

CANADA

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL
No. : 500-11-046281-149

"Commercial Division"

SUPERIOR COURT

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

CASPERDINY IFB REALTY INC.,

-and-

LES APPARTEMENTS CLUB SOMMET INC.,

Debtors/Petitioners

-and-

RICHTER ADVISORY GROUP INC.,

Monitor

-and-

COMPUTERSHARE TRUST COMPANY OF
CANADA,

-and-

TIMBERCREEK SENIOR MORTGAGE
INVESTMENT CORPORATION,

-and-

CASPERDINY IFB CAPITAL INC.,

-and-

IFB BETEILIGUNGEN AG i.L.,

-and-

THE SYNDICATE OF LE PARC CO-
OWNERSHIP,

Mises en cause

MOTION SEEKING THE EXTENSION OF THE INITIAL ORDER

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

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

A. PURPOSE OF THE MOTION

1. Pursuant to the present Motion, the Debtors will request from this Honourable that it issues an order extending the Initial Order (as defined hereinafter) until **September 26, 2014** (hereinafter the "***Additional Period***"), the whole in accordance with the draft order filed herewith as **EXHIBIT R-1** (hereinafter the "***Draft Order***");
2. 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. INTRODUCTION

3. 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***");
4. 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);
5. The Initial Order was extended from time to time by this Honourable Court until August 19, 2014, as appears from the Court record herein;
6. On July 18, 2014, this Honourable Court authorized the Debtors to complete the transactions contemplated pursuant to the *Transfer and Surrender Agreement* (as defined hereinafter) with *Timbercreek Senior Mortgage Investment Corporation* (hereinafter "***Timbercreek***"), as appears from the Court record herein;

C. 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* (hereinafter the "**Syndicate**") and *Casperdiny IFB Capital Inc.* (hereinafter "**Capital**") 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* 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 Beteiligungen AG i.L.* (hereinafter "**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;

D. THE RESTRUCTURING EFFORTS SINCE THE INITIAL ORDER

14. As appears from the Court record herein, the preliminary restructuring plan of the Debtors was 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. As at the issuance of the Initial Order, the occupational rate of the Property was at fifty-eight percent (**58%**), as appears from the Court record herein;
16. Since the issuance of the Initial Order, the bulk of the Debtors' management's efforts were focused on the Solicitation Process as it was assumed that any eventual purchaser would want to implement its own lease-up measures;

17. The Debtors have worked with *CBRE Capital Markets - National Apartment Group* (hereinafter "**CBRE**") in the conduct of the Solicitation Process;
18. After reviewing and analyzing the bids submitted within the Solicitation Process, the Debtors with the assistance of CBRE and Richter, decided to accept one of them, subject to this Honourable Court's approval, as appears from the Court record herein (hereinafter the "**Retained Bid**");
19. On June 26 2014, the Retained Bidder informed the Debtors that it was not satisfied of its due diligence process and that therefore it would not complete the contemplated transaction, as appears from the Court record herein;

E. THE TRANSFER AND SURRENDER OF THE PROPERTY TO TIMBERCREEK

20. The Retained Bid was the only bid received within the CBRE Process contemplating a transaction that was offering a purchase price superior to the secured indebtedness of the Debtors;
21. Given that the CBRE Process had not given rise to any other bids allowing for the payment of Debtors' secured claims, the Debtors, with the assistance of the Monitor worked with Timbercreek to facilitate the transfer of the Property in the most efficient manner, the whole with a view to minimize the impact of such a transition on the ongoing operations of the Property;
22. On July 17, 2014, the Debtors and Timbercreek agreed on the terms and conditions upon which the transfer of the Property would take place as appears from the Court record herein (the "**Transfer and Surrender Agreement**");
23. Pursuant to the Transfer and Surrender Agreement, essentially:
 - a) The Debtors agree to surrender and transfer the Property and any related movable assets (hereinafter the "**Transferred Assets**") to Timbercreek, with the exception of the Sundry Assets, which are essentially comprised of litigated claims to which the Debtors are parties to (as further defined in the Transfer and Surrender Agreement);
 - b) Timbercreek agrees to pay the priority payables, namely:
 - i) The amounts due to IFB pursuant to the Interim Financing Facility (as this term is defined in the Initial Order);
 - ii) The amounts due to the beneficiaries of the Administration Charge (as this term is defined in the Initial Order);
 - iii) The amounts due to the Syndicate which are subject to the Syndicate Prior Notice and the Syndicate Motion (as these terms are defined in the Initial Order).

