

CANADA

PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL

No. : 500-11-046281-149

*"Commercial Division"*

SUPERIOR COURT

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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

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**MOTION SEEKING THE EXTENSION OF THE INITIAL ORDER**

*(Companies' Creditors Arrangement Act, R.S.C. (1985), ch. C-36,  
Section 11.02 (hereinafter "CCAA"))*

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**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. On April 15, the Initial Order was extended in its effect by this Honourable Court until May 29, 2014, as appears from the Court record herein;
4. Pursuant to the present Motion, the Debtors will seek from this Honourable Court that:
  - a) The Initial Order be extended in its effects until **July 11, 2014** (hereinafter the "*Additional Period*");
  - b) The Debtor Casperdiny be authorized to use part of the Interim Financing (as defined hereinafter), to fund the Anticipated Operational Deficit (as defined hereinafter);
5. 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*");
6. 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**

7. 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;

8. 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;
9. 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;
10. 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;
11. Timbercreek is the principal secured lender of the Debtors, as appears from the Court record herein;
12. 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;
13. 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**

14. 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”**);
15. Since the issuance of the Initial Order, the Debtors have made 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 under seal in support of the present Motion as **EXHIBIT R-2** (hereinafter the **“Report”**);

**I. THE LEASE UP PROGRAM**

16. 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;
17. 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;
18. As appears from the Monitor's Report (as defined hereinafter), since December 1<sup>st</sup>, 2014, thirty three (33) new leases were entered into;

**II. THE SOLICITATION PROCESS**

19. 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;
20. On April 10, 2014, CBRE submitted to the Debtors and the Monitor a "*Proposal for Marketing Representation*", as appears from the Court record herein (hereinafter the "*CBRE Proposal*");
21. As appears from the CBRE Proposal, CBRE suggested 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 and a closing deadline set for August 20, 2014;
22. 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;
23. On or about April 28, 2014, CBRE sent to potential bidders the following documents (hereinafter the "*Solicitation Documents*"):
  - a) A teaser outlining the investment opportunity in respect to the Property;
  - b) A document entitled "*Terms and Conditions*" outlining the terms and conditions by which any potential bidder must abide in submitting its bid within the Solicitation Process (hereinafter the "*Terms and Conditions*");
  - c) A document entitled "*Confidentiality Agreement*" outlining the terms and conditions pursuant to which the documents and information in respect to the Property were given to the potential bidders (hereinafter the "*Confidentiality Agreement*");

as appears from a copy such Solicitation Documents filed herewith as **EXHIBIT R-3**;

24. Within the Solicitation Process:

- a) Thirty five (35) potential bidders were approached;
- b) Ten (10) potential bidders executed the Terms and Conditions and the Confidentiality Agreement, which gave them access to:
  - I) A virtual data room providing for sensitive and economical information in respect to the Property;
  - II) A Confidential Information Memorandum;

The whole as appears more fully from a copy of a document entitled "*Activity Report*" prepared by CBRE and submitted to Richter in its capacity of Court officer, filed herewith under seal as **EXHIBIT R-4**;

25. As appears from the Solicitation Documents:
- a) The deadline for potential bidders to submit their bid was set for **5:00 on May 26, 2014** (hereinafter the "*Bid Deadline*");
  - b) The deadline for the closing of the contemplated transaction could not be later than September 30, 2014 (hereinafter the "*Closing Deadline*")
26. A copy of the bids received by the Bid Deadline is filed herewith under seal as **EXHIBIT R-5** (hereinafter collectively the "*Bids*");
27. After reviewing and analyzing the Bids, the Debtors with the assistance of CBRE and Richter, decided to accept one of the Bids, subject to this Honourable Court's approval, as appears from a duly executed copy of this accepted bid filed herewith under seal, as **EXHIBIT R-6** (hereinafter the "*Retained Bid*");
28. The contemplated transaction pursuant to the Retained Bid may be summarized as follows (hereinafter the "*Contemplated Transaction*"):
- a) The bidder (hereinafter the "*Retained Bidder*") undertakes to complete its due diligence within thirty (30) days from the issuance of the order sought pursuant hereto;
  - b) The Retained Bidder offers to pay an amount of money in exchange for the transfer of the Property free and clear of any liens, hypothecs or charge pursuant to a vesting order from this Honourable Court;
  - c) The closing date is scheduled for August 1, 2014 (hereinafter the "*Anticipated Closing Date*");
  - d) The Contemplated Transaction is subject to the issuance of a vesting order from this Honourable Court;

29. It appears likely that a transaction allowing for Timbercreek's alleged senior claim, to be paid in full could be completed by August 1, 2014;
30. The Debtors intend to petition this Honourable Court within the Additional Period to obtain leave to complete the Contemplated Transaction in accordance with Section 36 of the Act;

**D. THE EXTENSION OF THE INITIAL ORDER**

31. To allow the Retained Bidder to complete its due diligence and ultimately allow the Debtors to petition this Honourable Court to obtain leave to complete the Contemplated Transaction, the Debtors respectfully submit that the Initial Order should be extended in its effects for the Additional Period, i.e. **July 11, 2014**;
32. The "*Interim Financing Facility Agreement*" entered into between the Debtor Casperdiny and the Mise en cause IFB allows for the monthly interest payments (the "*Monthly Interest Payments*") payable to Timbercreek to be made, as appears from the Court record herein (hereinafter the "*Interim Financing*");
33. To date, the Monthly Interest Payments have been made to Timbercreek in accordance with the cash flow and the Initial Order;
34. As appears from a copy of the DIP Loan entered into between the Debtors and IFB filed herewith as **EXHIBIT R-7** (already forming part of the Court record herein):
  - a) An amount of **\$2,177,502** was advanced by IFB to Richter to allow for the Monthly Interest Payments to be made;
  - b) The purpose of the DIP Loan was to allow for the Debtor Casperdiny to make the Monthly Interest Payments in accordance with the cash flow;
  - c) Each Monthly Interest Payment amounts to **\$362,917**, which means that the **\$2,177,502** advanced by IFB was to allow for the payment of six (6) months' worth of Monthly Interest Payment;
  - d) As such, the amount of **\$2,177,502** was to allow sufficient time to the Debtors to implement the Solicitation Process and complete a transaction at the latest by **September 1, 2014** (hereinafter the "*DIP Loan Deadline*");
35. As appears from a copy of a revised cash flow submitted in support of the Monitor's Report filed herewith as **EXHIBIT R-8** (hereinafter the "*Monitor's Report*"), an operational deficit of approximately **\$300,000** is expected between May 17, 2014 and the Anticipated Closing Date (August 1, 2014) (hereinafter the "*Anticipated Operational Deficit*");
36. Given that the Anticipated Closing Date is scheduled for August 1, 2014, which is thirty (30) days before the DIP Loan Deadline, and given that it is satisfied about the likelihood of completing the Transaction with the Retained Bidder at the latest by the Anticipated

Closing Date, IFB has agreed that an amount of up to \$325,000 of the Interim Financing be used to fund the Anticipated Operational Deficit, as appears from a copy of a document entitled "*Certificate of DIP Advance*" filed herewith as **EXHIBIT R-9** (hereinafter the "*IFB Certificate*");

37. As appears from the revised cash flow projections for the Debtors for the period comprised between May 17, 2014 and August 1, 2014 filed in support of the Monitor's Report, and considering the IFB Certificate and 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**

38. 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;
39. The extension sought hereto will not prejudice any of the Secured Creditors. To the contrary, it will likely allow for the Debtors with the assistance of the Monitor and CBRE to complete a transaction on the Property, maximizing the realization value of the Property, for the benefit of the Debtors' creditors and stakeholders;
40. 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;
41. The Debtors respectfully submit to this Honourable Court that the orders sought pursuant hereto are wholly appropriate;
42. The Monitor supports the issuance of the orders sought pursuant hereto, as appears from the Monitor's Report;
43. The Secured Creditors were duly served with the present Motion;
44. The Debtors respectfully submit that the present Motion should be granted in accordance with the Draft Order;
45. 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, May 28, 2014

*Fasken Martineau DuMoulin*  
\_\_\_\_\_  
**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, M5S 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.

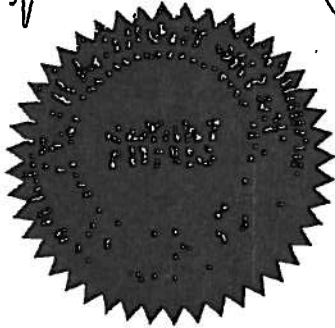
AND I HAVE SIGNED:

*D. Mason-Stefanovic*

DIANA MASON-STEFANOVIC

Solemnly affirmed before me, in Toronto,  
on May 28, 2014

*[Handwritten Signature]*  
Notary Public



**NOTICE OF PRESENTATION**

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

**Monitor**

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

**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: 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: 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 **Thursday, May 29, 2014 at 9:30 a.m.** or so soon thereafter as counsel may be heard, in **Room 16.03** of the Montréal Courthouse, located at 1 Notre-Dame Street East, Montreal, Québec, H2Y 1B6.

**DO GOVERN YOURSELVES ACCORDINGLY.**

Montréal, May 28, 2014

  
**FASKEN MARTINEAU DuMOULIN LLP**  
Attorneys for Debtors

CANADA

"Commercial Division"

PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL

SUPERIOR COURT

No. : 500-11-046281-149  
Estate No: 41-1843847

**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

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**LIST OF EXHIBITS**

- EXHIBIT R-1:** Draft Order.
- EXHIBIT R-2:** Under seal - Monitor's Report.
- EXHIBIT R-3:** Solicitation Documents.
- EXHIBIT R-4:** Under seal - Document entitled "*Activity Report*" prepared by CBRE.
- EXHIBIT R-5:** Under seal - Bids.
- EXHIBIT R-6:** Under seal - Retained Bid.
- EXHIBIT R-7:** DIP Loan.
- EXHIBIT R-8:** Revised cash flow.

