

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

N°: 500-11-049214-154

**SUPERIOR COURT**  
(Commercial Division)

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**IN THE MATTER OF THE RECEIVERSHIP  
OF:**

**LES HOTELS HRH LTÉE / HRH HOTELS  
LTD.,**

Debtor

-and-

**RESTRUCTURATION DELOITTE INC. /  
DELOITTE RESTRUCTURING INC.,**

Receiver/Petitioner

-and-

**9303-7026 QUÉBEC INC.**, a corporation  
duly incorporated pursuant to the *QBCA*,  
having its head office at 1155, René  
Lévesque Boulevard, 40<sup>th</sup> floor, Montréal,  
QC, H3B 3V2

-and-

**9153-1335 QUÉBEC INC.**, a corporation  
duly incorporated pursuant to the *QBCA*,  
having its head office at 4001, Industriel  
Blvd., Laval Québec, H7L 4S3

-and-

**LAND REGISTRAR FOR THE LAND  
REGISTRATION DIVISION OF  
MONTREAL**, 2050, Bleury Street, R.C. 10,  
Montréal, QC, H3A 2J5

Mises-en-cause

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**MOTION FOR THE ISSUANCE OF AN ORDER AUTHORIZING THE SALE OF  
ASSETS, THE ISSUANCE OF AN APPROVAL AND VESTING ORDER**  
(Section 243 ff. of the *Bankruptcy and Insolvency Act*, Articles 912 and 3063 of the *Civil  
code of Québec*, and Article 804 of the *Code of civil Procedure*)

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**TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN THE COMMERCIAL DIVISION, DISTRICT OF MONTRÉAL, OR TO A REGISTRAR THEREOF, THE RECEIVER/PETITIONER RESPECTFULLY SUBMITS THE FOLLOWING:**

**I. INTRODUCTION**

1. The purpose of the present Motion is to allow for the transfer of the Property (as defined hereinafter) of *Les Hotels HRH Ltée / HRH Hotels Ltd.* (hereinafter the "**Debtor**") to the Purchaser (as defined hereinafter), free and clear of any charges, liens or encumbrances of any kind, save and except the Alleged Servitude (as defined hereinafter);
2. As such, pursuant to the present Motion, *Restructuration Deloitte Inc.* (hereinafter "**Deloitte**" or the "**Receiver**"), in its capacity of Receiver appointed to the assets of the Debtor, will seek from this Honourable Court that it:
  - a) Authorizes the sale of the Debtor's rights and interests in and to the Property (as defined hereinafter) in accordance with the terms and conditions set forth in the Retained Offer (as defined hereinafter), the whole with a view to fully effectuate the Contemplated Transaction (as defined hereinafter); and
  - b) Vests the Property (as defined hereinafter) with the Purchaser (as defined hereinafter) free and clear of any liens, charges or encumbrances of any kind, save and except the Alleged Servitude, which for purpose of clarity shall not be affected by the orders sought pursuant hereto;
3. In support of the present Motion, the Receiver submits a draft Vesting Order as **EXHIBIT R-1** (hereinafter the "**Draft Order**") as well as a comparative version outlining the differences between the Draft Order and the standard vesting order put forth by the Comité de Liaison of the Commercial Division of the Superior Court of the judicial district of Montreal as **EXHIBIT R-2**;

**II. THE PARTIES**

4. The Debtor is a company that owns and operates a parking lot doing business under the name "*Place Golden Mile / Golden Mile Plaza*" located at 7728-7800 Côte-de-Liesse Road corresponding to lot number 1 054 509 of the Cadaster of Quebec located in Montreal (hereinafter the "**Property**"). A CIDREQ report for the Debtor is communicated herewith as **EXHIBIT R-3**;
5. The Property is comprised of approximately **350** outside parking spots (hereinafter the "**Outside Parking Spots**") and approximately **350** spots inside a two (2) stories building (hereinafter the "**Parking Building**");