In this regard, Timbercreek has informed the Debtors that it does not acknowledge the validity and priority of the amounts claimed by the Syndicate, which presently total approximately **\$356,500**. Should this issue not be resolved before the Closing Deadline (as defined hereinafter), Timbercreek confirmed to the Debtors that it shall deposit an amount of **\$400,000** with the Court, in order to allow for the transfer of clear title to the Transferred Assets pursuant to the Transfer and Surrender Agreement and impending Order, without causing prejudice to the Syndicate or diminishing any security that it may purport to benefit from;

- c) The closing must occur at the latest on **August 18, 2014** (hereinafter the “**Closing Deadline**”);
 - d) Timbercreek is to take possession and manage the Property for the period comprised between the issuance of the orders sought pursuant hereto and the Closing Deadline, Timbercreek being charged with the simple administration of the Property, with the authority to sign new leases of dwellings;
 - e) The whole subject to the issuance of a vesting order;
24. On July 18, 2014, this Honourable Court authorized the Debtors to complete the transactions contemplated pursuant to the Transfer and Surrender Agreement, as appears from the Court record herein
25. On August 13, 2014, Timbercreek informed the Debtors that it would not be in a position to proceed with the closing of the transaction set forth in the Transfer and Surrender Agreement within the Closing Deadline and requesting an extension of the Closing Deadline until August 25, 2014, as appears from a copy of an email in this regard filed herewith as **EXHIBIT R-2**;

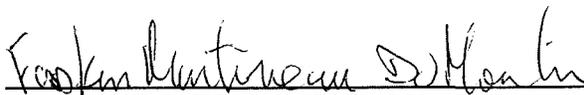
F. CONCLUSIONS SOUGHT

26. The Debtors are in agreement with the extension of the Closing Deadline, as it will likely allow for the closing of the transaction set forth in the Transfer and Surrender Agreement;
27. The Monitor supports the conclusions sought pursuant to the present Motion as appears from a copy of its report filed in support herewith as **EXHIBIT R-3**;
28. The extension of the Initial Order is likely to allow for the closing of the transfer of the Property in accordance with the Transfer and Surrender Agreement, without materially prejudicing the Debtors’ creditors;
29. The Secured Creditors were duly served with the present Motion;
30. The Debtors respectfully submit that the present Motion should be granted in accordance with the Draft Order;
31. The present Motion is well founded both in fact and in law.

WHEREFORE, MAY IT PLEASE THIS HONOURABLE COURT TO:

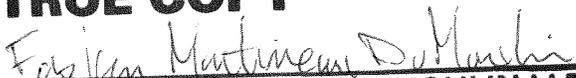
- [1] **GRANT** the present "*Motion seeking the extension of the Initial Order*" (hereinafter the "*Motion*");
- [2] **ISSUE** an order substantially in the form of the draft order filed in support of the present Motion as **EXHIBIT R-1**;
- [3] **THE WHOLE** without costs, save and except if contested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

Montréal, August 18, 2014



FASKEN MARTINEAU DuMOULIN LLP
Attorneys for Debtors

TRUE COPY



FASKEN MARTINEAU DuMOULIN LLP

AFFIDAVIT

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

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

AND I HAVE SIGNED :

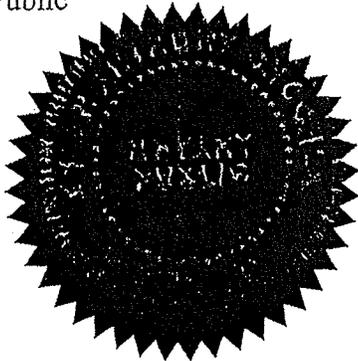
D. Mason-Stefanovic

DIANA MASON-STEFANOVIC

Solemnly affirmed before me, in
Montreal, on August 18, 2014

[Handwritten Signature]

