

C A N A D A
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 –

NORTH CALGARY LAND LTD.

– and –

HOMBURG MANAGEMENT (CANADA) INC.

Debtors/Petitioners

– and –

THE ENTITIES LISTED IN APPENDIX A

Mises-en-cause

– and –

DELOITTE RESTRUCTURING INC. (formerly
known as **SAMSON BÉLAIR / DELOITTE &
TOUCHE INC.**)

Monitor

**FORTY-SECOND REPORT TO THE COURT
SUBMITTED BY DELOITTE RESTRUCTURING INC.
IN ITS CAPACITY AS MONITOR
(UPDATE ON DISTRIBUTIONS)**

(Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended)

INTRODUCTION

1. On September 9, 2011, 1810040 Alberta Ltd. (formerly known as Homburg Invest Inc. and Homburg Shareco Inc.) (“**HII**”) and certain related entities (collectively, the “**Debtors**”) 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 (as amended), the Stay extends to the entities listed in Appendix A hereto (collectively, the “**Applicant Partnerships**” and, together with the Debtors, the “**HII Parties**”).
3. Deloitte Restructuring Inc. (formely known as 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 in favor of the HII Parties, which Stay has been extended from time to time by order of the Court. On February 26, 2015, the Court last extended the Stay up to and including August 31, 2015 (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 forty-one such Monitor’s reports (as well as some supplemental reports) prior to this Forty-Second report of the Monitor (the “**Forty-Second Report / Update on Distributions**”). 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.

PURPOSE OF THE FORTY-SECOND REPORT / UPDATE ON DISTRIBUTIONS

6. This Forty-Second Report / Update on Distributions is intended to provide information on the distributions made from time to time by the Monitor pursuant to the HII/Shareco Plan and the Homco 61 Plan (collectively, the “**Plans**”). This Forty-Second Report / Update on Distributions namely contains a summary of all of the distributions made by the Monitor since the implementation of the Plans at the end of March 2014 (including those previously reported and details on the latest distribution made on August 5, 2015) and an update on the resolution of the Disputed Claims.
7. This Forty-Second Report / Update on Distributions is structured as follows:
 - I- Summary of all the Distributions made under the Plans as of the Date of this Report;
 - II- Update on the Resolution of the Disputed Claims; and
 - III- Upcoming Distribution(s).

TERMS OF REFERENCE

8. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars. Capitalized terms not otherwise defined in this Forty-Second Report / Update on Distributions are as defined in the previous reports of the Monitor and the HII/Shareco Plan.

I. SUMMARY OF ALL THE DISTRIBUTIONS MADE UNDER THE PLANS AS OF THE DATE OF THIS REPORT

9. The Plans provide that the Affected Creditors and the Homco 61 Affected Creditors holding Proven Claims and Homco 61 Proven Claims, respectively, are entitled to receive a dividend coming from three (3) different sources, referred to as:
 - i. the Newco Equity Pool (i.e. the Geneba Shares to the Electing Creditors) or the Cash-Out Pool (i.e. the cash funded by Catalyst to the Non-Electing Creditors);
 - ii. the Cash Pool (i.e. the cash available to HII at the time of the first cash distribution under the HII/Shareco Plan); and
 - iii. the Asset Realization Cash Pool (i.e. the net proceeds realized from the non-core properties).
10. The Plan Implementation Date (“**PID**”) took place from March 24, 2014 to March 27, 2014 and that the Homco 61 Plan Implementation Date occurred on March 27, 2014.
11. Since PID, the Monitor proceeded with several distributions of the various pools to the Affected Creditors and Homco 61 Affected Creditors under the Plans, as reported from time to time and as summarized hereunder.
12. At the time of each distribution described hereunder, the Monitor sent letters to each individual creditor in order to inform such creditor of the distribution being made and of the amount of cash or number of shares to which such creditor was entitled.

APRIL 10, 2014: FIRST DISTRIBUTION (TO ALL AFFECTED CREDITORS AND HOMCO 61 AFFECTED CREDITORS) [GENEBA SHARES OR CASH FUNDED BY CATALYST]

13. On April 10, 2014, the Monitor proceeded with the First Distribution to all Affected Creditors with Proven Claims and to all Homco 61 Affected Creditors with Proven Claims, as further elaborated in the Thirty-Fourth Report / First Distribution Report.
14. The First Distribution included Geneba Shares for the Non-Electing Creditors or cash funded by Catalyst for the Electing Creditors.