**EXHIBIT R-9:** Document entitled "*Certificate of DIP Advance*".

Montréal, May 28, 2014

*Fosco Martineau D. Hali*  
\_\_\_\_\_  
**FASKEN MARTINEAU DuMOULIN LLP**  
Attorneys for Debtors





# EXHIBIT R-1





**SUPERIOR COURT  
(Commercial Division)**

**CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTREAL**

**No. 500-11-046282-147**

**DATE: May 29, 2014**

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**PRESIDING : THE HONOURABLE MARTIN CASTONGUAY, J.C.S.**

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**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.**

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

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**ORDER**

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- [1] **ON READING** the "*Motion seeking the extension of the Initial Order*" (hereinafter the "*Motion*"), the affidavit and the exhibits in support thereof, as well as the report of *Richter Advisory Group Inc.*, dated May 28, 2014;
- [2] **CONSIDERING** the service of the Motion on all interested parties;
- [3] **CONSIDERING** the provisions of the *Companies' Creditors Arrangement Act*, R.S.C. (1985) ch. C-36 (hereinafter the "*CAA*");
- [4] **CONSIDERING** the initial order issued by this Honourable Court on March 21, 2014 (hereinafter the "*Initial Order*");

**FOR THESE REASONS, THE COURT:**

- [5] **GRANTS** the Motion;
- [6] **DECLARES** that sufficient prior notice of the presentation of the Motion has been given by the Debtors to interested parties;
- [7] **EXTENDS** the Initial Order in its effects until **July 11, 2014**;
- [8] **AUTHORIZES** the Debtors to use and **ORDERS** the Monitor to allocate part of the DIP Advances (as defined in the Initial Order) up to an amount of **\$325,000** to fund the anticipated operational deficit to be incurred by the Debtors between May 17, 2014 and August 1, 2014, as outlined by and in accordance with the revised cash flow submitted in support of the Monitor's Report filed as **EXHIBIT R-2** in support of the Motion;
- [9] **ORDERS** that **EXHIBITS R-2, R-4, R-5 and R-6** be filed and kept **under seal** until the issuance of an order from the Honourable Court lifting the seal;
- [10] **ORDERS** the provisional execution of this Order notwithstanding appeal and without the requirement to provide any security or provision for costs.
- [11] **WITHOUT COSTS.**

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Martin Castonguay, j.c.s.

**EXHIBIT R-2**

**(UNDER SEAL)**



**EXHIBIT R-3**



INTRODUCTORY INFORMATION BROCHURE



**CS**  
CLUB SOMMET  
COMMUNITÉ DE LA MONTAGNE

# Club Sommet

3475 DE LA MONTAGNE | MONTREAL, QC

For more information regarding Club Sommet,  
please contact:

The National Apartment Group | Montreal

•• **Benoit Poulin, MBA**  
Senior Vice-President  
NAG - Montreal  
514 905 2142  
benoit.poulin@cbre.com

•• **Marc Hetu**  
Associate Vice-President  
NAG - Montreal  
514 906 0891  
marc.hetu@cbre.com

•• **CBRE Limited**  
Real Estate Agency  
2001 McGill College Avenue  
Suite 2000  
Montreal, QC H3A 1G1

Capital Markets | The National Apartment Group

VANCOUVER   EDMONTON   CALGARY   WINNIPEG   LONDON   KITCHENER   TORONTO   OTTAWA   MONTREAL   SAINT JOHN   HALIFAX

**CBRE**

**THE OFFERING**

CBRE Limited – The National Apartment Group (“CBRE”) has been retained by Casperdiny IFB Realty Inc. and its wholly-owned subsidiary Les Appartements Club Sommet Inc. (collectively the “Vendor”) on an exclusive basis to orchestrate a solicitation process requesting offers (the “Request for Offers”) for 100% freehold interest in one 17-storey concrete multi-residential building totaling 291 apartments. The Property includes:

- :: Club Sommet  
 3475 de la Montagne Street, Montreal, QC  
 Renovated Lot # 3 472 894, Cadastre du Québec

(the “Property” or “Asset” or “Club Sommet”)

**REQUEST FOR OFFERS**

The Request for Offers (Appendix 1) and the resulting sale process are governed by the terms set forth in the document entitled “Confidentiality Agreement” (Appendix 2) to the Request for Offers (the “Confidentiality Agreement”), and are implemented by the Vendor through CBRE Limited (“CBRE”) with the assistance of Richter Groupe Conseil Inc. (“Richter”), acting as Court appointed Monitor to the arrangement proceedings of Casperdiny IFB Realty Inc. and Les Appartements Club Sommet Inc. Capitalized terms not otherwise defined shall have the meaning ascribed to them in the Appendix 1 and Appendix 2, as the case may be.

**QUALIFIED OFFEROR**

The Vendor shall only consider Qualified Offers (as defined hereinafter) from offerors who have provided to CBRE at the latest by the Offer Deadline (as described hereafter) and at the Vendor’s entire satisfaction (each a “Qualified Offeror”) an executed copy (i) of the Confidentiality Agreement and (ii) of the Terms and Conditions.

**CONFIDENTIAL INFORMATION**

Upon request made by the Qualified Offeror to CBRE, and receipt by CBRE and the Vendor of an executed copy of the Appendix 1 and Appendix 2 hereto, the Qualified Offeror shall be granted access to a virtual online data room (the “Data Room Website”) providing information in respect to the Asset, the whole subject to and in accordance with the Confidentiality Agreement. Some information or documentation can only be accessible and consulted physically at the offices of the Vendor and/or their attorneys Fasken Martineau DuMoulin LLP, the whole subject to and in accordance with the Confidentiality Agreement. A Confidential Information Memorandum (the “CIM”) has been created to assist interested parties.

Physical inspections of the Property and consultation of other information only accessible physically, whether at the offices of the Vendor or Fasken Martineau DuMoulin LLP, can be arranged with CBRE by appointment only.



**INQUIRIES & PROPERTY TOURS**

All inquiries regarding the Property including all submissions or any information contained in the CIM or Data Room Website should be directed to the under-noted on behalf of the Vendor. Visits of the Property can only be made with CBRE by appointment. To schedule an appointment, please contact:

- :: Benoit Poulin, MBA**  
Senior Vice-President  
514 905 2142  
benoit.poulin@cbre.com
- :: Marc Hetu**  
Associate Vice-President  
514 906 0891  
marc.hetu@cbre.com

**OFFER DEADLINE**

Qualified Offers must be received in a sealed envelope by Richter at the latest by 5:00 PM (Montreal Time) on May 26, 2014 (the "Offer Deadline"). The sealed envelope must clearly be marked "Offer – Casperdiny IFB Realty Inc. and Les Appartements Club Sommet Inc." and delivered to the address below:

**Richter Groupe Conseil Inc.**  
1981 McGill College Avenue, 12<sup>th</sup> floor  
Montreal, QC H3A 0G6

**FINANCING**

The Property is offered free and clear of mortgage debt, allowing investors to take advantage of today's historically low mortgage financing rates.

**OFFERING PRICE**

Non-priced bid process. The Offer Deadline is 5:00 PM (Montreal Time) on May 26, 2014.

This offering is being made by CBRE Limited, the sole franchisor, and its wholly owned subsidiary, the Corporation ("CBRE"). The information set out herein, including, without limitation, any financial projections, estimates and other financial data, has been prepared by CBRE and CBRE does not warrant, represent or guarantee the accuracy, completeness and timeliness of the information. CBRE does not accept or assume any liability for the information or for any errors or omissions in the information. The information is for informational purposes only and should not be relied upon for investment decisions. The acquisition of the Property or any other asset or interest in the Property may depend on the receipt of financing from third parties. The information is not intended to constitute an offer of securities in any jurisdiction. All other rights of interest in the Property are reserved. All Rights Reserved.



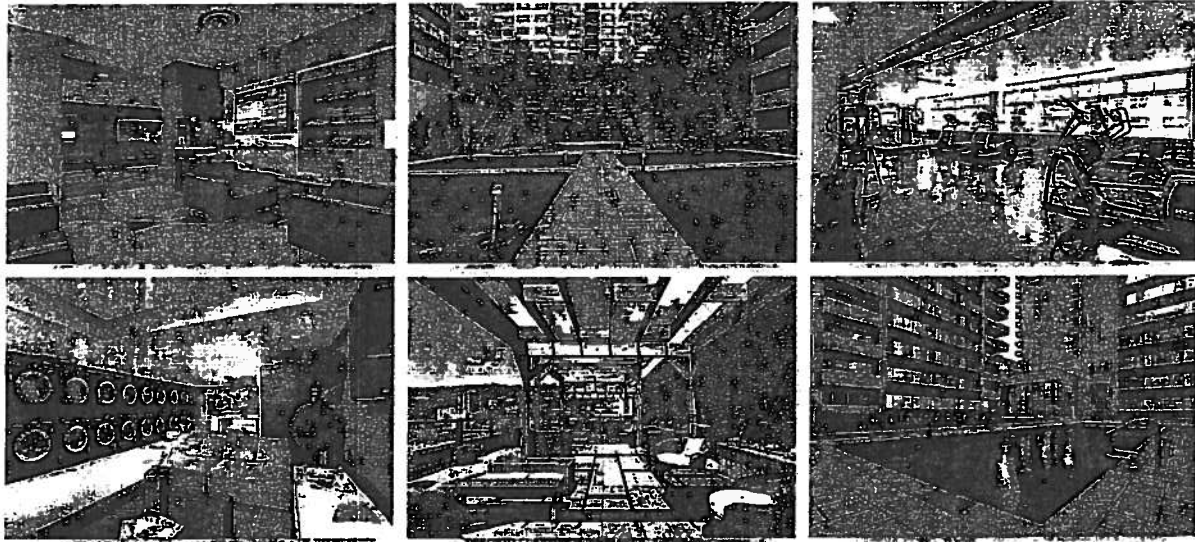
# Club Sommet

3475 DE LA MONTAGNE | MONTREAL, QC

Club Sommet is a 17-storey, 291-suite concrete constructed apartment building located in downtown Montreal's Golden Square Mile. Built in 1971, and retrofitted from 2009 to 2013, this unique rental property features a diversified suite mix, boasting luxury residential apartments with a distinctive and highly sought after address. Club Sommet sits at the foot of Mount Royal, within steps of Montreal's underground public transit system and within close proximity to important demand generators such as McGill University, the central business district of Montreal as well as hundreds of shops and restaurants along Saint-Catherine Street West.

With detailed design and finishes that rival condominiums, the building attracts a tenant base of young professionals, travelling executives, students and single parents. Club Sommet's irreplaceable location, quality and innovative Lifestyle will ensure the property's strong long-term performance.





### INTRODUCING THE "MEMBER" CONCEPT TO MONTREAL

Tenants of Club Sommet are automatically entitled to all of the privileges that come with this modernized boutique-style apartment complex. The members' all-inclusive rent includes all utilities, 24/7 doorman, cable/WiFi, complimentary laundry, and weekday morning coffee and croissants. Also included are the exceptional amenities such as indoor and outdoor swimming pools, sauna, fitness center, yoga room, winter garden lounge, landscaped courtyard with a cascading waterfall, rooftop deck, lobby, lounge, 3-level underground parking, bike and storage locker, dry cleaner, and convenience store. Everything at Club Sommet has been designed to offer a fabulous vibrant urban lifestyle. For a fee, members can enjoy coveted personal Concierge Services such as travel arrangements, housekeeping, a private chef, baby and pet sitting services. In addition, Club Sommet members receive a VIP member card, which allows them to benefit from exclusive offers from partnerships with shops and restaurants, even to the prestigious MAA Club Sportif.