Notary Public



TRUE COPY

Fasken Martineau DuMoulin
FASKEN MARTINEAU DuMOULIN LLP

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 BETEILLIGUNGEN AG i.L.,**
Grunerstrasse 19
40239, Düsseldorf, Germany

TO: Benoît Poulin
CBRE LTD
2001, McGill College Avenue
Suite 2000
Montreal QC H3A 1G1

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**

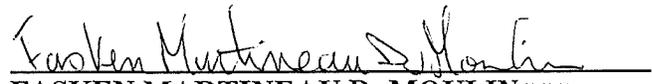
TO: **COMPUTERSHARE TRUST
COMPANY OF CANADA**
c/o Stikeman Elliott S.E.N.C.R.L.,
S.R.L.
40 - 1155 René-Lévesque Blvd. West
Montreal, Quebec H3B 3V2

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

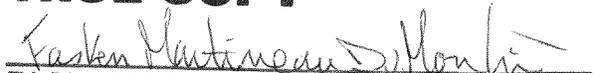
TAKE NOTICE that the present *Motion Seeking Extension of the Initial Order* will be presented for adjudication before Justice Martin Castonguay of the Superior Court, Commercial Division, sitting in and for the district of Montréal on **Tuesday, August 19, 2014 at 9:00 a.m.** or so soon thereafter as counsel may be heard, in a room to be determined, of the Montréal Courthouse, located at 1 Notre-Dame Street East, Montreal, Québec, H2Y 1B6.

DO GOVERN YOURSELVES ACCORDINGLY.

Montréal, August 18, 2014


FASKEN MARTINEAU DuMOULIN LLP
Attorneys for Debtors

TRUE COPY


FASKEN MARTINEAU DuMOULIN LLP

CANADA

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

No. : 500-11-046282-147

“Commercial Division”

SUPERIOR COURT

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

CASPERDINY IFB REALTY INC.,

-and-

LES APPARTEMENTS CLUB SOMMET INC.,

Debtors

-and-

RICHTER ADVISORY GROUP INC.,

Proposed Monitor

-and-

COMPUTERSHARE TRUST COMPANY OF
CANADA,

TIMBERCREEK SENIOR MORTGAGE
INVESTMENT CORPORATION,

CASPERDINY IFB CAPITAL INC.,

IFB BETEILLIGUNGEN AG i.L.,

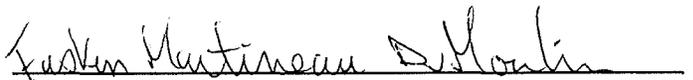
THE SYNDICATE OF LE PARC CO-
OWNERSHIP,

Mises en cause

LIST OF EXHIBITS

EXHIBIT R-1: Draft Order.
EXHIBIT R-2: August 13th email
EXHIBIT R-3: Monitor's Report.

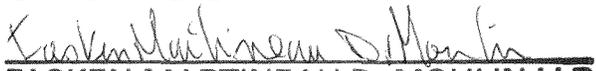
Montréal, August 18, 2014



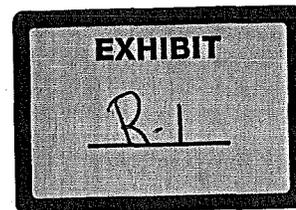
FASKEN MARTINEAU DuMOULIN LLP

Attorneys for Debtors

TRUE COPY


FASKEN MARTINEAU DuMOULIN LLP

SUPERIOR COURT
(Commercial Division)



CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL

No. 500-11-046281-149

DATE: August 19, 2014

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

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 BETEILLIGUNGEN AG i.L.

-and-

THE SYNDICATE OF LE PARC CO-OWNERSHIP

Mises en cause

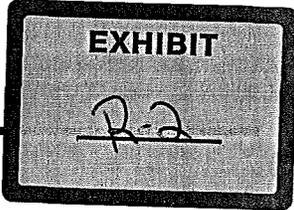
ORDER

- [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 August 18, 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 "**CCAA**");
- [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 **September 26, 2014**;
- [8] **ORDERS** the provisional execution of this Order notwithstanding appeal and without the requirement to provide any security or provision for costs.
- [9] **WITHOUT COSTS.**

Martin Castonguay, j.c.s.



