

June 13, 2019

To the Creditors of PR Construction Ltd.

Dear Sirs/Mesdames:

Re: In the Matter of the Proposal of PR Construction Ltd.

Please find enclosed the following documents for your review:

1. Notice of Proposal to Creditors
2. Certificate of Filing a Proposal
3. Trustee's Report to Creditors on Proposal
4. Proposal
5. Statement of Affairs (Summary) and List of Creditors
6. Proof of Claim, Proxy and Instructions
7. Voting Letter
8. Unsecured Creditor Election Form (Schedule "C")

To be entitled to vote the Trustee must receive your proof of claim prior to the creditors meeting as set out below. You can vote either in person or by sending your proof of claim and voting letter via mail, email (gs@mceownassociates.ca) or facsimile (604-588-8021) to the Trustee prior to the meeting date and time. You may also appoint a representative as your proxy to vote at the meeting on your behalf.

The Proposal allows unsecured creditors to elect the way they wish to receive payment. Unsecured Creditors who wish to receive a cash payment within 24 months of the date of the Approval Order as provided for in the Proposal must complete and deliver the **Schedule "C"** election form to the Trustee **no later than 4:00 p.m. (Vancouver Time) on Tuesday, June 25, 2019.**

Location and Date of Meeting of Creditors

Date and Time: **Wednesday, June 26, 2019 at 2:00 p.m.**

Place: Trustee's Office

Address: 1140-800 West Pender Street, Vancouver BC

Should you have any questions regarding the report or the terms of the Proposal, please contact John McEown at (604) 558-8012 or jm@mceownassociates.ca.

Yours very truly,

McEown and Associates Ltd.

Trustee in the Matter of the Proposal of
PR Construction Ltd.

Per: John McEown, CPA, CA, CIRP

District of: British Columbia
Division No. 03 - Vancouver
Court No. B190323
Estate No. 11-2507710

FORM 92
Notice of Proposal to Creditors
(Section 51 of the Act)

In the Matter of the Proposal of
PR CONSTRUCTION LTD.

Take notice that PR CONSTRUCTION LTD. of the city of Abbotsford in the Province of British Columbia has lodged with us a proposal under the Bankruptcy and Insolvency Act.

A copy of the proposal, a condensed statement of the debtor's assets, and liabilities, and a list of the creditors affected by the proposal and whose claims amount to \$250 or more are enclosed herewith.

A general meeting of the creditors will be held at 1140-800 West Pender Street, Vancouver, BC on the 26th day of June 2019 at 2:00 PM.

The creditors or any class of creditors qualified to vote at the meeting may by resolution accept the proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the court the proposal is binding on all the creditors or the class of creditors affected.

Proofs of claim, proxies and voting letters intended to be used at the meeting must be lodged with us prior to the commencement of the meeting.

Dated at the city of Vancouver in the Province of British Columbia, this 13th day of June 2019.

McEown and Associates Ltd. - Licensed Insolvency Trustee


1140 - 800 West Pender Street
Vancouver BC V6C 2V6
Phone: (604) 558-8020 Fax: (604) 558-8021

(A form of proof of claim, a form of proxy and a voting letter should be enclosed with each notice.)



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of British Columbia
Division No. 03 - Vancouver
Court No. 11-2507710
Estate No. 11-2507710

In the Matter of the Proposal of:
PR CONSTRUCTION LTD.
Debtor
MCEOWN AND ASSOCIATES LTD.
Licensed Insolvency Trustee

Date of Proposal:	June 05, 2019	Security:	\$
Meeting of Creditors:	June 26, 2019, 14:00 1140-800 West Pender Street Vancouver, British Columbia Canada,		
Chair:	Trustee		

CERTIFICATE OF FILING OF A PROPOSAL - Section 62

-- AMENDED --

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that:

- a proposal in respect of the aforementioned debtor was filed under section 62 of the *Bankruptcy and Insolvency Act*.

The aforementioned trustee is required:

- to provide to me, without delay, security in the aforementioned amount; and
- to send to all creditors, at least ten days prior to the meeting, a notice of a meeting of creditors, which will be held at the aforementioned time and place.

Date: June 10, 2019, 17:35

E-File/Dépôt Electronique

Official Receiver

300 Georgia Street W, Suite 2000, Vancouver, British Columbia, Canada, V6B6E1, (877)376-9902

Canada

Court No. B190323
Estate No. 11-2507710
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY**

**IN THE MATTER OF THE PROPOSAL OF
PR CONSTRUCTION LTD.**

TRUSTEE'S REPORT TO CREDITORS

INTRODUCTION

PR Construction Ltd.(the “Company”) filed a Notice of Intention to make a Proposal (the “NOI”) with the Office of the Superintendent of Bankruptcy (“OSB”) on May 6th, 2019, 2019 pursuant to Section 50.4 of the *Bankruptcy and Insolvency Act* (the “BIA”). McEown and Associates Ltd. was appointed trustee in the NOI proceedings (the “Trustee”).

On June 5th, 2019, the Company filed a proposal to its Creditors (the “Proposal”) with the OSB.

Capitalized terms in this report (the “Report”) shall have the meaning given to them in the Proposal unless otherwise defined.

The purpose of the Report is to provide information with respect to the following:

- a) Background information concerning the Company’s business and the causes of the Company’s difficulties;
- b) The key terms of the Proposal;
- c) The Company’s financial position;
- d) The Creditors;
- e) The Company’s assets and the estimated recovery in a bankruptcy scenario;

In the Matter of the Proposal of
PR Construction Ltd.

Trustee's Preliminary Report to Creditors

Page 2

- f) The recovery potential available under the Proposal compared to the recovery available to Creditors in the event the Proposal is not accepted and the Company is deemed to have made an assignment in bankruptcy; and
- g) The Trustee's recommendation to the Unsecured Creditors voting on the Proposal.

This report has been prepared by the Trustee based on information available as at June 11th, 2019.

BACKGROUND

The Company was established in 1994. Since its inception, the Company has successfully installed steel buildings for hydroelectric, oil sands, mining, and forestry projects throughout Western Canada. While the Company's focus is on heavy industrial and commercial projects, it is capable of erecting any steel building that the industry has coming to market.

The Company has been commercially successful for 25 years, with the exception of a sub-subcontracting agreement entered into in December 2012 with Colony Management Inc. ("Colony") for steel erection at Syncrude Canada Ltd.'s existing mine facilities at Mildred Lake in Alberta, Canada (the "Project"). Colony failed to make payment to the Company for work performed on the Project.

In order to meet the Company's ongoing operating costs and expenses, including costs incurred on the Project and funding required for a Court action against Colony, the Company borrowed funds from several related and unrelated parties.

Since October 24, 2014, the Company has been engaged in litigation proceedings in Alberta, Canada against Colony to enforce payment for work performed, the owners of the Project to enforce the builders lien and The Guarantee Company of North America to enforce payment under the Labour & Materials Payment Bond (collectively, the "Defendants"). The total amount of the Company's claim against the Defendants is \$5,981,211, plus interest and costs.

The Company is also facing a counterclaim by Colony on the basis that, amongst other things, the Company wrongfully terminated its sub-subcontract on the Project (the "Colony Counterclaim").

In the Matter of the Proposal of
PR Construction Ltd.

Trustee's Preliminary Report to Creditors

Page 3

The above litigation proceedings (the "Litigation Proceedings") are ongoing and the trial is scheduled for 20 days commencing in February 2021, in Edmonton, Alberta.

On March 4, 2019 one of the parties that had loaned funds to the Company for the costs and expenses described above commenced legal proceedings for the collection of its debt. Unfortunately, the Company was unable to settle the debt with the Creditor.

On May 6, 2019 the Company filed the NOI to allow it time to prepare a restructuring plan that would allow the business and Litigation Proceedings to continue and provide a better return to the creditors than would result if the Company became bankrupt.

SUMMARY OF SIGNIFICANT PROPOSAL TERMS

The Report provides an overview of the terms of the Proposal. The Report is not a substitute for the Proposal and the Creditors are encouraged to review the Proposal in its entirety before voting on it. Creditors may also wish to discuss the terms of the Proposal with their legal counsel and other advisors.

In order for the Proposal to be binding on the Company and the Unsecured Creditors, two-thirds in dollar value and over 50% in number of the Unsecured Creditors Class who actually vote on the Proposal (in person or by proxy) must vote in favour of the Proposal. The Proposal must be approved by the Court after it is accepted by the Unsecured Creditor Class. Rejection of the Proposal by the Unsecured Creditor Class or the Court would result in the Company being deemed to have made an assignment in bankruptcy.

The significant terms of the Proposal are as follows:

Unsecured Creditors (Section 3.2)

The Proposal affects Unsecured Creditors only and allows Unsecured Creditors to make an election to be paid a sum within 24 months of the Approval Order or to be paid their *pro rata* distribution from the Litigation Proceeds.

Those Unsecured Creditors electing to be paid within 24 months of the Approval Order would receive payment as follows:

In the Matter of the Proposal of
PR Construction Ltd.

Trustee's Preliminary Report to Creditors

Page 4

- a) An Unsecured Creditor with a claim of less than \$50,000 will receive payment in full of its Unsecured Creditor Claim within 24 months from the date of the Approval Order;
- b) An Unsecured Creditor with a claim of \$50,000 or more will be paid the following amounts:
 - i. the amount of \$50,000; and
 - ii. an amount for the balance of its Unsecured Creditor Claim after payment of the \$50,000 up to a maximum total payment of 20% of the total amount of its Unsecured Creditor Claim.

