



Vancouver Registry
Court File No.: B-160890
Estate No.: 11-2177611

**IN THE MATTER OF THE PROPOSAL OF
WEST COAST LOGISTICS LTD.**

REPORT OF TRUSTEE ON PROPOSAL

December 8, 2017

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

**IN THE MATTER OF THE PROPOSAL OF
WEST COAST LOGISTICS LTD.**

FORM 40

**REPORT OF TRUSTEE ON PROPOSAL
(Section 59(1) and paragraph 58(d) of the Act)**

THE BOWRA GROUP INC., of the City of Vancouver, of the Province of British Columbia, the Trustee acting in the Proposal of West Coast Logistics Ltd. (the "Company"), hereby reports to the Court as follows:

1. That on the 17th day of October, 2016, the debtor did file a Notice of Intention to make a Proposal and that The Bowra Group Inc. was appointed trustee of the Proposal of the debtor on the 17th day of October, 2016.
2. That on the 16th day of November, 2016, the debtor did obtain a Court Order extending the period within which the debtor is required to file a proposal by forty-five (45) days from the 17th of November, 2016 to the 1st of January, 2017.
3. That on the 23rd day of December, 2016, the debtor did obtain a Court Order extending the period within which the debtor is required to file a proposal by forty-five (45) days from the 1st of January, 2017 to the 15th of February, 2017.
4. That on the 14th day of February, 2017, the debtor did obtain a Court Order extending the period within which the debtor is required to file a proposal by forty-five (45) days from the 15th of February, 2017 to the 1st of April, 2017.
5. That on the 31st day of March, 2017, the debtor did obtain a Court Order extending the period within which the debtor is required to file a proposal by fifteen (15) days from the 1st of April, 2017 to the 16th of April, 2017.
6. That a Proposal was filed with The Bowra Group Inc. on the 12th day of April, 2017, and amended on November 23rd, 2017, a copy of the Amended Proposal is attached and marked as Exhibit "A", and that The Bowra Group Inc. filed a copy of the Proposal with the Official Receiver on the 13th day of April, 2017, and a copy of the Amended Proposal with the Official Receiver on the 7th day of December, 2017.
7. That on the 21st day of April, 2017, we sent notice to the debtor, to the Superintendent of Bankruptcy (by e-filing) and to every known creditor affected by the Proposal, whose names and addresses are shown in Exhibit "B" to this Report, of the calling of a meeting of creditors to be held on the 3rd day of May, 2017, to consider the Proposal.

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8. That with the notice was included a copy of the Proposal, a Statement of Affairs, a list of creditors, a copy of the Trustee's Report to Creditors, a form of proof of claim and proxy in blank and a voting letter. Copies of the Notice of Proposal to Creditors, the Condensed Statement of Affairs, and the Trustee's Report to Creditors are attached and marked as Exhibits "C1", "C2" and "C3", respectively.
9. That prior to the meeting of creditors we made a detailed and careful inquiry into the liabilities of the debtor, the debtor's assets and their value, the debtor's conduct and the causes of the debtor's insolvency.
10. That we are of the opinion that:
- a) the assets of the debtor and the estimated fair realization value thereof are as follows:

	Per Statement of Affairs	Estimated Gross Realizable Value
	\$'s	
Machinery & Equipment	301,325	167,800
Accounts Receivable	193,771	193,771
	495,096	361,571

These assets are charged by the security of the secured creditors who are not affected by the Proposal. The secured creditors are owed approximately \$380,000 which is in excess of the estimated realizable value of the assets.

- b) the unsecured liabilities of the debtor are as follows:

	Per Statement of Affairs	Filed as at December 4, 2017
	\$'s	
Unsecured Creditors	382,162	557,542

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- c) The secured creditors are not affected by this Proposal.

11. That we are also of the opinion that:

- a) the causes of insolvency of the debtor are:

The Company's financial difficulties arose as a result of decreased sales during the Spring and Summer of 2016. In addition, management advised that the leased facility and yard required significant repairs and maintenance to be performed by the Landlord which has limited the Company's ability to store high grade steel, pulp and lumber all of which has contributed to the decreased sales and losses of the Company in 2016.

- b) The conduct of the debtor is not subject to censure.
- c) In the Trustee's view, none of the facts mentioned in subsections 173(a) to 173(o) of *The Bankruptcy and Insolvency Act (BIA)* apply with respect to the debtor.

12. That we are further of the opinion that the debtor's Proposal is an advantageous one for the creditors for the following reasons:

- a) The Proposal offers all creditors a greater recovery than they would otherwise receive in a bankruptcy. A bankruptcy would result in no recovery to unsecured creditors. Consequently, the Trustee recommends acceptance of the Proposal.

13. That the meeting of creditors was duly held on the 3rd day of May, 2017, and was presided over by Mario Mainella.

14. That the Proposal was discussed and a motion was proposed and passed under section 52 of the *Bankruptcy and Insolvency Act* to adjourn the meeting until the 17th day of May, 2017 to enable a further investigation of the affairs of the Company.

15. That a copy of the minutes of the first meeting of creditors is attached and marked as Exhibit "D1".

16. That on the 10th day of May, 2017, we sent notice to the debtor, to the Superintendent of Bankruptcy (by e-filing), and to every creditor who had filed a Proof of Claim with the Trustee of the calling of the first subsequent meeting of creditors to be held on the 17th day of May, 2017, to consider the Proposal.

17. That the first subsequent meeting of creditors was duly held on the 17th day of May, 2017, and was presided over by Mario Mainella.

18. That the Proposal was discussed and a motion was proposed and passed under section 52 of the *Bankruptcy and Insolvency Act* to adjourn the meeting to enable a further investigation of the affairs of the Company.