Rina Coulombe

From: Roy, Laurent <Laurent.Roy@Gowlings.com>
Sent: August-13-14 10:26 AM
To: Luc Morin
Cc: Marc Généreux; Bayus, Alexander; St-Onge, Denis; Barbieri, Eric (EBarbieri@richter.ca)
Subject: RE: Extension

Importance: High

Good morning Luc,

Please note that due to the absence of key persons of Timbercreek still on holidays whose intervention is required in this file, Timbercreek is requesting and would appreciate an extension to August 25.

Please advise.

Laurent

Laurent Roy
Associé / Partner
Tél./Tel. 514-392-9541 Cell. 514-516-3625
gowlings.com

De : Luc Morin [mailto:lmorin@fasken.com]
Envoyé : 11 août 2014 15:49
À : Roy, Laurent
Cc : Marc Généreux; Bayus, Alexander; St-Onge, Denis; Barbieri, Eric (EBarbieri@richter.ca)
Objet : RE: draft of documents
Importance : Haute

Thanks Laurent. I am okay with your suggested documents. As discussed during our conference call, I understand that:

1. TC expects to be in a position to close on **August 18th**;
2. TC needs a formal **payout statement** from the DIP Lender. I thought that this was done already. I have asked my client to get this formal payout statement from the DIP Lender. The outstanding amount should not be materially different than from the amount that was provided to you by my partner Marc last week (approximately \$ **1,417,620.22**). We will get you the confirmation and the official payout statement shortly;
3. If TC is not in a position to close the transaction on August 18th, we may have to seek an **extension of the CCAA Process**. I understand that you will let me know at the latest by Wednesday morning if your client will be in a position to close by August 18th or not as we will have to inform Justice Castonguay by Wednesday pm if we intend to seek an extension of the CCAA;
4. I have ask my client to submit a statement of account detailing the amounts collected and the operational expenses paid since July 18th (date of the last hearing, where the TSA was approved by the Court). I understand that you will be asking your client to do the same. Operational expenses incurred since July 18th ought to be paid from the rent revenues collected within that same period, on a pro rata basis of the revenues collected by our respective clients. I understand that your client does not debate the fact that operational expenses incurred in respect to the Property since July 18th (and in line with the cash flow that was filed with the Court on

July 18th) ought to be paid from the rent revenues collected during that same period of time. If your client is of another opinion, please let me know asap, as the Monitor (copied on the present email) will have to report this to the Court and seek proper instructions;

Please do not hesitate to contact me if you have any questions or comments.

Best,

Luc Morin | Associé | Partner

T. +1 514 397 5121 | C. +1 514 865 4801 | F. +1 514 397 7600
lmorin@fasken.com | <http://www.fasken.com/fr/luc-morin>

Fasken Martineau DuMoulin LLP/S.E.N.C.R.L., s.r.l.
800 Place Victoria, Bureau 3700, Montréal, Québec H4Z 1E9



VANCOUVER CALGARY TORONTO OTTAWA MONTRÉAL QUÉBEC LONDRES PARIS JOHANNESBURG

De : Roy, Laurent [<mailto:Laurent.Roy@Gowlings.com>]

Envoyé : 11 août 2014 15:20

À : Luc Morin

Cc : Marc Généreux; Bayus, Alexander; St-Onge, Denis; Ugo Bizzarri; Michael Tsourounis; Paul Jones; Andrew Jones

Objet : draft of documents

Importance : Haute

Luc,

Please find attached a draft of the summary of the Vesting Orders, of the Monitor Certificates and of the Assignment Agreement, for your comments. Please note that those remain subject to any comments our client may have with respect to same.

Laurent.

Laurent Roy

Associé / Partner

Tél./Tel. 514-392-9541 Cell. 514-516-3625

laurent.roy@gowlings.com

Adjoint(e)/Assistant : Fatima Adkane

Tél./Tel. 514-878-9641 x65228

fatima.adkane@gowlings.com

gowlings

Gowling Lafleur Henderson S.E.N.C.R.L., s.r.l. / LLP

Avocats • Agents de brevets et de marques de commerce

Lawyers • Patent and Trade-mark Agents

3700-1 Place Ville Marie

Montréal (Québec)

H3B 3P4 Canada

Tél./Tel. 514-878-9641 Téléc./Fax 514-878-1450

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postmaster@gowlings.com.

