

C A N A D A

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL
No. : 500-11-046282-147
Estate No: 41-1843846

"Commercial Division"

SUPERIOR COURT

IN THE MATTER OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT, R.S.C.
(1985) ch. C-36, as amended of:

CASPERDINY IFB REALTY INC.,

-and-

LES APPARTEMENTS CLUB SOMMET INC.,

Debtors/Petitioners

-and-

RICHTER ADVISORY GROUP INC.,

Monitor

-and-

COMPUTERSHARE TRUST COMPANY OF
CANADA,

-and-

TIMBERCREEK SENIOR MORTGAGE
INVESTMENT CORPORATION,

-and-

CASPERDINY IFB CAPITAL INC.,

-and-

IFB BETEILIGUNGEN AG i.L.,

-and-

THE SYNDICATE OF LE PARC CO-
OWNERSHIP,

Mises en cause

MOTION SEEKING THE EXTENSION OF THE INITIAL ORDER
(Companies' Creditors Arrangement Act, R.S.C. (1985), ch. C-36,
Section 11.02 (hereinafter "*CCAA*")

**TO THE HONOURABLE MARTIN CASTONGUAY, S.C.J., OF THE SUPERIOR
COURT SITTING IN COMMERCIAL CHAMBER IN AND FOR THE DISTRICT OF
MONTREAL, THE DEBTORS/PETITIONERS RESPECTFULLY SUBMIT:**

A. INTRODUCTION

1. On March 3, 2014, as appears from the Court record herein, *Casperdiny IFB Realty Inc.* (hereinafter “*Casperdiny*”) and *Les Appartements Club Sommet Inc.* (hereinafter “*Sommet*”) and together with Casperdiny, the “*Debtors*”) filed a notice of their intention to submit a proposal to their creditors in accordance with the *Bankruptcy and Insolvency Act*, R.S.C. (1985) ch. B-3, (hereinafter the “*NOI*”);
2. On March 21, 2014, as appears from the Court record herein, this Honourable Court issued an order (hereinafter the “*Initial Order*”):
 - a) Authorizing the continuation of the NOI proceedings under the CCAA;
 - b) Issuing an initial order pursuant to the CCAA in favour of the Debtors;
 - c) Granting the Administration Charge (as this term is defined in the Initial Order);
 - d) Approving the Interim Financing Facility (as this term is defined in the Initial Order), and authorizing the Debtors to borrow from the Mise en cause *IFB Beteiligungen AG i.L.* (hereinafter “*IFB*”) in accordance with same; and
 - e) Granting the first ranking Interim Lender’s Charge in favour of IFB (as this term is defined in the Initial Order);
3. Pursuant to the present Motion, the Debtors will seek from this Honourable Court that the Initial Order be extended in its effects for an additional period of fifty-two (52) days, i.e. until **June 6, 2014** (hereinafter the “*Additional Period*”);
4. The Debtors respectfully submit to this Honorable Court that it should issue an order taking the form of the draft order filed herewith as **EXHIBIT R-1** (hereinafter the “*Draft Order*”);
5. The Debtors are simultaneously filing the present Motion in two (2) distinct Court files, one for each of the Debtors, but will request that the hearing of these Motions be held jointly;

B. THE PARTIES

6. Together, the Debtors own, operate and manage a sixteen (16) storey, **291**-unit apartment building located in downtown Montreal, on De La Montagne (hereinafter the “*Property*”), as appears from the Court record herein;
7. The Property is currently operated as a luxury-rental apartment building offering all-inclusive services to its tenants, including a concierge, doorman, cable/internet services, electricity, fitness facility and indoor and outdoor pool areas;
8. The Mises en cause *Computershare Trust Company of Canada* (hereinafter “*Computershare*”), *Syndicate of le Parc Co-Ownership* and *Casperdiny IFB Capital Inc.*

are the only creditors having registered security interest against the assets of the Debtors (hereinafter collectively the “**Secured Creditors**”) as appears from the Court record herein;

9. The Mise en cause Computershare acts as fondé de pouvoir of the Mise en cause *Timbercreek Senior Mortgage Investment Corporation* (hereinafter “**Timbercreek**”) in the context of the Timbercreek’s hypothec and financing, in accordance with section 2692 of the *Civil Code of Quebec*, as appears from the Court record herein;
10. Timbercreek is the principal secured lender of the Debtors, as appears from the Court record herein;
11. The Mise en cause IFB, in its capacity of Interim Financing Lender, has agreed to advance up to **\$2,177,502** to the Debtor Casperdiny through the Interim Financing Facility (as defined in the Initial Order) which is secured by the Interim Lender’s Charge (as defined in the Initial Order), as appears from the Court record herein;
12. The Monitor *Richter Advisory Group Inc.* (hereinafter “**Richter**”) was first appointed Trustee to the Debtors’ NOI and then appointed Monitor to the Debtors’ restructuring process under the CCAA pursuant to the Initial Order, as appears from the Court record herein;

C. THE RESTRUCTURING EFFORTS SINCE THE INITIAL ORDER

13. As appears from the Court record herein, the preliminary restructuring plan of the Debtors is centered around two main (2) components:
 - a) The implementation of a lease up program aimed at maximizing the occupational rate of the Property and, ultimately, increasing the value of the Property (hereinafter the “**Lease Up Program**”); and
 - b) The implementation of the solicitation process aimed at attracting offers in respect to the Property (hereinafter the “**Solicitation Process**”);
14. Since the issuance of the Initial Order, the Debtors have made significant progress in respect to both the Lease-Up Program and the Solicitation Process, as further detailed hereinafter and as appears from the Monitor’s report filed in support of the present Motion as **EXHIBIT R-2** (hereinafter the “**Report**”);

I. THE LEASE UP PROGRAM

15. As at the issuance of the Initial Order, the occupational rate of the Property was at fifty-eight percent (**58%**), as appears from the Court record herein;
16. The Debtors have established a conservative plan aimed at increasing the occupational rate to seventy five (**75%**) by August 2014, as appears from the Court record herein;

17. As appears from the Monitor's Report, since December 1st, 2014, twenty (20) new leases were entered into in respect to vacant units;
18. Furthermore, the Debtors are currently in discussion with a potential corporate tenant who is looking to increase its portfolio by twenty-seven (27) units. Although the discussions are still a negotiation level, the Debtors are uniquely positioned to attract such corporate tenants given the occupancy rate of the Property and the flexibility provided in respect thereto;
19. With the rental market entering into its annual prime period, the Debtors are confident that they are well on track to meet their objective of increasing the occupational rate to seventy five (75%) by August 2014;

II. THE SOLICITATION PROCESS

20. Since the issuance of the Initial Order, the Debtors have worked with *CBRE Capital Markets - National Apartment Group* (hereinafter "**CBRE**") to establish the best approach for the Solicitation Process to be implemented in respect to the Property;
21. On April 10, 2014, CBRE submitted to the Debtors and the Monitor a "*Proposal for Marketing Representation*", a copy of which is filed under seal as **EXHIBIT R-3** (hereinafter the "**CBRE Proposal**");
22. As appears from the CBRE Proposal, CBRE suggests that the Solicitation Process be conducted over a period of approximately four (4) months, with a bid deadline set for between May 26 and **May 30, 2014** (hereinafter the "**Anticipated Bid Deadline**") and a closing deadline set for **August 20, 2014** (hereinafter the "**Anticipated Closing Date**");
23. CBRE has extensive experience in the marketing and the selling of comparable real estate and Debtors believes that the CBRE Proposal is the optimal method to conduct the Solicitation Process, generate interest in the Property and to maximize the realization value of the Property, as appears from the CBRE Proposal;
24. As appears from the CBRE Proposal, the marketing of the Property shall provide the potential bidders with the option to opt for an assets driven transaction or a share driven transaction, in which case a plan of arrangement will have to be submitted to the unsecured creditors of the Debtors;
25. A teaser has been prepared by CBRE and will be sent to the potential bidders upon issuance of the orders sought hereto, in accordance with the timeline set forth in the CBRE Proposal, as appears from a copy of such teaser filed under seal herewith as **EXHIBIT R-4**;

D. THE EXTENSION OF THE INITIAL ORDER

26. As was explained at the hearing leading to the issuance of the Initial Order, the Debtors' plan is to maximize the realization value of the Property within the Solicitation Process,

while implementing the Lease-Up Program so to allow the vacancy rate to decrease during that same period;