Those Unsecured Creditors electing to receive their *pro rata* distribution of the Litigation Proceeds, if any, will receive such payment on the Litigation Proceeds Distribution Date, being 30 days after the Conclusion of the Litigation Proceedings.

Secured Creditors (Section 2.4)

Secured Creditors are unaffected under the Proposal to the extent of their secured claim. Secured Creditors shall be paid in accordance with the present arrangements existing between such Secured Creditor and the Company, as amended from time to time or as may be arranged in the future between the Company and the Secured Creditor.

Priority Claims (Section 4.2)

Under the Proposal, the following Claims will be paid as follows:

- Employee Claims will be paid in full immediately after the granting of the Approval Order. Employee Claims means any Claim of any employees and former employees against the Company existing as at the date of the NOI.
- Crown Claims will be paid within 6 months of the Approval Order.
- Priority Claims will be paid in accordance with Subsection 136(1) of the BIA prior to any distribution to the Unsecured Creditors.

In the Matter of the Proposal of
PR Construction Ltd.

Trustee's Preliminary Report to Creditors

Page 5

Trustee's Fees (Section 4.1)

The Trustee's Fees will be paid by the Company in priority to payment of all Proven Claims in accordance with the provisions of the BIA.

Superintendent's Levy (Section 6.3)

All payments made by the Trustee to Creditors pursuant to the Proposal shall be made net of all applicable levies in accordance with the BIA and regulations thereto, including the levy imposed by the Superintendent of Bankruptcy under the BIA.

Compromise and Release (Section 3.4)

The Proposal provides that upon the Company meeting its obligation to each Unsecured Creditor under the Proposal, each Unsecured Creditor shall release:

- the Company from all claims that arose before the date of the NOI and that relate to the obligations of the Company prior to that date, regardless of the date of crystallization of such claims; and
- the directors and officers from all claims that arose before the date of the NOI and that relate to the obligations of the Company prior to that date, regardless of the date of crystallization of such claims where the directors and officers are, by law, liable in their capacity as directors or officers for the payment of such obligation but shall not include claims that are based on allegations of misrepresentation made by directors to creditors or of wrongful or oppressive conduct by directors.

Amendments and Modifications to Proposal (Sections 9.1. and 9.2)

The Company may amend the Proposal at any time prior to the Creditors Meeting, and after the Creditors Meeting, to amend any approved Proposal and re-submit it to the Creditors with the consent of the Trustee.

After the Creditors Meeting, the Proposal may be modified from time to time:

- (a) if the amendment is considered by the Trustee and the Inspectors (should any be appointed) to be non-substantive in nature, with the approval of the Trustee and the majority of the Inspectors (should any be appointed);

In the Matter of the Proposal of
PR Construction Ltd.

Trustee's Preliminary Report to Creditors

Page 6

- (b) upon a vote conducted by the Trustee at a further meeting of Creditors; and
- (c) by the Court at any time on application of the Company or the Trustee and upon notice to those determined by the Company and the Trustee to be directly affected by the proposed modification, whether a Creditor or not.

THE COMPANY'S FINANCIAL POSITION

The Trustee has reviewed the cash flow projections prepared by the Company for the period of June 1 to September 30, 2019 and has had discussions with the Company's management, including Mr. Paul Ronald, who is the president and a director of the Company, regarding the future prospects for the business.

Management has advised the Trustee that the work the Company has currently contracted for will keep their employees fully utilized until February 2020.

Management does not foresee any shortage of work for the next several years and believes that the Company will be able to meet its obligations under the terms of the Proposal as long as the Company can maintain its current level of profitability and is not subject to demands and litigation by its Creditors. Management has further advised that, if necessary, PR can arrange financing in order to meet its obligations under the terms of the Proposal.

CREDITORS CLAIMS

The list of Creditors is summarized in the Statement of Affairs filed by the Company with the Trustee and can be found attached to the Report as **Schedule "A"**.

Unsecured Creditor Claims

The Company's indebtedness to Unsecured Creditors as shown on the Statement of Affairs totals approximately \$5,584,042.

If the Proposal is approved, Unsecured Creditors will be paid in accordance with the terms of the Proposal.

In the Matter of the Proposal of
PR Construction Ltd.

Trustee's Preliminary Report to Creditors

Page 7

Secured Creditor Claims

The records of the Company do not reflect any outstanding amounts owed to any Secured Creditors.

Toronto Dominion Bank ("TD") has a security interest over all of the property of the Company, which was registered on May 5, 1999 in the BC Personal Property Registry. Mr. Ronald has advised the Trustee that there is currently no balance owing to TD.

The Proposal does not affect Secured Creditor Claims.

Crown Claims and Priority Claims

The records of the Company do not reflect any outstanding amounts owed for Crown Claims or Priority Claims. Mr. Ronald has advised the Trustee that the Company is current with its payroll remittances and that there are no amounts outstanding to any Creditors that would be a Priority Claim pursuant to Subsection 136(1) of the BIA.

Although there are no outstanding amounts for Crown Claims and Priority Claims, if the Proposal is approved, the Proposal provides that all Crown Claims, which includes all amounts owing to Canada Revenue Agency ("CRA") for payroll deductions, including the employer portions, will be paid within 6 months of the Approval Order, and all Priority Claims will be paid in accordance with Subsection 136(1) of the BIA prior to any distribution to the Unsecured Creditors.

If, however, the Company becomes bankrupt, the employee source deduction withholdings are a deemed trust that rank in priority to all other claims including Secured Creditor Claims.

Employees

All current employees of the Company have been paid up to date and there are not arrears owing, with the exception of vacation pay which is paid out in ordinary course of business when vacations are taken. One former employee is owed \$40,000.

If the Proposal is approved, all Employee Claims, including the \$40,000 owed to the former employee, will be paid immediately upon the granting of the Approval Order in accordance with the terms of the Proposal.

In the Matter of the Proposal of
PR Construction Ltd.

Trustee's Preliminary Report to Creditors

Page 8

If, however, the Company becomes bankrupt, pursuant to the provisions of the BIA, employees have a secured claim over the current assets of the employer company to a limit to \$2,000 for each employee for outstanding wages and vacation pay due for the 6 month period preceding the date of bankruptcy. The claim ranks in priority to all other secured claims against the current assets with the exception of the claim by CRA for source deductions as described above.

Preferences or Transfers at Undervalue

Mr. Ronald has advised the Trustee that at the date of the filing of the NOI, there are no payments that would qualify as preferences or transfers at undervalue. The Trustee has not conducted a review of the Company's records to determine if there have been any preferential payments or transfers at undervalue in the year prior to the commencement of or during the NOI proceedings.

If the Proposal is approved, no examination will be undertaken by the Trustee of any transaction that may be voidable under Sections 95 to 101 of the BIA.

ASSETS

The following is a summary of the assets declared by the Company on its Statement of Affair and the Trustee's estimated realization on the Company's assets in a bankruptcy scenario:

Cash

The cash in the Company's bank account at TD as shown on the Statement of Affairs is \$34,904.

In a bankruptcy, the cash in the bank would be available to the Creditors subject to any amounts that may become due to TD that are covered by its general security agreement. Currently there no amounts owing to TD Canada Trust.

Accounts Receivable

The Company's accounts receivable as shown at book value on the Statement of Affairs is \$689,768.11.

In the Matter of the Proposal of
PR Construction Ltd.

Trustee's Preliminary Report to Creditors

Page 9

In a bankruptcy, the Trustee estimates the recovery from the collection of the accounts receivable to be between \$350,000 and \$500,000.

Owned Equipment

Equipment owned by the Company is valued on the Statement of Affairs at \$339,700 based on Joiner Sales Corp.'s ("Joiners") estimated gross realizable value in a forced liquidation sale.

The Trustee estimates the net realization from the equipment in a bankruptcy, after payment of the selling costs of 20%, to be between \$200,000 and \$300,000.

Owned Vehicles

Vehicles owned by the Company are valued on the Statement of Affairs at \$316,850 based on Joiners estimated gross realizable value in a forced liquidation sale.

The Trustee estimates the net realization for the vehicles in a bankruptcy, after payment of selling costs of 20%, to be between \$200,000 and \$300,000.

The Litigation Proceedings: Claim Against Colony

As mentioned earlier in this report, the Litigation Proceedings are ongoing and the trial is scheduled for 20 days commencing in February 2021, in Edmonton, Alberta. The Company's claim against Colony is \$5,981,211, plus interest and costs that may be awarded against Colony if the Company is successful.

The Company's litigation counsel believes that the Company will be successful in the Litigation Proceedings.

In a bankruptcy, it is very unlikely that the Trustee would continue the Litigation Proceedings and as a result thereof there would be no recovery available to the estate from the Litigation Proceedings.

Cash Held in Trust c/o McLean & Armstrong LLP

The Company has cash held in trust with McLean & Armstrong LLP in the amount of \$140,939 as security for costs for the Litigation Proceedings pursuant to the Consent

In the Matter of the Proposal of
PR Construction Ltd.