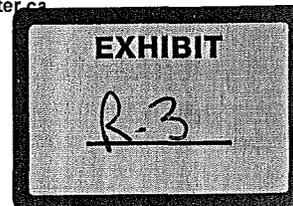
Merci.

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CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL
Court No: 500-11-046282-147
500-11-046281-149
Estate No: 0000206-2014
0000207-2014

SUPERIOR COURT
(Commercial Division)
(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, R.S.C.
1985, c. C-36, as amended)

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

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

-and-

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

Petitioners or Debtors

-and-

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

Monitor

REPORT OF THE MONITOR ON THE STATE
OF PETITIONERS' FINANCIAL AFFAIRS,
AUGUST 18, 2014

INTRODUCTION

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

2. On March 12, 2014, the Petitioners filed with the Quebec Superior Court, a Motion for the Issuance of an Initial Order pursuant to Section 11 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, C-36, as amended (the "CCAA"). On March 21, 2014, the Honourable Martin Castonguay, J.S.C., issued an initial order (the "Initial Order"), *inter alia* appointing Richter as monitor (the "Monitor").
3. On April 11, 2014, the Petitioners filed with the Quebec Superior Court, a Motion Seeking Extension of the Initial Order. On April 15, 2014, the Honourable Martin Castonguay, J.S.C., granted the Petitioners' motion and extended the Initial Order until May 29, 2014.
4. On May 28, 2014, the Petitioners filed with the Quebec Superior Court, a second Motion Seeking Extension of the Initial Order. On May 29, 2014, the Honourable Martin Castonguay, J.S.C., granted the Petitioners' motion and extended the Initial Order until July 3, 2014.
5. On July 2, 2014, the Petitioners filed with the Quebec Superior Court, a third Motion Seeking Extension of the Initial Order. On July 3, 2014, the Honourable Martin Castonguay, J.S.C., granted the Petitioners' motion and extended the Initial Order until July 18, 2014.
6. On July 17, 2014, the Petitioners filed with the Quebec Superior Court, a fourth Motion Seeking Extension of the Initial Order and seeking leave to transfer and surrender substantially all of the Debtors' assets outside the normal course of business. On July 18, 2014, the Honourable Martin Castonguay, J.S.C., granted the Petitioners' motion, and issued an Approval and Vesting Order extending the Initial Order until August 19, 2014 and approving the transaction between the Debtors and Timbercreek.
7. The purpose of this report is to inform the Court of the following:
 - General Corporate Information;
 - Financial Position and Cash Flow Projections;
 - Activities of the Monitor;
 - Request for an Extension of the Stay of Proceedings to September 26, 2014.
8. The information contained in this report is based on unaudited financial information as well as correspondence and discussions with representatives of the Debtors' former property management firm, Asta Corporation Inc., as well as the current property manager, Timbercreek (as this term is defined in the Initial Order), (hereinafter collectively defined as "Management"). The Monitor has not conducted an audit or other verification of such information and accordingly, no opinion is expressed regarding the accuracy, reliability or completeness of the information contained herein.
9. All amounts reflected in this report are stated in Canadian currency unless otherwise noted.