27. Given that the CBRE Proposal suggests an Anticipated Bid Deadline by the end of **May 2014**, the Debtors respectfully submit to this Honourable Court that the Initial Order should be continued in its effects for the Additional Period, i.e. until **June 6, 2014**;
28. The Debtors anticipate to have identified the retained bidder, if any, within the Additional Period and be in a position to inform the Court about the likelihood of closing a transaction within the Anticipated Closing Date;
29. The “*Interim Financing Facility Agreement*” entered into between the Debtor Casperdiny and the Mise en cause IFB allows for the payment of the monthly interest payments payable to Timbercreek, as appears from the Court record herein (hereinafter the “*Interim Financing*”);
30. As appears from the cash flow projections for the Debtors for the period comprised between March 1, 2014 and August 31, 2014 already forming part of the Court record, and considering the Interim Financing, the Debtors are in a position to continue their operations on a going concern basis during the Additional Period;

E. CONCLUSIONS SOUGHT

31. The Debtors have acted, are acting, in good faith and with due diligence in the conduct of the Lease Up Program and the Solicitation Process, both of which are at the core of their restructuring process under the CCAA;
32. The extension sought hereto will not prejudice any of the Secured Creditors. To the contrary, it will allow for the Debtors with the assistance of the Monitor and CBRE to enhance and maximize the realization value of the Property, for the benefit of the Debtors’ creditors and stakeholders;
33. The extension sought hereto shall allow for the Debtors to have a market value indication of the Property;
34. During the Additional Period, Timbercreek’s position will not deteriorate as the Debtors have already committed to pay the monthly interest payment payable as a result of the Timbercreek financing, which is in strict compliance with the Interim Financing;
35. The Debtors respectfully submit to this Honourable Court that the orders sought pursuant hereto are wholly appropriate;
36. The Monitor supports the issuance of the orders sought pursuant hereto, as appears from the Monitor’s Report;
37. The Secured Creditors were duly served with the present Motion;

38. The Debtors respectfully submit that the present Motion should be granted in accordance with the Draft Order;
39. The present Motion is well founded both in fact and in law.

WHEREFORE, MAY IT PLEASE THIS HONOURABLE COURT TO:

- [1] **GRANT** the present “*Motion seeking the extension of the Initial Order*” (hereinafter the “*Motion*”);
- [2] **ISSUE** an order substantially in the form of the draft order filed in support of the present Motion as **EXHIBIT R-1**;
- [3] **THE WHOLE** without costs, save and except if contested and then, with costs against any contesting parties solidarily.

Montréal, April 11, 2014


FASKEN MARTINEAU DuMOULIN LLP
Attorneys for Debtors

AFFIDAVIT

I, the undersigned, Diana Mason-Stefanovic, duly authorized director, having my professional address at 555 Richmond Street, West Suite 504, Toronto, province of Ontario, M5V 3B1, do solemnly declare the following:

1. I am a duly authorized representative of the Debtors *Casperdiny IFB Realty Inc.* and *Les Appartements Club Sommet Inc.* in the present case;
2. All the facts alleged in the present Motion are true.

AND I HAVE SIGNED:

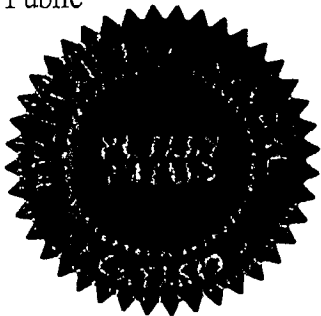
D. Mason-Stefanovic

DIANA MASON-STEFANOVIC

Solemnly affirmed before me, in Toronto,
on April 11, 2014

D. L. Chiu

Notary Public



NOTICE OF PRESENTATION

TO: Benoît Gingués
Eric Barbieri
RICHTER ADVISORY GROUP INC.
1981 McGill College
Montréal, Québec, H3A 0G6

Monitor

TO: Me Jean G. Robert
Lette & Associés S.E.N.C.R.L.
2800-630, Blvd René-Lévesque West
Montréal QC H3B 1S6

**Attorneys for the Syndicate of le
Parc Co-Ownership**

TO: Me Alexander Bayus
Me Denis St-Onge
Gowling Lafleur Henderson S.E.N.C.R.L.
1, Place Ville-Marie
37th floor
Montréal QC H3B 3P4

**Attorneys for Timbercreek Senior
Mortgage Investment Corporation**

**TO: COMPUTERSHARE TRUST
COMPANY OF CANADA
c/o Stikeman Elliott S.E.N.C.R.L.,
S.R.L.
40 - 1155 René-Lévesque Blvd. West
Montreal, Quebec H3B 3V2**

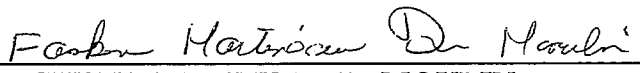
TO: IFB BETEILIGUNGEN AG i.L.,
Grunerstrasse 19
40239, Düsseldorf, Germany

TO: CASPERDINY IFB CAPITAL INC.
555 Richmond Street West, Suite 504,
Toronto, Ontario, M5V 3B1

TAKE NOTICE that the present *Motion seeking the extension of the Initial Order* will be presented for adjudication before Justice Martin Castonguay of the Superior Court, Commercial Division, sitting in and for the district of Montréal on **Tuesday, April 15, 2014 at 9:00 a.m.** or so soon thereafter as counsel may be heard, in **Room 16.12** of the Montréal Courthouse, located at 1 Notre-Dame Street East, Montreal, Québec, H2Y 1B6.

DO GOVERN YOURSELVES ACCORDINGLY.

Montréal, April 11, 2014


FASKEN MARTINEAU DuMOULIN LLP
Attorneys for Debtors

C A N A D A

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL
No. : 500-11-046282-147
Estate No: 41-1843846

"Commercial Division"

SUPERIOR COURT

IN THE MATTER OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT, R.S.C.
(1985) ch. C-36, as amended of:

CASPERDINY IFB REALTY INC.,
-and-
LES APPARTEMENTS CLUB SOMMET INC.,

Debtors

-and-

RICHTER ADVISORY GROUP INC.,

Proposed Monitor

-and-

COMPUTERSHARE TRUST COMPANY OF
CANADA,

TIMBERCREEK SENIOR MORTGAGE
INVESTMENT CORPORATION,

CASPERDINY IFB CAPITAL INC.,

IFB BETEILLIGUNGEN AG i.L.,

THE SYNDICATE OF LE PARC CO-
OWNERSHIP,

Mises en cause

LIST OF EXHIBITS

EXHIBIT R-1:	Draft Order.
EXHIBIT R-2:	Monitor's Report
EXHIBIT R-3:	CBRE Proposal (<u>under seal</u>)
EXHIBIT R-4:	Draft Teaser (<u>under seal</u>)

Montréal, April 11, 2014


FASKEN MARTINEAU DuMOULIN LLP
Attorneys for Debtors

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**Motion seeking the extension of the Initial
Order, Affidavit, List of Exhibits and
Exhibits R-1 and R-2
and R-3 (under seal) and R-4 (under seal))**

ORIGINAL

Basken Martineau DuMoulin LLP
Stock Exchange Tower
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800 Place Victoria
Montreal, Quebec H4Z 1B9

Luc Morin
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CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL
Court No: 500-11-046282-147
500-11-046281-149
Estate No: 41-1843846
41-1843847

SUPERIOR COURT
(Commercial Division)
The Companies' Creditors Arrangement Act

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. (1985), c. C-36 WITH
RESPECT TO:

CASPERDINY IFB REALTY INC. , a legal person duly
incorporated under the laws of Canada, having its
principal place of business at 3475 Mountain Street,
Montreal, Quebec, H3G 2A4

-and-

LES APPARTEMENTS CLUB SOMMET INC., a legal
person duly incorporated under the laws of Canada,
having its principal place of business at 3475 Mountain
Street, Montreal, Quebec, H3G 2A4

Petitioners

-and-

RICHTER ADVISORY GROUP INC., a duly incorporated
legal person having its principal place of business at
1981 McGill College Avenue, in the city and district of
Montreal, Quebec, H3A 0G6

Monitor

FIRST REPORT OF THE MONITOR
ON THE STATE OF PETITIONERS' FINANCIAL AFFAIRS
APRIL 11, 2014

INTRODUCTION

1. On March 3, 2014, the Petitioners filed a Notice of Intention to Make a Proposal and Richter Advisory Group Inc. ("Richter") was named Trustee.

2. On March 12, 2014, the Petitioners filed with the Quebec Superior Court, a Motion for the Issuance of an Initial Order pursuant to Section 11 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, C-36, as amended (the "CCAA"). On March 21, 2014, the Honourable Martin Castonguay, J.S.C., issued an initial order (the "Initial Order"), *inter alia* appointing Richter as monitor (the "Monitor").
3. All amounts reflected in this report are stated in Canadian currency unless otherwise noted.
4. The purpose of this report is to inform the Court of the following:
 - General Corporate Information;
 - Interim Financing Facility;
 - Financial Position and Cash Flow Projections;
 - Lease-Up Program;
 - Solicitation Process;
 - Activities of the Monitor; and
 - Request for an Extension of the Stay of Proceedings to June 6, 2014.
5. The information contained in this report is based on unaudited financial information as well as discussions with representatives of the Petitioners' project and property management firm, Asta Corporation Inc. (hereinafter "Management"). The Monitor has not conducted an audit or other verification of such information and accordingly, no opinion is expressed regarding the accuracy, reliability or completeness of the information contained herein.