6. The Property is neighbouring, *inter alia*, two (2) hotels:
  - a) The Quality Hotel (as defined hereinafter), which is owned by Mises en cause 9327-3258 Québec Inc. and 9327-3308 Québec Inc. (hereinafter collectively “**9327**”); and
  - b) The Hilton Hotel (as defined hereinafter), which is owned by Mise en cause Corporation Holdings 5 THI Inc. / THI Holdings 5 Corporation Inc. (hereinafter “**THI**”);
7. The Quality Hotel (as defined hereinafter), the Hilton Hotel (as defined hereinafter) and the Property were, until the sale of the Quality Hotel (to 9327) and the Hilton Hotel (to THI), owned and operated by the same group;
8. THI is a company that owns and operates hotels and restaurants and who, on February 12, 2015, bought an immovable located at 7880 Côte-de-Liesse Road, Saint-Laurent, Quebec, H4T 1E7, designated as lot 1 054 507 on the plan of the Cadaster of Québec (hereinafter the “**Hilton Property**”), registration division of Montréal on which it operates a hotel under the Hilton banner (hereinafter the “**Hilton Hotel**”), in the context of the receivership of *IHG Harilela Hotels Ltd.* (hereinafter “**IHG**”), as appears from a copy of the Approval and Vesting Order rendered by the Honourable Jean-Yves Lalonde, J.S.C. and the Certificate of the Receiver confirming that the transaction was completed, copies of which are filed herewith as **EXHIBIT R-4**;
9. 9327 owns and operates the property and hotel known as the Quality Hotel Dorval (hereinafter the “**Quality Hotel**”), located at 7700 Côte-de-Liesse Road in the City of Montréal (Borough of Saint-Laurent), corresponding to lot number 1 054 510 of the Cadaster of Québec, Registration Division of Montréal, as appears from a copy of an extract of the Land Register filed herewith as **EXHIBIT R-5**;
10. 9303-7026 Québec Inc. (hereinafter the “**Secured Creditor**”) is the sole registered secured creditor of the Debtor and the sole secured creditor registered against the Property (**EXHIBIT R-5**);
11. Deloitte is acting as Receiver to the assets of the Debtor pursuant to and in accordance with a Receivership Order that was rendered on August 7, 2015 at the request of *HSBC Bank Canada*, to whom the Secured Creditor is a successor in rights, as appears from a copy of the *Motion for the Issuance of an Order Appointing a Receiver* (hereinafter the “**Receivership Motion**”), communicated herewith as **EXHIBIT R-6**, and a copy of the Receivership Order dated August 7, 2015 communicated herewith as **EXHIBIT R-7** (hereinafter the “**Receivership Order**”);
12. 9153-1335 Québec Inc. (hereinafter the “**Purchaser**”) has submitted the Retained Offer (as defined hereinafter) in respect to the Property;

### III. THE RECEIVERSHIP

13. As of July 28, 2015, as appears from the Receivership Motion:
  - a) The Debtor was indebted to the Secured Creditor in an approximate amount of **\$3,9M** plus applicable fees and expenses (hereinafter the **"Secured Indebtedness"**);
  - b) In addition to the Secured Indebtedness, the Debtor had an approximate amount of **\$500,000** of unsecured liabilities;
14. The Receivership Order provides the Receiver with, *inter alia*, the following powers:
  - a) Solicitation Process:
    - i) All the powers necessary to implement a solicitation process in respect to the Property (see paragraph 10.4 m)) of the Receivership Order); and
    - ii) All the powers necessary to sell the Property outside the normal course of business and seek the issuance of a vesting order or other orders necessary to convey same to a purchaser, free and clear of any liens or encumbrances effecting such Property (see paragraph 10.4 n) of the Receivership Order);
  - b) Cease the operations of the Business: All powers necessary to cease to carry on all or any part of the Business, cease to perform any contracts of the Debtor (see paragraph 10.3 g) of the Receivership Order); and

### IV. THE ALLEGED SERVITUDE

15. On December 20, 2012, the Debtor entered into a conventional deed of servitude with IHG (hereinafter the **"Deed of Servitude"**) which purports to create a servitude whereby the Debtor's Property, as servient land, grants to the Hilton Hotel, as dominant land, a real and perpetual servitude of right of parking (hereinafter the **"Alleged Servitude"**), as appears from a copy of the Deed of Servitude communicated herewith as **EXHIBIT R-8**;
16. The Deed of Servitude was registered in the Land Register on December 21, 2012 under registration number 19 658 098, as appears from the Land Register index for the Property communicated herewith as **EXHIBIT R-9**, and the Land Register index for the Hilton Property (**EXHIBIT R-5**);
17. For reasons that are detailed in the Initial Transaction Motion (as defined hereinafter), a copy of which is filed herewith as **EXHIBIT R-10**, the Debtor contests the Alleged Servitude;

