about the end of May 2014;
 - The holders of the Series 6 Bonds should receive a partial distribution of the estimated Bond 6 HII Deficiency Claim within the next two months; and

- The holders of the Series 7 Bonds should receive a partial distribution of the proceeds from the Kai property shortly.

IV. SUBSEQUENT DISTRIBUTIONS

36. The Monitor is working closely with its counsel and the HII Parties in resolving the Disputed Claims either through a settlement process or a final determination by the Court.
37. In addition, the HII Parties and the Monitor are continuing the sales process initiated with respect to the non-core properties. Following the disposition of the remaining non-core assets, the proceeds will be available for distribution to creditors in accordance to the Plans.
38. Future distributions will include, where applicable, payments from the Cash Pool and from the Asset Realization Cash Pool, which will be comprised of funds released from the reserve accounts and proceeds from the disposition of the non-core assets.
39. Based on the information currently available to the Monitor, it is anticipated that the following subsequent distributions will be made on or about the dates indicated below:

Period	April 2014	May/June 2014	August 2014	November 2014	February 2015	March 27, 2015	TBD
First Distribution	X						
Cash-Pool initial distribution (subject to tax authorities discharge certificate)		X					
Bond 5 secured portion distribution		X					
Bond 6 partial distribution of their unsecured portion in HII (deficiency claim)		X (partial)					X
Bond 7 secured portion distribution (proceeds from Kai)		X (partial)					X
Bond 4 secured portion distribution (proceeds from Hamburg Spring East)							X
Resolution of the reserves							
Asset Realization Cash Pool distribution (realization from non-core entities and resolution of the reserves)			X	X	X	X	X
Subsequent Cash-Out distributions to Electing Creditors (resolution of the reserves)			X	X	X	X	

V. RECOVERY RATES

40. Estimated recovery rates were initially calculated and presented in the Twenty-Third Report and as part of the Information Circular in May 2013.
41. It is currently anticipated that the final recovery rates will be lower than originally anticipated. The Information Circular issued by HII and Shareco in May 2013 provided a series of risk factors associated with the ultimate recoveries of the Affected Creditors and Homco 61 Affected Creditors.
42. The following are the most important factors which explain the lower than anticipated recovery:
- Change in the Canadian/Euro exchange rate (from 1.3341CAD:1.00EUR to 1.5232CAD:1.00 EUR);
 - The implementation of the Plan Transactions and of the Homco 61 Plan Transactions was delayed by approximately 9 months, mainly due to the delay in obtaining the issuance of the license to Geneba from the AFM (as described in previous Monitor's Reports);
 - Negotiations with the mortgage lenders of certain of the Core Assets took longer than initially anticipated and resulted in additional costs;
 - Decrease in the value of the Newco (Geneba) equity value, based on the updated book value of the equity (from approximately €162M to €152.7M), as explained hereinabove; and
 - Certain estimates of the sale of Non-Core Business Assets, not yet realized, were revised downwards based on updated market information.
43. Given the remaining variables and uncertainties, as more fully explained in this Distribution Report, it is not possible at this time to provide with a reasonable degree of certainty the variance between the final recovery rates and the estimated recovery rates as per the Monitor's 23rd Report.

DATED AT MONTREAL, this 1th day of May, 2014.



Pierre Laporte, CPA, CA, CIRP
President

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

APPENDIX A

THE ENTITIES Mis-en-Cause

HOMCO REALTY FUND (52) LIMITED PARTNERSHIP
HOMCO REALTY FUND (61) LIMITED PARTNERSHIP
HOMCO REALTY FUND (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 (142) LIMITED PARTNERSHIP
HOMCO REALTY FUND (190) LIMITED PARTNERSHIP
HOMCO REALTY FUND (191) LIMITED PARTNERSHIP
HOMCO REALTY FUND (199) LIMITED PARTNERSHIP

APPENDIX B DISPUTED CLAIMS RESERVE

The following table outlines the Disputed Claims for which Geneba Shares are being held under the control of the Monitor as part of the Disputed Claims (Newco Shares) Reserve, and provides explanations regarding the nature of said Disputed Claims and the steps being taken towards a resolution of same and subsequent release of the pertaining reserves:

Disputed Claims / Reserves	Amount of Disputed Claim	Estimated value of the shares in reserve	Explanation
Taberna Notes	\$ 54,508,217	1,989,482	<p>Dispute in connection with the Proven Claim referred to as the Taberna Claim under the HII/Shareco Plan.</p> <p>A Court hearing has been scheduled for mid-June 2014. Depending on the outcome of the Taberna Order, the shares held in reserve will either be distributed to the holders of the Mortgage Bond Claims and the Corporate Bond Claims or the holders of the Taberna Claim. These shares will be distributed in accordance with the Taberna Order.</p>
Valbonne Real Estate B.V. (“Valbonne”)	\$ 62,567,226	2,283,626	<p>Valbonne’s Proof of Claim is for an amount of \$62,527,226 and was disallowed by the Monitor. Valbonne has filed a Motion in Appeal of the Monitor’s disallowance. This claim is related to Homco Realty Fund (68) Limited Partnership (“Homco 68”).</p> <p>The Monitor is holding these shares pending the resolution of this Disputed Claim. If the Monitor’s disallowance is upheld, the shares in this reserve will be cancelled, with the result that the book value of the Geneba Shares distributed to the Affected Creditor. If the Monitor’s disallowance is overturned, these shares would be distributed from the Monitor’s reserve account to Valbonne.</p>
Homco 68	\$ 13,465,935	491,489	<p>Homco 68’s Claim is for a total amount of \$40,717,935 and was partially disallowed by the Monitor. The Proven Claim is for an amount of \$27,252,000 and the Disputed Claim is for an amount of \$13,365,935. These shares are being held in escrow by the Monitor as a result of the Motion in Appeal of the partial disallowance of Homco 68’s claim filed by Valbonne, on behalf of Homco 68.</p> <p>The Monitor is holding these shares pending the resolution of this dispute. If the Monitor’s disallowance is upheld, the shares in this reserve will be cancelled, with the result that the book of value of the Geneba Shares distributed to the Affected Creditor will increase. If the Monitor’s disallowance is overturned, these shares will be distributed from the Monitor’s reserve account to Catalyst, as Homco 68 is an Electing Creditor.</p>

