

CANADA
 PROVINCE OF QUEBEC
 DISTRICT OF MONTREAL

SUPERIOR COURT
 (Commercial Division)
 (Sitting as a court designated pursuant to the
Bankruptcy and Insolvency Act (the "BIA"),
 R.S.C. 1985, c. B-3)

No.: 500-11-039789-108

**IN THE MATTER OF THE PROPOSAL OF:
 ROYWEST INVESTMENTS LTD.**

Debtor/Petitioner

- and -

RSM RICHTER INC.

Trustee/Interim Receiver

**SECOND MOTION FOR AN EXTENSION OF TIME TO FILE A PROPOSAL
 (Section 50.4(9) of the BIA)**

TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT OR THE REGISTRAR, SITTING IN COMMERCIAL DIVISION, IN AND FOR THE JUDICIAL DISTRICT OF MONTRÉAL, THE DEBTOR RESPECTFULLY SUBMITS THE FOLLOWING:

INTRODUCTION

1. Roywest Investments Ltd. ("Roywest") is a corporation involved in the commercial lending of various real estate projects.
2. By the present motion, Roywest seeks, *inter alia*, a second extension of time for filing the proposal of forty-five (45) days, for the reasons outline below.

PROCEDURAL BACKGROUND

3. On October 28, 2010, Roywest filed a *Notice of Intention to File a Proposal* (the "Notice") pursuant to section 50.4 of the BIA with the Official Receiver, and RSM Richter Inc. ("RSM") was appointed trustee, the whole as appears from the Court record.
4. Within ten (10) days after filing the Notice, Roywest filed a statement of projected cash-flow, reviewed by RSM, thus completing, in the prescribed form, the report on the reasonableness of Roywest's cash-flow statement, the whole as appears from a copy of the cash-flow statement and of the RSM report communicated herewith *en liasse* as **Exhibit R-1**.

EXTENSION OF TIME

5. On November 26, 2010, Roywest presented a First Motion for an Extension of Time to File a Proposal. This Court granted said Motion as per its conclusions, the whole as appears from this Court's record and Roywest is thus required to file a proposal at the latest on January 11, 2011.
6. As of the day of this Motion, Roywest's assets consist mainly of the following (i) a second ranking secured hypothec in condominium project (the "**Project**") located in the municipality of Ste-Adèle and (ii) a second ranking secured hypothec in a piece of land also located in the municipality of Ste-Adèle.
7. Since the filing of the Notice, RSM has prepared a liquidation analysis showing the dividends the unsecured creditors of Roywest could receive in a bankruptcy scenario.
8. RSM transmitted a copy of the above mentioned analysis to Roywest and the major unsecured creditors of Roywest.
9. Since the reception of the analysis, the directors of Roywest are contemplating to finance the proposal that Roywest will file.
10. Serious discussions are currently being held between Roywest and its major creditors to see what would be acceptable to them. Some creditors of Roywest have requested more time to analyze the situation and the liquidation analysis prepared by Richter.
11. As of the date of the present Motion, Roywest is unable to file a final proposal since it is not yet in a position to establish with a reasonable certainty, the amount that will be offered to its unsecured creditors in such proposal.
12. The Holidays have unfortunately slowed down the discussions between Roywest and its creditors.
13. Roywest seeks this extension in order to allow it to file a viable proposal in due course that will satisfy its unsecured creditors.
14. Roywest and RSM consider that Roywest will be able to make a viable proposal if the extension is granted.
15. A copy of Roywest's cash-flow statement and a copy of the report on the state of Roywest's business and financial affairs are communicated herewith *en liasse* as **Exhibit R-2**.

CONCLUSIONS

16. If the extension is granted, Roywest as well as RSM are not aware that any creditor will be materially prejudiced. A bankruptcy could actually be more prejudicial to the creditors.
17. Roywest has acted in good faith and with due diligence.

18. The present motion is well founded in fact and in law.

FOR THESE REASONS, MAY IT PLEASE THE COURT TO:

GRANT the present Second Motion for Extension of Time to File a Proposal;

EXTEND until February 14, 2011 the delay granted to Roywest Investments Ltd. to file its proposal with the Official Receiver.

THE WHOLE, with costs to follow.

MONTREAL, January 6, 2011



DAVIES WARD PHILLIPS & VINEBERG LLP
Attorneys for the Debtor
Roywest Investments Ltd.

AFFIDAVIT

I, the undersigned, Allan Flom, businessman, exercising my occupation at 1310 Greene Avenue, Suite 310, in the City of Westmount, Quebec, solemnly declare the following:

1. I am the Secretary of the Debtor/Petitioner herein and I am duly authorized for purposes hereof;
2. I have taken cognizance of the attached Second Motion for an extension of time to file a Proposal;
3. All the facts alleged in the said motion are true.

AND I HAVE SIGNED

Allan Flom
Allan Flom

Solemnly affirmed before me in Montréal
on the 6th day of January, 2011

Audrey Préfontaine 2958155
Audrey Préfontaine, Attorney

NOTICE OF PRESENTATION

TO: Me Danielle Oiknine
Oiknine & Associés
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Montréal QC H3H 2C2

Counsel for Joseph Sudry and
Oiknine & Associates, Creditors

Me Denis Godbout
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RSM Richter Inc.,
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Montréal, QC H3Z 3C2

Trustee

TAKE NOTICE that the attached *Second Motion for an extension of time to file a Proposal* will be presented for hearing and allowance in room 16.10 at 9:00 a.m. at the Montreal Courthouse, 1 Notre-Dame Street East, Montreal, on January 10, 2011, or so soon thereafter as Counsel may be heard.

DO GOVERN YOURSELF ACCORDINGLY.

MONTREAL, January 6, 2011



DAVIES WARD PHILLIPS & VINEBERG LLP
Attorneys for the Debtor
Roywest Investments Ltd.

No. 500-11-039789-108

S U P E R I O R C O U R T
(Commercial Division)
District of Montréal

**IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF:
ROYWEST INVESTMENTS LTD.**

Debtor/Petitioner

- and -

RSM RICHTER INC.

Trustee/Interim Receiver

**SECOND MOTION FOR AN EXTENSION OF
TIME TO MAKE A PROPOSAL**
(Section 50.4(9) of the *BIA*)

ORIGINAL

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