**CLUB SOMMET**  
3475 DE LA MONTAGNE | MONTREAL



**BUILDING TYPE**

The Property is retrofitted with one 17-storey concrete multi-residential building totaling 291 apartments.

**YEAR BUILT**

1971

**AMENITIES AND SERVICES**

- Hotel concierge services
- Doorman 24/7
- Indoor parking
- On-site laundry facility
- Fitness center
- Rooftop terrace with BBQ
- Indoor and outdoor pools

**LOT AREA**

The lot measures approximately 36,835 SF or 3,422 m<sup>2</sup>.

**BUILDING SIZE**

The building measures approximately 209,740.2 SF or 19,485.5 m<sup>2</sup>.

**PARKING**

The Property features 119 indoor parking stalls.

**HEATING, HOT WATER AND AIR CONDITIONING**

Heating is provided by a gas-fired re-circulated hot water system. Air conditioning is provided by a central chiller system. Heating, hot water and air conditioning are paid by the landlord.

**ELECTRICITY**

The Property benefits from a separately metered electrical system with 100-amp breakers of power in each apartment. Electric consumption is paid by the landlord.

**ELEVATOR**

The building is serviced by three 907 kg capacity elevators servicing all floors.

**ROOF**

The roof is flat with a built-up tar and gravel composition with insulation.

**SUITE BREAKDOWN & AVERAGE RENTS**

Rooms	#	%	Area (SF)	Average Rent <sup>1</sup>
Studio (2½)	107	36.8	446	\$1,373
1-Bedroom (3¼)	163	56.0	697	\$1,675
2-Bedroom (4½)	18	6.2	1,049	\$3,217
3-Bedroom (5½)	3	1.0	1,349	\$3,750
<b>Total</b>	<b>291</b>	<b>100.0%</b>	<b>633</b>	<b>\$1,629</b>

<sup>1</sup> Based on the March 2014 rent roll of occupied suites.



Club Sommet | Aerial

**THE BOROUGH OF VILLE-MARIE | STRONG DEMOGRAPHIC TRENDS**

The borough of Ville-Marie has an estimated population of 97,455 residents. Located at the heart of the city of Montreal, the real estate in Ville-Marie is primarily residential with a population density of 7,796.4 persons per square kilometer. Ville-Marie's population growth far exceeds the Montreal Census Metropolitan Area, increasing by 13.9% since 2007 compared to 5.20% for the CMA.

The population of Ville-Marie is diverse. Composed of families, couples, students, and professionals, Ville-Marie's demographic profile and central location forms the foundation of the borough's strong rental market. The area is also extremely culturally diverse with French being the prevalent mother tongue followed by Chinese and Arabic.

According to the latest census, the average household income in Ville-Marie is \$67,008 compared to \$76,157 for the entire Montreal CMA. The borough features an important rental market as 70.9% of the residential real estate is comprised of rented dwellings (38,885 dwellings). The dominant building type consists of apartments (both low and high rise) built before 1946. Club Sommet's quality and ideal location in the heart of the Golden Square Mile attracts an affluent tenant base.

**Demographic Snapshot | Ville-Marie**

Total Population	97,455
Median Age	38.30
Average Persons Per Household	1.69
Average Household Income   Ville-Marie	\$67,008
Average Household Income   Montreal CMA	\$76,157
Owned Dwellings	15,953 (29.1%)
Rented Dwellings	38,885 (70.9%)
Dominant Period of Construction	Before 1946

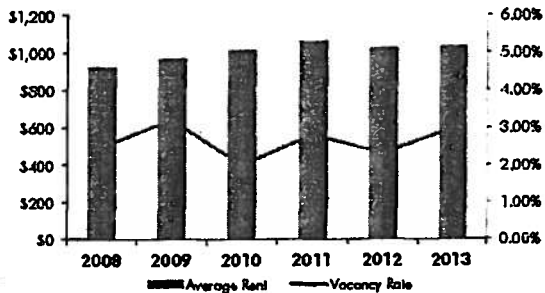
Source: Statistics Canada

**VILLE-MARIE RENTAL MARKET | STRONG FUNDAMENTALS**

As the city's most important rental market, Ville-Marie's vacancy rate has performed consistently during the past 5 years, fluctuating between 2.0% and 3.2% since 2008. According to CMHC's latest rental market report, the Ville-Marie submarket recorded an increase in vacancy from 2.3% in 2012 to 3.0% in 2013. The reduced demand was observed across the board as increases in vacancy were recorded in suites ranging from studios to three-bedroom apartments. Given the area's high rents and increasing concentration of condominiums, the Ville-Marie rental market has nevertheless proven its resilience during a period where many renters could have potentially jumped to homeownership or rent from the rapidly growing rental condo inventory.

In terms of rent growth, the Ville-Marie submarket has performed extremely well as average rental rates have increased by 13.0% since 2008. Pricing marginally improved in 2013, with a 0.7% increase from \$1,025 in 2012 to \$1,032 in 2013. One-bedroom suites, which form 54.6% of Club Sommet's offering, have observed consistent growth over the past 5 years as overall average rents have increased by 11.7%.

**Ville-Marie | Historical Vacancy & Average Rents**



Source: CMHC Rental Market Report (2008 to 2012)

## CBRE LIMITED | Real Estate Agency

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# CBRE

Capital Markets | National Apartment Group

For more information, please contact:

☐ **Benoit Poulin, MBA**  
Senior Vice-President  
NAG - Montreal  
514 905 2142  
benoit.poulin@cbre.com

☐ **Marc Hetu**  
Associate Vice-President  
NAG - Montreal  
514 906 0871  
marc.hetu@cbre.com

☐ **CBRE Limited**  
Real Estate Agency  
2001 McGill College Avenue  
Suite 2000  
Montreal, QC H3A 1G1

VANCOUVER EDMONTON CALGARY WINNIPEG LONDON RICHMOND TORONTO OTTAWA MONTREAL SAINT JOHN HALIFAX

## APPENDIX 1 – REQUEST FOR OFFERS

### IN THE MATTER OF THE ARRANGEMENT OF *CASPERDINY IFB REALTY INC.* AND *LES APPARTEMENTS CLUB SOMMET INC.*

#### TERMS AND CONDITIONS

*Casperdiny IFB Realty Inc.* (“**Casperdiny**”) and its wholly-owned subsidiary *Les Appartements Club Sommet Inc.* (“**Sommet**”, together with Casperdiny the “**Vendors**”) initiated on April 22, 2014, a solicitation process requesting offers for the Assets (as defined hereinafter) (the “**Request for Offers**”) with a view to purchase the Property (as defined hereinafter), either via an acquisition of the shares of either or both of the Vendors or the acquisition of all of the rights and interest of the Vendors in and to the Property.

The Request for Offers and the resulting sale process are governed by the terms and conditions set forth herein (the “**Terms and Conditions**”) and by the terms set forth in the document entitled “**Confidentiality Agreement**” attached as **Appendix 2** to the Request for Offers (the “**Confidentiality Agreement**”), and are implemented by the Vendors through *CBRE Limited* (“**CBRE**”) with the assistance of *Richter Groupe Conseil Inc.* (“**Richter**”) to the arrangement proceedings of Casperdiny and Sommet.

1. **Incorporation of the Request for Offers.** The content of the Request for Offers, of the Confidentiality Agreement and the defined terms therein are an integral part of these Terms and Conditions.
2. **Vendors.** The Vendors are collectively Casperdiny and Sommet.
3. **The Assets.** The following assets that are subject to this Request for Offers (the “**Assets**”) are presented in two options (“**Option A**” and “**Option B**”), one of which must be selected by the offeror, and both of which allow for the acquisition, directly or indirectly, of the Property (as defined hereinafter):
  - **Option A:** the purchase of the Property (as defined hereinafter), through the acquisition of all of Casperdiny’s and Sommet’s rights and interests, on a consolidated basis, in and to the movable and immovable assets relating to said Property;
  - **Option B:** the purchase of the Property (as defined hereinafter), through the acquisition of all the issued and outstanding shares of the capital stock of Casperdiny who owns all shares of the capital stock of Sommet (the “**Shares**”) which Shares are allocated to the apartment units, balcony units, parking units and locker units (some of the locker units were created on a projection basis and are not yet built) and proprietary leases issued in connection therewith (the “**Proprietary Leases**”), or the Shares of



Sommet with a right to obtain Proprietary Leases in the name of the Offeror.

**“Property” means :**

a private portion known and designated as lot number THREE MILLION FOUR HUNDRED SEVENTY-TWO THOUSAND EIGHT HUNDRED NINETY-FOUR (3 472 894) of the Cadastre du Québec, Registration division of Montréal;

-with a building thereon erected defined as Tower C under the declaration of co-ownership executed by Immoparc and Regentor before Mtre Josée Bergeron on the Twenty-Fourth (24<sup>th</sup>) day of March, Two Thousand and Six (2006) and registered at the registry office for the registration division of Montreal under the number 13 145 372 (the **“Declaration of Co-ownership”**) commonly referred to as bearing civic number 3475, **Mountain Street, Montréal, Province of Québec, H3G 2A4;**

-with all that is attached or joined to it and is considered immovable by virtue of the law;

-the share of the common portions appurtenant to this fraction currently set in the Declaration of Co-ownership at a thirty-five percent (35%) undivided right of ownership in the common portions known and designated as lot THREE MILLION FOUR HUNDRED SEVENTY-TWO THOUSAND EIGHT HUNDRED NINETY-ONE (3 472 891) of the Cadastre du Québec, Registration division of Montréal, lot number THREE MILLION FOUR HUNDRED SEVENTY-TWO THOUSAND EIGHT HUNDRED NINETY-FIVE (3 472 895) of the Cadastre du Québec, Registration division of Montréal, lot number THREE MILLION FOUR HUNDRED SEVENTY-TWO THOUSAND EIGHT HUNDRED NINETY-SIX (3 472 896) of the Cadastre du Québec, Registration division of Montréal, lot number THREE MILLION FOUR HUNDRED SEVENTY-TWO THOUSAND EIGHT HUNDRED NINETY-SEVEN (3 472 897) of the Cadastre du Québec, Registration division of Montréal, lot number THREE MILLION FOUR HUNDRED SEVENTY-TWO THOUSAND EIGHT HUNDRED NINETY-EIGHT (3 472 898) of the Cadastre du Québec, Registration division of Montréal and lot number THREE MILLION FOUR HUNDRED SEVENTY-TWO THOUSAND EIGHT HUNDRED NINETY-NINE (3 472 899) of the Cadastre du Québec, Registration division of Montréal; and

-with all rights from and subject to the provisions of the Declaration of Co-ownership, as same may be amended from time to time;

The Vendors reserve the right to limit or exclude from the Request for Offers all or part of the assets constituting the Assets.