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19. That a copy of the minutes of first subsequent meeting of creditors is attached and marked as Exhibit "D2".
20. That on the 23rd day of November, 2017, we sent notice to the debtor, to the Superintendent of Bankruptcy (by e-filing), and to every creditor who had filed a Proof of Claim with the Trustee of the calling of the second subsequent meeting of creditors to be held on the 4th day of December, 2017, to consider the Proposal.
21. That the Proposal was accepted by the required majority and two thirds in value of creditors. 9 unsecured creditors with total claims of \$230,887.34 voted in favour of the Proposal. No unsecured creditors voted against the Proposal.
22. That a copy of the minutes of the second subsequent meeting of Creditors is attached and marked as Exhibit "D3".
23. That we did this day forward to the Superintendent of Bankruptcy a copy of this report.

DATED AT the City of Vancouver, in the Province of British Columbia this 8th day of December, 2017.

THE BOWRA GROUP INC.
Licensed Insolvency Trustee



Per:

Mario Mainella, CPA, CA CIRP
Senior Vice-President

EXHIBIT "A"

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

**IN THE MATTER OF THE PROPOSAL OF
WEST COAST LOGISTICS LTD. OF THE CITY OF NEW WESTMINSTER IN THE
PROVINCE OF BRITISH COLUMBIA**

AMENDED PROPOSAL OF

WEST COAST LOGISTICS LTD.

DATED FOR REFERENCE NOVEMBER 23, 2017

West Coast Logistics Ltd. (the “Debtor”) hereby submits the following Proposal to all of its secured and unsecured Creditors pursuant to Part III Division 1 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, C. B-3, as amended.

ARTICLE 1

DEFINITIONS

1.1 Definitions

In this Proposal:

- (a) “**Administrative Fees and Expenses**” means the fees and expenses, including legal fees and disbursements, of the Trustee in its capacity as proposal trustee, and the Debtor;
- (b) “**Approval Order**” means an Order of the Court approving the Proposal;
- (c) “**BIA**” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and in force as at the Filing Date;
- (d) “**Business Day**” means a day, other than a Saturday or Sunday, on which banks are generally open for business in Vancouver, British Columbia;
- (e) “**Claim**” means any right of any Person against the Debtor in connection with any indebtedness, liability or obligation of any kind of the Debtor which indebtedness, liability or obligation is in existence at the Filing Date, whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, unknown, by guarantee, by surety or otherwise and whether or not such a right is executory in nature, including, without limitation, 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

in action, whether existing at present or commenced in the future based in whole or in part on facts which exist prior to or as of the Filing Date, but does not include a equity claim as that term is defined by the BIA;

- (f) **“Classes”** means, collectively, all classes of creditors affected by this Proposal;
- (g) **“Collateral”**, in respect of a Secured Creditor means the assets and property of the Debtor in which the Secured Creditor holds a valid and enforceable security interest;
- (h) **“Completion of the Proposal”** means the date upon which all of the following conditions have been met:
 - (i) the Proposal is approved at the Meeting of Creditors by the requisite majority of the Classes;
 - (ii) the Proposal is approved by the Court; and
 - (iii) the Debtor has satisfied its obligations pursuant to the Proposal;
- (i) **“Court”** means the Supreme Court of British Columbia;
- (j) **“Creditor or Creditors”** means a person or persons having a Provable Claim, and includes collectively Secured Creditors and Unsecured Creditors;
- (k) **“Creditors’ Meeting”** means the meeting of the Creditors called for the purpose of considering and voting upon the Proposal;
- (l) **“Creditors’ Meeting Date”** means the date and time as may be called by the Trustee for the meeting of creditors to consider this Proposal, but in any event shall be no later than twenty-one (21) days following the Proposal Date;
- (m) **“Debtor”** means West Coast Logistics Ltd.;
- (n) **“Director”** means a director of the Debtor;
- (o) **“Employee Creditors”** means the persons entitled to assert the Claims referenced in s. 60(1.3) of the BIA in respect of such Claims;
- (p) **“Free Cash Flow”** means the Debtor’s net cash on hand calculated after deduction of business expenses, disbursements, and interest on shareholder loans but before any repayment of shareholder loan principal;
- (q) **“Filing Date”** means October 17, 2016 (the date the Debtor filed a notice of intention to make a proposal);
- (r) **“General Creditors”** means all of the Preferred Creditors and any Person with a Claim who is not a Secured Creditor, an Employee Creditor, or a Source Deduction Creditor;

- (s) **“Inspectors”** means one or more inspectors appointed pursuant to the BIA as provided for in the Proposal;
- (t) **“Official Receiver”** shall have the meaning ascribed thereto in the BIA;
- (u) **“Person”** means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government or any agency or instrumentality thereof, or any other entity howsoever designated or constituted;
- (v) **“Post-Filing Creditor Claim”** means any debt, obligation, enforceable right, duty or liability, contingent or otherwise, known or unknown, (including any claim whether contingent or accrued on behalf of Her Majesty the Queen in right of the Dominion of Canada or any Province or any municipality), owed by the Debtor incurred after the Filing Date, or any cause of action against the Debtor or its assets and property arising after the Filing Date;
- (w) **“Preferred Creditors”** means Creditors with Proven Claims that are required by the BIA to be paid in priority to all other claims under a proposal made by a debtor save and except for Employee Creditors and Source Deduction Creditors;
- (x) **“Proof of Claim”** shall mean the proof of claim required by the BIA to be mailed to each known Creditor prior to the Creditors’ Meeting;
- (y) **“Proposal”** means this proposal among the Company and the General Creditors together with any amendments or additions thereto;
- (z) **“Proposal Date”** means the date of the filing of the Proposal with the Official Receiver;
- (aa) **“Proven Claim”** of a Creditor means the amount of the Claim of such General Creditor finally determined in accordance with the provisions of the BIA;
- (bb) **“Released Claim”** means any and all manner of actions, causes of actions, suits, contracts, claims, demands, debts, dues, sums of money, accounts, proceedings, rights, liabilities, obligations, expenses, compensation and damages of any kind whatsoever, whether at law, in equity or under statutory authority, including any such claims relating to any transfer, conveyance or disposition of any property by the Debtor done or made prior to the Filing Date, and including without limitation, any right or entitlement pursuant to sections 91 through 101 of the BIA, whether known or unknown, suspected or unsuspected;
- (cc) **“Source Deduction Creditors”** means Her Majesty in Right of Canada or a Province in respect of Claims referenced in s. 60(1.1) of the BIA;
- (dd) **“Secured Creditor”** means a Person holding a mortgage, hypothec, pledge, charge or lien on or against the property or assets of the Debtor as security for a debt due or accruing due to the person from the Debtor, but who have not elected to file a proof of claim as an unsecured creditor under section 50.1(3) of the BIA;