Trustee's Preliminary Report to Creditors

Page 10

Order pronounced by Master Smart dated March 16, 2017 of the Court of Queen's Bench of Alberta.

In a bankruptcy, it is very unlikely that the Trustee would continue the Litigation Proceedings and as a result the Company would be ordered to pay Colony's legal costs.

The Trustee estimates the amount of the trust funds held by McLean & Armstrong LLP that would be available to the creditors, after payment of Colony's legal costs, to be between \$50,000 and \$70,000.

COMPARATIVE REALIZATION ANALYSIS – BANKRUPTCY VS. PROPOSAL

The Trustee has prepared the attached **Schedule "B"** setting out the estimated realizations comparing the two possible scenarios, the first being if the Unsecured Creditors accept the Proposal and the second being if the Unsecured Creditors reject the Proposal, which would result in the Company being deemed to have made an assignment in bankruptcy.

In a bankruptcy scenario, the Trustee estimates the distribution to the Unsecured Creditors to be between approximately 10% and 19% of the amount of their Unsecured Creditor Claims.

In the Proposal, the Trustee estimates the distribution to the Unsecured Creditors to be as follows:

- For an Unsecured Creditor who elects to be paid within 24 months of the Approval Order, the Unsecured Creditor will receive payment of its Unsecured Creditor Claim in full up to \$50,000 plus the balance of its Unsecured Creditor Claim up to a maximum of 20%.
- For an Unsecured Creditor who does not elect to be paid within 24 months of the Approval Order, the Unsecured Creditor will receive a *pro rata* distribution of the Litigation Proceeds. The amount of the Litigation Proceeds will depend entirely on the outcome of the Litigation Proceedings. If the Company is successful in the Litigation Proceedings, it is expected that the Unsecured Creditors could receive up to 100% of their Unsecured Creditor Claims. However, if the Company is not successful, there may not be any Litigation Proceeds to distribute.

In the Matter of the Proposal of
PR Construction Ltd.

Trustee's Preliminary Report to Creditors

Page 11

TRUSTEE'S RECOMMENDATION

The Proposal gives the opportunity for the Unsecured Creditors to elect how they wish to receive payment, both options which could result in payment greater than the estimated recovery in a bankruptcy scenario. If the Proposal is rejected by the Unsecured Creditors (or not approved by the Court), a bankruptcy will result.

If an Unsecured Creditor elects to receive payment within 24 months, the Unsecured Creditor will receive a payment that is at least equal to 20% of its Unsecured Creditor Claim. If the Unsecured Creditor Claim is \$50,000 or less, the Unsecured Creditor will receive its Unsecured Creditor Claim paid in full. This provides the Unsecured Creditor with more certainty than the estimated realization in a bankruptcy scenario, which is estimated to be between approximately 10% to 19%.

Although the outcome of the Litigation Proceedings is uncertain, if an Unsecured Creditor elects to receive its *pro rata* distribution from the Litigation Proceeds, the Unsecured Creditor has the opportunity to realize 100% of its Unsecured Creditor Claim.

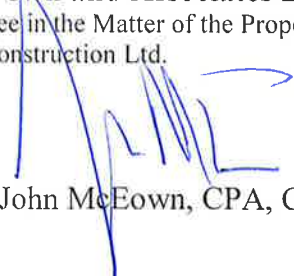
The Trustee recommends that the Unsecured Creditors vote in favour of this Proposal. The options to elect how the Unsecured Creditor wish to receive payment provide the opportunity for a better outcome than an estimated distribution in a bankruptcy.

Further, by approving the Proposal, the Company will be able to continue to operate its business, employ its staff and hopefully maintain its business relationships with its Unsecured Creditors for their mutual benefit.

DATED AT the City of Vancouver, this 13th day of June, 2019.

McEown and Associates Ltd.

Trustee in the Matter of the Proposal of
PR Construction Ltd.



Per: John McEown, CPA, CA, CIRP

District of: British Columbia
 Division No. 03 - Vancouver
 Court No. B190323
 Estate No. 11-2507710

Schedule "A"

FORM 78 -- Continued

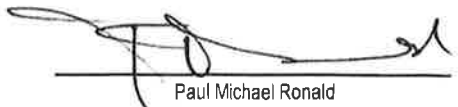
List "A"
 Unsecured Creditors

PR CONSTRUCTION LTD.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	0498134 BC Ltd.	700-2695 Granville Street Vancouver BC V6H 3H4	50,000.00	0.00	50,000.00
2	0989842 BC Ltd.	34871 Brient Drive Mission BC V2V 6R8	46,561.24	0.00	46,561.24
3	6291601 Manitoba Ltd.	28-2842 Whatcom Road Abbotsford BC V3G 3B8	177,666.93	0.00	177,666.93
4	Auryse Lacroix	2083 Pineview Drive Oakville ON L6H 5M5	732,101.19	0.00	732,101.19
5	BC Hydro & Power Authority Attn: Credit Admin	333 Dunsmuir St, 11th floor Vancouver BC V6B 5R3	1.00	0.00	1.00
6	Becco Crane Service Inc.	1917 Eureka Avenue Port Coquitlam BC V3C 5P6	87,764.26	0.00	87,764.26
7	C2G International LLC	27412 Alison Creek Road Aliso Viejo Californ 92656 USA	47,388.17	0.00	47,388.17
8	Cascadia Traffic Inc.	26615-98th Avenue Maple Ridge BC V2W 1T4	412,493.87	0.00	412,493.87
9	Cascadia Traffic Inc.	26615-98th Avenue Maple Ridge BC V2W 1T4	400,000.00	0.00	400,000.00
10	CRA - Tax - Pacific RP0001	Surrey National Verification and Collection Centre 9755 King George Blvd Surrey BC V3T 5E1	1.00	0.00	1.00
11	CRA - Tax - Pacific RT0001	Surrey National Verification and Collection Centre 9755 King George Blvd Surrey BC V3T 5E1	1.00	0.00	1.00
12	Dr. John Ronald Inc.	3510 Berton Road Nanaimo BC V9R 6W9	26,921.83	0.00	26,921.83
13	Eileen Forgo	2041 Orchard Drive Abbotsford BC V3G 2B8	418,084.53	0.00	418,084.53
14	Frank Weymann	39462 Old Yale Road Abbotsford BC V3G 1X7	63,043.83	0.00	63,043.83
15	Gary Olsen	2041 Orchard Drive Abbotsford BC V3G 2B8	275,000.00	0.00	275,000.00
16	Harvey & Eunice Ronald	28-2842 Whatcom Road Abbotsford BC V3G 3B8	1,211,363.95	0.00	1,211,363.95
17	Jeffries Nursery Ltd.	Box 42 Portage La Prairie MB R1N 3B7	241,246.10	0.00	241,246.10
18	Kevin Lacroix	34871 Brient Drive Mission BC V2V 6R8	44,121.38	0.00	44,121.38
19	Loewen, Stronach & Co.	700-2695 Granville Street Vancouver BC V6H 3H4	38,540.00	0.00	38,540.00
20	McLean & Armstrong LLP	300-1497 Marine Drive West Vancouver BC V7T 1B8	50,503.00	0.00	50,503.00
21	Ministry of Finance - PST - British Columbia	Station Provincial Government PO Box 9445 Victoria BC V8W 9V5	1.00	0.00	1.00
22	Paul Ronald	39561 Old Yale Road Abbotsford BC V3G 1X7	105,576.80	0.00	105,576.80
23	Powerhouse Management Ltd.	#1 - 27355 Gloucester Way Langley BC V4W 3Z8	260,000.00	0.00	260,000.00

05-Jun-2019

Date


 Paul Michael Ronald

District of: British Columbia
Division No. 03 - Vancouver
Court No. B190323
Estate No. 11-2507710

FORM 78 -- Continued

List "A"
Unsecured Creditors

PR CONSTRUCTION LTD.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
24	PR Steel Erectors Ltd.	39561 Old Yale Road Abbotsford BC V3G 1X7	559,282.33	0.00	559,282.33
25	Robert Fleming Lawyers	1925-925 West Georgia Vancouver BC V6C 3L2	16,050.94	0.00	16,050.94
26	Ronald Family Holdings Ltd.	3510 Berton Road Nanaimo BC V9R 6W9	193,888.41	0.00	193,888.41
27	Sherri Ronald	39561 Old Yale Road Abbotsford BC V3G 1X7	77,000.00	0.00	77,000.00
28	Still Creek Engineering Ltd.	3991 Henning Dr Burnaby BC V5C 6N5	22,210.64	0.00	22,210.64
29	TD Canada Trust	32435 South Fraser Way Abbotsford BC V2T 1X4	0.00	1.00	1.00
30	Tim Germain (Cascadia)	26615-98th Avenue Maple Ridge BC V2W 1T4	27,227.48	0.00	27,227.48
Total:			5,584,040.88	1.00	5,584,041.88