GENERAL CORPORATE INFORMATION

10. Casperdiny IFB Realty Inc. (hereinafter "Casperdiny") is controlled by Casperdiny IFB Capital Inc. (a Canadian corporation), which, in turn, is wholly-owned by IFB Beteiligungen AG (a German publicly organized company) based in Düsseldorf. Les Appartements Club Sommet Inc. (hereinafter "Sommet") is a wholly-owned subsidiary of Casperdiny.
11. Together, the Debtors own and operate a 16-story, 291-unit apartment building located in downtown Montreal, on de La Montagne Street, corner Sherbrooke Street (hereinafter the "Property"). The Property is operated under the name Club Sommet.
12. The Debtors have no employees involved in the management of the Property. Also, all services relative to the operations of the Property and to tenants amenities are outsourced to third parties service providers.
13. Prior to July 18, 2014, the day-to-day property management and operations were outsourced to Asta Corporation Inc. (hereinafter "Asta"), a real estate services firm with its head office located at 555 Richmond West, Suite 300, Toronto, M5V 1Y6.
14. The property management agreement with Asta was terminated effective July 18, 2014. Pursuant to the Transfer and Surrender Agreement between Timbercreek and the Debtors, Timbercreek has been charged with simple administration of the Property between the execution date of the agreement and the closing of the Timbercreek Transfer. The administration of the Property is being performed without remuneration to Timbercreek.
15. Since the issuance of the Initial Order, the Debtors have continued to operate the Property in the normal course of business, which involves collecting rents, maintaining tenants services, collecting and returning tenants deposits, and pursuing efforts to lease up the Property.
16. We refer you to the report issued on March 18, 2014, by Richter, in its capacity as Proposed Monitor of the Petitioners and in support of the Petition for the issuance of an Initial Order, for details pertaining to the following:
 - General corporate information;
 - Historical events leading to the CCAA filing; and
 - Financial position and operating results pre-CCAA.

FINANCIAL POSITION AND CASH FLOW PROJECTIONS

17. In conjunction with the filing of the Motion Seeking Extension of the Initial Order on July 17, 2014, Management prepared cash flow projections (the "Projections") for the period of July 12 to August 19, 2014. A copy of the Petitioners' Projections was included as Exhibit B to the Report of the Monitor on the State of the Petitioners' Financial Affairs, and in Support of the Motion Seeking Leave to Transfer and Surrender Substantially all of the Debtors' Assets outside the Normal Course of Business, dated July 17, 2014.
18. Details of actual cash flow results compared to the Projections for the period of July 12 to August 8, 2014 are included in **Exhibit A** entitled Operating Cash Flow for the Period July 12 to August 8, 2014.
19. As of August 8, 2014, the Debtors' book cash balances (net of outstanding checks) amounted to \$104,517. Of this balance, \$81,816 was held in 2 newly opened accounts in the name of Timbercreek Asset Management. The funds related to Club Sommet appear to be segregated from Timbercreek's other investments and businesses. Additionally, the balance of \$22,701 was held in the legacy Casperdiny bank accounts controlled by Asta.
20. Total cash on hand as of August 8, 2014, significantly exceeded the Projections. The positive cash flow variance vs. Projections resulted primarily from temporary disruptions in normal course management of the Property following the transfer of administration functions to Timbercreek.
 - Cash inflows were below the Projections, attributed by Management in part to temporary tenants holdbacks following a notice received to change the beneficiary of monthly rent payments from Casperdiny to Timbercreek. The Timbercreek management team has apparently been communicating with various tenants on an individual basis to explain the change in operations. In addition, there were limited collection efforts in the weeks after the management transfer;
 - Lower than projected cash inflows were more than offset by a significant positive variance in operating payments, as no disbursements, other than payroll, were made by Timbercreek between July 19 and August 8, 2014. This was due to delays in transitioning responsibilities to new accounting staff, and obtaining all necessary information (payable listings, invoices, contracts, etc.) either from Asta or the operations staff at the Property. During the week ended August 15, 2014, several calls were held between Timbercreek, Asta and the building manager to coordinate the payment of past due (post-filing) payables and organise cash flow management going forward.

21. In support of the requested extension of the Initial Order, Management has prepared revised cash flow projections (the "Updated Projections") for the period of August 9 to September 30, 2014 (the "Period"). A copy of the Debtors' Updated Projections is included as **Exhibit B**.
22. The Updated Projections reflect sufficient liquidity to pay accrued and unpaid operating costs since July 18, as well as maintain operations of the Property in the normal course through September 30, 2014, based on the following:
 - An opening cash balance as of July 9, 2014 of \$104,517;
 - Cash inflows of \$291,766 during the Period, reflecting the current occupancy rate and recent collection patterns;
 - Projected operating disbursements of \$288,031 during the Period include the payment of past due (post-filing) balances to Hydro Quebec, the Syndicate and other trade vendors, as well as payment in the normal course of all operating expenses for the Period;
 - Consistent with prior forecasts, the payment of school and property taxes is not contemplated, as it is assumed that this obligation will be honored by Timbercreek upon transfer of the Property;
 - \$49,000 of professional fees, primarily for Fasken Martineau and Richter, relative to the on-going CCAA process and closing of the transaction.
23. The Debtors' Updated Projections are based on financial and other information and assumptions provided by Management. The Updated Projections were prepared using probable assumptions supported and consistent with the plans of the Company for the Period, considering the economic conditions that are deemed the most probable by Management. Since the Projections are based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the Updated Projections will be achieved.