MAY 12, 2014: DISTRIBUTION OF THE BOND 5 SECURED CLAIM CASH PAYMENT (TO THE BOND 5 CLAIM HOLDERS) [CASH]

15. The HII/Shareco Plan provides that the Bond 5 Secured Claim, i.e. the amount of €2.25M representing the Bond 5 Secured Claim Cash Payment, is an Unaffected Claim and was to be paid following PID.
16. On May 12, 2014, the Monitor proceeded with the distribution of the Bond 5 Secured Claim Cash Payment to the Bond 5 Claim Holders, in an amount of €2.25M (representing approximately \$3.5M after conversion), less the applicable deductions for the reimbursement of the Stichting Advances.

JUNE 3, 2014: INTERIM DISTRIBUTION IN CONNECTION WITH THE “MINIMUM BOND 6 HII DEFICIENCY CLAIM” (TO THE BOND 6 CLAIM HOLDERS) [GENEBA SHARES OR CASH FUNDED BY CATALYST]

17. The amounts owed to the Bond 6 Claim Holders in connection with the Series 6 Mortgage Bonds (also known as HMB6) were the object of a guarantee granted by Homco 61. The Bond 6 Claim Holders thus have the right to a distribution under the Homco 61 Plan.
18. The Proven Claim of the Bond 6 Claim Holders under the HII/Shareco Plan is to be established based on the quantum of their Bond 6 HII Claim, less their Bond 6 Homco 61 Recovered Amount, namely their aggregate recovery pursuant to the Homco 61 Plan (the “**Bond 6 HII Deficiency Claim**”). At the time of the First Distribution, the Bond 6 Claim Holders only received a distribution under the Homco 61 Plan and a reserve of shares was created in connection with the estimated potential value of the Bond 6 HII Deficiency Claim under the HII/Shareco Plan.
19. On June 3, 2014, based on a preliminary assessment of the eventual final Bond 6 HII Deficiency Claim, the Monitor made a partial distribution to the Bond 6 Claim Holders under the HII/Shareco Plan. The Bond 6 Claim Holders who elected for the Newco Common Shares Cash-Out Option (i.e. the “Catalyst Option”) received the equivalent portion of their allocated amount from the Cash-Out Pool (funded by Catalyst).

JULY 10, 2014: INTERIM DISTRIBUTION OF THE KAI (HOMCO 88) REMAINING NET PROCEEDS (TO THE BOND 7 CLAIM HOLDERS) [CASH]

20. The amounts owed to the Bond 7 Claim Holders in connection with the Series 7 Mortgage Bonds (also known as HMB7) were guaranteed by Homco 88 and secured by a mortgage against the Kai Property, which was sold pursuant to the approval and vesting order rendered by the Court on November 18, 2013.
21. On June 20, 2014, the Court rendered an order authorizing an interim distribution of a portion of the remaining net sale proceeds (the “**Kai Remaining Net Proceeds**”) to the Bond 7 Claim Holders. As further described in the Thirty-Sixth Report, the authorized amount of the interim distribution was approximately \$16.8M (the “**Homco 88/Kai Interim Distribution**”).
22. On July 10, 2014, the Monitor proceeded with the Homco 88/Kai Interim Distribution to the Bond 7 Claim Holders.
23. A balance of approximately \$5.1M forming part of the Kai Remaining Net Proceeds is currently held by the Monitor. This balance is the object of a motion by Stichting Homburg Bonds requesting that such Kai Remaining Net Proceeds be distributed to the Bond 7 Claim Holders (the “**Bond 7 / Kai Motion**”), as further described in the Thirty-Sixth Report. The Bond 7 / Kai Motion is contested by parties asserting lien claims against the Kai Property. The judgment on said motion that will determine the entitlement to the balance of the Kai Remaining Net Proceeds is currently under advisement.

AUGUST 15, 2014: DISTRIBUTION TO THE CONVENIENCE CLASS CREDITORS [CASH]

24. Pursuant to the HII/Shareco Plan, the Affected Creditors holding a Convenience Class Claim, namely a Proven Claim of \$10,000 or less in the aggregate, are considered to be Convenience Class Creditors.

25. The Convenience Class Creditors could make or be deemed to have made a Convenience Class Claim Election entitling them to receive the Cash Elected Amount, namely a cash amount representing 35% of the amount of their Proven Claim which constitutes a Convenience Class Claim.
26. On August 15, 2014, the Monitor proceeded with a distribution to the Convenience Class Creditors, in an aggregate amount of approximately \$32K, which distribution is the first and final distribution made in connection with the Proven Claims that constitute Convenience Class Claims.