4. **Qualified Offeror:** The Vendors shall only consider Qualified Offers (as defined hereinafter) from offerors who have provided to CBRE, at the Vendors' entire satisfaction (each a "**Qualified Offeror**") an executed copy (i) of the Confidentiality Agreement and (ii) of the Terms and Conditions.
5. **Data Room.** Upon request made by the Qualified Offeror to CBRE, the Qualified Offeror shall be granted access to a virtual online data room (the "**Data Room Website**") providing information in respect to the Assets, the whole subject to and in accordance with the Confidentiality Agreement. Some information or documentation can only be accessible and consulted physically at the offices of the Vendors and/or their attorneys *Fasken Martineau DuMoulin LLP*, the whole subject to and in accordance with the Confidentiality Agreement. Physical inspections of the Property and consultation of other information only accessible physically, whether at the offices of the Vendors or *Fasken Martineau DuMoulin LLP*, can be arranged with CBRE by appointment only.

The Qualified Offeror acknowledges that the Vendors are making no representation regarding the content of the documents or information provided or made accessible to the Qualified Offeror or consulted by it in the Data Room Website or at the offices of the Vendors and/or their attorneys *Fasken Martineau DuMoulin LLP* for the purposes of submitting an offer. As well, no representations are made regarding third party opinions supplied as part thereof, and assignability of same, and the Vendors shall incur no liability in connection therewith. Without limiting the generality of the foregoing, any Qualified Offer is submitted by the Qualified Offeror solely on the basis of its own independent judgment, searches, inspections, investigations and testing of same, of the Property. It is incumbent upon the Qualified Offeror, if it wishes so, to obtain the consent from those who have issued and signed such reports and opinions to readdress and have them readdressed to it by them at its costs.

6. **Qualified Offer.** The Vendors shall only consider offers that meet notably the following conditions ("**Qualified Offer**"):
  - (a) It is submitted by a Qualified Offeror;
  - (b) It is submitted by the Offer Deadline (as defined hereinafter);
  - (c) It pertains to the acquisition of the Property, through the selection of either Option A or Option B with respect to the Assets;
  - (d) It indicates who the purchasing entity for the Property shall be, and the purchase price offered in Canadian currency (the "**Purchase Price**");
  - (e) It is accompanied by satisfactory evidence of the Qualified Offeror's ability to consummate the Contemplated Transaction (as defined hereinafter), which allows the Vendors, in consultation with CBRE, to make reasonable determination as to the Qualified Offeror's financial and

other capabilities to complete the Contemplated Transaction (as defined hereinafter);

- (f) It is conditional upon the issuance of a final order from the Court (the “Order”):
  - (i) Authorizing the Vendors to enter into the Contemplated Transaction (as defined hereinafter); and
  - (ii) Transferring the Assets, including the Property, to the Retained Offeror (as defined hereinafter) free and clear of any hypothecs, priorities and other charges;
- (g) It is accompanied by a deposit in an amount of no less than \$500,000 in the form of a certified cheque, irrevocable wire transfer or bank draft payable to *Richter Groupe Conseil Inc. - in trust*, or by an irrevocable standby letter of credit issued by a *Schedule 1 Canadian Chartered Bank* or an irrevocable letter of guarantee issued by *Caisse centrale Desjardins*, to its order payable on sight (the “Deposit”);

**Wire Transfer Information:**

**Bank:** Royal Bank of Canada

**Address:** 1 Westmont Square, Westmount, QC H3Z 2P9

**Beneficiary:** Richter Advisory Group Inc./Richter Groupe Conseil .  
in trust

**Transit No.** 09231

**Account No.:** 100 924 0

**Information required if wire transfer originating from US:** ABA 021000021 (for US)

**Originating from Europe:** Swift CODE NO. ROYCCAT2 (for Europe)

- (h) It provides for a closing of the Contemplated Transaction (as defined hereinafter) by no later than **September 30, 2014** (the “Closing Date”);
- (i) It provides for the following acknowledgement and representations from the Qualified Offeror:
  - (i) The Qualified Offeror acknowledges and recognizes that the Vendors are not professional sellers, and that the Contemplated Transaction (as defined hereinafter), shall be made on an “as is

*where is*” basis, at its own risks and perils, without any representations or warranties of any nature whatsoever, implicit or explicit, legal or conventional, statutory or otherwise, with respect to the Property including any implied warranties of merchantability or fitness for a particular purpose or environmental compliance, as well as any warranty as to the description, quality, condition, value, marketability, fitness for use, boundary lines, area, title or otherwise;

- (ii) The Qualified Offeror has relied solely upon its own independent review, due diligence, investigation and/or inspection of any documents and/or the Property in submitting its offer;
  - (iii) The Qualified Offeror did not rely upon any written or oral statements, representations, warranties, opinions, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Property or the completeness of any information provided in connection therewith;
- (j) Within 5 Business Days (as defined hereinafter) following a written request by CBRE and/or the Vendors to that effect, the Qualified Offeror must be able to provide any other information reasonably requested by CBRE and/or the Vendors, as the case may be, including a justification of his ability to carry out all of the terms and conditions of its offer and of the Contemplated Transaction (as defined hereinafter);
7. **Offer Deadline.** Qualified Offers must be received in a sealed envelope by Richter at the latest by **5:00 PM (Montreal Time) on May 26, 2014** (the “Offer Deadline”). The sealed envelope must clearly be marked “*Offer – Casperdiny IFB Realty Inc. and Les Appartements Club Sommet Inc.*”.
8. **Opening of Qualified Offers.** Qualified Offers will be opened forthwith at Richter’s offices upon expiry of the Offer Deadline and no Offeror shall be allowed to be present at the opening of offers.
9. **Retained Offeror and Contemplated Transaction.** The Vendors, after consultation with Richter, shall determine which of the Qualified Offers, if any, is acceptable and can be retained. That being said, the Vendors may elect to reject any or all Qualified Offers, and nothing herein shall be construed as an obligation from the Vendors to accept any of the Qualified Offers, including the higher. The Qualified Offerors shall be informed in writing at the latest by **5:00 PM (Montreal Time) on June 6, 2014** of the Vendors’ position in respect to their respective Qualified Offer (unless such delay is extended by the Vendors):
- (a) In the event that a Qualified Offer is retained by the Vendors (subject to the issuance of the Order), the Qualified Offeror may receive a notice from Richter (the “Notice”), confirming that the Vendors agree to

negotiate an agreement with respect to the completion of the transaction contemplated pursuant thereto (each a “**Contemplated Transaction**”) with the Qualified Offeror (the “**Retained Offeror**”), the whole subject to the issuance of the Order (the “**Retained Offer**”);

(b) In the event that a Qualified Offer is dismissed, the Qualified Offeror shall receive a notice of dismissal from Richter and the Deposit (without the interest accrued thereon, as the case may be) will be returned forthwith. The Qualified Offeror recognizes and acknowledges that it shall have no recourse against Richter, CBRE and/or the Vendors as a result of the dismissal of its Qualified Offer, save and except in respect to the return of the Deposit (without the interest accrued thereon, as the case may be);

10. **No Compensation.** Whether a Qualified Offer submitted is retained or refused, there will be no compensation for the offeror, including a Retained Offeror, of any type or form for any costs or expenses related to its participation in the Request for Offers.
11. **Definitive Agreement(s).** Following receipt of a Notice, the Retained Offeror, the Vendors and Richter undertake to negotiate in good faith to finalize the definitive agreement(s) necessary to fully effectuate and implement the Contemplated Transaction, the whole subject to the issuance of the Order (the “**Definitive Agreements**”).
12. **Motion to the Court.** The Motion seeking issuance of the Order shall not be filed with the Court record prior to the Definitive Agreement(s) being in final form, as confirmed in writing by the Vendors, Richter and the Retained Offeror.
13. **Closing.** The closing of the Contemplated Transaction(s) shall occur by no later than the Closing Date (the “**Closing**”).
14. **Liability for Taxes.** All applicable duties and taxes that may be payable as a result of or in connection with the Contemplated Transaction, including but not limited to custom duties, federal, provincial or municipal taxes, any sales taxes applicable or payable by reason of the sale of the Assets, including the Property, or the transfer of ownership thereof, and land transfer taxes or mutation taxes, if exigible, shall be paid by the Retained Offeror over and above the Purchase Price. The offeror will remain liable for all such taxes, which liability and obligation will survive any formal closing and transfer of title to the offeror.
15. **Possession.** At the Closing Date, the Retained Offeror shall take possession of the Assets (Option A or Option B), including the Property, on an “as is, where is” basis, at his own cost, risks and payrolls, without any liability on the part of the Vendors.
16. **Title.** Title to the Property subject to the Contemplated Transaction shall not pass to the Retained Offeror nor shall the Retained Offeror be entitled to possession of the Property until the Closing Date provided that the Order has been issued and

that Richter has filed with the Court's record a certificate confirming that the Contemplated Transaction is completed.

17. **Default of a Qualified Offeror.** In the event a Qualified Offeror fails to comply with any of its obligations or undertakings described herein, in the Confidentiality Agreement and/or in its Qualified Offer, it shall indemnify the Vendors and/or Richter, as the case may be, for damages incurred as a result of such default.
18. **Default of the Retained Offeror.** In the event that the Retained Offeror fails to complete the Contemplated Transaction, or breaches in any way the present Terms and Conditions and/or the Confidentiality Agreement:
  - (a) The Retained Offeror shall have been deemed to have waived any rights and interest it may have in the Deposit and to have instructed Richter to remit the Deposit forthwith to the Vendors; and
  - (b) The Vendors and/or Richter, as the case may be, shall be entitled to claim damages against the Retained Offeror in the event that the Deposit is insufficient to cover for the damages suffered in connection thereto;
19. **Assignment of Rights.** Neither a Qualified Offeror nor a Retained Offeror shall transfer or assign any of its rights and/or interests in and to the Qualified Offer and/or the Retained Offer to any third party, except with the explicit written consent from the Vendors. In the event that such consent is given by the Vendors, the Qualified Offeror, the Retained Offeror and the designated assignee shall be solidarily liable for the obligations of the Qualified Offeror and/or the Retained Offeror under the Qualified Offer and/or the Retained Offer.
20. **Notice.** All communications (including, without limitation, all notices, acceptances, consents and approvals) provided for or permitted hereunder shall be in writing, sent by personal delivery, courier or sent by facsimile or electronic transmission at the following coordinates:

**To the Offerors:** at the coordinates indicated in the Offer.

**To Richter:**

**Richter Groupe Conseil Inc.**  
1981 Avenue McGill Collège, 12th floor  
Montreal, Quebec H3A 0G6

Attention: Benoît Gingues  
Telephone: (514) 934-3514  
Email: bgingues@richter.ca

**To CBRE:**

**CBRE Limited**  
**Real Estate Agency**  
2001, avenue McGill College, Suite 2000  
Montréal, Québec H3A 1G1

Attention: Marc Hétu  
Telephone: (514) 906 0891  
Email: marc.hetu@cbre.com

**To the Vendors:**

***Casperdiny IFB Realty Inc. and Les Appartements Club Sommet Inc.***  
555 Richmond St. West  
Suite 504 – PO Box 504  
Toronto, Ontario M5V 3B1 Canada

Attention: Diana Mason-Stefanovic  
Telephone: (416) 364-8257  
Email: dmason@astacorp.com

**with a copy to:**

**Fasken Martineau DuMoulin LLP**  
Stock Exchange Tower, Suite 3700, C.P.242  
800, Place Victoria  
Montréal, Québec, Canada, H4Z 1E9

Attention: Luc Morin  
Telephone: (514) 397-5121  
Facsimile: (514) 397-7600  
Email: lmorin@fasken.com

A notice is deemed to be given and received (i) if sent by personal delivery or same day courier, on the date of delivery if it is a Business Day (as defined hereinafter) and the delivery was made prior to 5:00 p.m. (local time in place of receipt) and otherwise on the next Business Day, (ii) if sent by overnight courier, on the next Business Day, or (iii) if sent by facsimile, email or other similar form of communication, be deemed to have been given and received on the Business Day following the day it was so sent. A party may change its address for service from time to time by providing a notice in accordance with the foregoing. Any subsequent notice must be sent to the party at its changed address. Any element of

a party's address that is not specifically changed in a notice will be assumed not to be changed. Sending a copy of a notice to a party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of said notice to that Party. The failure to send a copy of a notice to legal counsel does not invalidate delivery of that notice to a party.