GENERAL CORPORATE INFORMATION

6. Casperdiny IFB Realty Inc. (hereinafter "Casperdiny") is controlled by Casperdiny IFB Capital Inc. (a Canadian corporation), which in turn is wholly owned by IFB Beteiligungen AG (a German publicly organized company) based in Düsseldorf. Les Appartements Club Sommet Inc. (hereinafter "Sommet") is a wholly-owned subsidiary of Casperdiny.
7. Together, the Petitioners own, operate and manage a 16-story, 291-unit apartment building located in downtown Montreal, on de La Montagne Street, corner Sherbrooke (hereinafter the "Property"). The Property is operated under the name Club Sommet.
8. The Petitioners have no employees involved in the management of the Property. All services relative to the operations of the Property and to tenant amenities are outsourced to third parties service providers.

9. The project management, as well as day-to-day property management and operations, are outsourced to Asta Corporation Inc. (hereinafter "Asta"), a real estate services firm with its head office located at 555 Richmond West, Suite 300, Toronto, M5V 1Y6.
10. Since the issuance of the Initial Order, the Petitioners have continued to operate the Property in the normal course of business, which involves collecting rents, maintaining existing tenant services consistent with the current business model, collecting and returning tenants deposits, and pursuing its strategic Lease-Up Program (further details are provided below).
11. We refer you to the report issued March 18, 2014 by Richter Advisory Group Inc., in its capacity as the Proposed Monitor of the Petitioners and in support of the Petition for the issuance of an Initial Order, for details pertaining to the following:
 - General corporate information;
 - Historical events leading to the CCAA filing; and
 - Financial position and operating results pre-CCAA.

INTERIM FINANCING FACILITY

12. Prior to the filing of the Motion for the Issuance of an Initial Order, IFB Beteiligungen AG (the "Interim Lender") transferred funds in the amount of \$2,177,502 (the "DIP Loan Funds") to Richter in trust, representing the maximum principle amount of the Interim Financing Facility (as this term is defined in the Initial Order) for which approval was sought from the Court.
13. On March 21, 2014, this Honourable Court issued an Initial Order approving the Interim Financing Facility, and authorizing the Petitioners to borrow from the Interim Lender in accordance with same.
14. Following the issuance of the Initial Order:
 - The DIP Loan Funds are held in trust by the Monitor, for the Interim Lender;
 - On April 2, 2014, the Monitor disbursed \$327,796 to Timbercreek Asset Management, representing interest charges on the mortgage loan for the period of March 4 to March 31, 2014, the whole in accordance with the Initial Order;
 - As of April 4, 2014, the remaining balance of DIP Loan Funds held in trust by the Monitor, for the Interim Lender, was \$1,852,138.

FINANCIAL POSITION AND CASH FLOW PROJECTIONS

15. In conjunction with the filing of the Petition for the Issuance of an Initial Order on March 21, 2014, the Petitioners submitted monthly cash flow projections (hereinafter the "Projections") covering the six (6)-month period from March 1 to August 31, 2014 (hereinafter the "Period"). The Projections were attached to the report prepared by Richter in its capacity as the Proposed Monitor in support of the Petition for the Issuance of the Initial Order.
16. Since the date of the Initial Order (March 21, 2014), there have been no material changes in the Petitioners' business and expected financial results, other than normal timing variances for certain receipts and disbursements noted below. As such, the Petitioners have not prepared revised cash flow projections. A copy of the Petitioners' original cash flow projections for the period of March 1 to August 31, 2014 is included as **Exhibit A**.
17. The Petitioners' Projections for the Period are based on financial and other information and assumptions provided by Management. The Projections were prepared using probable assumptions supported and consistent with the plans of the Company for the Period, considering the economic conditions that are considered the most probable by Management. Since the Projections are based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the Projections will be achieved.
18. Details of actual cash flow results vs. the Projections for March 2014 are included in **Exhibit B** entitled Comparative Cash Flow for the period March 1 to March 31, 2014.
19. As of March 31, 2014, the Petitioners' book cash balances (net of outstanding checks) amounted to \$6,800, as compared to the projected balance of \$1,700. The nominal positive variance for March 2014 resulted from the following:
 - The \$28,500 negative variance in total cash inflows was due mainly to fewer than anticipated new tenants deposits, as net rent collections from existing tenants were consistent with the Projections in March (\$240,000). Management expects the negative variance in new tenants deposits to reverse in future months as an increasing number of new leases are expected to be signed during the peak rental season;

- The negative variance in cash inflows was offset by favorable timing variances of various operating disbursements, primarily utilities, maintenance and rental commissions. These timing differences arose in part as a result of the typical lag in receiving invoices for post-petition services.
20. Following collections of rent payments in the first week of April, the book cash balance as of April 4, 2014 increased to \$55,000.
21. Since the filing of the CCAA, the Petitioners are paying suppliers based on negotiated terms or upon receipt of invoices. The Petitioners advise that they have not incurred significant unpaid liabilities since the filing.

LEASE-UP PROGRAM

22. The occupancy rate for the Property over the past two (2) years has fluctuated between 60% and 70%. Per discussions with Management, and as outlined in the report prepared by Richter in its capacity as Proposed Monitor in support of the Petition for the Issuance of an Initial Order, this was largely due to the on-going sale process for the Property.
23. In December 2013, Management developed and implemented a strategic plan to lease-up the Property (hereinafter the "Lease-Up Program"). The strategy includes the following key components:
- a) **Engage broader rental audience for high value units:** The Petitioners are putting in place a marketing strategy targeting single parents and empty nesters while establishing corporate contacts with large corporations, embassies, consulates, universities and hospitals;
 - b) **Increase the inventory of the furnished suite operators:** The Petitioners' objective is to convince furnished-suite operators to increase their inventory by twenty (20) units;
 - c) **Branding Repositioning:** The Petitioners are in the process of implementing a broad multimedia marketing campaign to reposition the Property as a long-term rental building located in a highly desirable location providing full service and 5-star amenities;
 - d) **Leasing Team:** In order to implement the Lease-Up Program, the Petitioners have put in place a team of eight (8) professionals responsible for various aspects of the leasing strategy.

24. The current Club Sommet leasing team is comprised of the following personnel:

Club Sommet Leasing Team				
Name	Role	Employer	Location	Hire date
Joanne Simonetti	Leasing Director	Ind. Contractor	Montreal	Oct-13
Kabirra Jefri	Leasing Agent	Ind. Contractor	Montreal	Jun-13
Esther Cohen	Leasing Agent	Ind. Contractor	Montreal	Oct-13
Ting Li	Leasing Agent	Ind. Contractor	Montreal	Jan-14
Nacima Boublenza	Leasing Agent	Ind. Contractor	Montreal	Mar-14
Monika Burkhardt	Administrative Support	Asta Corporation	Toronto	pre-2013
Marie Bourbonnière	Corporate Development	Ind. Contractor	Montreal	Oct-13
Chris Booker	Controller	Asta Corporation	Toronto	pre-2013

- The leasing agents are responsible for: (i) promoting apartments through their network of industry contacts, social media, free advertising sites (Craig's list, etc.) and other promotional tools (ii) interacting with potential tenants and arranging apartment visits, and (iii) inciting potential tenants to submit lease applications. Club Sommet currently employs four (4) leasing agents, two (2) of which work on-site on a full-time basis. The other two (2) agents are considered "off-site", and were engaged to focus on specific cultural communities (Asian and Arabic). Nonetheless, they are generally present at the Property twice a week;
- The leasing director, who works on-site at the Property on a part-time basis, is responsible for determining the overall marketing plan and advertising campaigns for the building in consultation with the Asta Management team in Toronto, which ultimately has final approval on the marketing plan and budget. She is supported in these functions by an administrative support person in Toronto. On a day-to-day basis, the leasing director is also charged with supervising and coordinating the efforts of the leasing agents, and negotiating lease terms with potential tenants;
- In addition to the leasing agents who are responsible for marketing to the general public, Club Sommet also employs a director of corporate development whose role is to promote the building with universities, corporate clients, embassies, relocation service firms, etc.; and
- Club Sommet's controller, an Asta employee located in Toronto, is responsible for reviewing and approving all lease applications.