- (ee) "Trustee" means The Bowra Group Inc. in its capacity as the Trustee in the Proposal, or its duly appointed successor or successors; and
- (ff) "Voting Letter" shall mean the voting letter required by s. 51(1) of the BIA to be mailed to each known Creditor prior to the Creditors' Meeting.

1.2 Articles of Reference

The terms "hereof", "hereunder", "herein" and similar expressions refer to the Proposal and not to any particular article, section, subsection, clause or paragraph of the Proposal and include any agreements supplemental hereto. In the Proposal, a reference to an article, section, subsection, clause or paragraph will, unless otherwise stated, refer to an article, section, subsection, clause or paragraph of the Proposal.

1.3 Interpretation Not Affected by Headings

The division of the Proposal into articles, sections, subsections, clauses or paragraphs and the insertion of a table of contents and headings are for convenience of reference only and will not affect the construction or interpretation of this Proposal.

1.4 Date for Any Action

In the event that any date on which any action is required to be taken hereunder is not a Business Day, such action will be required to be taken on the next succeeding day which is a Business Day.

1.5 Time

All times expressed herein are local time in Vancouver, British Columbia, Canada unless otherwise stipulated. Where the time for anything pursuant to the Proposal on a particular date is unspecified herein, the time shall be deemed to be 5:00 p.m. local time in Vancouver, British Columbia, Canada.

1.6 Numbers

In the Proposal, where the context requires, a word importing the singular number will include the plural and *vice versa* and a word or words importing gender will include all genders.

1.7 Currency

Unless otherwise stated herein, all references to currency in the Proposal are to lawful money of Canada.

1.8 Statutory References

Except as otherwise provided herein, any reference in the Proposal to a statute includes all regulations made thereunder, all amendments to such statute or regulation(s) in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulation(s).

1.9 Successors and Assigns

The Proposal will be binding upon and will enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person named or referred to in the Proposal.

ARTICLE 2

PURPOSE AND EFFECT OF THE PROPOSAL

2.1 Purpose of the Proposal

The purpose of the Proposal is to permit the Debtor to settle payment of its liabilities arising before the Filing Date and to compromise the indebtedness owed to the Creditors on a fair and equitable basis.

2.2 Trustee under the Proposal

Subject to the provisions of the BIA the Trustee shall act as the administrator for all purposes connected with the Proposal including management of the claims process, administration of the Meeting and any adjournments thereto and distribution of dividends to Creditors.

ARTICLE 3

CREDITOR CLASSES AND PRIORITY OF PAYMENTS

3.1 General Creditors

The Proposal shall consist of one class of creditors, namely the General Creditors, which shall be entitled consider and vote on the Proposal.

3.2 Secured Creditors

Upon the either of the rejection of this Proposal by the Creditors, the Completion of the Proposal, or an annulment of the Proposal, the present arrangements existing between the Debtor and the Secured Creditors, as amended from time to time, or as may be arranged in the future between the Debtor and the Secured Creditors will continue unaffected.

3.3 Preferred Payments in Priority to All Other Creditors under the Proposal

The Trustee shall make the following preferred payments from the amounts paid to the Trustee pursuant to this Proposal before making any distribution:

- (a) Provision for payment of the all Administrative Fees and Expenses, of and incidental to these proceedings together with such fees of the Trustee incidental to and arising from the preparation of the Proposal shall be paid in full in priority to the claim of the General Creditors. All payments of the Trustee's fees are subject to taxation;

- (b) Superintendent's levy as described in paragraph 4.7 below;
- (c) All other preferred claims are to be paid in priority to all claims of General Creditors pursuant to sections 60(1) and 136 of the BIA.

ARTICLE 4

PAYMENTS AND OBLIGATIONS OF THE COMPANY UNDER THE PROPOSAL

4.1 Payments to post-filing creditors

The Debtor shall pay Post-Filing Creditors in the ordinary course of business, or in accordance with present arrangements existing between the Debtor and the Post-Filing Creditor, as amended from time to time or as may be arranged in the future between the Debtor and the Post-Filing Creditor.

4.2 Payments to be made by the Debtor

- (a) The Debtor shall pay to the Trustee, the amounts owing under paragraph 3.3(a), plus 35% of the Free Cash Flow for two (2) fiscal years of April 1 to March 31, ending 2018 and 2019.
- (b) The Debtor will make these payments to the Trustee semi-annually on the following dates:
 - (i) November 30, 2017;
 - (ii) May 31, 2018;
 - (iii) November 30, 2018; and
 - (iv) May 31, 2019

which the Trustee will then verify based on information provided by the Debtor and confirmed with the semi-annual (if available) and year-end financial statements as issued by the Debtor's external accounting firm.

- (c) If the amount of Free Cash Flow during a fiscal year is in excess of \$500,000 (the "Cash Flow Limit"), then 50% of any amount over the Cash Flow Limit for that fiscal year will be remitted to the Trustee for the benefit of the General Creditors in addition to the amount set out in paragraph 4.2(a).

4.3 Payments to CRA

CRA shall be paid directly from the Debtor in respect of any amounts due Her Majesty the Queen in Right of Canada or a Province of a kind which could be subject to a demand under subsection 224(1.2) of the *Income Tax Act* or under any substantially similar provision of provincial legislation and that were outstanding at the time of the Filing Date, if any.