For the purposes of these Terms and Conditions, "**Business Day**" means any day, other than (i) a Saturday, Sunday or statutory holiday in the Province of Quebec and (ii) a day on which banks are generally closed in the Province of Quebec.

21. **Applicable Law.** These Terms and Conditions shall be governed by and interpreted and enforced in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein, and the Parties attorn to the exclusive jurisdiction of the courts of the Province of Quebec with respect to any legal proceedings or remedies related directly or indirectly to these Terms and Conditions.
22. **Language.** The parties declare that they have agreed that these Terms and Conditions and all documents relating thereto, either present or future, be drawn up in the English language only; *les parties déclarent par les présentes qu'elles ont convenu que cette entente et tous les documents y afférents soient, pour le présent ou le futur, rédigés dans la langue anglaise seulement.*
23. **Delays.** In the event that any delay provided for herein expires on a day other than a Business Day, the delay will be extended to the next Business Day. Time is of the essence of the transactions envisaged by these Terms and Conditions.
24. **Right to Waive or Vary Conditions.** Conditions set forth herein are at the sole benefit of the Vendors and the Vendors reserve their rights to waive or vary any or all of the terms and conditions provided herein.

**READ AND APPROVED**

[NAME] \_\_\_\_\_

Per: [Name and title]  
duly authorized as he (she) so declares



## APPENDIX 2 - REQUEST FOR OFFERS

### IN THE MATTER OF THE ARRANGEMENT OF CASPERDINY IFB REALTY INC. AND LES APPARTEMENTS CLUB SOMMET INC.

#### CONFIDENTIALITY AGREEMENT

You have requested to be provided with certain information regarding *Casperdiny IFB Realty Inc.* (“Casperdiny”) and *Les Appartements Club Sommet Inc.* (“Sommet”, together with Casperdiny the “Vendors”) in connection with a potential transaction with, or involving, the Vendors and pertaining to some or all of the Assets (the “Contemplated Transaction”). As a condition to providing such information to you, we are requiring that you agree, as set forth below, to treat highly confidentially the Evaluation Material that we, or any of Our Representatives provide to you or Your Representatives, whether delivered before or after the date of this letter.

The content of the Request for Offers, of the Terms and Conditions (Appendix 1) and the defined terms therein are an integral part of this Confidentiality Agreement.

For the purposes of this Confidentiality Agreement, the following definitions apply:

“Assets” Either of “Option A” and “Option B”, each of which allow for the acquisition, directly or indirectly, of the Property:

- Option A: all of Casperdiny’s and Sommet’s rights and interests, on a consolidated basis, in and to the movable and immovable assets relating to the Property;
- Option B: all the issued and outstanding shares of the capital stock of Casperdiny who owns all shares of the capital stock of Sommet (the “Shares”) which Shares are allocated to the apartment units, balcony units, parking units and locker units (some of the locker units were created on a projection basis and are not yet built) and proprietary leases issued in connection therewith (the “Proprietary Leases”), or the Shares of Sommet with a right to obtain Proprietary Leases in the name of the Offeror.

“Property” means:

a private portion known and designated as lot number THREE MILLION FOUR HUNDRED SEVENTY-TWO THOUSAND EIGHT HUNDRED NINETY-FOUR (3 472 894) of the Cadastre du Québec, Registration division of Montréal;

-with a building thereon erected defined as Tower C under the declaration of co-ownership executed by Immoparc and Regentor before Mtre Josée Bergeron on the Twenty-Fourth (24th) day of March, Two Thousand and

Six (2006) and registered at the registry office for the registration division of Montreal under the number 13 145 372 (the “**Declaration of Co-ownership**”) commonly referred to as bearing civic number 3475, Mountain Street, Montréal, Province of Québec, H3G 2A4;

-with all that is attached or joined to it and is considered immovable by virtue of the law;

-the share of the common portions appurtenant to this fraction currently set in the Declaration of Co-ownership at a thirty-five percent (35%) undivided right of ownership in the common portions known and designated as lot THREE MILLION FOUR HUNDRED SEVENTY-TWO THOUSAND EIGHT HUNDRED NINETY-ONE (3 472 891) of the Cadastre du Québec, Registration division of Montréal, lot number THREE MILLION FOUR HUNDRED SEVENTY-TWO THOUSAND EIGHT HUNDRED NINETY-FIVE (3 472 895) of the Cadastre du Québec, Registration division of Montréal, lot number THREE MILLION FOUR HUNDRED SEVENTY-TWO THOUSAND EIGHT HUNDRED NINETY-SIX (3 472 896) of the Cadastre du Québec, Registration division of Montréal, lot number THREE MILLION FOUR HUNDRED SEVENTY-TWO THOUSAND EIGHT HUNDRED NINETY-SEVEN (3 472 897) of the Cadastre du Québec, Registration division of Montréal, lot number THREE MILLION FOUR HUNDRED SEVENTY-TWO THOUSAND EIGHT HUNDRED NINETY-EIGHT (3 472 898) of the Cadastre du Québec, Registration division of Montréal and lot number THREE MILLION FOUR HUNDRED SEVENTY-TWO THOUSAND EIGHT HUNDRED NINETY-NINE (3 472 899) of the Cadastre du Québec, Registration division of Montréal; and

-with all rights from and subject to the provisions of the Declaration of Co-ownership, as same may be amended from time to time;

“**Evaluation Material**” includes, without limitation, information relating to the Assets, including the Property, and/or the Vendors, their members, any of their affiliates, in any form whatsoever, transmitted verbally or in any other form whatsoever, including without limitation, (i) all Notes, and (ii) any information concerning a Contemplated Transaction, or its terms and conditions or other facts related thereto, including without limitation, the fact that discussions or negotiations are taking place with respect thereto or the status thereof. The term “**Evaluation Material**” does not include information which (i) currently is or becomes generally available to the public other than as a result of a disclosure by you or Your Representatives, (ii) as evidenced by written records, was or becomes available to you on a non-confidential basis from a source which is not bound by a confidentiality agreement with the Vendors, or otherwise not prohibited by contractual, legal or fiduciary obligation from transmitting the Evaluation Material to you;

“Notes” means all summaries, reports, analyses, compilations, memoranda, notes, extracts, studies or other writings or documents prepared by you or Your Representatives or on your behalf or on behalf of any of Your Representatives to the extent they contain, reflect or are based upon or derived from the Evaluation Material;

“Our Representatives” means the members, directors, officers, partners, employees, agents, advisors and other representatives of the Vendors, its affiliates and/or Richter;

“Request for Offers” means the solicitation process initiated by *CBRE Limited* (“CBRE”) on behalf of the Vendors on or about April 25<sup>th</sup>, 2014 pursuant to which it is seeking the interest of potential offerors for the Assets, including the Property;

“Richter” means *Richter Groupe Conseil Inc.*, in its capacity of monitor appointed to the Vendors’ restructuring proceedings under the *Companies’ Creditors Arrangement Act*;

“Terms and Conditions” refers to the “*Terms and Conditions*” described in Appendix 1 to the Request for Offers;

“Your Representatives” means the directors, officers, partners, employees, agents, advisors and other representatives of you and your affiliates;

1. **Non-Disclosure and Use of Evaluation Material**

You and Your Representatives (i) will keep the Evaluation Material highly confidential and will not disclose any Evaluation Material in any manner whatsoever, in whole or in part, (ii) will not use, directly or indirectly, any Evaluation Material except for the evaluation of the Contemplated Transaction, provided, however, that you may reveal the Evaluation Material or portions thereof to Your Representatives (a) who need to know the Evaluation Material for the purposes of evaluating the Contemplated Transaction, (b) who are informed by you of this agreement and of the confidential nature of the Evaluation Material and (c) who are directed by you to treat the Evaluation Material in a manner consistent with the terms of this agreement and have agreed to in writing to be bound by this agreement. You shall not otherwise use the Evaluation Material for your own benefit or for the benefit of any other person. You agree to use the same level of diligence to protect the Evaluation Material from unauthorized use or disclosure as you use to protect your own confidential or proprietary information, but in no event shall you use less reasonable diligence than any prudent and diligent person would. In particular, you will limit and control copies, extracts and reproductions made of the Evaluation Material and will ensure that any confidentiality or other proprietary rights notices on the Evaluation Material are reproduced on any such copies. You undertake to cause Your Representatives to treat such information contained in the Evaluation Material in accordance with the provisions of this agreement and to perform or to comply with your obligations with respect to the Evaluation Material as contemplated hereby. You agree and acknowledge that you will be fully responsible for any breach of any of the provisions of this agreement by Your Representatives.

2. **Disclosure Required**

In the event that you or Your Representatives should be required, by law or regulation or by legal process, to disclose any Evaluation Material, it is agreed that you will provide the Vendors with

prompt notice of any such request, so that the Vendors may seek an appropriate protective order or other remedy, or consult with you with respect to taking steps to resist or narrow the scope of such request or legal process and/or waive your compliance with the provisions of this agreement. It is further agreed that if, in the absence of a protective order or the receipt of a waiver hereunder, you are nonetheless, in the opinion of outside counsel, compelled to disclose Evaluation Material, or else face liability for contempt or suffer other penalty, you or Your Representatives may disclose only that portion of the Evaluation Material which you are advised, by opinion of your outside counsel, is legally required, provided however that you give the Vendors advance written notice of the Evaluation Material to be disclosed as far in advance of its disclosure as is practical and, at the Vendors' request, seek to obtain assurances that it will be granted confidential treatment.