ACTIVITIES OF THE MONITOR

24. The Monitor's activities since the granting of the extension of the Initial Order on July 18, 2014, have included the following:
 - The Monitor has communicated regularly with the Debtors' directors, representatives of Asta and the accounting personnel of Timbercreek to carry out its duties including the requirement to monitor:
 - i) the Petitioners' cash flow and operations, and

ii) issues relative to the closing of the Transfer and Surrender Agreement with Timbercreek.

The Monitor has had numerous meetings and held frequent conference calls with Management and legal counsel with a view to keeping all parties apprised of material developments;

- The Monitor has responded to queries from the Debtors' unsecured creditors;
- The Monitor reviewed the Debtors' financial affairs and results;
- The Monitor drafted this Report and reviewed material to be filed by the Petitioners herewith;
- The Monitor has attended to other administrative and statutory matters relating to the Monitor's administration of this mandate.

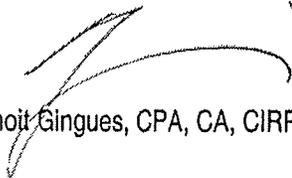
CONCLUSIONS AND RECOMMENDATION

25. The Monitor is supporting the extension of the Initial Order until September 26, 2014, for the following reasons:

- A. At the present time, it is premature for the Petitioners to devise a Plan of Arrangement and present same to its creditors. The Petitioners are seeking an extension to September 26, 2014 ("Additional Period") in order to provide the additional time required to complete the closing of the Timbercreek Transfer in accordance with the Transfer and Surrender Agreement executed by Timbercreek and the Debtors.
- B. Considering the Updated Projections and funds currently available in the Debtors' accounts, the Petitioners are in a position to continue their operations on a going concern basis during the Additional Period.
- C. The Petitioners' Management has, and continues to act in good faith, with due diligence and has been cooperating with all stakeholders involved in this process, including but not limited to the Monitor and the Debtors' creditors.
- D. The Petitioners have not prejudiced their creditors as the Updated Projections indicate that they have sufficient liquidity to pay for all post-filing liabilities incurred since the date of filing and projected through the Additional Period.
- E. The extension sought will not materially prejudice any of the secured creditors.

Respectfully submitted at Montreal, this 18th day of August 2014.