25. In order to implement its Lease-Up Program, broadly outlined in paragraph 23, Club Sommet has engaged in a significant number of specific marketing efforts since December 2013, which efforts have continued following the issuance of the Initial Order on March 21, 2014. Per discussions with various members of the leasing team and our review of available information, these specific promotional strategies include the following:
- a) **Web Presence:** The Club Sommet website has been a significant driver of initial tenant enquiries. Since Nov. / Dec. 2013, the Company has been working with MOON Media, a digital advertising solutions provider, to increase the number of website visits. In particular, MOON Media has assisted with search engine optimization, website design improvements, social media advertising, and other lead generation strategies.
 - b) **Classified Ads:** Ads are posted and updated on a daily basis on various free websites, the most notable of which are: i) Kijiji (local Montreal market) and ii) Craigslist (local and international market). The leasing agents are responsible for the extensive day-to-day management required to maintain and refresh these postings.
 - c) **Outdoor Signage:** Given the central location and visibility of the Property, professionally designed signs placed outside the building result in a strong number of walk-in inquiries. The targeted clientele is the local rental market on which Club Sommet had previously placed less focus.
 - d) **Apartment Rental Websites:** The leasing director is responsible for planning and posting (supported by the administrative employee in Toronto), on a monthly basis, ads on multiple apartment rental websites. These fee-based websites have primarily been successful in attracting international customers.
 - e) **Social Networks:** The Company has been active on social medias, primarily with Facebook where the corporate Club Sommet site has over 3,000 likes. Each leasing agent also uses their personal social networks (Facebook and LinkedIn) to promote and publicize the apartments to their network of contacts. As noted above, the company also engaged MOON Media to develop lead generation strategies using social media platforms.
 - f) **Newspapers:** In an effort to engage a broader local audience, Club Sommet has advertised in Montreal's leading English language newspaper, The Gazette. As of April 1, 2014, the ad frequency was increased from 3 times/week to daily.
 - g) **Referrals:** The Company has implemented a referral program to encourage existing tenants to refer new clients. The inducement of \$500 per tenant referral resulting in a signed lease was increased to \$1,000 in March 2014.

- h) **Universities:** On a regular basis, the director of corporate development posts promotional materials at the housing assistance offices of Concordia and McGill universities. Club Sommet also advertised on the "McGill Housing" website.
- i) **Radio:** Since November 2013, Club Sommet has purchased radio advertising on CJAD Montreal (approximately 20 per day). These commercials are intended to target an older and/or retired clientele, looking to rent following the sale of their primary residence.
26. Management has developed extensive tracking and reporting procedures relative to its marketing efforts and associated results. The following table outlines the number of inquiries, visits, lease applications and signed leases from each major source of traffic between December 1 and March 31, 2014.

Club Sommet - Leasing Activity Statistics				
December 1, 2013 to March 31, 2014				
	Inquiries	Visits by qualified prospects	Applications	Leases signed
Web site	263	55	8	5
Classified adds	174	81	3	1
Signage / Walk In	83	78	13	6
Apartment rental websites	31	5	-	-
Social networks	43	7	-	-
The Gazette	33	4	-	-
Referrals	32	21	4	3
Universities	15	12	1	-
Radio	20	8	-	-
Other	2	-	-	-
Total - Individual tenants ¹	696	271	29	15
Total - Corporate tenants ²				5
Total leases				20
<p>Note 1: Results do not include tenant lease renewals or changes of unit within the building.</p> <p>Note 2: Includes furnished suite operators, private companies, embassies, etc., for which leasing activity statistics are not kept.</p>				

27. The rental activity statistics reflect an increase in the number of inquiries and prospect visits since December 2013, as outlined below:

Club Sommet - Leasing Activity Statistics						
	Inquiries	Visits by qualified prospects	Applications	Leases signed Individual tenants ¹	Leases signed Corporate tenants ²	Total leases signed
December 2013	99	29	4	4	-	4
January 2014	135	60	8	5	-	5
February 2014	253	112	10	2	5	7
March 2014	209	70	7	4	-	4
	<u>696</u>	<u>271</u>	<u>29</u>	<u>15</u>	<u>5</u>	<u>20</u>

Note 1: Results do not include tenant lease renewals or changes of unit within the building.
Note 2: Includes furnished suite operators, private companies, embassies, etc., for which leasing activity statistics are not kept.

28. The Company signed 20 new leases from December 1 to March 31, 2014, including two (2) new leases in the 10-day period subsequent to the issuance of the Initial Order (March 21 to 31, 2014). Five (5) of these new leases, which were signed with a furnished suites operator (CAM Executive Suites), replaced similar leases which expired in March and April 2014.

Club Sommet							
New leases signed - December 1, 2013 to March 31, 2014							
Unit #	Description	Square footage	Monthly rent	Monthly rent as per CBRE rent roll	Date signed	Starting date	Nb of months
Signed in December 2013							
210	1 BD	581	\$ 1,400	\$ 1,400	18-Dec-13	1-Jan-14	12
117	LG 2 BD	905	2,600	2,600	28-Dec-13	1-Jan-14	12
217	STUDIO	450	1,284	1,284	30-Dec-13	1-Jan-14	6
1003	STUDIO	429	1,284	1,284	30-Dec-13	1-Jan-14	12
Signed in January 2014							
225	LG 1 BD	679	1,663	1,663	7-Jan-14	1-Feb-14	11
409	STUDIO	450	1,275	1,275	8-Jan-14	1-Feb-14	3
1608	STUDIO	486	2,001	2,001	17-Jan-14	1-May-14	24
1403	STUDIO	429	1,500	1,500	28-Jan-14	1-Feb-14	6
406	LG 1 BD	799	1,725	1,725	31-Jan-14	1-Mar-14	12
Signed in February 2014							
501	LG 1 BD	679	1,625	1,625	20-Feb-14	1-Apr-14	12
1014	LG 1 BD	815	1,850	1,850	20-Feb-14	1-Apr-14	12
1404	3 BD	815	1,850	1,850	20-Feb-14	1-Apr-14	12
1614	LG 1 BD	815	1,850	1,850	20-Feb-14	1-Apr-14	12
1707	STUDIO	456	1,585	1,370	27-Feb-14	1-Mar-14	7
1714	LG 1 BD	815	1,850	1,850	20-Feb-14	1-Mar-14	13
1719	STUDIO	456	1,500	1,430	27-Feb-14	1-Mar-14	12
Signed in March 2014							
209	STUDIO	450	1,425	1,430	7-Mar-14	1-Sep-14	12
503	STUDIO	429	1,275	1,290	13-Mar-14	1-Apr-14	3
1607	STUDIO	456	1,500	1,430	24-Mar-14	1-May-14	12
1717	STUDIO	450	1,475	1,430	24-Mar-14	1-Sep-14	8
			\$32,517	\$ 32,137			
Note 1: Results do not include tenant lease renewals or changes of unit within the building.							

29. Leases signed during the 4-month period ended March 31, 2014 were priced consistently with the lease rates utilized by CBRE Valuation and Advisory Services in its Property valuation analysis, as outlined in their report dated March 10, 2014.
30. As of April 1, 2014, the Company reported a total of 174 leases in effect, a net increase of three (3) leases over March 2014, resulting in an occupancy rate of 60%. The following summary outlines the monthly roll-forward of Club Sommet leases between December 1, 2013 and April 1, 2014.

Club Sommet Lease roll forward December 1, 2013 to April 1, 2014						
	Dec-14	Jan-14	Feb-14	Mar-14	Apr-14	Total
Member tenants - previous month	154	158	155	157	146	154
Leases added	7	4	3	3	6	23
Departures	(3)	(7)	(1)	(14)	(3)	(28)
Total member tenants - current month	158	155	157	146	149	149
Legacy tenants	25	25	25	25	25	25
Total tenants	183	180	182	171	174	174
Occupancy rate	63%	62%	63%	59%	60%	60%

- The total of 174 leases in effect as of April 1, 2014 is slightly below the occupancy level of 178 tenants reflected in the Projections.

SOLICITATION PROCESS

31. In parallel to the implementation of the Lease-Up Program, the Petitioners intend to implement a solicitation process to attract potential investors and purchasers in respect of the Property, either to sell the Property or refinance it (hereinafter the "Solicitation Process").
32. Since the issuance of the Initial Order, the Petitioners have worked with CBRE Capital Markets - National Apartment Group (hereinafter "CBRE") to establish the best approach for the Solicitation Process to be implemented in respect to the Property.
33. On April 10, 2014, CBRE submitted to the Petitioners and the Monitor a "Proposal for Marketing Representation", which outlines a proposed Solicitation Process to be conducted over a period of approximately four (4) months, with a bid deadline set for May 30, 2014, and a closing deadline set for August 20, 2014.