05-Jun-2019

Date


Paul Michael Ronald

**In The Matter of the Proposal of
PR CONSTRUCTION LTD.**

Statement of Estimated Realization

	Bankruptcy		Option A Elect for payment within 24 months	Proposal	
	High	Low		Option B Do not elect for payment within 24 months (Paid from the Litigation Proceeds)	Option B Do not elect for payment within 24 months (Paid from the Litigation Proceeds)
				High	Low
Estimated Receipts					
Payments Under Proposal	\$ -	\$ -	\$ 1,528,565	\$ 7,000,000	\$ 1,065,000
Cash	34,904	34,904	-	-	-
Accounts Receivable	500,000	350,000	-	-	-
Owned Equipment	300,000	200,000	-	-	-
Owned Vehicles	300,000	200,000	-	-	-
Funds held by McLean & Armstrong LLP	70,000	50,000	-	-	-
	<u>1,204,904</u>	<u>834,904</u>	<u>1,528,565</u>	<u>7,000,000</u>	<u>1,065,000</u>
Estimated Disbursements					
Trustee's Fees and Disbursements	50,000	100,000	50,000	50,000	50,000
Legal Fees and Disbursements	10,000	20,000	15,000	15,000	15,000
Colony Litigation Costs	-	-	-	500,000	1,000,000
Occupancy and Overhead Costs	50,000	100,000	-	-	-
	<u>110,000</u>	<u>220,000</u>	<u>65,000</u>	<u>565,000</u>	<u>1,065,000</u>
Available for Distribution	<u>\$ 1,094,904</u>	<u>\$ 614,904</u>	<u>\$ 1,463,565</u>	<u>\$ 6,435,000</u>	<u>\$ -</u>
Estimated Distribution					
Secured Creditors					
Employee Claims	50,000	50,000	-	-	-
Canada Revenue Agency - Trust Claim	-	-	-	-	-
TD Bank	-	-	-	-	-
	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Available for Unsecured Creditors	<u>1,044,903.85</u>	<u>564,904</u>	<u>1,463,565</u>	<u>6,435,000</u>	<u>-</u>
Estimated Unsecured Claims	<u>\$ 5,584,042</u>	<u>\$ 5,584,042</u>	<u>\$ 5,584,042</u>	<u>\$ 5,584,042</u>	<u>\$ 5,584,042</u>
% Dividend	<u>18.7%</u>	<u>10.1%</u>	<u>26.2%</u>	<u>100.0%</u>	<u>0.0%</u>

Assumptions:**Bankruptcy Scenario**

- 1) The Trustee does not continue the Litigation Proceedings.
- 2) The Trustee continues to occupy the Company's premises for 2 to 3 months following the date bankruptcy.
- 3) The employee secured claims for outstanding wages and vacation pay are estimated at \$50,000 (\$2,000 per employee)
- 4) There are no outstanding amounts due to the TD Bank and the Crown. If at the date of bankruptcy there were amounts owed to these creditors the recovery to the unsecured creditors would be reduced by such amounts.

Proposal Scenario

- 1) The payment to creditors under Option A assumes all creditors elect Option A. The amount paid to the creditors under Option A would be reduced if not all creditors elect Option A.
- 2) The High estimate under Option B assumes that PR is successful in the Litigation Proceedings and recovers its claim amount plus interest and costs of approximately \$1,000,000.
- 3) The Low estimate Under Option B assumes that PR is not successful in the Litigation Proceedings and there is no recovery to the creditors.

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF
PR CONSTRUCTION LTD.

**ARTICLE I
DEFINITIONS & INTERPRETATION**

1.1 DEFINITIONS

In the Proposal:

"Approval Order" means the Court order made in the Proposal Proceeding approving the Proposal and directing the implementation of the Proposal.

"BIA" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended.

"Business Day" means any day which is not a Saturday or Sunday, or statutory holiday in British Columbia.

"Claim" means any right or claim of any person against the Company, whether or not asserted in connection with any indebtedness, liability or obligation of any kind whatsoever owed to such person, including any indebtedness, liability or obligation owed to such person as a result of any breach of duty (including, without limitation, any legal, statutory, equitable, or fiduciary duty), any right of ownership of or title to, or to a trust or deemed trust against, any of the property or assets of the Company, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose of action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts which existed prior to or at the Filing Date, and, for certainty, includes Priority Claims.

"Claims Process" means the process pursuant to the BIA by which the Trustee will determine the Proven Claims against the Company.

"Colony" has the meaning ascribed to it in Section 2.1 of the Proposal.

"Colony Claim" means the Proven Claim of Colony against the Company, including a Claim arising out of or related to the Colony Counterclaim.

"Colony Counterclaim" has the meaning ascribed to it in Section 2.1 of the Proposal.

"Company" means P R Construction Ltd.

"Company's Solicitors" means Clark Wilson LLP.

"Conditions Precedent" means the conditions precedent set out in Section 5.1 of the Proposal.

"Conclusion of the Litigation Proceedings" has the meaning ascribed to it in Section 2.1 of the Proposal.

"Court" means the Supreme Court of British Columbia.

"Creditor" means any person that has a Claim against the Company.

"Creditors Meeting" means the meeting of the Creditors to be called and held pursuant to Section 51(1) of the BIA for the purpose of considering, and if thought fit, voting to approve the Proposal, as same may be amended at any such meeting, and agreeing to the compromise and arrangement constituted thereby, and any adjournment thereof.

"Crown" means Her Majesty in the right of Canada or a province.

"Crown Claim" means a Claim of the Crown for amounts that are outstanding as at the Filing Date and are of the kind that could be subject to a demand under:

- (a) subsection 224(1.2) of the *Income Tax Act*;
- (b) any provision of the *Canada Pension Plan* or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the *Income Tax Act* and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, and of any related interest, penalties or other amounts; or
- (c) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:
 - (i) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act*; or
 - (ii) is of the same nature as a contribution under the *Canada Pension Plan* if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a "provincial pension plan" as defined in that subsection.

"Defendants" has the meaning ascribed to it in Section 2.1 of the Proposal.

"Disputed Claim" means any Claim of an Unsecured Creditor which has been received by the Trustee in accordance with the BIA but has not been accepted as a Proven Claim, or which is being disputed in whole or in part by the Trustee or any other person entitled to do so and has not been resolved by agreement or in accordance with the BIA.

"Effective Date" means the date on which the Conditions Precedent to the Proposal set forth in Article V hereof have been satisfied or waived.

"Employee Claims" means any Proven Claim of any employees and former employees of the Company, including the amounts that such employees and former employees would have been qualified to receive under Paragraph 136(1)(d) of the BIA if the Company had become bankrupt on the Filing Date.

"Excluded Claim" means, subject to further Order of the Court:

- (a) any Secured Creditor Claims;
- (b) the Colony Claim;
- (c) any Employee Claims;
- (d) any Priority Claims; and
- (e) any Crown Claims;

"Excluded Creditors" means Creditors having Excluded Claims.

"Filing Date" means May 6, 2019, the date when the Notice of Intention to File a Proposal was filed by the Company.

"Inspectors" has the meaning ascribed to it in Section 7.5 of the Proposal.

"Litigation Proceeds Distribution Date" means the date which is 30 days after the Conclusion of the Litigation Proceedings, subject to Section 8.5(c) of the Proposal.

"Litigation Proceedings" has the meaning ascribed to it in Section 2.1 of the Proposal.

"Priority Claim" means a Proven Claim of a Creditor entitled to receive a payment of any amount owed to it in priority to any payments to Unsecured Creditors as provided for in Section 136 of the BIA.

"Proof of Claim" means the proof of claim delivered to the Trustee in accordance with the BIA.

"Proposal" means the Proposal among the Company and the Unsecured Creditors, as from time to time amended, modified or supplemented pursuant to an order of the Court, or pursuant to an agreement among the Company and the Unsecured Creditors, as provided for herein or pursuant to any Creditors Meeting.

"Project" has the meaning ascribed to it in Section 2.1 of the Proposal.

"Proposal Proceeding" means the proceeding commenced by the Company under the BIA, being British Columbia Supreme Court, Vancouver Registry Action No. B190323.

"Proven Claim" means the aggregate amount of any and all Claims held by a Creditor which has been accepted by the Trustee and the Company in accordance with the BIA.

"Secured Creditors" means those Creditors holding perfected security interests against the Company registered in the Personal Property Registry or holding a mortgage, charge or encumbrance in the assets or property of the Company, to the extent of their Secured Creditor Claims.

"Secured Creditor Claim" means a secured Proven Claim of a Secured Creditor against the Company.

"Trustee" means McEown and Associates Ltd. in its appointed capacity as trustee of the Proposal, and not in its personal capacity.

"Trustee's Fees" means all proper fees, expenses and legal costs of the Trustee on and incidental to the proceedings arising out of the Proposal and all proper fees, expenses and legal costs of the Trustee arising in relation to the Proposal.

"Unsecured Creditor Claim" means an unsecured Proven Claim of a Creditor against the Company, and for greater certainty, includes the unsecured portion of the Proven Claim of a Secured Creditor.

"Unsecured Creditor Class" means the class comprising all Creditors with Unsecured Creditor Claims.

"Unsecured Creditors" means those Creditors with an Unsecured Creditor Claim to the extent of their Unsecured Creditor Claims.

1.2 HEADINGS

The division of the Proposal into Sections and the insertion of headings are for convenience only and do not form part of the Proposal and will not be used to interpret, define or limit the scope, extent or intent of the Proposal.

1.3 STATUTORY REFERENCE

Unless otherwise specified, each reference to a statute is deemed to be a reference to that statute and to the regulations made under that statute, as amended or re-enacted from time to time.

