

SUPREME COURT  
OF BRITISH COLUMBIA  
VANCOUVER REGISTRY

JUL 31 2019

ENTERED



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

**ORDER APPROVING PROPOSAL (SEC. 60(5))  
IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN BANKRUPTCY AND INSOLVENCY**

Before Registrar ) Wechesky, the 31<sup>st</sup>  
                          ) day of July, 2019  
                          ) MJIR)

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

UPON THE APPLICATION of the Trustee, McEown and Associates Ltd., and upon reading the Report of Trustee on Proposal filed on the 8<sup>th</sup> day of July, 2019 and the Court being satisfied that the required majority of creditors have duly accepted the proposal in the terms contained in the paper marked "A" annexed hereto and being satisfied that the said terms are reasonable and calculated to benefit the general body of creditors and that no offences or facts have been proved to justify the Court in withholding its approval, the same proposal is hereby approved.

BY THE COURT:

  
\_\_\_\_\_  
Registrar in Bankruptcy

CHECKED  
B. B. [initials]



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

**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.

**AMENDED PROPOSAL**

**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 Action"** 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 Costs"** means the legal fees and disbursements of the Company in prosecuting the Colony Action and defending the Colony Counterclaim incurred after the Filing Date.

**"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 (the "**Colony Action**") 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 Litigation Costs (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 or on the Litigation Proceeds Distribution Date, if earlier:

- (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 does not affect Excluded Creditors.

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 within 24 months from the date of the Approval Order or on the Litigation Proceeds Distribution Date, if earlier;
- (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 ;
- (d) to advise the Trustee in respect of such other matters as may be referred to the Inspectors by the Trustee;
- (e) to consider and approve:
  - (i) funding arrangements for the Litigation Proceedings;
  - (ii) settlement offers and counteroffers made by any of the Defendants; and
  - (iii) settlements offers and counteroffers made by the Company to any or all of the Defendants.

The powers of the Inspectors will be exercised by a majority of them in accordance with Section 116(3) of the BIA.

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 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.

**11.2 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.

**11.3 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.

**11.4 DATE AND REFERENCE**

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

**11.5 SUCCESSORS AND ASSIGNS**

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

DATED this 26 day of June, 2019.

**P R Construction Ltd.**

Per:   
\_\_\_\_\_  
Authorized Signatory



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

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

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

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**ORDER APPROVING PROPOSAL**

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**McEown and Associates Ltd.**  
**Licensed Insolvency Trustee**

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