SHB and SHCS Post-December 3 rd , 2011 Fees Claim	\$ 9,500,000	340,705	<p>SHB and SHCS (collectively the “Trustees”), on behalf of respectively the Mortgage Bond Holders, Corporate Bond Holders and Capital Securities Debenture Holders, filed Proofs of Claim which includes a pro rata portion of the fees incurred by SHB and SHCS after December 3rd, 2011, namely following the settlement between the Trustees and the HII parties regarding the funding of said fees by HII, which funding has been made in conformity with the Funding Order.</p> <p>The Monitor disallowed this portion of the claim of each bondholder pertaining to Post December 3rd, 2011 Fees and SHB filed a Motion in appeal of said disallowance.</p> <p>On March 17, 2014, the Court dismissed the Motion in appeal of SHB and confirmed the partial disallowance of the claims (the “Court Order”) . SHB then filed a Motion for leave to appeal of the decision, which will be heard by the Court of Appeal shortly. The Monitor has valued this portion of the claim, which is increasing as time passes, to an amount of \$9.5M based on the fees advanced thus far pursuant to the Funding Order and the estimate of future fees provided by SHB.</p> <p>The Monitor is holding the shares pending the proceedings in appeal of the Court Order. If leave to appeal is not granted or if the appeal is disallowed, these shares will be cancelled, with the result that the book value of Geneba Shares distributed to the Affected Creditor will increase. If SHB is successful in appeal, some of these shares will be distributed to the respective holders of said claims (excluding the holders of the Capital Securities Claim).</p>
SHB and SHCS Pre-December 3 rd , 2011 Fees Claim	\$ 2,100,000	76,647	<p>The Trustees filed a proof of claim in an amount of \$2.1M pertaining to their fees and expenses incurred prior to December 3, 2011. This claim was disallowed by the Monitor. SHB filed a Motion in Appeal of said disallowance. On March 17, 2014, the Court Order was rendered which dismissed the Motion in Appeal of SHB and confirmed the disallowance of the claim. SHB then filed a Motion for leave to appeal of said decision.</p> <p>These shares are being held in escrow by the Monitor pending the proceedings in appeal. If no leave to appeal is granted or if the appeal is disallowed, these shares will be cancelled, with the result that the book value of the Geneba Shares distributed to the Affected Creditor will increase. If SHB is successful in appeal, some of these shares would be distributed to SHB.</p>
Homburg Management (Canada) Inc. (“ HMCI ”)	\$ 10,025,152	366,191	<p>These shares are being held in escrow by the Monitor. Following the execution of the Plan Transactions in conformity with the HII/Shareco Plan, this claim no longer exists and these shares will be cancelled, with the result that the book value of the Geneba Shares distributed to the Affected Creditor will increase.</p>

Mortgage Bonds – Series 4 (reserve for realization)	\$ 13,417,500	489,620	<p>The Bond 4 Claim Holders benefit from a security interest on the Homburg Springs East property (owned by Homco 52). Given that this property is not sold, the Monitor is holding shares in reserve.</p> <p>This reserve is necessary as the allocation of the secured and the unsecured portion of the Bond 4 claim can only be determined upon the sale of the Homburg Springs East property. When the Homburg Springs East property will be sold, the final determination of the secured and unsecured portion of the Bond 4 claim will be determined, the reserve will then be released and shares will be distributed or cancelled accordingly.</p>
Mortgage Bonds – Series 6 secured (reserve for Bond 6 deficiency claim)	\$ 24,006,041	876,128	<p>The Bond 6 Claim Holders benefit from a guarantee from Homco 61 and thus have a Homco 61 Claim entitling them to a distribution under the Homco 61 Plan. The Proven Claim of the Bond 6 Claim Holders under the HII/Shareco Plan is established as being their total claim less their aggregate recovery pursuant to the Homco 61 Plan (i.e. the Bond 6 HII Deficiency Claim). Given that the final recovery under the Homco 61 Plan is not determined yet as it is directly linked to the HII distributions, the Monitor is holding shares in reserve. This reserve is necessary as the value of the Bond 6 HII Deficiency Claim can only be determined at the time of the Final Distribution under the HII/Shareco Plan, at which time the shares in reserve will either be released or cancelled.</p> <p>Notwithstanding the above, the Monitor expects to make a partial distribution of this reserve to the Bond 6 Claim Holders within the next two months.</p>
Mortgage Bonds – Series 7 (reserve for the secured realization)	\$ 5,484,896	199,957	<p>The Bond 7 Claim Holders benefited from a security interest over the Kai property owned by Homco 88, which has been sold in December 2013. SHB filed a motion to authorise the distribution of said proceeds to the Bond 7 Claim Holders and to obtain an order declaring that the latter’s security interest ranks ahead of the certain creditors having registered builders’ liens over the property.</p> <p>The shares held in reserve represent the shares in connection with the potential additional unsecured claim of the Bond 7 Claim Holder if SHB is not successful on its motion with the lienholders and if the validity of the liens is thereafter confirmed. If SHB is successful on its motion these shares will be cancelled.</p>
Total	\$ 195,074,967	7,113,845	