

CANADA  
PROVINCE OF QUEBEC  
DISTRICT OF QUEBEC  
DIVISION No.: 01-MONTREAL  
COURT No.: 500-11-045750-136  
ESTATE No.: 41-1821345

SUPERIOR COURT  
Commercial Division

**IN THE MATTER OF THE  
RECEIVERSHIP OF:**

**HOMCO REALTY FUND (98) LIMITED  
PARTNERSHIP**, a limited partnership formed under  
the laws of Nova Scotia, having its head office at 1959  
Upper Water Street, Suite 900, Halifax, Nova Scotia,  
B3J 3N2, Canada, a chief place of business at Suite  
970, 3500 de Maisonneuve Blvd. West, Montreal,  
Quebec, H3Z 3C1, Canada, and having a property  
named Carat-Park Wittenberg, located at Teucheler  
Weg 2, 06886 Lutherstadt Wittenberg, Germany

Insolvent person

– and –

**SAMSON BÉLAIR/DELOITTE & TOUCHE INC.**  
(Jean-Christophe Hamel, CPA, CA, CIRP, person  
responsible) having its head office at 1 Place Ville  
Marie, Suite 3000, Montreal, Quebec, H3B 4T9

Receiver

**INTERIM REPORT SUBMITTED BY  
SAMSON BÉLAIR/DELOITTE & TOUCHE INC. AS RECEIVER OF CERTAIN  
ASSETS OF HOMCO REALTY FUND (98) LIMITED PARTNERSHIP  
AS AT JULY 15, 2014  
(Subsection 246(2) of the *Bankruptcy and Insolvency Act*  
and Rule 126 of the *Bankruptcy and Insolvency General Rules*)**

## **I. Introduction**

1. Homco Realty Fund (98) Limited Partnership (“**H98**”) is a limited partnership formed under the laws of Nova Scotia, having its registered head office at 1959 Upper Water Street, Suite 900, Halifax, Nova Scotia, B3J 3N2, and having a chief place of business at 3500 de Maisonneuve

- Blvd. West, Suite 970, Montreal, Quebec, H3Z 3C1, Canada. H98 was established for the sole purpose of acquiring and operating a real estate property.
2. H98's only real estate asset is an 18,145 square meter property located in Wittenberg, in Germany. The city of Wittenberg lies some 100 km south-west of Berlin and 70 km north-east of Leipzig, and has approximately 50,000 inhabitants.
  3. On December 18, 2013, H98 filed an assignment in bankruptcy and Samson Bélair/Deloitte & Touche Inc. ("**Deloitte**") was appointed as trustee.
  4. On January 16, 2014, following a motion by Titan Europe 2006-5 P.L.C. and Credit Suisse International (the "**Secured Creditors**"), H98's sole secured creditors, the Court rendered an order appointing Deloitte as receiver (the "**Receiver**") of certain assets of H98 pursuant to section 243 of the *Bankruptcy and Insolvency Act* with the powers enumerated in said order (the "**Receivership Order**"), as appears from the Court record.
  5. On January 16, 2014, following the Receivership Order, Deloitte, in its capacity as trustee of the estate of H98, formally renounced all rights to possession and seizure of the real property of H98 located at Teucheler Weg 2, 06886 Lutherstadt Wittenberg, in Germany (the "**Real Property**"), the rental receivables with respect of the Real Property, and cash balances held in certain bank accounts of H98 (collectively the "**Secured Property**"), the whole in favor of Deloitte in its capacity as receiver to the Secured Property, the whole pursuant to the Receivership Order.

## **II. Purpose of this report**

6. The purpose of this first report of the Receiver (the "**First Report**") is to advise/provide the Superintendent with a summary with respect to:
  - a) all property of which the Receiver has taken possession or control that has not yet been sold or realized;
  - b) the initial activities of the Receiver;
  - c) the interim statement of receipts and disbursements;
  - d) the anticipated completion of the receivership.

## **III. Summary of property of which the Receiver has taken possession**

7. As of the date of this report, the Secured Property of H98 includes the following:
  - (a) The Real Property;
  - (b) The accounts receivable related to the Real Property (excluding the intercompany accounts receivable);
  - (c) Cash balances held in certain bank accounts of H98.

8. In conformity with the Receivership Order, on January 16, 2014, the Receiver took possession and control of the Secured Property described above.
9. The exact amount owed by H98 to the Secured Creditors is to be determined. However, H98's Statement of Affairs (filed in the bankruptcy of H98) indicates a total debt of 20,354,794 euros owed to the Secured creditors.

**IV. The initial activities of the Receiver**

10. On January 20, 2014, the Receiver filed with the Superintendent in Bankruptcy and sent to the Trustee a copy of the Notice and Statement of the Receiver.
11. The Receiver and the Trustee created a link on their website (<http://www.deloitte.com/ca/homco98>) where all of the public documents related to the bankruptcy and receivership of H98 can be found.
12. The Receiver took control of the different bank accounts of H98.
13. The Receiver continued the management agreement with the asset manager of the Real Property (Garigal Retail Immobilien) (the "Asset Manager").
14. The Receiver monitored and controlled the receipts and disbursements of H98.

