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Transmission Date March 20, 2014

Time of Transmission 16h49

NATURE OF DOCUMENT

Title of Proceeding *Third Motion for an extension of time to file a Proposal and Attestation of Authenticity*

Case No. 500-11-045763-139

Debtor/Petitioner IHG Harilela Hotels Ltd.

Trustee Samson Bélair/Deloitte & Touche Inc.

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CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

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

No.: 500-11-045763-139

IN THE MATTER OF THE PROPOSAL OF:

IHG HARILELA HOTELS LTD.

Debtor/Petitioner

- and -

SAMSON BELAIR / DELOITTE & TOUCHE
INC.

Trustee

THIRD MOTION FOR AN EXTENSION OF TIME TO FILE A PROPOSAL
(Section 50.4(9) of the *Bankruptcy and Insolvency Act* (the "BIA"))

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

INTRODUCTION

1. By the present motion, IHG Harilela Hotels Ltd. (the "**Debtor**") seeks a third extension of time for filing a proposal of forty-five (45) days, for the reasons more fully explained below.

FACTUAL BACKGROUND

2. The Debtor has been incorporated since 2002.
3. The Debtor is operating an hotel located at 7880 Chemin de la Côte de Liesse in the City of Montreal (the "**Hotel**").
4. The Debtor is operating the Hotel under the banner "Hilton Garden Inn" pursuant to a Franchise License Agreement (the "**Franchise Agreement**") between the Debtor and HLT Existing Franchise Holding LLC ("**Hilton**").
5. The Debtor currently employs approximately 80 employees.

6. Computershare Trust Company of Canada (“**Computershare**”) is the sole secured creditor of the Debtor pursuant to a term loan executed as of September 21, 2005. The amount owed to Computershare is approximately \$10,000,000 (the “**Loan Agreement**”).
7. The Debtor does not have any operating lender.
8. On November 14, 2013, Hilton advised the Debtor that it intended to terminate the Franchise Agreement on January 1st, 2014 (the “**Termination Notice**”).
9. On November 19, 2013, Computershare issued, *inter alia*, a demand letter and a notice under section 244 *BIA* alleging that the Termination Notice was a default under the Loan Agreement.
10. On November 29, 2013, the Debtor filed a *Notice of Intention to File a Proposal* (the “**Notice**”) pursuant to section 50.4 of the *BIA* with the Official Receiver, and Samson Belair / Deloitte & Touche Inc. (the “**Trustee**”) was appointed trustee, the whole as appears from the Court record.
11. On December 27, 2013, the Debtor obtained a first extension of time for filing a proposal.
12. On February 7, 2014, the Debtor obtained a second extension of time for filing a proposal. The current deadline to file a proposal is March 24, 2014.

EXTENSION OF TIME

13. Since the filing of the Notice, the Debtor, with the assistance of its advisors and the Trustee, have been discussing and meeting with various interested parties in order to create a viable plan for restructuring the Debtor’s operations.
14. For instance, the Debtor has completed :
 - (i.) an agreement with Hilton pursuant to which the termination of the Franchise Agreement will be extended until July 2, 2014; and
 - (ii.) a Forbearance Agreement with Computershare.
15. Said agreements give some stability to the Debtor’s operations.
16. Furthermore, the Debtor has also been discussing with potential franchisors to replace Hilton. One potential franchisor visited the Hotel during the month of February. A second potential franchisor will visit de Hotel before the expiry of the month of March.
17. The Debtor seeks this extension in order to allow it to file a viable proposal in due course that will satisfy its unsecured creditors.
18. The Debtor and the Trustee consider that the Debtor should be able to make a viable proposal if the extension is granted.

19. A copy of the Debtor's cash-flow statement and a copy of the report on the state of the Debtor's business and financial affairs are communicated herewith *en liasse* as **Exhibit R-1**.

CONCLUSIONS

20. If the extension is granted, the Debtor as well as the Trustee are not aware that any creditor will be materially prejudiced. On the contrary, if the extension is not granted and the Debtors become bankrupt, a significant prejudice will be suffered by all of the Debtor's stakeholders, including creditors and employees.
21. The Debtor has acted in good faith and with due diligence.
22. The present motion is well founded in fact and in law.

FOR THESE REASONS, MAY IT PLEASE THE COURT TO:

GRANT the present *Third Motion for an Extension of Time to File a Proposal*;

EXTEND until May 8, 2014 the delay granted to IHG Harilela Hotels Ltd. to file its proposal with the Official Receiver.

THE WHOLE, with costs to follow.

MONTREAL, March 20, 2014

Davies Ward Phillips & Vineberg LLP

DAVIES WARD PHILLIPS & VINEBERG LLP

Attorneys for the Debtor

IHG Harilela Hotels Ltd.