4.4 Payments to Preferred Creditors

Dividends to Preferred Creditors shall be paid in accordance with the terms of this Proposal.

4.5 Payment of Employee Creditors

The Proven Claims, if any, of the Employee Creditors shall be paid in accordance with the terms of this Proposal.

4.6 Payments to General Creditors

The Trustee shall make dividend payments to the General Creditors who have a Proven Claim, payable and follows:

- (a) All amounts set out in paragraphs 3.3(b) and (c) above;
- (b) To all General Creditors:
 - (i) To those General Creditors with a Proven Claim of less than or equal to \$1,000, the full amount of their claim after the first fiscal year ending in 2018; and
 - (ii) To those General Creditors with a Proven Claim of greater than \$1,000, dividend payments based on their pro rata entitlement.

4.7 Payment of Superintendents Levy

Payments to each General Creditor shall be net of any applicable levy payable to the Office of the Superintendent of Bankruptcy as required by the BIA and the Trustee shall remit the amount of such levy to the Office of the Superintendent of Bankruptcy contemporaneous with the distributions to General Creditors contemplated above.

4.8 Other obligations of the Debtor under the Proposal

- (a) The Debtor agrees and undertakes to not acquire any new debt required to be repaid over a period of greater than 30 days while the Proposal is in effect.
- (b) The Debtor will provide to the Trustee quarterly cash flow statements as follows:

Quarter ended	Reporting Due Date
December, 2017	January 31, 2018
March, 2018	April 30, 2018
June, 2018	July 31, 2018
September, 2018	October 31, 2018
December, 2018	January 31, 2019
March, 2019	April 30, 2019

which the Trustee may then provide to Creditors who have requested them for their information and review.

4.9 Effect on Creditors

Upon the Completion of the Proposal and the satisfaction of the claims of Creditors in the manner described in the Proposal:

- (a) the Debtor shall be released and forever discharged from all claims, liabilities and obligations owed to the Creditors, other than the Secured Creditors as set out herein. Without limiting the generality of the foregoing but for greater certainty, such release and discharge includes all claims, liabilities and obligations owed by the Debtor to General Creditors;
- (b) each of the Creditors, excluding the Secured Creditors, shall remise, release and forever discharge the directors of the Debtor, and all of his, her or their executors, administrators and assigns of and from Released Claims and whether against the directors of the Debtor, persons or property, including legal fees and disbursements, which each has ever had, now has or may have in the future against directors of the Debtor where the directors are by law liable in their capacity as directors, and all such Released Claims shall be deemed to be fully satisfied by the terms of this Proposal and shall not be enforceable against the directors of the Debtor in law or in equity; and
- (c) Neither the Trustee nor the Creditors shall have the right or be entitled to take or commence any proceedings relating in whole or in part to the Debtor, the Debtor's assets, or any transfer, conveyance or disposition of any property by the Company done or made prior to the filing of the NOI, including without limitation, any right or entitlement pursuant to sections 91 through 101 of the BIA.

4.10 Discharge of Trustee

Upon the payment by the Trustee of the amounts contemplated in this section, the Trustee shall have discharged its duties as Trustee and the Trustee shall be entitled to apply for its discharge as Trustee. For greater certainty, the Trustee will not be responsible or liable for any obligations of the Debtor and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by this Proposal unless such acts have been carried out in bad faith and constitute a wilful or wrongful act or default.

ARTICLE 5

PROCEDURE FOR VALIDATION OF CLAIMS

5.1 Filing of Proofs of Claim

Each Creditor must file a Proof of Claim as required by the BIA to vote on or receive a distribution under the Proposal.

5.2 Allowance or Disallowance of Claims by the Trustee

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

ARTICLE 6

CREDITORS' MEETING

6.1 Creditors' Meeting

On the Creditors' Meeting Date, the Debtor shall hold the Creditors' Meeting in order for the Creditors to consider and vote upon the Proposal.

6.2 Time and Place of Meeting

Unless otherwise ordered by the Court, the Creditors' Meeting shall be held at a time and place to be established by the Official Receiver, or the nominee thereof, and confirmed in the notice of Creditors' Meeting to be mailed to Creditors pursuant to the BIA.

6.3 Conduct of Meetings

The Official Receiver, or the nominee thereof, shall preside as the chair of the Creditors' Meeting and will decide all matters relating to the conduct of the Creditors' Meeting. The only persons entitled to attend the Creditors' Meeting are those persons, including the holders of proxies, entitled to vote at the Creditors' Meeting and their respective legal counsel, if any, and the officers, directors, auditors and legal counsel of the Debtor, together with such representatives of the Trustee as the Trustee may appoint in its discretion, and such scrutineers as may be duly appointed by the chair of such meeting. Any other person may be admitted on invitation of the chair of the Creditors' Meeting or with the consent of the Creditors.

6.4 Adjournment of Meetings

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

6.5 Voting by Creditors

To the extent provided for herein, each Creditor will be entitled to vote to the extent of the amount that is equal to that Creditor's Claim. Any Proof of Claim in respect of a Claim that is not a Proven Claim as at the Creditors' Meeting Date will be marked as objected to in accordance with subsection 108(3) of the BIA.

6.6 Approval by Classes of Creditors

In order that the Proposal be binding on a Class of Creditors in accordance with the BIA, it must first be accepted by the Class of Creditors by a majority in number of Creditors in the Class who actually vote upon the Proposal (in person or by proxy) at the Creditors' Meeting or by a Voting Letter, representing two-thirds in value of the Proven Claims of the Class of Creditors who actually vote upon the Proposal (whether in person or by proxy) at the Creditors' Meeting or by a Voting Letter.

6.7 Appointment of Inspectors

At the Creditors' Meeting the Creditors may appoint up to Five (5) Inspectors whose powers will be limited to: (a) advising the Trustee concerning any dispute which may arise as to the validity of Claims; and (b) advising the Trustee from time to time with respect to any other matter that the Trustee may refer to them.