34. CBRE has extensive experience in the marketing and the selling of comparable real estate and the Monitor believes that the CBRE proposal outlines the optimal method to conduct the Solicitation Process, generate interest in the Property, and maximize proceeds from the sale or refinancing of the Property.
35. A teaser has been prepared by CBRE, which it intends to forward to potential bidders upon issuance of the orders sought in the Motion Seeking the Extension of the Initial Order.

ACTIVITIES OF THE MONITOR

36. The Monitor's activities since the issuance of the Initial Order (March 21, 2014) have included the following:
 - In accordance with the Initial Order, a copy of the Initial Order and a list of creditors were posted on the Monitor's website on March 25th and 28th, 2014, respectively;
 - On March 28, 2014, the Monitor sent to all of the Petitioners' known creditors, a notice advising them of the granting of the Initial Order and referring them to the Monitor's website; and
 - In accordance with the Initial Order, notices of the CCAA filing were published in La Presse and The Globe and Mail newspapers on April 2nd and 9th, 2014.
37. The Monitor has been at the Property on several occasions, and communicated regularly with the Petitioners' Management personnel in Toronto, to carry out its duties including the requirement to monitor: i) the Petitioners' cash flow, ii) the status of the Lease-Up Program, and iii) the development and progress of the Solicitation Process. As well, the Monitor has had numerous meetings and held frequent conference calls with Management and legal counsel with a view to keeping all parties apprised of material developments.
38. The Monitor has responded to queries from the Petitioners' unsecured creditors.
39. The Monitor reviewed the Petitioners' financial affairs and results.
40. The Monitor drafted this Report and reviewed material to be filed by the Petitioners herewith.
41. The Monitor has attended to other administrative and statutory matters relating to the Monitor's administration of this mandate.

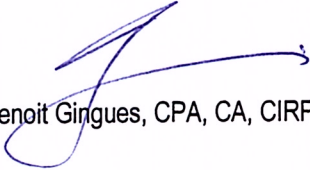
REQUEST FOR EXTENSION

42. At the present time, it is premature for the Petitioners to devise a Plan of Arrangement and present same to its creditors. The Petitioners are seeking an extension to June 6, 2014 ("Additional Period") in order to continue the implementation of the Lease-Up Program and initiate the Solicitation and Sale Process as outlined in previous sections of this report.
43. The Petitioners have been paying in due course for all goods and services received subsequent to the date of filing of the CCAA.
44. Considering the Petitioners' cash flow projections for the period between March 1, 2014 and August 31, 2014, the reported cash flow results to date and current financial position, as well as the availability of the Interim Financing, the Petitioners are in a position to continue their operations on a going concern basis during the Additional Period.
45. The Petitioners' Management has, and continues to act in good faith, with due diligence and has been cooperating with all stakeholders involved in this process, including but not limited to the Monitor and the Company's creditors.
46. The Solicitation Process proposed by CBRE suggests an anticipated bid deadline by the end of May 2014.
47. The Monitor is supporting the extension of the Initial Order until June 6, 2014, for the above noted reasons.
48. The Court should grant this extension as:
 - The Petitioners have and continue to act in good faith and with diligence;
 - The Petitioners need additional time in order to continue the implementation of the Lease-Up Program and Solicitation Process;
 - The Petitioners have not prejudiced their creditors as they have paid for post-filing liabilities incurred since the date of filing and the Projections indicate that they will continue to do so;

- The extension sought will not materially prejudice any of the secured creditors. To the contrary, it will allow for the Petitioners to have a market value indication of the Property for the benefit of all the Petitioners' creditors and stakeholders.

Respectfully submitted at Montreal, this 11th day of April, 2014.

Richter Advisory Group Inc.
Monitor



Benoit Gingues, CPA, CA, CIRP

EXHIBIT A

CANADA
Province of Quebec
District of: Montréal
Court No.: 500-11-046282-147

SUPERIOR COURT
(Commercial Division)
Companies' Creditors Arrangement Act
RSC 1985, c C-36, as amended

**Proposed Monitor's Report on Cash-Flow Statement
(Paragraph 10(2)b) of the Act)**

**In the matter of the Petition for the Issuance of an Initial Order
(Articles 4, 5 and 11 of the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 ("CCAA"))
with respect to
**Casperdiny IFB Realty Inc.
Of the City of Montréal in the Province of Quebec****

The attached statement of projected cash flow of Casperdiny IFB Realty Inc., as of the 11th day of March 2014, consisting of the period from March 1, 2014 to August 31, 2014 has been prepared by representatives of Asta Corporation Inc. (hereinafter "Management"), a real estate services firm engaged to manage the day-to-day operations of the insolvent person for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by Management of the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by management for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,


- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Montréal, in the Province of Québec, this 18th day of March 2014.

Richter Advisory Group Inc. – Proposed Monitor
Per:


Benoit Gingues, CPA, CA, CIRP
1981 McGill College Avenue, 12th Floor
Montréal QC H3A 0G6
Telephone: 514.934.3440 Facsimile: 514.934.3504

CANADA
Province of Quebec
District of: Montréal
Court No.: 500-11-046282-147

SUPERIOR COURT
(Commercial Division)
Companies' Creditors Arrangement Act
RSC 1985, c C-36, as amended

Proposed Monitor's Report on Cash-Flow Statement - Attachment
(Paragraph 10(2)b) of the Act)

In the matter of the Petition for the Issuance of an Initial Order
(Articles 4, 5 and 11 of the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 ("CCAA")
with respect to
Casperdiny IFB Realty Inc.

Purpose:

Casperdiny IFB Realty Inc. is filing a Petition for the Issuance of an Initial Order pursuant to the *Companies' Creditors Arrangement Act* on March 18, 2014.

The purpose of this Statement of Projected Cash Flow is to present the estimated cash receipts and disbursements of the Company for the period from March 1, 2014 to August 31, 2014 relating to the filing of a Petition for the Issuance of an Initial Order under the *Companies' Creditors Arrangement Act* on March 18, 2014. This Statement of Projected Cash Flow has been prepared, on March 11, 2014, by representatives of Asta Corporation Inc. (hereinafter "Management"), a real estate services firm engaged to manage the day-to-day operations of the Company, based on available financial information at that date in accordance with Section 10(2)b) of the *Companies' Creditors Arrangement Act*. Readers are cautioned that this information may not be appropriate for other purposes.

Projection Notes:

The Statement of Projected Cash-Flow has been prepared using probable assumptions supported and consistent with the plans of the Company for the period March 1, 2014 to August 31, 2014, considering the economic conditions that are considered the most probable by Management.

As the cash-flow is based upon various assumptions regarding future events and circumstances, variances will exist and said variances may be material. Accordingly, we express no assurance as to whether the projections will be achieved.

Assumptions:

- a) **Interim Financing Facility:** On March 10, 2014 the Company entered into an agreement with its majority shareholder to provide \$2.2 million of priority ranking Interim Financing ("DIP Loan"), as outlined in a forthcoming petition to the court seeking an initial order pursuant to the *Companies' Creditors Arrangement Act*, and approval of the proposed DIP Loan. The Cash Flow Projection assumes that the DIP Loan will be approved and funded to the Company in March 2014.
- b) **Projected Cash Receipts:** The projected cash receipts are estimated by Management, based upon the current rent roll and collection experience of the Company, reflecting a 17% increase in occupancy over 6 months in line with Management's expected results relative to its new leasing strategy
- c) **Projected Cash Disbursements:** The projected cash disbursements are based upon historical data adjusted to reflect the current level of activity and best estimates of the Company, as well as costs related to the restructuring process, lease-up program and solicitation process for sale of the property. The cash disbursements do not provide for the payment of arrears to unsecured creditors.

Dated at the City of Montréal, in the Province of Quebec, this 18th day of March 2014.

Richter Advisory Group Inc. – Proposed Monitor
Per:


Benoit Gingues, CPA, CA, CIRP

CANADA
Province of Quebec
District of: Montréal
Court No.: 500-11-046281-149

SUPERIOR COURT
(Commercial Division)
Companies' Creditors Arrangement Act
RSC 1985, c C-36, as amended

**Proposed Monitor's Report on Cash-Flow Statement
(Paragraph 10(2)b) of the Act)**

**In the matter of the Petition for the Issuance of an Initial Order
(Articles 4, 5 and 11 of the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 ("CCAA"))
with respect to
**Les Appartements Club Sommet Inc.
Of the City of Montréal
In the Province of Quebec****

The attached statement of projected cash flow of Les Appartements Club Sommet Inc., as of the 11th day of March 2014, consisting of the period from March 1 to August 31, 2014, has been prepared by representatives of Asta Corporation Inc. (hereinafter "Management"), a real estate services firm engaged to manage the day-to-day operations of the insolvent person for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by Management of the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by Management for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,


- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Montréal in the Province of Quebec, this 18th day of March 2014.