AUGUST 15, 2014: INTERIM CASH POOL DISTRIBUTION (TO ALL AFFECTED CREDITORS AND HOMCO 61 AFFECTED CREDITORS) [CASH]

27. As further detailed in the Thirty-Eight Report, on August 15, 2014, in conformity with the Plans, the Monitor proceeded with an interim distribution of the Cash Pool (the “**August 2014 Interim Cash Pool Distribution**”) to all Affected Creditors with Proven Claims and to all Homco 61 Affected Creditors with Proven Claims.
28. The aggregate value of the Cash Pool at the time of the August 2014 Interim Cash Pool Distribution was approximately \$38.4M (including amounts that were then deposited in the Disputed Claims (Cash) Reserve and the quantum of the Stichting Advances reimbursed as part of this distribution).
29. From this amount, approximately \$7.4M was then deposited in the Disputed Claims (Cash) Reserve, pending the resolution of the Disputed Claims.
30. The Stichting Advances (made by HII over the course of the CCAA proceedings pursuant to the orders rendered by the Court on February 15, 2012 and February 7, 2014) were reimbursed out of the August 2014 Interim Cash Pool Distribution. The distributions to the holders of the Mortgage Bond Claims and Corporate Bond Claims were adjusted accordingly, whereas the distributions to the other Affected Creditors and Homco 61 Affected Creditors were not impacted.

FEBRUARY 20, 2015: INTERIM ASSET REALIZATION CASH POOL DISTRIBUTION (TO ALL AFFECTED CREDITORS AND HOMCO 61 AFFECTED CREDITORS) [CASH]

31. As further detailed in the Thirty-Ninth Report, on February 20, 2015, the Monitor proceeded with an interim distribution of the Cash Pool and of the Asset Realization Cash Pool to all Affected Creditors with Proven Claims and to all Homco 61 Affected Creditors with Proven Claims (the “**February 2015 Interim Distribution**”).
32. The February 2015 Interim Distribution represented an interim distribution of the Cash Pool and of the Asset Realization Cash Pool made possible following (i) the resolution of certain Disputed Claims (and the release of the Disputed Claims’ cash reserves in connection therewith) and (ii) the realization by the Monitor of certain Non-Core Business Assets, the whole pursuant to the HII/Shareco Plan.
33. The aggregate amount distributed to Affected Creditors and Homco 61 Affected Creditors (or deposited in the Disputed Claims (Cash) Reserve) as part of the February 2015 Interim Distribution was approximately \$18.0M, including approximately \$7.0M that came from the amounts that had been deposited in the Disputed Claims (Cash) Reserve at the time of the August 2014 Interim Cash Pool Distribution.

JUNE 17, 2015: DISTRIBUTION OF THE HOMBURG SPRINGS EAST (HOMCO 52) REMAINING NET PROCEEDS (TO THE BOND 4 CLAIM HOLDERS) [CASH]

34. The amounts owed to the Bond 4 Claim Holders in connection with the Series 4 Mortgage Bonds (also known as HMB4) were guaranteed by Homco 52 and secured by a mortgage against the Homburg Springs East Property, which was sold pursuant to the approval and vesting order rendered by the Court on May 15, 2015.
35. On May 28, 2015, the Court rendered an order authorizing a distribution of the remaining net sale proceeds (which consisted of an amount of approximately \$4.9M) to the Bond 4 Claim Holders (the “**Homco 52/Homburg Springs East Distribution**”).
36. On June 17, 2015, the Monitor proceeded with the Homco 52/ Homburg Springs East Distribution to the Bond 4 Claim Holders.

AUGUST 5, 2015: FINAL DISTRIBUTION OF THE CASH-OUT POOL AND DISTRIBUTION OF GENEBA SHARES (TO ALL ELECTING CREDITORS AND TO ALL BONDHOLDERS) [GENEBA SHARES OR CASH FUNDED BY CATALYST]