ARTICLE 7

APPROVAL PROCEDURE

7.1 Preconditions to Proposal Implementation

The implementation of the Proposal by the Debtor will be conditional upon the fulfilment or satisfaction of the following conditions precedent:

- (a) The Proposal is approved at the Meeting of Creditors by the requisite majority of the Classes;
- (b) Obtaining of the Approval Order and it becoming final and not subject to appeal; and
- (c) such other Orders by the Court as may be required in order to complete implementation of the Proposal.

7.2 Effectiveness

The Proposal will become effective upon the Approval Order being granted, and the Proposal will apply to and be binding upon all General Creditors.

ARTICLE 8

AMENDMENTS AND MODIFICATIONS

8.1 Amendment of Proposal

The Debtor reserves the right, with the consent of the Trustee, to amend the Proposal at any time and re-submit it to the Creditors and the Proposal may be amended among the Debtor and the Classes at any Creditor meeting.

8.2 Modification of Proposal

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

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

8.3 Waiver

Any provision of the Proposal may be waived, with the consent of the Trustee, by an affected Creditor or by an affected Class of Creditors.

ARTICLE 9

SHAREHOLDERS

10.1 Waiver of Claims of Shareholders

In the event the Creditors vote in favour of the Proposal and the Court approves the Proposal, the shareholders of the Company agree to waive their respective rights to a distribution under the Proposal for their outstanding loans to the Company on the Filing Date.

ARTICLE 10

MISCELLANEOUS

10.1 Compromise Effective for all Purposes

The provisions of this Proposal will be binding upon each Creditor, their heirs, executors, administrators, successors and assigns, for all purposes.

10.2 Modification of Proposal

The Debtor may propose an alteration or modification to the Proposal prior to the vote taking place on the Proposal.

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

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

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

10.3 Consents, Waivers and Agreements

In return for the distribution contemplated by the Proposal, the Creditor will be deemed:

- (a) to have executed and delivered to the Debtor all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Proposal in its entirety;
- (b) to have waived any default by the Debtor in any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Creditor and the Debtor that has occurred on or prior to the Filing Date;
- (c) to have agreed, in the event that there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Creditor and the Debtor as at the Filing Date (other than those entered into by the Debtor on, or with effect from, the Filing Date) and the provisions of this Proposal, that the provisions of this Proposal shall take precedence and priority and the provisions of such agreement or other arrangement shall be amended accordingly; and
- (d) to have released the Debtor, the Trustee and all of their respective affiliates, employees, agents, directors, officers, shareholders, advisors, consultants and solicitors from any and all demands, claims, actions, causes of action, counter-claims, suits, debts, sums of money, accounts, covenants, damages, judgements, expenses, executions, liens, set off rights and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Filing Date, relating to or arising out of or in connection with the matters herein; provided that nothing herein shall release the Debtor of its obligation to make the distributions to Creditors contemplated in this Proposal.

10.4 Effect of Proposal on Claims Against Debtor

The treatment of all Claims under the Proposal shall be final and binding on the Debtor and all Creditors (along with their respective heirs, executors, administrators, legal personal representatives, successors and assigns) and the Proposal shall constitute (a) a full, final and absolute settlement of all rights of the holders of the Claims affected hereby; and (b) an absolute release and discharge of all indebtedness, liabilities and obligations of the Debtor of or in respect of the Claims.

10.5 Continuation of the Stay of Proceedings

The stay of proceedings provided for in Section 69.1(1) of the BIA will be continued after the Approval Order is made in full force and effect as against the Creditors.

10.6 Effect of Proposal on Claims Against Directors

Excluding any Claim referenced in subsection 50(14) of the BIA and any claim of a Secured Creditor, to the extent that Directors are at law liable for any Claim, acceptance of this Proposal shall constitute (a) a full, final and absolute settlement of all rights of the holders of the Claims affected hereby as against the Director; and (b) an absolute release and discharge of all indebtedness, liabilities and obligations of the Director of or in respect of the Claims.

10.7 Conduct of Debtor's Business

Subject to any Order made by the Court, the Debtor shall remain in possession and control of its property and assets at all times, both before and after implementation of this Proposal.

ARTICLE 11

GENERAL

11.1 Notices

Any notices or communication to be made or given hereunder shall be in writing and shall refer to this Proposal and may, subject as hereinafter provided, be made or given by personal delivery, by prepaid mail or by e-mail (except for Proofs of Claim which may only be sent by personal delivery, e-mail or registered mail) addressed to the respective parties as follows:

(a) if to the Debtor:

c/o Lawson Lundell LLP
1600 – 925 West Georgia Street
Vancouver, BC, V6C 3L2
Attention: Heather M. B. Ferris
E-mail: hferris@lawsonlundell.com

(b) if to the Trustee:

The Bowra Group Inc.
430 - 505 Burrard Street
One Bentall Centre, Box 72,
Vancouver, BC V7X 1M3
Attention: Mario Mainella
E-mail: mmainella@bowragroup.com

- (c) if to a Creditor, to the mailing address or e-mail address for such Creditor specified in the Proof of Claim filed by such Creditor or, if no proof of Claim has been filed, to such other mailing address or e-mail address at which the notifying party may reasonably believe that the Creditor may be contacted;

or to such other mailing address or e-mail address as any party may from time to time notify the others in accordance with this section. In the event of any strike, lock-out and other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be given or made by personal delivery or by e-mail and any notice or other communication given or made by prepaid mail within the five (5) Business Day period immediately preceding the commencement of such interruption will be deemed not to have been given or made. All such notices and communications will be deemed to have been received, in the case of notice by e-mail or by delivery prior to 5:00 p.m. (local time) on a Business Day, when received or if received after 5:00 p.m. (local time) on a Business Day or at any time on a non-Business Day, on the next following Business Day and in to case of notice mailed as aforesaid, on the fifth (5th) Business Day following the date on which such notice or other communication is mailed. The unintentional failure to give a notice contemplated hereunder to any particular Creditor will not invalidate this Proposal or any action taken by any Person pursuant to this Proposal.