1.4 NUMBER AND GENDER

Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.5 CURRENCY

All references to amounts of money means lawful currency of the Dominion of Canada unless otherwise expressly indicated. All Proofs of Claim submitted by Creditors in any other currency will be converted to Canadian dollars at the rate of exchange applicable at the Filing Date.

1.6 DATE FOR ANY ACTION

In the event that any date on which any action is required to be taken under the Proposal by any of the parties is not a Business Day, that action shall be required to be taken on the next succeeding day that is a Business Day.

1.7 GOVERNING LAW

The Proposal shall be governed by and construed in accordance with the Laws of the Province of British Columbia and the federal Laws of Canada applicable thereto. All questions as to the interpretation or application of the Proposal and all proceedings taken in connection with the Proposal shall be subject to the exclusive jurisdiction of the Court.

ARTICLE II PURPOSE AND EFFECT OF THE PROPOSAL

2.1 PURPOSE OF THE PROPOSAL

In December 2012, the Company entered into a sub-subcontract with Colony Management Inc. ("**Colony**") for steel erection at the Syncrude Canada Ltd.'s existing mine facilities at Mildred Lake in Alberta, Canada (the "**Project**"). Colony failed to make payment to the Company for work performed on the Project.

Accordingly, since October 24, 2014, the Company has been engaged in litigation proceedings in Alberta, Canada against Colony to enforce payment for work performed, the owners of the Project to enforce the builders lien and The Guarantee Company of North America to enforce payment under the Labour & Materials Payment Bond (collectively, the "**Defendants**"). The total amount of the Company's claim against the Defendants is \$5,981,211, plus interest and costs.

The Company is also facing a counterclaim by Colony on the basis that, amongst other things, the Company wrongfully terminated its sub-subcontract on the Project (the "**Colony Counterclaim**").

The above litigation proceedings (the "**Litigation Proceedings**") are ongoing and the trial is scheduled for 20 days commencing in February 2021, in Edmonton, Alberta.

The purpose of the Proposal is to allow the Company to continue its business and pursuit of the Litigation Proceedings, which gives the Unsecured Creditors the opportunity to be paid the Unsecured Creditor Claims in full through collection on a judgment against any or all of the Defendants, or payment of settlement amount(s) reached between the parties.

The Litigation Proceedings will conclude as a result of any of the following events (the "**Conclusion of the Litigation Proceedings**"):

- (a) upon payment by the Defendants, or any of them, to the Company in satisfaction of a judgment granted by the Court in favour of the Company;

- (b) upon judgment granted by the Court against the Company and no appeal being taken by the Company in the appeal period;
- (c) upon payment by the Defendants, or any of them, to the Company in satisfaction of a settlement of the Litigation Proceedings reached by the parties, or any of them; or
- (d) upon the discontinuation of the Litigation Proceedings filed in Court.

In the event the Conclusion of the Litigation Proceedings results in funds paid to the Company, such funds, after payment of the Company's litigation costs and amounts payable pursuant to Section 6.3 of the Proposal (the "**Litigation Proceeds**"), will be distributed *pro rata* to each Unsecured Creditor on account of its Unsecured Creditor Claim in accordance with the terms of the Proposal.

In the event the Conclusion of the Litigation Proceedings does not result in any funds paid to the Company, there will be no distribution to the Unsecured Creditors.

However, in the event an Unsecured Creditor wishes to receive payment of its claim that does not depend on the result of the Litigation Proceedings, then the Proposal gives the Unsecured Creditors the option to elect to receive payment as follows within 24 months from the date of the Approval Order:

- (a) for an Unsecured Creditor with an Unsecured Creditor Claim of less than \$50,000, then the Unsecured Creditor will receive payment in full of its Unsecured Creditor Claim; and
- (b) for an Unsecured Creditor with an Unsecured Creditor Claim of \$50,000 or more:
 - (i) the amount of \$50,000; and
 - (ii) an amount for the balance its Unsecured Creditor Claim after payment of the \$50,000 up to a maximum payment of 20% of the total amount of its Unsecured Creditor Claim.

For example, if an Unsecured Creditor makes the above election, then:

1. If an Unsecured Creditor Claim is \$35,000, then the Unsecured Creditor will receive payment of \$35,000.
2. If an Unsecured Creditor Claim is \$100,000, then 20% of its claim is \$20,000. The Unsecured Creditor will receive payment of \$50,000.
3. If an Unsecured Creditor Claim is \$600,000, then 20% of its claim is \$120,000. The Unsecured Creditor will receive payment of \$50,000 plus \$70,000 for a total of \$120,000.
4. If an Unsecured Creditor Claim is \$1,000,000, then 20% of its claim is \$200,000. The Unsecured Creditor will receive payment of \$50,000 plus \$150,000 for a total of \$200,000.

If, however, the Proposal is rejected by the Unsecured Creditors, the Company will be deemed bankrupt. The liquidation and sale of the Company's assets upon bankruptcy will result in a nominal distribution, if any, to the Unsecured Creditors, than what the Unsecured Creditors would receive should the Company

continue with its business and the Litigation Proceedings, so that it can make the payments to Unsecured Creditors described above.

2.2 EFFECT OF THE PROPOSAL

Upon the Company meeting its obligation to the Unsecured Creditor under the Proposal and subject to the satisfaction of all Conditions Precedent, all Claims which the Unsecured Creditors have against the Company shall be irrevocably extinguished, released and discharged.

The Proposal is made pursuant to the provisions of the BIA.

2.3 EFFECT ON UNSECURED CREDITORS

On the Effective Date, the Proposal will be binding on the Company and the Unsecured Creditors.

2.4 EFFECT ON SECURED CREDITORS

Secured Creditors are only affected under the Proposal to the extent of any unsecured portion of their claim they may have, and shall be paid in accordance with the present arrangements existing between such Secured Creditor and the Company, as amended from time to time or as may be arranged in the future between the Company and the Secured Creditor.

2.5 EFFECT ON COLONY

Colony is unaffected under the Proposal and any Claim it may have shall be dealt with in the Litigation Proceedings.

2.6 TRUSTEE UNDER THE PROPOSAL

Subject to the provisions of the BIA the Trustee shall act as the administrator for certain purposes connected with the Proposal, including administration of the Creditors Meeting and any adjournments thereof.

**ARTICLE III
CREDITOR CLASSES AND PRIORITY OF PAYMENTS**

3.1 UNSECURED CREDITOR CLASS

There will be one class of Creditors for the purpose of considering and voting upon the Proposal being the Unsecured Creditor Class.

3.2 PAYMENT TO THE UNSECURED CREDITORS

If the Unsecured Creditor Class votes in favour of the Proposal, and the Conditions Precedent have been satisfied, then:

- (a) for an Unsecured Creditor with an Unsecured Creditor Claim of less than \$50,000, in the case where such Unsecured Creditor Elects to receive the amount equal to its Unsecured Creditor Claim, then the Unsecured Creditor will receive payment in full of its Unsecured Creditor Claim in 24 months from the date of the Approval Order;
- (b) for an Unsecured Creditor with an Unsecured Creditor Claim of \$50,000 or more, in the case where such Unsecured Creditor Elects to receive:
 - (i) the amount of \$50,000; and
 - (ii) an amount for the balance of its Unsecured Creditor Claim after payment of the \$50,000 up to a maximum total payment of 20% of the total amount of its Unsecured Creditor Claim;then the Unsecured Creditor will receive such payment in 24 months from the date of the Approval Order; and
- (c) for any Unsecured Creditor, in the case where the Unsecured Creditor elects to receive its *pro rata* distribution of the Litigation Proceeds, if any, then the Unsecured Creditor will receive such payment on the Litigation Proceeds Distribution Date.

3.3 CREDITORS WITH DISPUTED CLAIMS

Unsecured Creditors with Disputed Claims shall be entitled to attend the Meeting and cast a vote in respect of the Proposal up to the value of their Disputed Claim. The Trustee shall keep a separate record and tabulation of any votes cast in respect of Disputed Claims. The Trustee shall report the result of the vote and the tabulation of votes of Proven Claims and Disputed Claims to the Court and, if the decision by Unsecured Creditors whether to approve or reject the Proposal is affected by the votes cast in respect of Disputed Claims, the Company shall seek direction from the Court in respect thereof. The fact that a Disputed Claim is allowed for voting purposes shall not preclude the Company or the Trustee from disputing the Disputed Claim for distribution purposes.

Any Unsecured Creditors with a Disputed Claims on the date of distribution of payments under Section 3.2 shall not be entitled to receive any distribution hereunder with respect to such Disputed Claim unless, until and to the extent that such Disputed Claim is accepted as a Proven Claim, either by agreement or in accordance with the Claims Process Order.

Pending resolution of each Disputed Claim, either by agreement or by Order of the Court, the Trustee shall withhold such amount as would be payable to the Unsecured Creditor with such Disputed Claim if that Disputed Claim were a Proven Claim. If and to the extent a Disputed Claim is determined to be a Proven Claim, the Trustee shall distribute the appropriate payment to that Unsecured Creditor in respect of its Proven Claim within 10 days of that determination. If a Disputed Claim is not determined to be a Proven Claim, then such withheld amount shall be dealt with at the discretion of the Trustee.