TRUE COPY

Davies Ward Phillips & Vineberg LLP
DAVIES WARD PHILLIPS & VINEBERG LLP

NOTICE OF PRESENTATION

TO: Me Martin Desrosiers
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AND: Me Joseph Reynaud
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Attorneys for Computershare Trust
Company of Canada

AND: Mr. Benoît Clouâtre
**Samson Bélair / Deloitte & Touche
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1 Place Ville-Marie
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AND: Me Sébastien Guy
Blake, Cassels & Graydon LLP
600 de Maisonneuve Boulevard
West
Suite 2200
Montréal (Québec) H3A 3J2

Trustee

TAKE NOTICE that the attached *Third Motion for an Extension of Time to File a Proposal* will be presented for hearing and allowance in room 16.10 at 9:00 a.m. at the Montreal Courthouse, 1 Notre-Dame Street East, Montreal, on March 24, 2014, or so soon thereafter as Counsel may be heard.

DO GOVERN YOURSELF ACCORDINGLY.

MONTREAL, March 20, 2014

Davies Ward Phillips & Vineberg LLP

DAVIES WARD PHILLIPS & VINEBERG LLP
Attorneys for the Debtor
IHG Harilela Hotels Ltd.

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Davies Ward Phillips & Vineberg LLP
DAVIES WARD PHILLIPS & VINEBERG LLP

No. 500-11-045763-139

S U P E R I O R C O U R T
(Commercial division)
District of Montreal

IN THE MATTER OF THE PROPOSAL OF:
IHG HARILELA HOTELS LTD.

Debtor/Petitioner

and

**SAMSON BÉLAIR/DELOITTE & TOUCHE
INC.**

Trustee

**THIRD MOTION FOR AN EXTENSION OF
TIME TO FILE A PROPOSAL**
(Sections 50.4(9) of the *Bankruptcy and Insolvency Act*)

COPY

Attorneys for IHG Harilela Hotels Ltd.
Per: Me Christian Lachance
Dir 514 841 6576
O/F 245832



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CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
(Commercial Division)

No. 500-11-045763-139

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-and-

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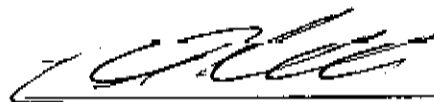
Trustee

ATTESTATION OF AUTHENTICITY

I, the undersigned, Christian Lachance, attorney, practicing my profession with the law firm of Davies Ward Phillips & Vineberg LLP, having its principal place of business at 1501 McGill College Avenue, 26th Floor, in the City of Montréal, Province of Québec, solemnly affirm that:

1. On March 20, 2014, at 4:51 a.m., Davies Ward Phillips & Vineberg LLP received by e-mail an Affidavit signed by Daulat Dipshan dated March 20, 2014, a copy of such Affidavit is attached to this Attestation of Authenticity;
2. All the facts alleged herein are true.

AND I HAVE SIGNED:



CHRISTIAN LACHANCE

SOLEMNLY AFFIRMED BEFORE ME,
at Montréal, on March 20, 2014



Commissioner for Oaths



TRUE COPY

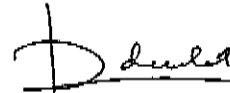
Davies Ward Phillips & Vineberg LLP
DAVIES WARD PHILLIPS & VINEBERG LLP

AFFIDAVIT

I, the undersigned, Daulat Dipshan, President and Secretary of IHG Harilela Hotels Ltd., exercising my occupation at 7880 Chemin de la Côte de Liesse, in the City of Montreal, Quebec, solemnly declare the following:

1. I am the President and Secretary of the Debtor/Petitioner herein and I am duly authorized for the purposes hereof;
2. I have taken cognizance of the attached *Third Motion for an Extension of Time to File a Proposal*;
3. All the facts alleged in the said motion are true.

AND I HAVE SIGNED

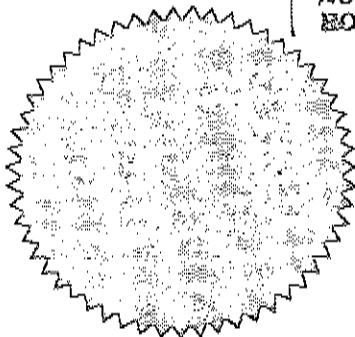


Daulat Dipshan

Solemnly affirmed before me in Hong Kong
on the 20th day of March, 2014



BILLY W. Y. MA
NOTARY PUBLIC
HONG KONG SAR



No. 500-11-045763-139

S U P E R I O R C O U R T
(Commercial division)
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COPY

Attorneys for IHG Harilela Hotels Ltd.
Per: Me Christian Lachance
Dir 514 841 6576
O/F 245832



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