11.2 Foreign Currency Obligations

For purposes of this Proposal, Claims denominated in a currency other than Canadian funds will be converted to Canadian Dollars at the closing spot rate of exchange of the Bank of Canada on the Filing Date.

11.3 Applicable Law

This Proposal shall be construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

11.4 Non Severability

It is intended that all provisions of this Proposal shall be fully binding on and effective between all Persons named or referred to in this Proposal and in the event that any particular provision or provisions of this Proposal is or are found to be void, voidable or unenforceable for any reason whatever, then the remainder of this Proposal and all other provisions shall be void and of no force or effect

11.5 Deeming Provisions

In this Proposal the deeming provisions are not rebuttable and are conclusive and irrevocable.

DATED at the City of Vancouver, in the Province of British Columbia, this 4 day of November, 2017.

December

WEST COAST LOGISTICS LTD.

Per: 

Michael Smallwood, Chief Executive Officer

EXHIBIT "B"

Creditor Mailing List

This is Exhibit H referred to in the Affidavit of Dessie Read Sworn before me on this 21st day of April 2017

IN THE MATTER OF THE PROPOSAL OF WEST COAST LOGISTICS LTD. of the city of NEW WESTMINSTER in the Province of British Columbia

A COMMISSIONER FOR TAKING AFFIDAVITS FOR BRITISH COLUMBIA

Creditor Type	Name	Attention	Address
Director	MICHAEL SMALLWOOD		1618 MAHON AVENUE NORTH VANCOUVER BC V7M 2S8
Secured	Michael Smallwood		1618 Mahon Avenue NORTH VANCOUVER BC V7M 2S8
	Royal Bank of Canada		2885 Barnet Hwy Unit 110 COQUITLAM BC V3B 1C1
	Wajax Equipment - Lease 529925		9087 198th Street LANGLEY BC V1M 3B1
	Wajax Equipment - Lease 530772		9087 198th Street LANGLEY BC V1M 3B1
Unsecured	0823069 BC Ltd		1020 789 W. Pender St Vancouver BC V6C 1H2
	ADT Canada		8481 Langelier Montreal PQ H1P 2C3
	Attica Equipment		150 Glacier St., Coquitlam, BC V3K 5Z6
	Bell Mobility		Po Box 5102 BURLINGTON ON L7R 4R7
	Cheetah		#103 9785 192nd Street Langley BC V4N 4C7
	Cordstrap Canada		PO Box 081340 Racine WI 53408-1340
	Digby Leight & Company		#201 3053 Edgemont Blvd North Vancouver BC V7R 2N5
	Fraser Surrey Docks		11060 Elevator Rd. SURREY BC V3V 2R7
	Iron Mountain Industries		29219 Sangara Ave Abbotsford BC V4X 2G3
	Laser Valley Technologies Corp.		#1 9761 192nd Street Surrey BC V4N 4C7
	Len's Transportation Group		9470 192nd St Surrey BC V4N 3R9
	Lisa Technologies Inc.		#1268 - 13351 Commerce Parkway Richmond BC V6V 2X7
	Miles Tire Service Ld.		1464 Spitfire Pl Port Coquitlam BC V3C 6L4
	Newport Group		#302 130 Brew St Port Moody BC V3H 0E3
	O.M.M.C. Logging Supplies Inc		11406-132A Strre Surrey BC V3R 7S2
	Ontime Transport		PO Box 2339 Clearbrook BC V2T 4X2
	PNR Railworks		PO Box 2280 2595 Deacon St., Abbotsford BC V2T 4X2
Prudential Transportation Ltd.c/o LaBelle & Company		#1800-999 West Hastings VANCOUVER BC V6C 2W2	

Creditor Mailing List

IN THE MATTER OF THE PROPOSAL OF
WEST COAST LOGISTICS LTD.
of the city of NEW WESTMINSTER
in the Province of British Columbia

Creditor Type	Name	Attention	Address
Unsecured	Ridley Fuels		2974 224th Street Langley BC V2Z 3B4
	RT Welding		60-20460 66th Ave Langley BC V2Y 3B6
	Signs		C- 60 Braid St New Westminster BC V3L 3P3
	Super Save Enterprises Ltd.		19395 Langley Bypass Surrey BC V3S 6K1
	Van-Port Transportation Inc		31806 Glenwood Ave Abbotsford BC V2T 1E5
	Wajax Industries		Zone 216745 111th Ave., Edmonton AB T5M 2S4
	Western Safety Products		2920 Murray Street Port Moody BC V3H 1X2
	WorkSafe BC	Susan Forrest	Collection Section - Legal and Insolvency Clerk , PO Box 5350 Stn Terminal VANCOUVER BC V6B 5J5

Fraser Valley and Northern Tax Services Office
Regional Intake Centre for Insolvency
Canada Revenue Agency
PO Box 9070 Station Main
9737 King George Boulevard
Surrey BC V3T 5W6

EXHIBIT “C1”

District of British Columbia
Division No. 03 - Vancouver
Court No B160890
Estate No. 11-2177611

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

IN THE MATTER OF THE PROPOSAL OF
WEST COAST LOGISTICS LTD.
of the city of NEW WESTMINSTER
in the Province of British Columbia

Take notice that WEST COAST LOGISTICS LTD. of the City of NEW WESTMINSTER 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 Suite 1600, Cathedral Place, 925 West Georgia Street, VANCOUVER, BC on the 3rd day of May 2017 at 10:30 AM.

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 21st day of April 2017.