37. From April to June 2015, following the resolution of the Disputed Claims which have occurred since the First Distribution, as further described hereunder (and in Appendix B), the Monitor and Catalyst made the appropriate adjustments to the Newco Common Shares Cash-Out Price (the price per Geneba Share based on an aggregate maximum price of EUR95M for 100% of the Geneba Shares as per the Restated Catalyst Support Agreement) in order to determine the corresponding Aggregate Newco Common Shares Final Cash-Out Amount (i.e. the total amount to be funded by Catalyst and distributed to the Electing Creditors).
38. The Aggregate Newco Common Shares Final Cash-Out Amount was established at approximately €38.4M. Given the aggregate amount accumulated in the Cash-Out Pool of approximately €30.9M prior to this determination, an additional amount of approximately €7.5M was to be distributed to the Electing Creditors. The Monitor drew on the letter of credit issued by Catalyst prior to PID in order to proceed with such distribution.
39. On August 5, 2015, following this determination, the Monitor proceeded with the second distribution of the Cash-Out Pool (i.e. cash funded by Catalyst) to all the Electing Creditors with Proven Claims as of March 24, 2015 (i.e. 12 months after the Plan Implementation Date) (the “**Second Cash-Out Pool Distribution**”).
40. On the same date, the Monitor also made a distribution of Newco (Geneba) Common Shares (i.e. shares of Geneba Properties N.V.) to most Non-Electing Creditors (including all the Bondholders) in light of the resolution of many Disputed Claims (the “**Summer 2015 Geneba Shares Distribution**”).
41. The Second Cash-Out Pool Distribution and the Summer 2015 Geneba Shares Distribution were made following the final resolution, as of March 24, 2015, of several Disputed Claims that were outstanding as at PID, as further described hereunder (and in Appendix B).
42. The Second Cash-Out Pool Distribution is the final distribution of the Cash-Out Pool given that the HII/Shareco Plan provides that the Newco Common Shares Cash-Out Option (i.e. the “Catalyst Option”) expired 12 months after PID pursuant to the HII/Shareco Plan. As such, should further “Disputed Claims” become Proven Claims, the future distributions in connection thereto would be in Newco (Geneba) Common Shares rather than in cash, even for the Electing Creditors. Bond 7 Claim Holders (depending on the final conclusion of the Kai proceedings and their entitlement to the Kai

Remaining Net Proceeds or not), and Bond 6 Claim Holders since the final quantum of their Proven Claim (i.e. their Bond 6 HII Deficiency Claim) will only be known at the time of the final distributions under the HII/Shareco Plan and the Homco 61 Plan, may or will be affected by the 12-month limitation period.

II. UPDATE ON THE RESOLUTION OF THE DISPUTED CLAIMS

43. Appendix B to the Thirty-Fourth Report / First Distribution included a detailed list of all the Disputed Claims as at PID. The Thirty-Eight Report and the Thirty-Ninth Report provided updates in this regard.
44. Appendix B to this Forty-Second Report / Update on Distributions presents a status update on all the Disputed Claims that were outstanding as at PID, showing that only two Disputed Claims remain as of this date, namely the Bond 6 HII Deficiency Claim and the claim of the Bond 7 Claim Holders.
45. Geneba Shares are being kept in reserve in connection with the two remaining Disputed Claims, and all other Geneba Shares that were held in reserve have been either distributed or cancelled.

III. UPCOMING DISTRIBUTION(S)

46. There will be future distributions to the Affected Creditors with Proven Claims and Homco 61 Affected Creditors with Homco 61 Proven Claims, namely with respect to:
 - i. The balance of the Kai Remaining Net Proceeds will be distributed in conformity with the judgment rendered on the Bond 7 / Kai Motion, i.e. either to the Bond 7 Claim Holders or to the holders of valid liens (with any balance distributed to the Bond 7 Claim Holders). If the distribution is made to the Bond 7 Claim Holders, the shares held in reserve in this regard will be cancelled whereas the cash held in reserve will be distributed to all of the Affected Creditors with Proven Claims; and
 - ii. One or more distribution(s) will be made to distribute the balance of the Asset Realization Cash Pool following the realization of the non-core properties by HII.

DATED AT MONTREAL, this 27th day of August 2015.



Pierre Laporte, CPA, CA, CIRP
President

DELOITTE RESTRUCTURING INC.
In its capacity as Court-Appointed Monitor

APPENDIX B UPDATE ON DISPUTED CLAIMS

The following table presents an update on the Disputed Claims that were outstanding as at PID and the related reserves:

Disputed Claims	Amount of Disputed Claim as of PID (see 34 th Report)	Number of Geneba Shares held in reserve at the time of the First Distribution (see 34 th Report)	Amount of original Disputed Claim that became a Proven Claim	Amount of remaining Disputed Claim as of the date of the Forty-Second Report	Number of Geneba Shares held in reserve as of the date of the Forty-Second Report	Explanation
Taberna Notes	\$ 54,508,217	1,989,482	\$ 54,508,217	NIL	0	<p>Dispute in connection with the Proven Claim referred to as the Taberna Claim under the HII/Shareco Plan. The dispute pertained on who, between the Stichting Bondholders and the Taberna Noteholders, is entitled to the distributions in connection with the Taberna Claim.</p> <p>On June 30, 2014, the Court rendered an order concluding that the Taberna Claim is subordinated to the Corporate Bond Claims and the Mortgage Bond Claims, and ordering that any distribution to be made in connection with the Taberna Claim under the HII/Shareco Plan be made to the “Stichting Bondholders”. On October 15, 2014, the Taberna Claim Holders were granted leave to appeal the first instance judgment. The Court of Appeal heard the appeal on January 16, 2015 and, on the same day, rendered a decision dismissing the appeal and confirming the first instance judgment. Such judgment of the Court of Appeal constitutes the Taberna Order pursuant to the HII/Shareco Plan.</p> <p>Accordingly, the Monitor has distributed the 1,989,482 Geneba shares attributed to the Taberna Claim to the Stichting Bondholders or to Catalyst (for the Electing Stichting Bondholders). The Monitor has also distributed the portions of the Cash-Out Pool, Cash Pool and Asset Realization Cash Pool attributable to the Taberna Claim to the Stichting Bondholders, the whole in accordance with the Plan.</p>

Valbonne Real Estate B.V. (“Valbonne”)	\$ 62,567,226	2,283,626	\$ 0	NIL	0	<p>Valbonne’s Proof of Claim was for an amount of \$62,527,226 and was disallowed by the Monitor. Valbonne had filed a Motion in Appeal of the Monitor’s disallowance. Valbonne’s claim is related to Homco Realty Fund (68) Limited Partnership (“Homco 68”).</p> <p>At the end of January 2015, a settlement was concluded between HII, HLPM as general partner of Homco 68, the Dutch trustee of Valbonne and the Monitor pursuant to which the Disputed Claims of respectively Valbonne and Homco 68 were the object of a final release, without any direct consideration from HII. The settlement provides that the Dutch trustee of Valbonne will file a petition for a bankruptcy order against Homco 68 and that Deloitte will act as trustee. The costs of administration of the bankruptcy up to an amount of \$50K will be assumed by HII.</p> <p>Further to this settlement, the 2,283,626 shares that were held in reserve in connection with Valbonne’s Disputed Claim were cancelled and the respective pools of cash were adjusted accordingly.</p>
Homco 68	\$ 13,465,935	491,489	\$ 0	NIL	0	<p>Homco 68’s Claim was 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 was for an amount of \$13,465,935.</p> <p>At the end of January 2015, a settlement was concluded between HII, HLPM as general partner of Homco 68, the Dutch trustee of Valbonne and the Monitor pursuant to which the Disputed Claims of respectively Valbonne and Homco 68 were the object of a final release, without any direct consideration from HII. The settlement provides that the Dutch trustee of Valbonne will file a petition for a bankruptcy order against Homco 68 and that Deloitte will act as trustee. The costs of administration of the bankruptcy up to an amount of \$50K will be assumed by HII.</p> <p>Further to this settlement, the 491,489 shares that were held in reserve in connection with Valbonne’s Disputed Claim were cancelled and the respective pools of cash were adjusted accordingly.</p>

SHB and SHCS Post-December 3 rd , 2011 Fees Claim	\$ 9,500,000	340,705	\$ 0	NIL	0	<p>SHB and SHCS, on behalf of respectively the Mortgage Bondholders, Corporate Bondholders and Capital Securities Debentureholders, 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/debentureholder 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 Monitor had valued this portion of the claim, to an amount of \$9.5M.</p> <p>SHB had filed a Motion for leave to appeal of the decision of the Court, but, such Motion was withdrawn, meaning that this claim was no longer a Disputed Claim necessitating reserves to be held by the Monitor. The 340,705 Geneva Shares which were held in reserve in connection with this claim were cancelled and the respective pools of cash were adjusted accordingly.</p>
SHB and SHCS Pre-December 3 rd , 2011 Fees Claim	\$ 2,100,000	76,647	\$ 0	NIL	0	<p>SHB and SHCS 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.</p> <p>On March 17, 2014, the Court dismissed the Motion in appeal of SHB and confirmed the disallowance of the claim.</p> <p>SHB had filed a Motion for leave to appeal of the decision of the Court, but, such Motion was withdrawn, meaning that this claim was no longer a Disputed Claim necessitating reserves to be held by the Monitor. The 76,647 Geneva Shares which were held in reserve in connection with this claim were cancelled and the respective pools of cash were adjusted accordingly.</p>