**V. THE SOLICITATION PROCESS & THE CONTEMPLATED TRANSACTION**

18. The Debtor has aggressively sought out purchasers/investors in respect to the Parking Complex since February 24, 2015;
19. Over this period approximately **565** purchasers were approached;
20. In this process, the Debtor has sought the assistance of the real estate brokerage firm CBRE who was mandated to market the Property;
21. The solicitation process conducted by the Debtor/CBRE can be summarized as follows (hereinafter the "***Solicitation Process***"):
  - a) Teasers were prepared for the various transactions and were distributed to approximately **565** potential purchasers/investors;
  - b) Twenty-two (**22**) interested parties signed a non-disclosure agreement giving them access to sensitive commercial information in respect to the Debtor and the Parking Complex;
  - c) Meetings were arranged with these interest parties to present the transaction and to exchange financial and commercial information about the business under consideration;
  - d) On August 20, 2016 an offer was submitted which provided for the purchase of the Property for an amount insufficient to cover for the secured indebtedness of the Secured Creditor (hereinafter the "***initial Transaction***");
  - e) Although the purchase price offered pursuant to the Initial Transaction did not allow for the repayment of its secured indebtedness, the Secured Creditor was supporting the Initial Transaction;
  - f) The Initial Transaction was conditional upon the issuance by this Honourable Court of a Vesting Order providing *inter alia* for the vesting of the Property free and clear of the Alleged Servitude;
  - g) On September 2, 2015, the Receiver filed a Motion for the issuance of an Order Authorizing the sale of the Property, as appears from the Court record herein (hereinafter the "***Initial Transaction Motion***");
  - h) Regrettably, the Initial Transaction did not materialize as the offeror has indicated to the Receiver that it does not want to pursue same anymore as a result of the uncertainty stemming from the Alleged Servitude and delays associated to dealing with same;
22. On September 6, 2015, the CBRE mandate expired;

23. On February 8, 2016, the Purchaser referred to the Receiver submitted an offer as appears from a copy of such offer filed herewith under seal as **EXHIBIT R-11** (hereinafter the ***“Retained Offer”***);
24. Essentially, the transaction contemplated pursuant to the Retained Offer may be summarized as follows (hereinafter the ***“Contemplated Transaction”***):
  - a) The Purchaser has remitted a deposit in an amount of **\$225,000** (hereinafter the ***“Deposit”***);
  - b) The Purchaser offers to acquire the Property in exchange for the Purchase Price (as defined in the Retained Offer, hereinafter the ***“Purchase Price”***) on an *“as is where is”* basis;
  - c) The transaction is conditional upon the issuance by the Honourable Court of a Vesting Order taking the form of the Draft Order, which, for purpose of clarity, vests the Property free and clear of all encumbrances save and except the Alleged Servitude (as defined hereinafter); and
  - d) Closing is to take place on February 23, 2016;
25. For all intents and purposes, the main outstanding condition to effectuate the Contemplated Transaction is the issuance by this Honourable Court of an order taking the form of the Draft Order;
26. The Draft Order lists the Alleged Servitude as a *“permitted encumbrances”* and therefore the Alleged Servitude is not affected by the Draft Order;
27. The Retained Offer is the best offer available under the circumstances;
28. Although the Purchase Price will not allow for the repayment of the Secured Indebtedness of the Secured Creditor, the Contemplated Transaction will allow the Debtor to pay an important portion of the amounts owing to the Secured Creditor;
29. The Receiver verily believes that the Retained Offer is the best available option for all of the stakeholders of the Debtor, as appears from a copy of its report communicated herewith as **EXHIBIT R-12** (hereinafter the ***“Report”***);
30. The Secured Creditor supports the Contemplated Transaction;
31. In addition to being the best offer under the circumstances, the Receiver submits to this Honourable Court that the Contemplated Transaction must be completed on an urgent basis considering the following facts and circumstances:
  - a) The operations of the Property are grossly unprofitable. In fact, the operations of the Property on an annual basis will result in substantial losses;

- b) Given this anticipated loss, the Receiver had already informed both 9327 and THI of its intention to cease the operations of the Property, as appears from a copy of the letter sent in this regard filed herewith as **EXHIBIT R-13** (hereinafter the "**Letter**");
- c) This Letter was sent before the City of Montreal (hereinafter the "**City**") issued, on or about January 15, 2015, a document entitled "*Avis d'Infraction*", pursuant to which:
  - i) The City informed the Debtor that it could no longer provide parking services as same was in violation of existing zoning regulation;
  - ii) The City gave thirty (**30**) days to the Debtor to cease offering parking services; and
  - iii) The City informed the Debtor that a daily penalty of **\$982** would be payable if the parking services were continued,as appears more fully from a copy of said "*Avis d'Infraction*" filed herewith as **EXHIBIT R-14** (hereinafter the "**City Notice**");
- d) The Secured Creditor has indicated to the Receiver that does not intend to further fund the unprofitable operations of the Business;