The Bowra Group Inc

Per: 

Mario Manella - Licensed Insolvency Trustee
430 - 505 Burrard Street, PO Box 72
VANCOUVER BC V7X 1M3
Phone: (604) 689-8939 Fax: (604) 689-8584

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

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
0823069 BC Ltd	1020 789 W Pender St Vancouver BC V6C 1H2		55,033.04
Attica Equipment	150 Glacier St., Coquitlam, BC V3K 5Z6		470.84
Bell Mobility	Po Box 5102 BURLINGTON ON L7R 4R7		2,900.00
Cheetah	#103 9785 192nd Street Langley BC V4N 4C7		258.11
Cordstrap Canada	PO Box 081340 Racine WI 53408-1340		1,005.76
Digby Leight & Company	#201 3053 Edgemont Blvd North Vancouver BC V7R 2N5		15,609.90
Fraser Surrey Docks	11060 Elevator Rd. SURREY BC V3V 2R7		4,960.80
Iron Mountain Industries	29219 Sangara Ave Abbotsford BC V4X 2G3		869.09
Laser Valley Technologies Corp	#1 9761 192nd Street Surrey BC V4N 4C7		659.68
Len's Transportation Group	9470 192nd St Surrey BC V4N 3R9		346.50
Lisa Technologies Inc.	#1268 - 13351 Commerce Parkway Richmond BC V6V 2X7		2,385.60
Michael Smallwood	1618 Mahon Avenue NORTH VANCOUVER BC V7M 2S8		120,000.00
Miles Tire Service Ltd	1464 Spitfire Pl Port Coquitlam BC V3C 6L4		2,332.98
Newport Group	#302 130 Brew St Port Moody BC V3H 0E3		25,410.00
Ontime Transport	PO Box 2339 Clearbrook BC V2T 4X2		11,737.20
PNR Railworks	PO Box 2280 2595 Deacon St., Abbotsford BC V2T 4X2		7,618.53
Prudential Transportation Ltd./c/o LaBelle & Company	#1800-999 West Hastings VANCOUVER BC V6C 2W2		229,882.18
Ridley Fuels	2974 224th Street Langley BC V2Z 3B4		2,930.11

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Royal Bank of Canada	2885 Barnet Hwy Unit 110 COQUITLAM BC V3B 1C1		260,000.00
RT Welding	60-20460 66th Ave Langley BC V2Y 3B6		442.31
Signs	C- 60 Braid St New Westminster BC V3L 3P3		280.00
Super Save Enterprises Ltd.	19395 Langley Bypass Surrey BC V3S 6K1		2,258.59
Van-Port Transportation Inc.	31806 Glenwood Ave Abbotsford BC V2T 1E5		5,685.02
Wajax Equipment - Lease 529925	9087 198th Street LANGLEY BC V1M 3B1		27,882.00
Wajax Equipment - Lease 530772	9087 198th Street LANGLEY BC V1M 3B1		32,227.82
Wajax Industries	Zone 216745 111th Ave., Edmonton AB T5M 2S4		3,001.19
WorkSafe BC Susan Forrest	Collection Section - Legal and Insolvency Clerk , PO Box 5350 Stn Terminal VANCOUVER BC V6B 5J5		5,627.64
Total			821,804.89

EXHIBIT "C2"

District of: British Columbia
 Division No. 03 - Vancouver
 Court No. B160890
 Estate No. 11-2177611

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 PROPOSAL OF
 WEST COAST LOGISTICS LTD.
 of the city of NEW WESTMINSTER
 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 12th day of April 2017. 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)	
1. Unsecured creditors as per list "A"	382,162.06
Balance of secured claims as per list "B"	0.00
Total unsecured creditors	382,162.06
2. Secured creditors as per list "B"	440,109.82
3. Preferred creditors as per list "C"	0.00
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for	0.00
Total liabilities	822,271.88
Surplus	NIL

ASSETS (as stated and estimated by the officer)	
1. Inventory	0.00
2. Trade fixtures, etc.	0.00
3. Accounts receivable and other receivables, as per list "E"	
Good	193,771.20
Doubtful	0.00
Bad	5,870.76
Estimated to produce	193,771.20
4. Bills of exchange, promissory note, etc., as per list "F" ..	0.00
5. Deposits in financial institutions	0.00
6. Cash	0.00
7. Livestock	0.00
8. Machinery, equipment and plant	301,325.00
9. Real property or immovable as per list "G"	0.00
10. Furniture	0.00
11. RRSPs, RRIIFs, life insurance, etc.	0.00
12. Securities (shares, bonds, debentures, etc.)	0.00
13. Interests under wills	0.00
14. Vehicles	0.00
15. Other property, as per list "H"	0.00
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	495,096.20
Deficiency	327,175.68

I, MICHAEL SMALLWOOD, of the City of NORTH VANCOUVER 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 12th day of April 2017 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 12th day of April 2017.


 Mario Mainella, Commissioner of Oaths
 For the Province of British Columbia
 Expires May 31, 2018


 MICHAEL SMALLWOOD

MARIO MAINELLA
*A Commissioner for Taking Affidavits
 Within the Province of British Columbia*
 Suite 430 - 505 Burrard Street
 Vancouver, B.C. V7X 1M3
 Appointment Expires: May 31, 2018

EXHIBIT "C3"

COURT NO. B-160890
ESTATE NO. 11-2177611
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY
IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C. 1985, C. B-3, AS AMENDED
AND
IN THE MATTER OF THE PROPOSAL OF
WEST COAST LOGISTICS LTD.

THE PROPOSAL TRUSTEE'S REPORT TO CREDITORS

APRIL 20, 2017

I. BACKGROUND OF THE COMPANY

West Coast Logistics Ltd. ("WCL" or the "Company") is a private company incorporated on June 11, 2010 in British Columbia. The Company provides loading and reloading services at its leased location in New Westminster, BC. The leased facility has barge, rail and truck access servicing primarily the lumber, pulp and paper and steel industries.

The Company's financial difficulties arose as a result of decreased sales during the Spring and Summer of 2016. In addition, management advised that the leased facility and yard required significant repairs and maintenance to be performed by the Landlord which has limited the Company's ability to store high grade steel, pulp and lumber all of which has contributed to the decreased sales and losses of the Company in 2016.

The decrease in the sales has had a negative impact on the Company's cash flow.