Richter Advisory Group Inc. – Proposed Monitor
Per:


Benoit Gingues, CPA, CA, CIRP
1981 McGill College Avenue, 12th Floor
Montréal QC H3A 0G6
Telephone: 514.934.3440 Facsimile: 514 934.3504

CANADA
Province of Quebec
District of: Montréal
Court No.: 500-11-046281-149

SUPERIOR COURT
(Commercial Division)
Companies' Creditors Arrangement Act
RSC 1985, c C-36, as amended

Proposed Monitor's Report on Cash-Flow Statement - Attachment
(Paragraph 10(2)b) of the Act)

In the matter of the Petition for the Issuance of an Initial Order
(Articles 4, 5 and 11 of the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 ("CCAA")
with respect to
Les Appartements Club Sommet Inc.

Purpose:

Les Appartements Club Sommet Inc. ("Club Sommet" or the "Company") is filing a Petition for the Issuance of an Initial Order pursuant to the *Companies' Creditors Arrangement Act* on March 18, 2014. The purpose of this Statement of Projected Cash Flow is to present the estimated cash receipts and disbursements of Les Appartements Club Sommet Inc. (the "Company"), for the period March 1 to August 31, 2014, relating to the filing of a Petition for the Issuance of an Initial Order under the *Companies' Creditors Arrangement Act* on March 18, 2014. This Statement of Projected Cash Flow has been prepared by representatives of Asta Corporation Inc. (hereinafter "Management"), a real estate services firm engaged to manage the day-to-day operations of the Company, on March 11, 2014 based on available financial information at that date in accordance with Section 10(2)b) of the *Companies' Creditors Arrangement Act*. Readers are cautioned that this information may not be appropriate for other purposes.

Projection Notes:

The Statement of Projected Cash Flow has been prepared using probable assumptions supported and consistent with the plans of the Company for the period March 1 to August 31, 2014, considering the economic conditions that are considered the most probable by Management. As the cash flow is based upon various assumptions regarding future events and circumstances, variances will exist and said variances may be material. Accordingly, we express no assurance as to whether the projections will be achieved.

Assumptions:

- a) **Interim Financing Facility:** On March 10, 2014 the Company's parent, Casperdiny IFB Realty Inc., entered into an agreement with its majority shareholder to provide \$2.2 million of priority ranking Interim Financing ("DIP Loan"), as outlined in a forthcoming petition to the court seeking an initial order pursuant to the *Companies' Creditors Arrangement Act*, and approval of the proposed DIP Loan. The Cash Flow Projection assumes that Casperdiny will continue to fund the operating expenditures the DIP Loan will be approved and funded to the Company's parent in March 2014.
- b) **Projected Cash Receipts:** Les Appartements Club Sommet Inc. is a wholly owned subsidiary of Casperdiny IFB Realty Inc., and has no revenues other than fees charged to its parent company to cover its expenses. The Cash Flow Projections assume that Casperdiny will continue to fund all operating expenses of the Company during the period.
- c) **Projected Cash Disbursements:** The projected cash disbursements are based upon historical data adjusted to reflect the current level of activity and best estimates of the Company, and reflect the impact of the lease-up program for the building implemented by Management. The cash disbursements do not provide for the payment of arrears to unsecured creditors.

Dated at the City of Montréal in the Province of Quebec, this 18th day of March 2014.

Richter Advisory Group Inc. – Proposed Monitor
Per:


Benoit Girgues, CPA, CA, CIRP

CANADA
Province of Quebec
District of: Montréal
Court No.: 500-11-046282-147

SUPERIOR COURT
(Commercial Division)
Companies' Creditors Arrangement Act
RSC 1985, c C-36, as amended

Report on Cash-Flow Statement by the Debtor Company
(Paragraph 10(2)b) of the Act)

In the matter of the Petition for the Issuance of an Initial Order
(Articles 4, 5 and 11 of the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 ("CCAA"))
with respect to
Casperdiny IFB Realty Inc.
Of the City of Montréal
In the Province of Quebec

Representatives of Asta Corporation Inc. (hereinafter "Management"), a real estate services firm engaged to manage the day-to-day operations of Casperdiny IFB Realty Inc., has developed the assumptions and prepared the attached statement of projected cash flow of the debtor company, as of the 11th day of March 2014, consisting of the period from March 1, 2014 to August 31, 2014.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Toronto, in the Province of Ontario, this 18th day of March 2014.


Casperdiny IFB Realty Inc.
Debtor

Diana Mason-Stefanovic, Secretary Vice-President
Name and Title of signing officer

CANADA
Province of Quebec
District of: Quebec
Court No.: 500-11-046282-147

SUPERIOR COURT
(Commercial Division)
Companies' Creditors Arrangement Act
RSC 1985, c C-36, as amended

Report on Cash-Flow Statement by the Debtor Company - Attachment
(Paragraph 10(2)b) of the Act)

In the matter of the Petition for the Issuance of an Initial Order
(Articles 4, 5 and 11 of the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 ("CCAA")
with respect to
Casperdiny IFB Realty Inc.

Purpose:

Casperdiny IFB Realty Inc. is filing a Petition for the Issuance of an Initial Order pursuant to the *Companies' Creditors Arrangement Act* on March 18, 2014.

The purpose of this Statement of Projected Cash Flow is to present the estimated cash receipts and disbursements of IFB Realty Inc. (the "Company"), for the period March 1 to August 31, 2014, relating to the filing of a Petition for the Issuance of an Initial Order under the *Companies' Creditors Arrangement Act* on March 18, 2014. This Statement of Projected Cash Flow has been prepared, on March 11, 2014, by representatives of Asta Corporation Inc. (hereinafter "Management"), a real estate services firm engaged to manage the day-to-day operations of the Company, based on available financial information at that date in accordance with Section 10(2)b) of the *Companies' Creditors Arrangement Act*. Readers are cautioned that this information may not be appropriate for other purposes.

Projection Notes:

The Statement of Projected Cash-Flow has been prepared using probable assumptions supported and consistent with the plans of the Company for the period March 1, 2014 to August 31, 2014, considering the economic conditions that are considered the most probable by Management. As the cash-flow is based upon various assumptions regarding future events and circumstances, variances will exist and said variances may be material. Accordingly, we express no assurance as to whether the projections will be achieved.

Assumptions:

- a) **Interim Financing Facility:** On March 10, 2014 the Company entered into an agreement with its majority shareholder to provide \$2.2 million of priority ranking Interim Financing ("DIP Loan"), as outlined in a forthcoming petition to the court seeking an initial order pursuant to the *Companies' Creditors Arrangement Act*, and approval of the proposed DIP Loan. The Cash Flow Projection assumes that the DIP Loan will be approved and funded to the Company in March 2014.
- b) **Projected Cash Receipts:** The projected cash receipts are estimated by Management, based upon the current rent roll and collection experience of the Company, reflecting a 17% increase in occupancy over 6 months in line with Management's expected results relative to its new leasing strategy.
- c) **Projected Cash Disbursements:** The projected cash disbursements are based upon historical data adjusted to reflect the current level of activity and best estimates of the Company, as well as costs related to the restructuring process, lease-up program and solicitation process for sale of the property. The cash disbursements do not provide for the payment of arrears to unsecured creditors.

Dated at the City of Toronto, in the Province of Ontario, this 18th day of March 2014.


Casperdiny IFB Realty Inc.
Debtor

Diana Mason-Stefanovic, Secretary Vice-President
Name and Title of signing officer

CANADA
Province of Quebec
District of: Montréal
Court No.: 500-11-046281-149

SUPERIOR COURT
(Commercial Division)
Companies' Creditors Arrangement Act
RSC 1985, c C-36, as amended

Report on Cash-Flow Statement by the Debtor Company
(Paragraph 10(2)b) of the Act)

In the matter of the Petition for the Issuance of an Initial Order
(Articles 4, 5 and 11 of the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 ("CCAA")
with respect to
Les Appartements Club Sommet Inc.
Of the City of Montréal
In the Province of Quebec

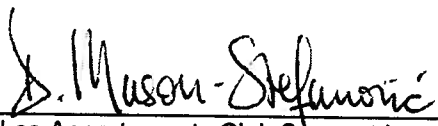
Representatives of Asta Corporation Inc. (hereinafter "Management"), a real estate services firm engaged to manage the day-to-day operations of Les Appartements Club Sommet Inc., has developed the assumptions and prepared the attached statement of projected cash flow of the debtor company, as of the 11th day of March 2014, consisting of the period from March 1 to August 31, 2014.

The hypothetical assumptions are reasonable and consistent with the purpose of the projections described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the debtor company and provide a reasonable basis for the projections. All such assumptions are disclosed in the notes attached.

Since the projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Toronto, in the Province of Ontario, this 18th day of March 2014.