Homburg Management (Canada) Inc.	\$ 10,025,152	366,191	\$ 0	NIL	0	Following the execution of the Plan Transactions in conformity with the HII/Shareco Plan, this claim no longer existed, due to legal compensation that occurred. The 366,191 shares attributed to this claim were cancelled.
Mortgage Bonds – Series 4 (reserve for realization)	\$ 13,417,500	489,620	\$ 8,487,500	NIL	0	<p>The Bond 4 Claim Holders benefit had a security interest on the Homburg Springs East property (owned by Homco 52). The allocation of the secured and the unsecured portion of the Bond 4 Claim could only be determined upon the sale of the Homburg Springs East property. Ultimately, the Proven Claim of the Bond 4 Claim Holders, namely their claim in the HII/Shareco Plan, is the unsecured portion of their claim (i.e. the deficiency after the sale of the Homburg Springs East property).</p> <p>The Homburg Springs East property was sold pursuant to the approval and vesting order rendered by the Court on May 15, 2015 and, on May 28, 2015, the Court rendered an order authorizing a distribution of the remaining net sale proceeds approximately \$4.9M) to the Bond 4 Claim Holders. This amount was distributed on June 17, 2015, being the Homco 52/Homburg Springs East Distribution.</p> <p>Following said distribution, the final value of the Proven Claim of the Bond 4 Claim Holders could be determined. For the portion of the Disputed Claim that became a Proven Claim, 310 104 shares were distributed to the Non Electing Bond 4 Claim Holders, or Catalyst in the case of the Non-Electing Bond 4 Claim Holders who received additional cash funded by Catalyst. For the portion of the Disputed Claim that did not become a Proven Claim, 179 516 shares were cancelled. The cash distributions and cash pools have also been adjusted accordingly.</p>

Mortgage Bonds – Series 6 secured (reserve for Bond 6 deficiency claim)	\$ 24,006,041	876,128	\$ 17 169 972	\$ 1 698 129	67 677	<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 distributions under the Homco 61 Plan (which are themselves directly linked to the distribution under the HII/Shareco Plan), the Monitor has been holding shares in reserve. This reserve is necessary as the value of the Bond 6 HII Deficiency Claim will only be known at the time of the Final Distribution under the HII/Shareco Plan and the Homco 61 Plan</p> <p>From time to time (including as of March 24, 2015 given the expiry of the Catalyst Option), the Monitor has updated its assessment of the eventual final Bond 6 HII Deficiency Claim in order to reduce the amount of the Disputed Claim of the Bond 6 Claim Holders and allow further distributions to the Bond 6 Claim Holders. As such, an amount of approximately \$17.2M that was originally a Disputed Claim has now become a Proven Claim, and 689 143 shares related to such Proven Claim have been distributed to the Non Electing Bond 6 Claim Holders, or Catalyst in the case of the Non-Electing Bond 6 Claim Holders who received additional cash funded by Catalyst. The cash distributions and cash pools have also been adjusted accordingly.</p> <p>The final determination of the amount of the Bond 6 HII Deficiency Claim, at which time all Bond 6 holders will receive the corresponding amount of shares (whether they are Electing Creditors or not) given the expiry of the Catalyst option. All additional shares will be cancelled.</p>
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Mortgage Bonds – Series 7 (reserve for the secured realization)	\$ 5,484,896	199,957	\$ 0	\$ 4 400 000	158 979	<p>The Bond 7 Claim Holders benefited from a security interest over the Kai property owned by Homco 88, which was sold in December 2013. SHB filed a Bond 7 / Kai 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>A 3-day hearing on the Bond 7 / Kai Motion took place at the end of April 2015, and the judgment on said motion is under advisement since the end of June 2015 when the parties filed their written arguments.</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 the Court concludes that the liens rank ahead of Bond 7’s security interest on the Kai property and if the validity of the liens is thereafter confirmed. Given the expiry of the Catalyst option, all Bond 7 holders would receive shares (whether they are Electing Creditors or not). If Bond 7’s security interest ranks ahead of the liens, the Kai Remaining Net Proceeds will be distributed to the Bond 7 Claim Holders such that these shares should be cancelled.</p>
Total	\$ 195,074,967	7,113,845	\$ 80 165 689	\$6 098 129	226 656	