32. In entering into the Contemplated the Purchaser has taken into consideration the Alleged Servitudes and the City Notice;

## **VI. CONCLUSIONS SOUGHT**

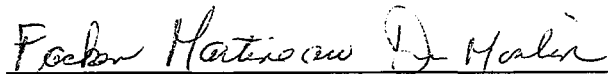
- 32. Although not a result of, the Retained Offer and the therein Contemplated Transaction have been received after the market had been properly canvassed pursuant to a thorough Solicitation Process;
- 33. The most likely purchasers for the Property were identified and given a proper opportunity to put their best foot forward;
- 34. The Purchase Price set out in the Retained Offer is fair and commercially reasonable and was arrived at in a commercially reasonable manner, the whole as more fully appears from the Receiver's Report;
- 35. Further marketing efforts would unlikely result in the identification of new prospective purchasers or a higher purchase price;
- 36. It is the Receiver's view that the completion of the Contemplated Transaction is the best alternative under the circumstances;
- 37. Therefore, the Receiver submits that the orders sought pursuant hereto should be rendered on an executory notwithstanding appeal basis;

38. The present Motion is well founded in fact and in law.

**FOR THESE REASONS, MAY IT PLEASE THE COURT TO:**

- [1] **GRANT** the present Motion;
- [2] **ISSUE** an order substantially in the form of either of the draft orders communicated as **EXHIBIT R-1** in support of the Motion;
- [3] **ORDER** the provisional execution of the Order notwithstanding appeal;
- [4] **THE WHOLE** without costs, save in case of contestation.

Montréal, this February 16, 2016



Mtre Luc Morin

**Fasken Martineau DuMoulin LLP**

Attorneys for the Receiver Restructuration

Deloitte Inc. / Deloitte Restructuring Inc.

Stock Exchange Tower

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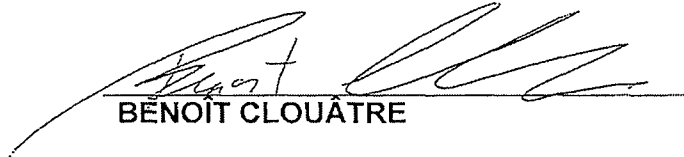


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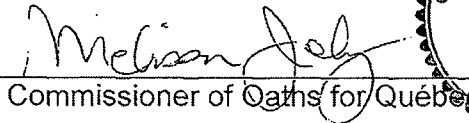
I, the undersigned, Benoît Clouatre, CPA, CA, CIRP, partner at *Restructuration Deloitte Inc. / Deloitte Restructuring Inc.* having a place of business at 1190, avenue des Canadiens-de-Montréal, bureau 500, Montréal, Québec, solemnly affirm the following:

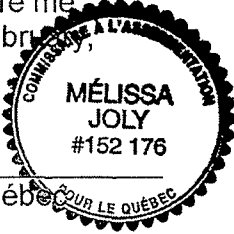
1. I am a partner of *Restructuration Deloitte Inc. / Deloitte Restructuring Inc.*;
2. All the facts alleged in the present "*Motion seeking Directions*" are true.

AND I HAVE SIGNED:

  
BENOÎT CLOUÂTRE

SOLEMNLY DECLARED before me  
at Montréal, this 16<sup>th</sup> day of February,  
2016

  
Commissioner of Oaths for Québec



## NOTICE OF PRESENTATION

(Article 119 of the C.C.P.)

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**TO : Borden Ladner Gervais LLP**  
Attention : Me François Gagnon &  
Me Fred Enns

1000 rue de la Gauchetière Ouest  
Bureau 900  
Montréal QC H3B 5H4

Attorneys for CORPORATION  
HOLDINGS 5 THI INC. / THI  
Holdings 5 corporation Inc.

**TO : Blake, Cassels & Graydon LLP**  
Attention : Me Sébastien Guy

600, boul. de Maisonneuve O.  
Bureau 2200  
Montréal, Québec H3A 3J2

Attorneys for Les Hotels HRH  
Itée / HRH Hotels Ltd.