3.4 COMPROMISE AND RELEASE

Upon the Company meeting its obligation to each Unsecured Creditor under the Proposal, each Unsecured Creditor shall:

- (a) release the Company from all Claims that arose before the Filing Date and that relate to the obligations of the Company prior to the Filing Date, regardless of the date of crystallization of such Claims; and
- (b) release the directors and officers of the Company from all Claims that arose before the Filing Date and that relate to the obligations of the Company prior to the Filing Date, regardless of the date of crystallization of such Claims, where the directors or officers are, by law, liable in their capacity as directors or officers for the payment of such obligation but shall not include claims that are based on allegations of misrepresentation made by directors to creditors or of wrongful or oppressive conduct by directors.

ARTICLE IV PRIORITY PAYMENTS

4.1 TRUSTEE'S FEES

The Trustee's Fees will be paid by the Company in priority to payment of all Proven Claims in accordance with the provisions of the BIA from funds held by the Trustee on account of the Proposal Proceeding and, to the extent that such funds are insufficient to pay the Trustee's Fees, from further funds paid by the Company.

4.2 PAYMENT OF PRIORITY CLAIMS

The Trustee shall pay the following from funds provided by the Company, if applicable:

- (a) all Crown Claims within 6 months of the date the Approval Order is made;
- (b) all Employee Claims immediately after the granting of the Approval Order; and
- (c) any other Priority Claims in accordance with Subsection 136(1) of the BIA prior to any distribution to the Unsecured Creditors Class.

ARTICLE V PAYMENT TO THE UNSECURED CREDITORS

5.1 CONDITIONS PRECEDENT TO THE EFFECTIVE DATE

The Effective Date is subject to the satisfaction or waiver of the following Conditions Precedent:

- (a) The Proposal being approved by the Unsecured Creditor Class by the requisite percentages in relation both to numbers of the Unsecured Creditors voting and to the dollar amounts of Proven Claims of the Unsecured Creditors voting in accordance with the provisions of the BIA;
- (b) The Approval Order has been granted by the Court and has not been stayed; and

- (c) All other actions, documents and agreements necessary to implement the Proposal have been effected and executed.

5.2 WAIVER OF CONDITIONS PRECEDENT

Any of the Conditions Precedent contained in Section 5.1, other than Subsections 5.1(a) and 5.1(b) may be waived, with the consent of the Trustee, by the Unsecured Creditors who approved the Proposal.

ARTICLE VI DELIVERY OF NOTICES UNDER THE PROPOSAL

6.1 NOTICES AND PAYMENTS TO CREDITORS

Any notices, correspondence and payments to Creditors under or in relation to the Proposal shall be delivered to the address provided by each Creditor in its Proof of Claim unless the Trustee is notified by a Creditor in writing of an alternative address for delivery.

6.2 UNDELIVERABLE PAYMENTS

If any payments to a Creditor under the Proposal is returned to the Trustee as undeliverable, no further payments to that Creditor shall be made unless and until the Trustee is notified by such Creditor, in writing, of their current address, at which time any missed payments shall be delivered to such Creditor without interest. Undeliverable payments shall be retained by the Trustee until they are claimed or until the date of the Trustee's discharge, after which they shall, subject to Section 154(1) of the BIA and Directive No. 18 of the Superintendent of Bankruptcy, be paid over by the Trustee to the Office of the Superintendent of Bankruptcy.

6.3 WITHHOLDING TAXES AND SUPERINTENDENT'S LEVY

All payments made by the Trustee to Creditors pursuant to the Proposal shall be made net of all applicable levies in accordance with the BIA and regulations thereto, including the levy imposed by the Superintendent of Bankruptcy under the BIA.

Notwithstanding any other provision of the Proposal, each Creditor that is to receive a payment pursuant to the Proposal shall have the sole and exclusive responsibility for the satisfaction and payment of any taxes or tax obligations imposed by any governmental entity (including income, withholding and other tax obligations on account of such distribution).

ARTICLE VII PROCEDURE FOR VALIDATION OF CLAIMS

7.1 FILING OF PROOFS OF CLAIM

Each Unsecured Creditor must file a Proof of Claim to vote on the Proposal.

7.2 ALLOWANCE OR DISALLOWANCE OF CLAIMS BY THE TRUSTEE

Upon receipt of the completed Proof of Claim, the Trustee shall examine the Proof of Claim and shall deal with each claim in accordance with the provisions of the BIA. The procedure for valuing Claims of the Unsecured Creditors and resolving disputes with respect to such Claims will be as set forth in the BIA. The Company and/or the Trustee reserve the right to seek the assistance of the Court in valuing the Claim of any Unsecured Creditor, if required, to ascertain the result of any vote on the Proposal, as the case may be.

ARTICLE VIII MEETING OF THE CREDITORS

8.1 MEETING

The Creditors Meeting to consider and vote on the Proposal shall be conducted in accordance with Part III, Division I – General Scheme for Proposals of the BIA.

8.2 VOTING

The Proposal is to be voted on by the Unsecured Creditor Class at the Creditors Meeting.

For the purposes of voting each Unsecured Creditor shall have one vote for the purposes of determining a majority in number in the Unsecured Creditor Class and each shall be entitled to one vote for each \$1.00 of its Proven Claim for the purpose of determining two-thirds in value.

8.3 PROXIES AND VOTING LETTERS

Unsecured Creditors will be entitled to vote at the Creditors Meeting by proxy or voting letter. The particulars with respect to voting by proxy or voting letter will be detailed in the package provided to the Unsecured Creditors by the Trustee and will be binding upon the Unsecured Creditors.

8.4 ADJOURNMENT OF MEETING

The Creditors Meeting may be adjourned in accordance with Section 52 of the BIA.

8.5 INSPECTORS

At the Creditors Meeting, the Creditors may appoint one or more but not exceeding five inspectors (the "Inspectors") under the Proposal pursuant to Section 56 of the BIA, whose duties will be restricted to the following:

- (a) to advise the Trustee in connection with its actions under the Proposal or any amendment thereto as the Trustee may, from time to time, request;
- (b) to advise the Trustee concerning any dispute which may arise as to the validity of claims of Creditors under the Proposal;

- (c) to extend the date(s) of distribution of payments under Section 3.2 ; and
- (d) to advise the Trustee in respect of such other matters as may be referred to the Inspectors by the Trustee.

In the event Creditors do not elect to appoint Inspectors under the Proposal, the Trustee shall be entitled to proceed as if authorized by the Inspectors and, subject to taxation thereof, to be paid by the Company for services rendered by it pursuant and in relation to the Proposal.

The Trustee, and the Inspectors, should any be appointed, shall be exempt from all personal liability for any wrongful act, default or neglect (other than fraud, willful misconduct or gross negligence) in fulfilling any duties or exercising any powers conferred upon them by the Proposal, the BIA or generally in carrying out the terms of the Proposal.

ARTICLE IX AMENDMENTS AND MODIFICATIONS

9.1 AMENDMENT OF PROPOSAL

The Company reserve the right, with the consent of the Trustee, to amend the Proposal at any time prior to the Creditors Meeting, and after the Creditors Meeting to amend any approved Proposal, and re-submit it to the Creditors.

9.2 MODIFICATION OF PROPOSAL

After the Creditors Meeting, the Proposal may be modified from time to time:

- (a) if the amendment is considered by the Trustee and the Inspectors (should any be appointed) to be non-substantive in nature, with the approval of the Trustee and the majority of the Inspectors (should any be appointed);
- (b) upon a vote conducted by the Trustee at a further meeting of Creditors; and
- (c) by the Court at any time on application of the Company or the Trustee and upon notice to those determined by the Company and the Trustee to be directly affected by the proposed modification, whether a Creditor or not.

9.3 WAIVERS

Any provision of the Proposal may be waived, with the consent of the Trustee, by the Creditors.

**ARTICLE X
APPLICATION FOR APPROVAL ORDER**

10.1 APPLICATION FOR APPROVAL ORDER

Within five days after the Proposal has been approved by the Unsecured Creditor Class by the requisite percentages in relation both to numbers of Unsecured Creditors voting and the dollar amounts of Proven Claims of the Unsecured Creditors, the Trustee will set a hearing date before the Court for a hearing of the application of the Approval Order in accordance with Section 58 of the BIA.

10.2 CONTINUATION OF THE STAY OF PROCEEDINGS

The stay of proceedings provided for in Subsection 69.1(1) of the BIA will be continued in full force and effect from the date of filing of the Proposal until the later of the date of the Conclusion of the Litigation Proceedings or the Litigation Proceeds Distribution Date, or if the Company becomes bankrupt, the date of bankruptcy.

**ARTICLE XI
GENERAL**

11.1 SECTIONS 95 TO 101 OF THE BIA

Sections 95 to 101 of the BIA shall not apply.

11.2 CERTIFICATE OF COMPLETION AND DISCHARGE OF TRUSTEE

Following the Conclusion of the Litigation Proceedings or the Litigation Proceeds Distribution Date, the terms of the Proposal shall be deemed to be fully performed and the Proposal Trustee shall give to the Company and the official receiver a certificate, in the prescribed form, in accordance with Section 65.3 of the BIA and the Proposal Trustee shall thereupon be entitled to be discharged.

11.3 FURTHER ACTIONS

The Company will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Proposal and to give effect to the transactions contemplated hereby.