Les Appartements Club Sommet Inc.
Debtor

Diana Mason-Stefanovic, Secretary Vice-President
Name and Title of signing officer

CANADA
Province of Quebec
District of: Quebec
Court No.: 500-11-046281-149

SUPERIOR COURT
(Commercial Division)
Companies' Creditors Arrangement Act
RSC 1985, c C-36, as amended

Report on Cash-Flow Statement by the Debtor Company - Attachment
(Paragraph 10(2)b) of the Act)

In the matter of the Petition for the Issuance of an Initial Order
(Articles 4, 5 and 11 of the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 ("CCAA"))
with respect to
Les Appartements Club Sommet Inc.

Purpose:

Les Appartements Club Sommet Inc. is filing a Petition for the Issuance of an Initial Order pursuant to the *Companies' Creditors Arrangement Act* on March 18, 2014.

The purpose of this Statement of Projected Cash Flow is to present the estimated cash receipts and disbursements of Les Appartements Club Sommet Inc. (the "Company"), for the period March 1 to August 31, 2014, relating to the filing of a Petition for the Issuance of an Initial Order under the *Companies' Creditors Arrangement Act* on March 18, 2014. This Statement of Projected Cash Flow has been prepared, on March 11, 2014, by representatives of Asta Corporation Inc. (hereinafter "Management"), a real estate services firm engaged to manage the day-to-day operations of the Company, based on available financial information at that date in accordance with Section 10(2)b) of the *Companies' Creditors Arrangement Act*. Readers are cautioned that this information may not be appropriate for other purposes.

Projection Notes:

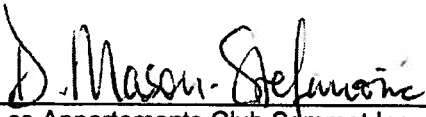
The Statement of Projected Cash Flow has been prepared using probable assumptions supported and consistent with the plans of the Company for the period March 1 to August 31, 2014, considering the economic conditions that are considered the most probable by Management.

As the cash flow is based upon various assumptions regarding future events and circumstances, variances will exist and said variances may be material. Accordingly, we express no assurance as to whether the projections will be achieved.

Assumptions:

- a) **Interim Financing Facility:** On March 10, 2014 the Company's parent, Casperdiny IFB Realty Inc., entered into an agreement with its majority shareholder to provide \$2.2 million of priority ranking Interim Financing ("DIP Loan"), as outlined in a forthcoming petition to the court seeking an initial order pursuant to the *Companies' Creditors Arrangement Act*, and approval of the proposed DIP Loan. The Cash Flow Projection assumes that Casperdiny will continue to fund the operating expenditures the DIP Loan will be approved and funded to the Company's parent in March 2014.
- b) **Projected Cash Receipts:** Les Appartements Club Sommet Inc. is a wholly owned subsidiary of Casperdiny IFB Realty Inc., and has no revenues other than fees charged to its parent company to cover its expenses. The Cash Flow Projections assume that Casperdiny will continue to fund all operating expenses of the Company during the period.
- c) **Projected Cash Disbursements:** The projected cash disbursements are based upon historical data adjusted to reflect the current level of activity and best estimates of the Company, and reflect the impact of the lease-up program for the building implemented by Management. The cash disbursements do not provide for the payment of arrears to unsecured creditors.

Dated at the City of Toronto, in the Province of Ontario, this 18th day of March 2014.


Les Appartements Club Sommet Inc.
Debtor

Diana Mason-Stefanovic, Secretary Vice-President
Name and Title of signing officer

**Casperdiny IFB Realty Inc.
Cash Flow Projections
March 1 to August 31 2014**

	March 2014	April 2014	May 2014	June 2014	July 2014	August 2014	TOTAL
Cash Inflows							
Gross Potential Rent	\$ 511,064	\$ 511,064	\$ 511,064	\$ 511,064	\$ 511,064	\$ 511,064	\$ 3,066,385
Vacancy	(232,302)	(217,902)	(203,502)	(183,702)	(167,502)	(145,902)	(1,150,812)
Parking	17,911	22,811	22,811	22,811	22,811	22,811	131,966
Other Income	2,000	2,000	2,200	2,300	2,400	2,500	13,400
Monthly Rental Revenue	298,673	317,973	332,573	352,473	368,773	390,473	2,060,939
Deposits Collected from New Leases	43,200	50,400	57,600	72,000	64,800	50,400	338,400
Deposits Applied against Rent	(59,663)	(21,708)	(37,297)	(26,700)	(32,850)	(55,678)	(233,896)
Total Cash Inflow from Operations	282,210	346,665	352,876	397,773	400,723	385,195	2,165,443
Cash Outflows							
Leasing and Marketing							
Leasing Salaries	14,000	14,000	14,000	14,000	14,000	14,000	84,000
Leasing Commissions	8,100	10,800	12,600	14,400	18,000	19,800	83,700
Tenant Incentives/Tenant improvements	3,000	9,000	12,000	14,000	16,000	20,000	74,000
Marketing Expenses	12,500	15,000	15,000	15,000	15,000	15,000	87,500
	37,600	48,800	53,600	57,400	63,000	68,800	329,200
Lifestyle							
Lifestyle Salaries	3,000	3,000	3,000	3,000	3,000	3,000	18,000
Lifestyle Expenses (net of related revenues)	3,667	3,667	3,167	3,167	2,667	2,667	19,002
	6,667	6,667	6,167	6,167	5,667	5,667	37,002
Concierge							
Concierge Expenses	2,850	2,850	2,850	2,850	2,850	2,850	17,100
	2,850	2,850	2,850	2,850	2,850	2,850	17,100
Other Expenses							
Club Sommet Monthly Charge	133,102	150,380	143,343	129,063	119,493	121,692	797,073
Corporate/ Travel	4,000	4,000	4,000	4,000	4,000	4,000	24,000
Administration Salaries	7,028	7,028	7,028	7,028	7,028	7,028	42,166
Laundry Expenses		1,600		1,600		1,600	4,800
Interest/Bank Charges	300	300	300	300	300	300	1,800
Merchant Fees	1,000	1,000	1,000	900	900	750	5,550
	145,430	164,308	155,671	142,891	131,720	135,370	875,389
Total Cash Outflow from Operations	192,546	222,625	218,288	209,308	203,237	212,687	1,258,690
Net Cash Flow from Operations	89,664	124,041	134,589	188,466	197,486	172,509	906,753
Non-Operating Expenses							
Professional Fees - CCAA	30,000	75,000	75,000	75,000	75,000	75,000	405,000
Professional Fees - Transaction Advisory	-	-	30,000	30,000	30,000	30,000	120,000
Project management	39,550	39,550	39,550	39,550	39,550	39,550	237,300
	69,550	114,550	144,550	144,550	144,550	144,550	762,300
Net Cash Flow excluding Interest	20,114	9,491	(9,961)	43,916	52,936	27,959	144,453
Opening Cash Balance	(18,445)	1,669	11,159	1,198	45,113	98,049	(18,445)
Ending Cash Balance	\$ 1,669	\$ 11,159	\$ 1,198	\$ 45,113	\$ 98,049	\$ 126,008	\$ 126,008
Mortgage Interest Funding							
Opening Available for Mortgage Funding	\$ -	\$ 1,814,585	\$ 1,451,668	\$ 1,088,751	\$ 725,834	\$ 362,917	\$ -
DIP Loan Funding	2,177,502	-	-	-	-	-	2,177,502
Mortgage Interest	(362,917)	(362,917)	(362,917)	(362,917)	(362,917)	(362,917)	(2,177,502)
Ending Available for Mortgage Funding	\$ 1,814,585	\$ 1,451,668	\$ 1,088,751	\$ 725,834	\$ 362,917	\$ -	\$ -

D. Mason-Selvaric

Casperdiny IFB Realty Inc.
Cash Flow Projections
March 1 to August 31 2014

	March 2014	April 2014	May 2014	June 2014	July 2014	August 2014	TOTAL
Projected Occupancy Roll-Forward							
Total # units occupied - end of previous month	168	170	178	186	197	206	168
New leases taking occupancy	3	9	12	14	16	20	74
Leases lost to non-renewal	(1)	(1)	(4)	(3)	(7)	(8)	(24)
Net leases added	2	8	8	11	9	12	50
Total # units invoiced for the month	170	178	186	197	206	218	218
Overall Occupancy Rate	58%	61%	64%	68%	71%	75%	75%
March 1 # of vacant units	121						
Total rent on vacant units per rent roll	232,302						
Average rental per vacant unit	1,920						
Discount assumed in forecast	6%						
Avg. assumed rental for new leases	\$ 1,800						

