

CANADA
PROVINCE OF QUEBEC
DISTRICT OF QUEBEC
DIVISION NO.: 01-MONTREAL
COURT NO.: 500-11-045763-139
ESTATE NO.: 41-1815817

SUPERIOR COURT
(Commercial Division)

IN THE MATTER OF THE PROPOSAL OF IHG HARILELA HOTELS LTD., a body politic and corporate, duly incorporated according to law and having its principal place of business and [...] domicile at 7880, Côte-de-Liesse Road, Montreal, Quebec, Canada, H4T 1E7 .

Debtor

AMENDED PROPOSAL

IHG HARILELA HOTELS LTD., the above-noted Debtor, hereby submits the following Proposal under the *Bankruptcy and Insolvency Act*.

1. For purposes hereof:

“ACT” means the *Bankruptcy and Insolvency Act*;

“COMPANY” means IHG Harilela Hotels Ltd.;

“DIRECTORS” means any directors of the COMPANY in office as at the date of the PROPOSAL;

“DIRECTOR LIABILITIES” means all claims against any and all DIRECTORS that arose before the filing date and relate to the COMPANY’s obligations where such directors are, by law, liable in their capacity as directors for payment of such obligations;

“DIVIDEND” has the meaning ascribed to same at paragraph 5 of this Proposal;

“ORDINARY CREDITORS” means all persons having an ORDINARY CLAIM;

“ORDINARY CLAIMS” means claims other than (i) SECURED CLAIMS, (ii) PREFERRED CLAIMS and (iii) claims referred to in paragraph 3 hereof. For greater certainty but without limiting the generality of the foregoing, ORDINARY CLAIMS shall include unsecured claims of every nature or kind whatsoever, known or unknown, whether due or not due for payment as of the date of the filing of the PROPOSAL of the COMPANY including claims resulting directly or indirectly from the termination of any contracts or the breach of any obligations prior or subsequent to the date of the COMPANY’S Notice of Intention to File a Proposal, contingent or unliquidated claims (once quantified in accordance with the ACT) arising out of any transaction entered into by the COMPANY prior to the date of the PROPOSAL and including, as well, the unsecured portion of any SECURED CLAIMS;

“PREFERRED CLAIMS” means all claims directed by the ACT to be paid in priority to all other claims in the distribution of the property of an insolvent party;

“PROFESSIONAL FEES” means all proper fees, expenses, liabilities and obligations of the TRUSTEE and legal fees, accounting fees and consulting fees incurred by or on behalf of the COMPANY in connection with the proceedings instituted under the ACT or, without limitation, advice to the COMPANY in connection with the Proposal.

“PROPOSAL” means this Proposal, as may be amended or altered in accordance with the ACT or the terms hereof;

“RATIFICATION” means approval of the present PROPOSAL by the Superior Court of Quebec (Commercial Division) in the manner contemplated by the ACT;

“RECEIVER” means SAMSON BELAIR/DELOITTE & TOUCHE INC., in its capacity as Court-appointed receiver to the assets of the COMPANY;

“SECURED CLAIMS” means all claims of the secured creditors of the COMPANY within the meaning of the ACT;

“TRUSTEE” means SAMSON BELAIR/DELOITTE & TOUCHE INC., in its capacity as trustee to the PROPOSAL.

2. The SECURED CLAIMS shall be paid in accordance with the existing contracts. Furthermore, the creditors holding a Secured Claim shall be entitled to value their security, exercise a right to vote and participate in any distribution as an Unsecured Creditor, with respect to the amount of their claims which exceeds their Secured Claim, as accepted by the Trustee or determined by the Court.
3. Claims in respect of amounts:
 - (a) owing to her Majesty in right of Canada or a Province as enumerated in Section 60(1.1) of the ACT, shall be paid in full within six (6) months after RATIFICATION;
 - (b) owing to employees and former employees, that they would have been entitled to receive under Paragraph 136(1)(d) of the ACT if the employer became bankrupt on the date of the filing of the COMPANY’S Notice of Intention to File a Proposal, as well as wages, salaries, commissions or compensation for services rendered after that date and before RATIFICATION, shall be paid in full immediately after RATIFICATION.
4. PREFERRED CLAIMS, without interest, shall be paid in full in priority to all ORDINARY CLAIMS.
5. ORDINARY CREDITORS shall receive in full and final payment of their respective Ordinary Claim, an amount representing 85% of their proven ORDINARY CLAIM, excluding interest and penalty (the “DIVIDEND”). Such amount will be payable [...]

within ten (10) business days following receipt by the RECEIVER of a clearance certificate from the appropriate fiscal authority(ies).

6. In the event of a dispute with one or more creditors as to the value of their claims provable having the effect of preventing the establishment of a definitive total amount of all the provable and proven claims, the TRUSTEE and the COMPANY reserve unto themselves the right to proceed by way of an interim dividend to creditors whose claims will have been admitted, settled or proven, and also, to establish a reserve which the TRUSTEE and the COMPANY shall deem sufficient to cover the possible DIVIDEND payable on such disputed claims.
7. The PROFESSIONAL FEES shall be paid by the COMPANY in priority to all PREFERRED CLAIMS and ORDINARY CLAIMS.
8. The acceptance of the PROPOSAL by the creditors of the COMPANY shall release definitively the DIRECTORS from any and all DIRECTOR LIABILITIES in accordance with section 50(13) and 50(14) of the ACT. It is understood however that nothing herein shall be interpreted as an acknowledgment of any liability or obligation on the part of the DIRECTORS, any such liability or obligation being specifically denied.
9. Provided that the COMPANY fulfills the PROPOSAL and the payments required to be made are made as and when required hereunder, Sections 95 through 101.1 of the ACT and articles 1631 to 1636 of the *Civil Code of Quebec* shall not apply to the present PROPOSAL and neither the TRUSTEE nor any creditors of the COMPANY shall have, or be entitled to exercise any of the rights or recourses provided for therein.
10. The COMPANY shall have the right to amend the PROPOSAL at any time prior to RATIFICATION. Such amendments need not to be submitted to the ORDINARY CREDITORS for their approval if the TRUSTEE and the Court are satisfied that such amendments are for the benefit of ORDINARY CREDITORS or do not reduce their rights.
11. Upon RATIFICATION, all ORDINARY CLAIMS of any and all shareholders of the COMPANY and related persons to the COMPANY will be subordinated to the payment of the DIVIDEND to the other ORDINARY CREDITORS, up to a maximum amount of 85% of \$270,000.00.
12. All monies payable under the PROPOSAL will be paid over to the TRUSTEE which will remit same in accordance with the terms of the PROPOSAL.

DATED AT MONTREAL, this 27th day of February 2015.

IHG HARILELA HOTELS LTD.



Name: _____

Witness _____

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