11.4 NOTICES

All notices and correspondence relating to the Proposal and to be delivered to the Company or the Trustee shall be made in writing and shall be delivered either personally, by email, by telecopy, by regular mail, by registered mail or by certified mail, return receipt request, at the following address:

(a) If to the Company:

Clark Wilson LLP
900-885 West Georgia St.

Vancouver, BC V6C 3H1
Attn: Christopher Ramsay / Katie Mak
Telephone: 604-687-6314 / 604-643-3105
Facsimile: 604-687-6314
Email: cramsay@cwilson.com / kmak@cwilson.com

(b) If to the Trustee:

McEown and Associates Ltd.
1140 – 800 West Pender Street
Vancouver, BC V6C 2V6
Attn: John McEown
Telephone : (604) 558-8012
Facsimile: (604) 558-8021
Email : jm@mceownassociates.ca

And if to a Creditor, at its address set forth in the last Proof of Claim deposited with the Trustee, or at such other address of which the Creditor has subsequently given the Trustee notice in writing.

11.5 DATE AND REFERENCE

The Proposal may be referred to as being the Proposal of the Company dated for reference June 5, 2019.

11.6 SUCCESSORS AND ASSIGNS

The Proposal is binding upon the Company and the Creditors and their respective heirs, executors, administrators, successors and assigns.

DATED this 5TH day of June, 2019.

P R Construction Ltd.

Per:


Authorized Signatory

District of: British Columbia
 Division No. 03 - Vancouver
 Court No. B190323
 Estate No. 11-2507710

Original Amended

Form 78
 Statement of Affairs (Business Proposal) made by an entity
 (Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

In the Matter of the Notice of Intention
 to make a Proposal of
 PR CONSTRUCTION LTD.
 of the city of Abbotsford
 in the Province of British Columbia

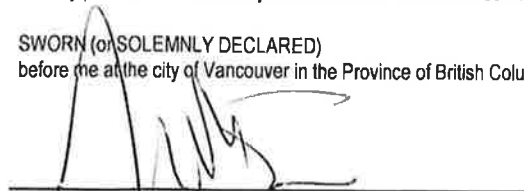
To the debtor:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 5th day of June 2019. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

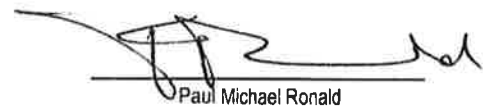
LIABILITIES (as stated and estimated by the officer)	ASSETS (as stated and estimated by the officer)
1. Unsecured creditors as per list "A" 5,584,040.88	1. Inventory 0.00
Balance of secured claims as per list "B" 1.00	2. Trade fixtures, etc. 0.00
Total unsecured creditors 5,584,041.88	3. Accounts receivable and other receivables, as per list "E"
2. Secured creditors as per list "B" 0.00	Good 689,768.11
3. Preferred creditors as per list "C" 0.00	Doubtful 0.00
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for 0.00	Bad 0.00
Total liabilities 5,584,041.88	Estimated to produce 689,768.11
Surplus 1,919,330.23	4. Bills of exchange, promissory note, etc., as per list "F" 0.00
	5. Deposits in financial institutions 34,903.85
	6. Cash 0.00
	7. Livestock 0.00
	8. Machinery, equipment and plant 339,700.00
	9. Real property or immovable as per list "G" 0.00
	10. Furniture 0.00
	11. RRSPs, RRIFs, life insurance, etc. 0.00
	12. Securities (shares, bonds, debentures, etc.) 0.00
	13. Interests under wills 0.00
	14. Vehicles 316,850.00
	15. Other property, as per list "H" 6,122,150.15
	If debtor is a corporation, add:
	Amount of subscribed capital 0.00
	Amount paid on capital 0.00
	Balance subscribed and unpaid 0.00
	Estimated to produce 0.00
	Total assets 7,503,372.11
	Deficiency NIL

I, Paul Michael Ronald, of the city of Abbotsford in the Province of British Columbia, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of my affairs on the 5th day of June 2019 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)
 before me at the city of Vancouver in the Province of British Columbia, on this 5th day of June 2019.



John McEown, Commissioner for Taking Affidavits
 for the Province of British Columbia
 Expires May 31, 2022



JOHN D. McEOWN
 A Commissioner for Taking Affidavits
 for the Province of British Columbia
 Expiry Date: May 31, 2022

Creditor Mailing List

In the Matter of the Proposal of
PR CONSTRUCTION LTD.

Creditor Type	Name	Attention	Address	Claim \$
Secured	TD Canada Trust		32435 South Fraser Way Abbotsford BC V2T 1X4	
Unsecured	0498134 BC Ltd.		700-2695 Granville Street Vancouver BC V6H 3H4	50,000.00
	0989842 BC Ltd.		34871 Brient Drive Mission BC V2V 6R8	46,561.24
	6291601 Manitoba Ltd.		28-2842 Whatcom Road Abbotsford BC V3G 3B8	177,666.93
	Auryse Lacroix		2083 Pineview Drive Oakville ON L6H 5M5	732,101.19
	BC Hydro & Power Authority	Credit Admin	333 Dunsmuir St, 11th floor Vancouver BC V6B 5R3 Fax: (604) 528-2518	1.00
	Becco Crane Service Inc.		1917 Eureka Avenue Port Coquitlam BC V3C 5P6	87,764.26
	C2G International LLC		27412 Alison Creek Road Aliso Viejo Californ 92656 USA	47,388.17
	Cascadia Traffic Inc.		26615-98th Avenue Maple Ridge BC V2W 1T4	412,493.87
	Cascadia Traffic Inc.		26615-98th Avenue Maple Ridge BC V2W 1T4	400,000.00
	CRA - Tax - Pacific		RT0001 Surrey National Verification and Collection Centre 9755 King George Blvd Surrey BC V3T 5E1 Fax: (866) 219-0311	1.00
	CRA - Tax - Pacific		RP0001 Surrey National Verification and Collection Centre 9755 King George Blvd Surrey BC V3T 5E1 Fax: (866) 219-0311	1.00
	Dr. John Ronald Inc.		3510 Berton Road Nanaimo BC V9R 6W9	26,921.83
	Eileen Forgo		2041 Orchard Drive Abbotsford BC V3G 2B8	418,084.53
	Frank Weymann		39462 Old Yale Road Abbotsford BC V3G 1X7	63,043.83
	Gary Olsen		2041 Orchard Drive Abbotsford BC V3G 2B8	275,000.00
	Harvey & Eunice Ronald		28-2842 Whatcom Road Abbotsford BC V3G 3B8	1,211,363.95
	Jeffries Nursery Ltd.		Box 42 Portage La Prairie MB R1N 3B7	241,246.10
	Kevin Lacroix		34871 Brient Drive Mission BC V2V 6R8	44,121.38

Creditor Mailing List

In the Matter of the Proposal of PR CONSTRUCTION LTD.

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	Loewen, Stronach & Co.		700-2695 Granville Street Vancouver BC V6H 3H4	38,540.00
	McLean & Armstrong LLP		300-1497 Marine Drive West Vancouver BC V7T 1B8	50,503.00
	Ministry of Finance - PST - British Columbia		Station Provincial Government PO Box 9445 Victoria BC V8W 9V5 rmbtaxpayerinquiries@gov.bc.ca	1.00
	Paul Ronald		39561 Old Yale Road Abbotsford BC V3G 1X7	105,576.80
	Powerhouse Management Ltd.		#1 - 27355 Gloucester Way Langley BC V4W 3Z8	260,000.00
	PR Steel Erectors Ltd.		39561 Old Yale Road Abbotsford BC V3G 1X7	559,282.33
	Robert Fleming Lawyers		1925-925 West Georgia Vancouver BC V6C 3L2	16,050.94
	Ronald Family Holdings Ltd.		3510 Berton Road Nanaimo BC V9R 6W9	193,888.41
	Sherri Ronald		39561 Old Yale Road Abbotsford BC V3G 1X7	77,000.00
	Still Creek Engineering Ltd.		3991 Henning Dr Burnaby BC V5C 6N5	22,210.64
	TD Canada Trust		32435 South Fraser Way Abbotsford BC V2T 1X4	1.00
	Tim Germain (Cascadia)		26615-98th Avenue Maple Ridge BC V2W 1T4	27,227.48

FORM 31

Proof of Claim

(Section 50.1, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 81.5, 81.6, 102(2), 124(2), 128(1),
and Paragraphs 51(1)(e) and 66.14(b) of the Act)

All notices or correspondence regarding this claim must be forwarded to the following address:

In the Matter of the Bankruptcy (or Proposal, or Receivership) of _____
(Name of debtor) of _____ (city and province)
and the claim of _____, creditor.

I, _____ (name of creditor or representative of the creditor), of
_____ (city and province), do hereby certify:

1. That I am a creditor of the above-named debtor (or that I am _____
(state position or title) of _____ (name of creditor or representative of the creditor)).
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the debtor was, at the date of bankruptcy (or the date of the receivership, or in the case of a proposal, the
date of the notice of intention or of the proposal, if no notice of intention was filed), namely the ____ day
of _____, 20____, and still is, indebted to the creditor in the sum of \$ _____, as specified in the
statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to
which the debtor is entitled. **(The attached statement of account or affidavit must specify the vouchers or other
evidence in support of the claim.)**

4. (Check and complete appropriate category.)