**TO : 9303-7026 QUÉBEC INC.**  
1155, René Lévesque Boulevard  
40<sup>th</sup> Floor  
Montréal, QC, H3B 3V2

**TO : 9327-3258 QUÉBEC INC.**  
3285 Cavendish Boulevard  
Suite 600  
Montreal Québec H4B 2L9

**TO : 9327-3308 QUÉBEC INC.**  
3285 Cavendish Boulevard  
Suite 600  
Montreal Québec H4B 2L9

**TO : Mtre Yves Boulanger**  
7333, Place des Roseraies  
Anjou, Québec H1M 2X6

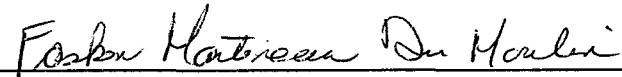
Attorney for 9153-1335 QUÉBEC  
INC.

**TAKE NOTICE** that the ***“MOTION FOR THE ISSUANCE OF AN ORDER AUTHORIZING THE SALE OF ASSETS, THE ISSUANCE OF AN APPROVAL AND VESTING ORDER”*** will be presented for adjudication before Justice Martin Castonguay of the Superior Court, Commercial Division, sitting in and for the District of Montréal, in a room to be determined of the Montréal Courthouse, 1 Notre-Dame Street East, Montréal, (Québec), H2Y 1B6, on **February 18, 2016 at 11:30 a.m.**

..

**DO GOVERN YOURSELVES ACCORDINGLY.**

Montréal, this February 16, 2016



Mtre Luc Morin

**Fasken Martineau DuMoulin LLP**

Attorneys for the Receiver Restructuration

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CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

Nº: 500-11-049214-154

**SUPERIOR COURT**  
(Commercial Division)

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**9303-7026 QUÉBEC INC.**

-and-

**9153-1335 QUÉBEC INC.**

-and-

**LAND REGISTRAR FOR THE LAND  
REGISTRATION DIVISION OF  
MONTREAL**

Mises-en-cause

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### **LIST OF EXHIBITS**

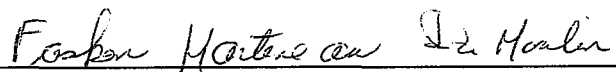
**(Motion for the Issuance of an Order Authorizing the Sale of Assets,  
the Issuance of an Approval and Vesting Order**

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- EXHIBIT R-1:** Draft Vesting Order.
- EXHIBIT R-2:** Comparative version outlining the differences between the Draft Order and the standard vesting order put forth by the Comité de Liaison of the Commercial Division of the Superior Court of the judicial district of Montreal.
- EXHIBIT R-3:** CIDREQ report for Les Hôtels HRH Ltée / HRH Hotels Ltd.
- EXHIBIT R-4:** Approval and Vesting Order rendered by the Honourable Jean-Yves Lalonde, J.S.C. and the Certificate of the Receiver confirming that the transaction was completed.

- EXHIBIT R-5:** Extract of the Land Register for lot 1 054 510 of the Cadaster of Quebec (the Hilton Property).
- EXHIBIT R-6:** Motion for the Issuance of an Order Appointing a Receiver
- EXHIBIT R-7:** Receivership Order dated August 7, 2015
- EXHIBIT R-8:** Deed of Servitude dated December 20, 2012.
- EXHIBIT R-9:** Land Register index for lot 1 054 509 of the Cadastre of Quebec whereby the Deed of Servitude is registered under number 19 658 098.
- EXHIBIT R-10:** Motion for the issuance of an Order Authorizing the sale of the Property, dated September 2, 2015 (the "Initial Transaction Motion").
- EXHIBIT R-11:** Under seal - Offer dated February 8, 2016, submitted by 9153-1335 Quebec Inc.
- EXHIBIT R-12:** Receiver's report.
- EXHIBIT R-13:** Letter from the Receiver to 9327-3258 Québec Inc., 9327-3308 Québec Inc. and Corporation Holdings 5 THI Inc. / THI Holdings 5 Corporation Inc.
- EXHIBIT R-14:** *Avis d'infraction* from the City of Montreal dated January 15, 2015.

Montréal, this February 16, 2016



Mtre Luc Morin

**Fasken Martineau DuMoulin LLP**

Attorneys for the Receiver Restructuration

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PROVINCE OF QUÉBEC  
SUPERIOR COURT (Commercial Divisions)  
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**IN THE MATTER OF THE RECEIVERSHIP OF:**

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LAND REGISTRAR FOR THE LAND  
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Mises-en-cause

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**Motion for the Issuance of an Order  
Authorizing the Sale of Assets, the  
Issuance of an Approval and Vesting  
Order, Affidavit, Notice of Presentation,  
List of Exhibits**

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ORIGINAL

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