Richter Advisory Group Inc.
Monitor



Benoit Gingues, CPA, CA, CIRP

Les Appartements Club Sommet

Operating Cash Flow for the period July 12 to August 8, 2014

	July 12-18 Projected	July 12-19 Actual ⁽¹⁾	July 12-19 Variance	July 19-31 Projected	July 19-31 Actual ⁽¹⁾	July 19-31 Variance	Total Variance July 12 to 31 2014	Aug Ac As
Cash Inflows								
Rent Revenue	\$ 15 000	\$ 23 960	\$ 8 960	\$ 50 000	\$ 7 186	\$ (42 814)	\$ (33 854)	\$
Parking	18 449	18 449	-	-	-	-	-	
Other Income	-	-	-	-	-	-	-	
Total Rent Collected	33 449	42 409	8 960	50 000	7 186	(42 814)	(33 854)	
Deposits from New Leases	3 850	6 500	2 650	17 200	-	(17 200)	(14 550)	
Cash Inflow from Operations	37 299	48 909	11 610	67 200	7 186	(60 014)	(48 404)	
Cash Outflows								
Operating Salaries	24 103	24 054	49	16 220	6 397	9 823	9 872	
Utilities	18 420	18 420	-	22 223	-	22 223	22 223	
Repairs and Maintenance	12 611	12 611	-	5 000	-	5 000	5 000	
Syndicate Fees	-	-	-	23 798	-	23 798	23 798	
Leasing and Marketing	14 657	15 819	(1 162)	-	725	(725)	(1 887)	
Corporate, Office and Other	7 930	8 440	(510)	950	-	950	440	
Cash Outflow from Operations	77 721	79 345	(1 623)	68 191	7 122	61 069	59 446	
Net Cash Flow from Operations	(40 422)	(30 436)	9 987	(991)	64	1 055	11 042	
Project Expenses								
Professional Fees - CCAA	50 000	56 553	(6 553)	-	-	-	(6 553)	
Project management	-	-	-	-	-	-	-	
	50 000	56 553	(6 553)	-	-	-	(6 553)	
Net Cash Flow excl. Interest	(90 422)	(86 989)	3 434	(991)	64	1 055	4 489	
Opening Cash Balance	96 223	96 223	-	5 801	9 234	3 433	3 433	
DIP Loan Funding	-	-	-	-	-	-	-	
Ending Cash Balance	5 801	9 234	3 434	4 810	9 298	4 489	\$ 7 922	

Note 1: Represents cash flow activity in the bank accounts managed by Asta Corporation

Note 2: Represents cash flow activity in the bank accounts managed by Timbercreek

D.I.

Les Appartements Club Sommet

Operating Cash Flow for the period August 9 to September 30, 2014

	August 9 to 31 Projected	September 1 to 30 Projected	Total Projected
Projected Cash Inflows			
Rents collected up to August 13 by TC	\$ 22 921	\$ 175 845	\$ 198 766
Casperdiny cheques on site	15 000	-	15 000
Estimated further collections	40 000	-	40 000
Parking	18 000	20 000	38 000
Total Rent	95 921	195 845	291 766
Deposits from New Leases	-	-	-
Total Cash Inflow from Operations	95 921	195 845	291 766
Projected Cash Outflows			
Operating Salaries	22 856	41 820	64 676
Utilities	27 000	19 000	46 000
Repairs and Maintenance	40 295	22 182	62 477
Syndicate Fees	57 902	29 000	86 902
Leasing and Marketing	9 276	5 000	14 276
Corporate, Office and Other Costs	10 700	3 000	13 700
Total Cash Outflow from Operations	168 029	120 002	288 031
Projected Net Cash Flow from Operations	(72 108)	75 843	3 735
Projected Expenses			
Professional Fees - CCAA	30 000	15 000	45 000
Project management	2 000	2 000	4 000
	32 000	17 000	49 000
Projected Net Cash Flow excluding Interest	(104 108)	58 843	(45 265)
Opening Cash Balance	104 517	409	104 517
DIP Loan Funding	-	-	-
Projected Ending Cash Balance	409	59 252	59 252

Note: The above does not reflect outstanding property and school taxes of \$522,190 which amount is to be settled upon transfer of ownership.

S. Mason-Defamonic
August 15, 2014

N° : 500-11-046281-149

PROVINCE OF QUÉBEC
SUPERIOR COURT(Commercial Division)
DISTRICT OF MONTREAL

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

**CASPERDINY IFB REALTY INC. et al
Debtors/Petitioners**

-and-

**RICHTER ADVISORY GROUP INC.,
Monitor**

-and-

**COMPUTERSHARE TRUST COMPANY OF
CANADA et al.**

Mises en cause

10640/261644.00023

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**MOTION SEEKING THE EXTENSION
OF THE INITIAL ORDER
(Sections 11.02 and 36 of the *Companies' Creditors
Arrangement Act*, R.S.C. (1985), ch. C-36),
AFFIDAVIT, NOTICE OF PRESENTATION, LIST OF
EXHIBITS AND EXHIBITS R-1 TO R-3**

COPY

Fasken Martineau DuMoulin LLP
Stock Exchange Tower
Suite 3700, P.O. Box 242
800 Place Victoria
Montréal, Quebec H4Z 1E9

Luc Morin

Tel. +1 514 397 5121
Fax. +1 514 397 7600