A. UNSECURED CLAIM OF \$ _____
(Other than a securities firm customer as contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and
(Check appropriate description)

- Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the Act.
- Regarding the amount of \$ _____, I do not claim a right to a priority.
(Set out on an attached sheet details to support priority claim.)

B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ _____

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

C. SECURED CLAIM OF \$ _____

That in respect of this debt, I hold assets of the debtor valued at \$ _____ as security, particulars of
which are as follows:
(Give full particulars of the security, including the date on which the security was given and the value at
which you assess the security, and attach a copy of the security documents.)

D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ _____

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ _____,
(Attach a copy of sales agreement and delivery receipts.)

() **E. CLAIM BY WAGE EARNER OF \$** _____

() That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ _____,
() That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ _____,

() **F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$** _____.

That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ _____.
That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ _____.

() **G. CLAIM AGAINST DIRECTOR \$** _____,

(To be completed when a proposal provides for the compromise of claims against directors.)

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

() **H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$** _____

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

5. That, to the best of my knowledge, I am (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of section 4 of the Act and have (or has) (or have not or has not) dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of Section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of subsection 2(1) of the Act: *(Provide details of payments, credits and transfers at undervalue.)*

(Applicable only in the case of the bankruptcy of an individual.)

() I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at _____, this _____ day of _____, 20__.

Creditor

Witness

Phone Number: _____

Fax Number: _____

Email Address: _____

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor. Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

NOTE: If a copy of this Form is sent electronically by means such as email, the name and contact information of the sender, prescribed in Form 1.1, must be added at the end of the document.

INSTRUCTIONS: Instructions on how to complete the proof of claim form can be found at www.mceownassociates.ca under the forms tab.

**FORM 36
GENERAL PROXY**

(Where A Creditor is a Corporation, the Proxy Must be Completed and Signed in the Corporate Name)

IN THE MATTER OF THE BANKRUPTCY / PROPOSAL / RECEIVERSHIP OF:

(Name of Debtor)

WE, _____, of the City of _____ in the Province of
(Name of Corporation)

_____, a creditor in the above matter, hereby appoint

_____ of the _____
(Name of Proxy) *(City & Province)*

to be our general proxy in the above matter except as to the receipt of dividends with / without power to appoint another general proxy in our place.

Dated at the City of _____, in the Province of _____ this _____ day of _____, 20__.

(Corporate Name)

(Signature of Witness)

(Address)

(Signature of Proxy Grantor)

INSTRUCTIONS FOR COMPLETING PROOFS OF CLAIM

This checklist is provided to assist you in preparing a proof of claim form, and where required, proxy form in a complete and accurate manner. Please specifically check each requirement. **CLAIMS NOT COMPLETED CORRECTLY IN EVERY RESPECT WILL BE RETURNED.**

GENERAL

- * The signature of a witness is required.
- * The claim must be signed personally by the **individual** completing this declaration.
- * Give the complete address where all notices or correspondence is to be forwarded.
- * The amount on the Statement of Account must correspond to the amount on the proof of claim.

PARAGRAPH (1)

- * The creditor must state full and complete legal name of company or firm.
- * If the individual completing the proof of claim is not the creditor himself, he must state his position or title.

PARAGRAPH (3)

- * **A detailed statement of account must be attached.** If the claim is for a guarantee, a copy of the guarantee must be attached.
- * The Schedule A or Statement of Account must be complete and detailed and must show the date, the number and the amount of all the invoices or charges, together with the date, the number and the amount of all credits or payments. A statement of account is **not** complete if it begins with an amount brought forward.

PARAGRAPH (4)

- * An unsecured creditor must strike out sub-paragraphs B, C, D and E.
- * A preferred creditor (as allowed by section 136 of the *Bankruptcy and Insolvency Act*) must strike out sub-paragraphs B, C, D and E and must complete sub-paragraph A by checking the appropriate description.
- * A secured creditor must strike out sub-paragraphs A, B, D and E and must complete sub-paragraph C and provide a certified true copy of the security instrument as registered.
- * A farmer, fisherman or aquaculturist must strike out sub-paragraphs A, B, C and E. A claim by a farmer, fisherman or aquaculturist must attach a copy of the sales agreement and delivery documents.

PARAGRAPH (5)

- * All claimants must indicate if he or she is related or not to the debtor, as defined in Section 4 of the *Bankruptcy and Insolvency Act*, by striking out "AM" or "AM NOT".

PARAGRAPH (6)

- * All claimants must attach a detailed list of all payments or credits received or granted, as follows:
 - (a) within the three (3) months preceding the bankruptcy or the proposal, in the case where the claimant and the debtor are not related.
 - (b) within the twelve (12) months preceding the bankruptcy or the proposal, in the case where the claimant and the debtor are related.

Excerpt from the *Bankruptcy and Insolvency Act*

**PREFERRED CLAIMS
SECTION 136 (CONDENSED)**

ORDER OF DISTRIBUTION (Subject to secured creditors)

- (1) The cost of administration of the estate.
 - (a) The expenses and fees of the Trustee
 - (b) Legal costs of the estate
- (2) Wages, salaries and commissions for services rendered in the six months preceding the bankruptcy, to a maximum of \$2,000 per person, together with expenses of a traveling salesman incurred in this same period to a maximum of \$1,000.
- (3) Municipal taxes assessed within two years preceding the bankruptcy which do not constitute a charge on real property, restricted to the value of the bankrupt's interest in the property.
- (4) The Landlord for arrears of rent for a period of three months preceding the bankruptcy, and accelerated rent for a period not exceeding three months subsequent to the bankruptcy, if provision is made in the lease. The Landlord's preferred claim is limited to the proceeds from the sale of the assets on the premises under lease at the date of the bankruptcy and any payments made by the Trustee on account of accelerated rent shall be credited by the Landlord against the amount payable by the Trustee for occupation rent.
- (5) One solicitor's bill of costs, including sheriff's fees and land registration fees, shall be payable to the creditor who has first attached by way of garnishment or lodged with the sheriff an attachment, execution or other process against the property of the Bankrupt.
- (6) Claims resulting from injuries to employees of the Bankrupt to which the provision of Workers' Compensation Act do not apply, but only to the extent of monies received from persons or companies guaranteeing the Bankrupt against damages resulting from such injuries, such as liability insurance policies.

A creditor whose rights are restricted by this Section is entitled to rank as an unsecured creditor for any balance of his claim.

District of: British Columbia
Division No. 03 - Vancouver
Court No. B190323
Estate No. 11-2507710

FORM 37

Voting Letter
(Paragraph 51(1)(f) of the Act)

In the matter of the proposal of
PR CONSTRUCTION LTD.

I, _____, creditor (or I, _____, representative of _____, creditor), of _____, a creditor in the above matter for the sum of \$ _____, hereby request the trustee acting with respect to the proposal of PR CONSTRUCTION LTD. to record my vote _____ (for or against) the acceptance of the proposal as made on the 5th day of June 2019.

Dated at _____, this _____ day of _____.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Per _____
Name and Title of Signing Officer

SCHEDULE "C" (UNSECURED CREDITOR ELECTION FORM)

All Unsecured Creditors with an Unsecured Creditor Claim who wish to receive a cash payment within 24 months of the date of the Approval Order as provided for in the Proposal (instead of receiving its *pro rata* distribution of the Litigation Proceeds) in full and final settlement of such Unsecured Creditor Claim, must complete and deliver this election form to the Trustee by the deadline set out below. Any Unsecured Creditor who does not complete and deliver this election form to the Trustee by the deadline set out below shall be deemed to have elected to receive its *pro rata* distribution of the Litigation Proceeds in full and final settlement of such Unsecured Creditor Claim.

All capitalized terms herein shall have the meaning given to them in the Proposal dated June 5, 2019 unless otherwise defined.

TO: McEown and Associates Ltd. in its appointed capacity as Trustee of the Proposal of PR Construction Ltd. (the "Company")

In connection with the Proposal dated June 5, 2019 pursuant to the *Bankruptcy and Insolvency Act* (as same may be amended, restated or supplemented from time to time), the undersigned Unsecured Creditor hereby irrevocably elects for his, her or its Unsecured Creditor Claim to receive payment as follows within 24 months from the date of the Approval Order:

- (a) if the Unsecured Creditor Claim is less than \$50,000, then the Unsecured Creditor will receive payment in full of its Unsecured Creditor Claim; and
- (b) if the Unsecured Creditor Claim is \$50,000 or more:
 - (i.) the amount of \$50,000; and
 - (ii.) an amount for the balance its Unsecured Creditor Claim after payment of the \$50,000 up to a maximum payment of 20% of the total amount of its Unsecured Creditor Claim;

all in full and final settlement of the Unsecured Creditor Claim.

DATED this _____ day of _____, 2019

(Print Legal Name of Unsecured Creditor)

(Amount of Unsecured Creditor Claim)

(Print Name, Title and Phone Number of Authorized Signatory)

(Signature)

This election form must be duly completed and received by McEown and Associates Ltd. by no later than **4:00 p.m. (Vancouver Time)** on **Tuesday, June 25, 2019** or, if the Creditors Meeting is adjourned, by the last Business Day preceding the date to which it is adjourned, at the following address:

McEown and Associates Ltd.
Suite 1140 - 800 West Pender St.
Vancouver, BC V6C 2V6
Attn: John McEown
Fax No. (604) 558-8021
Email: jm@mceownassociates.ca