3. **Return of Documents**

Upon the request of the Vendors or upon termination of discussions between you and the Vendors, (i) you will promptly deliver to the Vendors the Evaluation Material other than the Notes, (ii) you will promptly destroy in a manner satisfactory to the Vendors all Notes and certify such destruction in writing and (iii) you and Your Representatives will immediately cease using access to any virtual data room set up by the Vendors, as the case may be. Any Evaluation Material that cannot be returned or destroyed (including without limitation any oral Evaluation Material) shall remain subject to this Confidentiality Agreement.

4. **Process**

You agree that all (i) communications regarding the Contemplated Transaction, (ii) requests for additional information, meetings or visits, and (iii) discussions or questions regarding procedures with respect to the Contemplated Transaction, will be submitted or directed exclusively to the attention of Richter (Mr Benoît Gingues (514-934-3514- [bgingues@richter.ca](mailto:bgingues@richter.ca))) and CBRE, as applicable in accordance with the Terms and Conditions, and not to the Vendors. For greater certainty, you shall not (and you shall cause Your Representatives not to) contact or attempt to contact any employee, lender, customer, supplier, distributor, franchisee, consultant or representative of the Vendors or its affiliates or any of their respective agents, shareholders or other security holders or any other person having business relations with the Vendors or its affiliates, without the prior written consent of Richter.

5. **No Solicitation**

You and Your Representatives undertake not to solicit, directly or indirectly, nor retain the services of any director, officer or employee of the Vendors or any affiliate for a period of thirty-six (36) months following the end of the discussions related to the Contemplated Transaction, unless (i) You obtain the prior written authorization of the Vendors (which may only be requested through Richter) and of Richter, or (ii) You receive a Notice confirming that you are a Retained Offeror (as these terms are defined in the Terms and Conditions) and You complete the Contemplated Transaction.

6. **No Representation or Warranty**

You understand and acknowledge that neither Richter, the Vendors nor Our Representatives make any express or implied representation or warranty as to the accuracy or completeness of the Evaluation Material or any other information which Richter, the Vendors or Our Representatives shall provide to you or Your Representatives. Nothing herein obligates the Vendors, Richter and/or Our Representatives to complete, revise or update any Evaluation Material. You agree that Richter, the Vendors or Our Representatives shall have no liability to you or Your Representatives resulting from the use of the Evaluation Material by you or Your Representatives or from errors therein or omissions therefrom.

For greater certainty, You also acknowledge that neither Richter, the Vendors nor Our Representatives are making no representation regarding third party opinions supplied as part of the Evaluation Material, and assignability of same, and neither Richter, the Vendors nor Our Representatives shall incur any liability in connection therewith. Without limiting the generality of the foregoing, any offer submitted by You or Your representative is made solely on the basis of Your own independent judgment, searches, inspections, investigations and testing of same, of the Property. It is incumbent upon the You, if You wishes so, to obtain the consent from those who have issued and signed such reports and opinions to readdress and have them readdressed to You by them at Your costs.

7. **Ownership**

You acknowledge that the Evaluation Material remains the property of the Vendors and that the disclosure of such information to you or Your Representatives shall not be deemed to confer upon you or them any rights whatsoever in respect of any part thereof. Neither the agreement nor the disclosure of Evaluation Material hereunder shall be construed as granting any right or license, express or implied, under any copyright, patent, trade secret, or other intellectual property right now or hereafter owned or controlled by Vendors.

8. **Legal Remedy**

You acknowledge that the Vendors would be irreparably harmed if any provision of this agreement is breached by you or Your Representatives, that monetary damages would not be a sufficient remedy for any such breach, and that in addition to all other remedies, the Vendors shall be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach. You further agree to waive, and to cause Your Representatives to waive, any requirement for the securing or posting of any bond in connection with such remedy.

9. **Severability**

If any provision of this agreement is held to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect.

10. **Entire Agreement**

This Confidentiality Agreement constitutes the entire agreement between the parties and supersedes any prior or contemporaneous oral or written representation with respect to the subject matter hereof. This agreement may only be modified by a writing signed by both parties.

11. **Term**

The obligations contained in this agreement shall remain in effect without any time limitation.

12. **Assignment**

Any assignment of this Confidentiality Agreement by you without our prior written consent shall be void.

13. **No Waiver**

It is further understood and agreed that no failure or delay by the Vendors in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.

14. **Language**

The parties declare that they have agreed that this agreement and all documents relating thereto, either present or future, be drawn up in the English language only; *les parties déclarent par les présentes qu'elles ont convenu que cette entente et tous les documents y afférents soient, pour le présent ou le futur, rédigés dans la langue anglaise seulement.*

15. **Governing Law and Jurisdiction**

This agreement shall be governed and construed in accordance with the laws of the Province of Québec and the laws of Canada applicable therein without giving effect to the conflicts of laws principles thereof. Each party hereto irrevocably submits to the exclusive jurisdiction of the courts of the Province of Québec, district of Montréal, with respect to any matter arising hereunder or in relation to this agreement.

\_\_\_\_\_

By: \_\_\_\_\_

\*\*\*

**CONFIRMED AND AGREED TO on this    day of ..... 2014:**

\_\_\_\_\_

**By:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_





**EXHIBIT R-4**

**(UNDER SEAL)**



**EXHIBIT R-5**

**(UNDER SEAL)**



**EXHIBIT R-6**

**(UNDER SEAL)**



# EXHIBIT R-7





**SUMMARY OF TERMS AND CONDITIONS**

WHEREAS the DIP Loan Parties have filed the Motion with the Court:

WHEREAS the Cash Flow filed in support of the Motion indicates that the DIP Borrower needs advance of funds in the amount of the DIP Loan to continue the operations of its business in the normal course after the issuance of the Initial Order, the whole with a view to allow the DIP Loan Parties to implement a solicitation process in respect to their business and assets:

WHEREAS the DIP Lender is prepared to advance the DIP Loan to the DIP Borrower upon issuance of the Initial Order and the Conditions being met to its entire satisfaction, the whole subject to the terms and conditions set forth herein:

**NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:**

<b>DEFINITIONS:</b>	Capitalized terms not otherwise defined herein shall have the following meanings:
“Cash Flow”	means the cash flow for the period comprised between March 1 <sup>st</sup> , 2014 and August 31, 2014, filed in support of the Motion, a copy of which is attached hereto as Schedule “A”;
“CCAA”	means the <i>Companies’ Creditors Arrangement Act</i> , R.S.C. (1985) ch. C-36;
“CCAA Proceedings”	means the restructuring process of the DIP Loan Parties initiated by the Initial Order;
“Court”	means the Commercial Division of the Superior Court of Quebec;
“Conditions”	means, collectively, the conditions precedent provided herein under the section entitled “Conditions”;
“Declaration of Co-Ownership”	of means the declaration of co-ownership executed by Immo Parc Holdings Two Ltd./ Immo Parc Deux Ltée and Regentor IC Holdings Inc./Gestion Regentor IC Inc. before Mtre Josée Bergeron on March 24, 2006, as registered at the registry office for the registration division of Montreal under number 13 145 372;

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“DIP Borrower”	means <i>Casperdine IFB Realty Inc.</i> ;
“DIP Charge”	means the first ranking charge to be constituted by the Court pursuant to the Motion, in favour of the DIP Lender, over the universality of each of the DIP Loan Parties’ property, movable and immovable, corporeal and incorporeal, present and future wherever situated, and ahead of and senior to all other secured and unsecured creditors, interest holders, lien holders, and claimants of any kind whatsoever;
“DIP Real Guarantor”	means <i>Les Appartements Club Sommet Inc.</i> ;
“DIP Lender”	means <i>IFB Beteiligungen AG i.L.</i> ;
“DIP Loan”	means the amount of \$2,177,502 that the DIP Lender is prepared to advance to the DIP Borrower under the terms and conditions set forth herein;
“DIP Loan Parties”	means, collectively, the DIP Borrower and the DIP Real Guarantor;
“Event of Default”	has the meaning ascribed to it herein under the section entitled “ <i>Events of Defaults</i> ”;
“Initial Order”	means the final and executory order to be issued by the Court in accordance with the Motion and providing for, <i>inter alia</i> , the DIP Charge, taking substantially in the form of the draft order filed in support of the Motion;
“Maturity Date”	has the meaning ascribed to it herein under the section entitled “ <i>Maturity Date</i> ”;
“Motion”	means the <i>Motion for the issuance of an Initial Order</i> filed with the Court by the DIP Loan Parties, a copy of which is attached hereto as Schedule “B”;
“Monitor”	means <i>Richter Advisory Group Inc.</i> , acting in its capacity of Monitor pursuant to the CCAA and the Initial Order;
“Monthly Interest Payment”	means the amount of \$362,917 payable by the DIP Borrower to Timbercreek as monthly interest payment, as per the Timbercreek Loan;
“Permitted Liens”	means the liens, hypothecs or charges listed in

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Schedule “C” attached hereto, affecting the assets and properties of the DIP Loan Parties:

“Prime Rate”

means the annual rate of interest established by *National Bank of Canada* as being its reference rate then in effect for determining interest rates for commercial loans denominated in Canadian dollars made in Canada;

“Property”

means the immovable property described as lot THREE MILLION FOUR HUNDRED SEVENTY-TWO THOUSAND EIGHT HUNDRED NINETY-FOUR (3 472 894) of the Cadastre du Québec, Registration division of Montreal, with a building thereon erected defined as Tower C, bearing civic number 3475, Mountain Street, Montreal, Province of Quebec, H3G 2A4, with all that is attached or joined to it and is considered immovable by virtue of the law and including the share of the common portions appurtenant to this fraction currently set in the Declaration of Co-Ownership at a Thirty-five percent (35%) undivided right of ownership in the common portions known and designated as lot THREE MILLION FOUR HUNDRED SEVENTY-TWO THOUSAND EIGHT HUNDRED NINETY-ONE (3 472 891) of the Cadastre du Québec, Registration division of Montréal, lot number THREE MILLION FOUR HUNDRED SEVENTY-TWO THOUSAND EIGHT HUNDRED NINETY-FIVE (3 472 895) of the Cadastre du Québec, Registration division of Montréal, lot number THREE MILLION FOUR HUNDRED SEVENTY-TWO THOUSAND EIGHT HUNDRED NINETY-SIX (3 472 896) of the Cadastre du Québec, Registration division of Montréal, lot number THREE MILLION FOUR HUNDRED SEVENTY-TWO THOUSAND EIGHT HUNDRED NINETY-SEVEN (3 472 897) of the Cadastre du Québec, Registration division of Montréal, lot number THREE MILLION FOUR HUNDRED SEVENTY-TWO THOUSAND EIGHT HUNDRED NINETY-EIGHT (3 472 898) of the Cadastre du Québec, Registration division of Montréal and lot number THREE MILLION FOUR HUNDRED SEVENTY-TWO THOUSAND EIGHT HUNDRED NINETY-NINE (3 472 899) of the Cadastre du Québec, Registration division of Montréal, the whole subject to the Declaration of Co-Ownership;



- “Rents” means, collectively, all present and future amounts payable as rent in relation to the Property.
- “Timbercreek” means *Timbercreek Senior Mortgage Investment Corporation*
- “Timbercreek Loan” means the loan agreement entered into on November 12, 2012 between the DIP Borrower, the DIP Real Guarantor and Timbercreek, as amended on August 14, 2013;

**PURPOSE/USE OF DIP LOAN:** To provide for short-term liquidity needs of the DIP Borrower in accordance with the Cash Flow during the course of the CCAA Proceedings, with a view to allow for the payment of the Monthly Interest Payments

**MATURITY DATE:** The earlier of:

1. thirty (30) days after the issuance of an order by the Court authorizing the DIP Loan Parties to sell substantially all of their assets outside the normal course of business;
2. the appointment of a receiver or an interim receiver pursuant to the *Bankruptcy and Insolvency Act, R.S.C.* against any of the DIP Loan Parties;
3. the bankruptcy of any of the DIP Loan Parties;
4. such earlier date upon which repayment is required due to the occurrence of an Event of Default; and
5. the effective date of the plan of arrangement that may be submitted by the DIP Loan Parties in the context of the CCAA Proceedings.