D. Mason-Stefanovic

**Les Appartements Club Sommet
Cash Flow Projections
March 1 to August 31 2014**

	March 2014	April 2014	May 2014	June 2014	July 2014	August 2014	TOTAL
Revenues:							
Caspediny Monthly Charge	\$ 133,102	\$ 150,380	\$ 143,343	\$ 129,063	\$ 119,493	\$ 121,692	\$ 797,073
Total Revenues	<u>133,102</u>	<u>150,380</u>	<u>143,343</u>	<u>129,063</u>	<u>119,493</u>	<u>121,692</u>	<u>797,073</u>
Expenses:							
Property Management							
Management Fees	11,300	11,300	11,300	11,300	11,647	12,379	69,226
Management Offices	3,074	3,074	3,074	3,074	3,074	3,074	18,444
	<u>14,374</u>	<u>14,374</u>	<u>14,374</u>	<u>14,374</u>	<u>14,721</u>	<u>15,453</u>	<u>87,670</u>
Utilities							
Telephone	800	800	800	800	800	800	4,800
Cable Expenses	5,580	5,340	5,580	5,910	6,180	6,540	35,130
Internet Expenses	800	800	800	800	800	800	4,800
Cellphone Expenses	400	400	400	400	400	400	2,400
Wifi Monitoring	1,776	1,776	1,776	1,776	1,776	1,776	10,656
Electricity	10,000	10,000	10,000	10,000	10,000	10,000	60,000
Heat/Hot Water Tank Expense	-	-	-	5,055	-	-	5,055
Gaz Metro	16,279	15,952	12,360	6,855	1,723	2,830	55,999
	<u>35,635</u>	<u>35,068</u>	<u>31,716</u>	<u>31,596</u>	<u>21,679</u>	<u>23,146</u>	<u>178,840</u>
Salaries							
Security Staff	15,000	15,000	15,000	15,000	15,000	15,000	90,000
Superintendent	7,036	7,036	7,036	7,036	7,036	7,036	42,216
Cleaning Staff	4,209	4,209	4,209	4,209	4,209	4,209	25,254
Maintenance Staff	7,946	7,946	7,946	7,946	7,946	7,946	47,676
	<u>34,191</u>	<u>34,191</u>	<u>34,191</u>	<u>34,191</u>	<u>34,191</u>	<u>34,191</u>	<u>205,146</u>
Maintenance & Repairs							
General maintenance & repairs	12,000	12,000	12,000	12,000	12,000	12,000	72,000
	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>72,000</u>
Other Expenses							
Major Expenditures	10,000	10,000	10,000	10,000	10,000	10,000	60,000
Office Expenses	650	650	650	650	650	650	3,900
Interest/Bank Charges	500	500	500	500	500	500	3,000
Superintendent Unit	1,954	1,954	1,954	1,954	1,954	1,954	11,724
	<u>13,104</u>	<u>13,104</u>	<u>13,104</u>	<u>13,104</u>	<u>13,104</u>	<u>13,104</u>	<u>78,624</u>
Syndicate Fees							
Contribution to Syndicate	23,798	23,798	23,798	23,798	23,798	23,798	142,788
Contingency Funds	-	17,845	14,160	-	-	-	32,005
	<u>23,798</u>	<u>41,643</u>	<u>37,958</u>	<u>23,798</u>	<u>23,798</u>	<u>23,798</u>	<u>174,793</u>
Total Expenses	<u>133,102</u>	<u>150,380</u>	<u>143,343</u>	<u>129,063</u>	<u>119,493</u>	<u>121,692</u>	<u>797,073</u>
Net Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

J. Mason-Stefanone

EXHIBIT B

Casperdiny IFB Realty Inc.

Comparative Cash Flow for the period March 1 to 31, 2014

	March 1 to 31, 2014 Actual	March 1 to 31, 2014 Projections	Actual vs. Budget Variance	April 1 to 4, 2014 Actual
Cash Inflows				
Rent Revenue	\$ 280,859	\$ 278,762	\$ 2,097	\$ 154,919
Parking	16,278	17,911	(1,633)	1,184
Other Income	687	2,000	(1,313)	-
Total Rent Collected	297,824	298,673	(849)	156,103
Deposits Collected from New Leases	14,025	43,200	(29,175)	-
Deposits Applied against Rent	(58,134)	(59,663)	1,529	(16,868)
Total Cash Inflow from Operations	253,715	282,210	(28,495)	139,235
Cash Outflows				
Leasing and Marketing				
Leasing Salaries	15,835	14,000	(1,835)	-
Leasing Commissions	925	8,100	7,175	-
Tenant incentives/Tenant improvements	5,557	3,000	(2,557)	-
Marketing Expenses	16,369	12,500	(3,869)	-
	38,686	37,600	(1,086)	-
Lifestyle				
Lifestyle Salaries	3,000	3,000	-	-
Lifestyle Expenses (net of related revenues)	6,256	3,667	(2,590)	1,638
	9,256	6,667	(2,590)	1,638
Concierge				
Concierge Expenses	2,800	2,850	50	2,850
	2,800	2,850	50	2,850
Other Expenses				
Club Sommet Monthly Charge	87,498	133,102	45,604	20,947
Corporate	4,240	4,000	(240)	4,125
Administration Salaries	7,038	7,028	(10)	-
Laundry Expenses	-	-	-	-
Interest/Bank Charges	64	300	236	216
Merchant Fees	887	1,000	113	1,076
	99,727	145,430	45,702	26,364
Total Cash Outflow from Operations	150,469	192,546	42,077	30,852
Net Cash Flow from Operations	103,246	89,664	13,582	108,383
Project Expenses				
Professional Fees - CCAA	38,475	30,000	(8,475)	20,782
Professional Fees - Transaction Advisory	-	-	-	-
Contingency	-	-	-	-
Project management	39,550	39,550	-	39,550
	78,025	69,550	(8,475)	60,332
Net Cash Flow excluding Interest	25,221	20,114	5,108	48,051
Opening Cash Balance	(18,445)	(18,445)	-	6,776
Ending Cash Balance	\$ 6,776	\$ 1,669	\$ 5,108	54,827
<u>Mortgage Interest Funding</u>				
Opening Balance - Monitor Trust Account	2,177,502	2,177,502	-	2,178,133
Mortgage Interest Paid	-	(362,917)	362,917	(327,846)
Interest Earned on Funds	631	-	631	1,852
Ending Balance - Monitor Trust Account	2,178,133	1,814,585	363,548	1,852,138

Les Appartements Club Sommet Inc.
Comparative Cash Flow for the period March 1 to 31, 2014

	March 1 to 31, 2014 Actual	March 1 to 31, 2014 Projections	Actual vs. Budget Variance	April 1 to 4, 2014 Actual
Cash Inflows				
Casperdiny Monthly Charge	\$ 87,498	\$ 133,102	\$ (45,604)	\$ 20,947
Total Revenues	<u>87,498</u>	<u>133,102</u>	<u>(45,604)</u>	<u>20,947</u>
Cash Outflows				
Property Management				
Management Fees	11,300	11,300	-	11,300
Management Offices	3,074	3,074	-	3,074
	<u>14,374</u>	<u>14,374</u>	<u>-</u>	<u>14,374</u>
Utilities				
Telephone	-	800	800	818
Cable Expenses	-	5,580	5,580	-
Internet Expenses	100	800	700	285
Cellphone Expenses	100	400	300	516
Wifi Monitoring	1,725	1,776	51	1,879
Electricity	-	10,000	10,000	-
Heat/Hot Water Tank Expense	-	-	-	-
Gaz Metro	1,445	16,279	14,834	-
	<u>3,370</u>	<u>35,635</u>	<u>32,265</u>	<u>3,498</u>
Salaries				
Security Staff	17,007	15,000	(2,007)	-
Superintendant	6,132	7,036	904	-
Cleaning Staff	4,215	4,209	(6)	-
Maintenance Staff	7,684	7,946	262	-
	<u>35,038</u>	<u>34,191</u>	<u>(847)</u>	<u>-</u>
Maintenance & Repairs				
General maintenance & repairs	10,950	12,000	1,050	906
	<u>10,950</u>	<u>12,000</u>	<u>1,050</u>	<u>906</u>
Other Expenses				
Major Expenditures	-	10,000	10,000	-
Office Expenses	-	650	650	141
Interest/Bank Charges	-	500	500	74
Security Expenses	-	-	-	-
Superintendant Unit	1,954	1,954	-	1,954
	<u>1,954</u>	<u>13,104</u>	<u>11,150</u>	<u>2,169</u>
Syndicate Fees				
Contribution to Syndicate	21,812	23,798	1,986	-
Contingency Funds	-	-	-	-
	<u>21,812</u>	<u>23,798</u>	<u>1,986</u>	<u>-</u>
Total Cash Outflows	<u>87,498</u>	<u>133,102</u>	<u>45,604</u>	<u>20,947</u>
Net Cash Flow	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>