**V. The interim statement of receipts and disbursements for the period ended June 30, 2014**

15. You will find in **Appendix A** the interim statement of receipts and disbursements for the period from January 16, 2014 to June 30, 2014 (the "**Declaration period**").
16. The receipts during the Declaration period totaled €2,450K and mainly included the realization of the cash balances (of €1,459K) held in H98's bank accounts at the time of Deloitte's appointment as Receiver and the collection of rental receivables related to the Real Property of €91K.
17. The disbursements during the Declaration period totaled €1,445K and mainly included the following:
  - (a) Distributions to the Secured Creditors in the amount of €72K.
  - (b) Monthly reimbursement of VAT (German sales taxes) (including the payments of interest and penalties related to the VAT monthly declarations) to the German tax authorities in the amount of €62K.
  - (c) Legal fees incurred by the Secured Creditors as part of H98's restructuring in the amount of €144K.
  - (d) The payment of utility charges (related to electricity, gas, and water consumptions) in the amount of €124K.
  - (e) Disbursements of €104K related to repairs and maintenance of the Real Property;

- (f) Disbursements of €44K related to the Asset Manager's fees;
  - (g) Disbursements of €44K related to the Receiver's (and the Receiver's legal counsels) fees;
  - (h) Disbursements of €26K related to the payment of property tax;
  - (i) Disbursements of €17K related to the insurance of the Real Property;
  - (j) Disbursements of €8K related to other various operating expenses related to the Real Property.
18. Consequently, an amount of approximately €1,005K was in the possession of/controlled by the Receiver as of June 30, 2014.

**VI. The anticipated completion of the receivership**

19. As stipulated in the Receivership Order, the Court appointed Deloitte to act as Receiver to the Secured Property until one the following comes to pass:
- (a) The sale of the Secured Property;
  - (b) The issuance of any order by the Court terminating the mandate of the Receiver.
20. In October 2013, H98 received a formal purchase offer from an interested party for the purchase of the Real Property. On November 1, 2013, prior to the bankruptcy of H98 and Deloitte's appointment as Receiver, the Asset Manager was appointed by H98 and the Secured Creditors' agent to, notably, market the Real Property for its eventual sale. Upon its appointment as Receiver, the Receiver continued the mandate of the Asset Manager (with the consent of the Secured Creditors) with the objective for the eventual sale of the Real Property to occur on or before the maturity of the Secured Creditors' loan in 2016. Since its appointment, the Asset Manager continued to discuss with the interested party with regards to the potential sale of the Real Property. However, as of the time of this report, the Receiver has not received any information which would allow it to accurately predict/anticipate the completion of its receivership mandate.

DATED AT MONTREAL, this 15<sup>th</sup> day of  
July, 2014.

SAMSON BÉLAIR/DELOITTE & TOUCHE INC.  
Receiver to the property of Homco Realty Fund (98)  
Limited Partnership



Jean-Christophe Hamel, CPA, CA, CIRP

# APPENDIX A

District of Quebec  
 Division No. 01 - Montréal  
 Court No. 500-11-045750-136  
 Estate No. 41-343482

**In the matter of the receivership of  
 Homco Realty Fund (98) Limited Partnership  
 of the City of Montreal, in the Province of Quebec**

\_Form 12\_  
 Interim Statement of Receipts and Disbursements

**RECEIPTS**

1. Asset Realization		
Cash in bank	1,458,366.06	1,458,366.06
2. Miscellaneous		
Rental Income	991,189.58	991,189.58
<b>TOTAL RECEIPTS</b>		<b><u>2,449,555.64</u></b>

**DISBURSEMENTS**

3. Premium		
Insurance	17,176.72	17,176.72
4. Federal and Provincial taxes		
Others	161,615.00	161,615.00
5. Counseling fees		
Outside consulting	44,150.74	44,150.74
6. Miscellaneous		
Payments to Secured Creditors	772,032.81	
Bank charges	2,447.16	
Other misc disbursements	1,076.82	
Security	5,041.18	
Utilities	124,090.27	
Municipal taxes	25,982.29	
Repairs & maintenance	103,620.49	
Legal fees/disbursements	143,645.21	
Receiver's fees and costs	43,831.12	1,221,767.35
<b>TOTAL DISBURSEMENTS</b>		<b><u>1,444,709.81</u></b>

Note: How much of the total disbursements was paid for services provided by persons related to the trustee? 0.00

Amount available for distribution		<b><u>1,004,845.83</u></b>
7. Levy payable under section 147 of the Act		<u>0.00</u>
8. Unsecured creditors		
Current dividend	0.00	less levy 0.00
9. Amount retained in the Trust account by the Trustee:		<u>0.00</u>
		<b><u>1,004,845.83</u></b>

**Assets not sold or realized**

Cash on hand - Cash	1,685,278.00	Realized in full
Debts Due - Business - Account Receivable	14,515.00	Not disposed
Debts Due - Business - Intercompany receivable	98,256.00	Unable to realize
Other - Income tax receivable	149,651.00	Unable to realize
Real Property or Immovable - Building - Wittenburg - Teucheler Weg 2, 06886 Lutherstadt	24,453,698.00	Not disposed

**Asset Notes**

Debts Due - Business - Intercompany receivable	98,256.00	Those assets were excluded from the assets of Homco Realty Fund (98) LP for which Samson Bélair/Deloitte & Touche Inc. was appointed Receiver by the Court on January 16, 2014.
Other - Income tax receivable	149,651.00	Those assets were excluded from the assets of Homco Realty Fund (98) LP for which Samson Bélair/Deloitte & Touche Inc. was appointed Receiver by the Court on January 16, 2014.

Notes:

1: Interim statement of receipts and disbursements for the period from January 16, 2014 to June 30, 2014.

2: All amounts are denominated in euros.

Dated at the City of Montréal in the Province of Quebec, this 8th day of July 2014.

Samson Bélair / Deloitte & Touche Inc. - Receiver

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1, Place Ville Marie, Suite 3000  
Montréal QC H3B 4T9  
Phone: (514) 393-5427 Fax: (514) 390-4103

Taxed at the sum of \$ \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_.

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Registrar