The DIP Loan shall expire on the Maturity Date and all amounts outstanding under the DIP Loan shall be repaid in full no later than the Maturity Date without the DIP Lender being required to make demand upon the DIP Borrower or to give notice that the DIP Loan has expired and the obligations are due and payable.

**AVAILABILITY OF DIP LOAN:** Upon issuance of the Initial Order and the Conditions being met at the entire satisfaction of the DIP Lender, the DIP Lender shall make available the DIP Loan on the terms and conditions set out herein.

The DIP Loan shall be used by the DIP Borrower exclusively in accordance with the Cash Flow during the course of the CCAA Proceedings, with a view to allow for the payment of the Monthly Interest Payments.

<b>CASH FLOW PROJECTIONS:</b>	The Cash Flow shall be updated by the DIP Borrower, in consultation with the Monitor and the DIP Lender, on a monthly basis. The Cash Flow as updated from time to time shall provide the cash flow projections for the following six (6) months.
<b>RELEVANT MARGIN:</b>	The rate of interest applicable to the DIP Loan shall be the Prime Rate plus 1.25%. The interest shall be capitalized monthly and payable in full on the Maturity Date.
<b>STRUCTURING FEE:</b>	A restructuring fee of \$50,000 shall be fully earned and payable by the DIP Borrower to the DIP Lender upon the occurrence of an Event of Default.
<b>DIP SECURITY:</b>	The DIP Loan and all of the obligations of the DIP Borrower herein shall be guaranteed by the DIP Charge.
<b>MANDATORY REPAYMENTS:</b>	The DIP Loan shall be repaid and the amount of the DIP Loan shall be permanently reduced upon a sale of any of the property, assets or undertakings of any of the DIP Loan Parties out of the ordinary course of business, in an amount equal to the net sale proceeds thereof unless agreed otherwise with the DIP Lender.
<b>CONDITIONS:</b>	<p>The DIP Loan shall be made available once the following conditions precedent shall have been met to the satisfaction of the DIP Lender or, as the case may be, waived by the DIP Lender:</p> <ol style="list-style-type: none"><li>1. the issuance of the Initial Order providing for, <i>inter alia</i>, the DIP Charge;</li><li>2. the DIP Lender shall be satisfied that the DIP Borrower has complied with and is continuing to comply in all material respects with all applicable laws, regulations and policies in relation to its business.</li></ol>
<b>REPRESENTATIONS AND WARRANTIES:</b>	<p>Each of the DIP Loan Parties hereby represents and warrants as of the date hereof to the DIP Lender that the transactions herein:</p> <ol style="list-style-type: none"><li>1. have been duly authorized by all necessary corporate and, if required, partnership or shareholder approval;</li><li>2. have been duly executed and delivered by or on behalf of the DIP Loan Parties;</li><li>3. shall constitute legal, valid and binding obligations of the DIP Loan Parties, enforceable in accordance with their terms;</li><li>4. shall not violate the charter documents or bylaws of any of the DIP Loan Parties or any laws applicable to each of them; and</li><li>5. do not constitute, on the part of the DIP Real Guarantor, any</li></ol>



representation or claim of any right in respect of the Rents, in relation to which the DIP Real Guarantor hereby confirms it does not have any rights.

**AFFIRMATIVE COVENANTS:**

Each of the DIP Loan Parties covenants and agrees to:

1. use reasonable efforts to keep the DIP Lender and the Monitor apprised on a timely basis of all material developments with respect to, respectively, the business and affairs of the DIP Borrower and the general situation of the DIP Real Guarantor;
2. deliver to the DIP Lender the reporting and other information from time to time reasonably requested by the DIP Lender or the Monitor in form and substance satisfactory to the DIP Lender;
3. use the proceeds of the DIP Loan exclusively in accordance with the Cash Flow during the course of the CCAA Proceedings, with a view to allow for the payment of the Monthly Interest Payments;
4. operate the DIP Borrower's businesses and manage the DIP Real Guarantor in the ordinary course of business;
5. preserve, renew and keep in full force its respective corporate existences, its respective material licenses, etc.;
6. forthwith notify the DIP Lender and the Monitor of the occurrence of any Event of Default, or of any event or circumstance that may constitute a material adverse change from the Cash Flow;
7. maintain insurance of such type, in such amounts and against such risks as is consistent with the Declaration of Co-Ownership with financially sound and reputable insurers, including without limitation, to the extent currently in place and capable of being maintained and/or renewed on normal commercial terms, product liability, business interruption, liability and property and directors' and officers' insurance, as the case may be, all in coverage and scope acceptable to the DIP Lender acting reasonably;
8. duly and punctually pay or cause to be paid to the DIP Lender all principal, interest, fees and other amounts payable by it in connection with the DIP Loan on the dates, at the places and in the amounts and manner set forth herein; and
9. comply in all material respects with all applicable laws, rules and regulations applicable to its business, including, without limitation, environmental laws.

**NEGATIVE COVENANTS:**

Each of the DIP Loan Parties covenants and agrees not to do the following other than with the prior written consent of the DIP Lender:

!

1. transfer, lease or otherwise dispose of all or any part of its property, assets or undertaking outside the normal course of business;
2. enter into any transaction with any affiliate or subsidiary or any of its or their directors or senior or executive officers or senior management, or enter into or assume any employment, consulting or analogous agreement or arrangement with any of its or their directors or senior or executive officers or senior management, or make any payment to any of its or their directors or senior or executive officers or senior management, except with the consent of the Monitor and the DIP Lender;
3. make any payments outside the ordinary course of business, subject to the Cash Flow; and
4. create or permit any new liens, hypothecs or charge to be constituted on any of the properties or assets of the DIP Loan Parties other than the DIP Charge and the Permitted Liens.

**EVENTS OF  
DEFAULT:**

The occurrence of any one or more of the following events shall constitute an event of default:

1. the issuance of an order dismissing the Initial Order, terminating or lifting the stay of proceedings provided thereto to permit the enforcement of any right or recourse against any of the DIP Loan Parties;
2. the issuance of an order appointing a Receiver or an interim receiver pursuant to the *Bankruptcy and Insolvency Act*, against any of the DIP Loan Parties;
3. the bankruptcy of any of the DIP Loan Parties;
4. the issuance of an order granting a lien, hypothec or charge against any of the DIP Loan Parties' assets which is superior in ranking to the DIP Charge;
5. failure of any of the DIP Loan Parties to comply with any covenants in this Summary of Terms and Conditions or any documents related thereto;
6. any representation or warranty by the DIP Loan Parties which is incorrect or misleading in any material respect when made; and
7. failure of the DIP Loan Parties to file a plan of reorganization acceptable to the DIP Lender on or before the Maturity Date; or
8. failure by the DIP Loan Parties to confirm in writing no later than thirty (30) days prior to the Maturity Date that it has received one



binding offer satisfactory to the DIP Lender providing for the repayment in full of the DIP Loan at the latest by the Maturity Date.

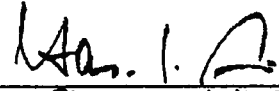
- REMEDIES:** Upon the occurrence of an Event of Default, the DIP Lender may (i) terminate the DIP Loan, (ii) declare the obligations in respect of the DIP Loan to be immediately due and payable, (iii) apply to a court for the appointment of an interim receiver or a receiver and manager of the undertaking, property and assets of the DIP Loan Parties and/or, or for the appointment of a trustee in bankruptcy, (iv) exercise the powers and rights of a secured party under the *Civil Code of Quebec* or any legislation of similar effect applicable to the DIP Charge, and (v) exercise all such other rights and remedies under the DIP Loan, as the DIP Lender may consider appropriate.
- ENTIRE AGREEMENT:** This Summary of Terms and Conditions, including the Schedules hereto, constitutes the entire agreement between the parties relating to the subject matter hereof.
- COUNTERPARTS AND FACSIMILE SIGNATURES:** This Summary of Terms and Conditions may be executed in any number of counterparts and by facsimile, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument.
- GOVERNING LAW AND JURISDICTION:** This Summary of Terms and Conditions shall be governed by, and construed in accordance with, the laws of the Province of Quebec and the federal laws of Canada applicable therein. The DIP Loan Parties irrevocably submit to the non-exclusive courts of the Provinces of Quebec.



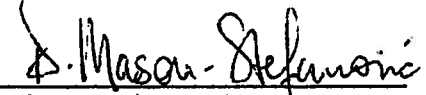


IN WITNESS WHEREOF, the parties hereby execute this Summary of Terms and Conditions as at February 20, 2014.

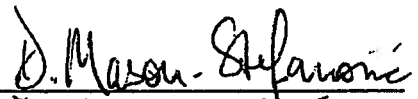
IFB BETEILIGUNGEN AG I.L., as DIP Lender

By:   
Name: CHAUVEL HAMEL  
Title: LIQUIDATOR

CASPERDINY IFB REALTY INC., as DIP Borrower

By:   
Name: DIANA MASON-STEFANOVIC  
Title: VICE-PRESIDENT + SECRETARY

LES APPARTEMENTS CLUB SOMMET INC., as DIP Real Guarantor

By:   
Name: DIANA MASON-STEFANOVIC  
Title: SECRETARY + TREASURER

**SCHEDULE "A"**  
**CASH FLOW**  
**(ATTACHED)**

**SCHEDULE "B"**

**MOTION**

**(ATTACHED)**

**SCHEDULE "C"**  
**PERMITTED LIENS**  
**(ATTACHED)**

**RAKOTTA HOLDINGS INC.**  
**LES PLACEMENTS RAKOTTA INC.**  
2100, BOULEVARD DE MAISONNEUVE O., SUITE 100  
MONTREAL, QC H3H 1K8

**TD CANADA TRUST**  
COMMERCIAL BANKING CENTRE  
433 CHABANEL WEST, SUITE 101  
MONTREAL, QUEBEC H2N 2J3

012850

Date 26 05 2014

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MAY 26 2014



Cinq cent mille dollars 00/100 \*\*\*\*\*500,000.00 \$

1289 Grand Avenue 4772

WESTMOUNT, ONTARIO M3B 2K3

Canada

50000000

TO THE ORDER OF **Richter Groupe Conseil Inc.- In Trust**



RAKOTTA HOLDINGS INC.  
LES PLACEMENTS RAKOTTA INC.

PER

CHEQUE CERTIFIE NE PAS DETRUIRE  
CERTIFIED CHEQUE DO NOT DESTROY

4280-780209

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9011500⑈



# EXHIBIT R-8





Casperdiny IFB Realty Inc.

Cash Flow Projections - May 17 to August 1, 2014

	May 1 to 16, 2014 Actual	May 17-31 Projected	Total May 2014 Projected	June 2014 Projected	July 2014 Projected
<b>Cash Inflows</b>					
Rent Revenue	\$ 180,644	\$ 18,026	\$ 198,670	\$ 228,244	\$ 240,844
A/R Collections		22,500	22,500	20,000	20,000
Parking	2,247	18,372	20,619	22,811	22,811
Other Income	-	-	-	2,300	2,400
<b>Total Rent Collected</b>	<b>182,891</b>	<b>58,898</b>	<b>241,789</b>	<b>273,355</b>	<b>286,055</b>
Deposits Collected from New Leases	11,800	12,900	24,700	21,600	36,000
Deposits Applied against Rent	(14,502)	-	(14,502)	(17,114)	(28,364)
<b>Total Cash Inflow from Operations</b>	<b>180,189</b>	<b>71,798</b>	<b>251,987</b>	<b>277,841</b>	<b>293,691</b>
<b>Cash Outflows</b>					
<b>Leasing and Marketing</b>					
Leasing Salaries	8,122	8,122	16,244	14,000	14,000
Leasing Commissions	3,191	1,000	4,191	9,000	13,500
Tenant Incentives/Tenant Improvements	2,100	-	2,100	3,000	3,000
Marketing Expenses	2,637	5,000	7,637	10,000	10,000
	16,051	14,122	30,173	36,000	40,500
<b>Lifestyle</b>					
Lifestyle Salaries	1,500	1,500	3,000	4,167	4,167
Lifestyle Expenses (net of related revenues)	2,121	940	3,061	3,167	2,667
	3,621	2,440	6,061	7,334	6,834
<b>Concierge</b>					
Concierge Expenses	2,702	-	2,702	2,850	2,850
	2,702	-	2,702	2,850	2,850
<b>Other Expenses</b>					
Club Sommet Monthly Charge	53,354	117,853	171,208	149,373	123,488
Corporate	4,088	-	4,088	4,000	4,000
Administration Salaries	3,519	3,514	7,033	7,300	7,300
Laundry Expenses	-	-	-	300	300
Interest/Bank Charges	133	-	133	300	300
Merchant Fees	1,323	-	1,323	900	900
	62,417	121,367	183,784	162,173	136,286
<b>Total Cash Outflow from Operations</b>	<b>84,790</b>	<b>137,929</b>	<b>222,720</b>	<b>208,357</b>	<b>186,470</b>
<b>Net Cash Flow from Operations</b>	<b>95,399</b>	<b>(66,131)</b>	<b>29,267</b>	<b>69,484</b>	<b>107,221</b>
<b>Project Expenses</b>					
Professional Fees - CCAA	52,869	150,000	202,869	75,000	75,000
Project management	39,550	-	39,550	39,550	39,550
	92,419	150,000	242,419	114,550	114,550
<b>Net Cash Flow excluding Interest</b>	<b>2,980</b>	<b>(216,131)</b>	<b>(213,152)</b>	<b>(45,066)</b>	<b>(7,329)</b>
<b>Opening Cash Balance</b>	<b>1,244</b>	<b>4,224</b>	<b>1,244</b>	<b>88,092</b>	<b>43,027</b>
<b>DIP Loan Funding</b>	<b>-</b>	<b>300,000</b>	<b>300,000</b>	<b>-</b>	<b>-</b>
<b>Ending Cash Balance</b>	<b>\$ 4,224</b>	<b>\$ 88,092</b>	<b>\$ 88,092</b>	<b>\$ 43,027</b>	<b>\$ 35,698</b>
<b>DIP Loan Funding</b>					
Opening Balance - Monitor Trust Account	1,852,138	1,489,171	1,852,138	1,189,171	826,204
Mortgage Interest Paid	(362,967)	-	(362,967)	(362,967)	(725,934) <sup>(1)</sup>
Funding of Operations	-	(300,000)	(300,000)	-	-
<b>Ending Balance - Monitor Trust Account</b>	<b>1,489,171</b>	<b>1,189,171</b>	<b>1,189,171</b>	<b>826,204</b>	<b>100,270</b>

<sup>(1)</sup> Includes August 1 payment of July mortgage interest

*S. Mary Stefanski*

**Les Appartements Club Sommet Inc.**  
**Cash Flow Projections - May 17 to August 1, 2014**

	<b>May 1 to 16, 2014 Actual</b>	<b>May 17-31 Projected</b>	<b>Total May 2014 Projected</b>	<b>June 2014 Projected</b>	<b>July 2014 Projected</b>
<b>Cash Inflows</b>					
Casperdiny Monthly Charge	\$ 53,354	\$ 117,853	\$ 171,208	\$ 149,373	\$ 123,486
<b>Total Revenues</b>	<b>53,354</b>	<b>117,853</b>	<b>171,208</b>	<b>149,373</b>	<b>123,486</b>
<b>Cash Outflows</b>					
<b>Property Management</b>					
Management Fees	11,300	-	11,300	11,300	11,300
Management Offices	3,074	-	3,074	3,074	3,074
	<u>14,374</u>	<u>-</u>	<u>14,374</u>	<u>14,374</u>	<u>14,374</u>
<b>Utilities</b>					
Telephone	1,233	660	1,893	800	800
Cable Expenses	-	5,945	5,945	6,000	6,000
Internet Expenses	903	204	1,107	800	800
Cellphone Expenses	200	-	200	400	400
Wifi Monitoring	1,725	-	1,725	1,776	1,776
Electricity	-	17,408	17,408	25,700	10,000
Heat/Hot Water Tank Expense	-	-	-	5,055	-
Gaz Metro	-	14,625	14,625	6,855	1,723
	<u>4,061</u>	<u>38,842</u>	<u>42,903</u>	<u>47,386</u>	<u>21,499</u>
<b>Salaries</b>					
Security Staff	8,557	8,557	17,114	16,000	16,000
Superintendant	3,066	3,066	6,132	7,036	7,036
Cleaning Staff	2,108	3,864	5,972	7,729	7,729
Maintenance Staff	3,961	3,961	7,922	7,946	7,946
	<u>17,692</u>	<u>19,448</u>	<u>37,140</u>	<u>38,711</u>	<u>38,711</u>
<b>Maintenance &amp; Repairs</b>					
General maintenance & repairs	9,137	5,198	14,335	12,000	12,000
	<u>9,137</u>	<u>5,198</u>	<u>14,335</u>	<u>12,000</u>	<u>12,000</u>
<b>Other Expenses</b>					
Major Expenditures	5,600	-	5,600	10,000	10,000
Office Expenses	504	568	1,072	650	650
Interest/Bank Charges	32	-	32	500	500
Superintendant Unit	1,954	-	1,954	1,954	1,954
	<u>8,090</u>	<u>568</u>	<u>8,658</u>	<u>13,104</u>	<u>13,104</u>
<b>Syndicate Fees</b>					
Contribution to Syndicate	-	23,798	23,798	23,798	23,798
Contingency Funds	-	30,000	30,000	-	-
	<u>-</u>	<u>53,798</u>	<u>53,798</u>	<u>23,798</u>	<u>23,798</u>
<b>Total Cash Outflows</b>	<b>53,354</b>	<b>117,853</b>	<b>171,208</b>	<b>149,373</b>	<b>123,486</b>
<b>Net Cash Flow</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

*J. Mason-Defavoris*

# EXHIBIT R-9



I. CERTIFICATE OF INTERIM FINANCING ADVANCES

**WHEREAS** on March 21, 2014, the Court issued the Initial Order providing for the DIP Charge;

**WHEREAS** the proceeds of the DIP Loan are held *in trust* by the Monitor for the benefit of the DIP Lender;

**WHEREAS** the Conditions have been met to the entire satisfaction of the DIP Lender;

**WHEREAS** the Initial Order stipulates that the Monthly Interest Payment must be disbursed by the Monitor, from the DIP Loan;

**WHEREAS** the DIP Borrower must use the DIP Loan exclusively with a view to allow for the payment of the Monthly Interest Payment;

**WHEREAS** on May 28, 2014, the DIP Borrower accepted an offer from *Les Placements Rakotta Inc.*, subject to the Court's approval, as appears from a copy of such accepted offer attached hereto as **SCHEDULE "A"** (hereinafter the "**Retained Bid**");

**WHEREAS** the anticipated closing date for the transaction contemplated pursuant to the Retained Bid is scheduled for **August 1, 2014** (hereinafter the "**Anticipated Closing Date**");

**WHEREAS** the anticipated operational deficit of the DIP Borrower and the DIP Real Guarantor until the Anticipated Closing Date is estimated at **\$325,000**, as appears from a copy of the revised cash flow attached hereto as **SCHEDULE "B"** (hereinafter the "**Revised Cashflow**");

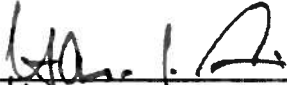
**NOW THEREFORE:**

1. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the DIP Loan;
2. The DIP Lender authorizes the DIP Borrower and the DIP Real Guarantor, and hereby directs and authorizes the Monitor to use an amount of ~~\$~~**325,000** from the DIP Loan to allow for the payment of the operational deficit as anticipated and in accordance with the Revised Cashflow;

✓  
up to  
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**IFB BETEILIGUNGEN AG i.L., as DIP Lender**

By:   
Name: HANS-JOACHIM CHAUVEL  
Title: LIQUIDATOR

**EXHIBIT R-10**

**(UNDER SEAL)**





**EXHIBIT R-11**

**(UNDER SEAL)**