On October 19, 2016, WCL filed a Notice of Intention (the "NOI") to make a Proposal (the "Proposal") with the Office of the Superintendent of Bankruptcy, with The Bowra Group Inc. (the "Proposal Trustee") being named as Proposal Trustee.

As at the date of the NOI filing, WCL's liabilities were estimated at \$260,000 secured plus unsecured liabilities estimated at \$550,000.

The Company was granted extensions of the NOI period to make a Proposal to its creditors pursuant to Court Orders from the Supreme Court of British Columbia pronounced November 16, 2016, December 23, 2016, February 14, 2017 and April 1, 2017.

Two events are central to the background of the Company as follows:

i. Dispute with Landlord

The Company was involved in an ongoing dispute with 0823069 B.C. Ltd (the "Landlord") regarding concerns and issues that the Company has with the leased land and facility. The Company, the Landlord, and the Proposal Trustee had many discussions over the course of the NOI period in an attempt to resolve the issue. The resolution of the dispute with the Landlord was a requirement in the filing of any Proposal and required additional NOI extensions in order to allow time to reach an agreement.

The Landlord and the Company reached an agreement in principle in late March 2017 however due to issues with an injunction application, further described below, the agreement could not be finalized until the decision on the injunction application had been decided by the Courts.

ii. Injunction Filed by Fraser Richmond Soil & Fibre

In December 2016, the Company received an application from the Landlord's tenant, Fraser Richmond Soil & Fibre, now known as Harvest Fraser Richmond Organics Ltd. ("Harvest") seeking an injunction with respect to the use of the rail line which is located through their leased yard facility. Harvest leases the property adjacent to the Company from the Landlord. The access of the rail line through the Harvest yard is required by the Company as there is no alternative entry or exit of the rail line. The use of the rail line is a vital component to the ongoing business of the Company and affected its ability to file a Proposal.

The injunction application was disputed by both the Landlord and the Company. The application was heard in March 2017, however, the judgment was not scheduled to be released until after April 1, 2017 requiring a further extension of the NOI.

The injunction application was dismissed in April 2017 allowing for the Company to finalize their agreement with the Landlord through an addendum to the lease.

Effect of Dispute with Landlord and Injunction

The dispute with the Landlord and the injunction required significant resources and time by the Company and professionals involved. There were additional time and costs incurred by the Company and the Company's legal counsel to oppose the injunction and formally negotiate with the Landlord. Furthermore, the time to resolve the dispute with the Landlord and the injunction required multiple extensions of the NOI period prolonging the timing of the Company filing their Proposal.

The resolution of these issues was necessary for the Company to file a Proposal and on April 15, 2017, the Company filed a proposal to its unsecured creditors (the "Proposal"). All of the terms not defined in this report shall have the meaning as set out in the Proposal.

II. EFFORTS SINCE FILING THE NOI

Since filing the NOI, the Company has been acting in good faith by organizing its affairs and investigating various options with a view to formulating and presenting a Proposal to its creditors. In particular, and as examples, the Company has:

- a) Reduced operating costs;
- b) Continued in its efforts to increase sales;
- c) Communicated with representatives of the landlord and or their respective legal counsel and have resolved their outstanding issues; and
- d) Communicated with representatives of the adjacent tenant and/or their respective legal counsel regarding the injunction and formally opposed the injunction in Court.

III. SUMMARY OF PROPOSAL

The Proposal is designed to permit the Company to settle payment of its liabilities arising before the filing of the NOI and to compromise the indebtedness owed to the Creditors on a fair and equitable basis.

The Proposal is for unsecured creditors only and does not include secured creditors, employees or Canada Revenue Agency with respect to payroll source deductions.

The Proposal contemplates that payments **will** be made to unsecured creditors as follows:

- Payment of a percentage of Free Cash Flow (as defined in the Proposal) generated by the operations of the Company for two consecutive fiscal years;
- The fiscal year of the Company is from April 1 – March 31 and Free Cash Flow will be calculated and paid for the following two consecutive fiscal years:
 1. April 1, 2017 – March 31, 2018
 2. April 1, 2018 – March 31, 2019

- The percentage of Free Cash Flow to be paid is as follows:
 1. 35% of Free Cash Flow up to \$500,000 per fiscal year;
 2. 50% of Free Cash Flow above \$500,000 per fiscal year on non-cumulative basis. For clarity, the calculation of Free Cash Flow per fiscal year includes the Free Cash Flow generated in that year only and does not carry forward or back into other fiscal years.
- Unsecured creditors with a proven claim of less than \$1,000 will be paid in full.

The Proposal is contingent upon the operations of WCL generating Free Cash Flow and will vary depending on the amount of Free Cash Flow generated. The operating results of the Company in the next two consecutive fiscal years is uncertain and may vary significantly from the projections provided by the Company.

Based on the information provided by management, the Proposal Trustee believes that the restructured WCL will have sufficient cash from operations to meet its obligations in the ordinary course of business and generate Free Cash Flow. The amount of Free Cash Flow ultimately generated is uncertain and will depend on the future operations of the Company and general economic conditions.

IV. DISTRIBUTION TO UNSECURED CREDITORS

It is estimated that the Company will pay the unsecured creditors comprising the General Creditor class between approximately \$154,000 and \$318,000, from the Free Cash Flow generated by the operations of WCL for the two fiscal years of the Proposal.

A summary of the estimated Free Cash Flow available to fund payments to creditors is summarized below:

	Fiscal Year 1		Fiscal Year 2		Total	
	Low	High	Low	High	Low	High
	\$'s		\$'s		\$'s	
Cash Inflow	2,107,200	2,229,600	2,158,710	2,470,530	4,265,910	4,700,130
Cash Outflows ¹	1,942,349	1,942,349	1,894,072	1,894,072	3,836,421	3,836,421
Free Cash Flow	164,851	287,251	264,638	576,458	429,489	863,709
Estimated amount available to unsecured creditors	57,698	100,538	92,623	213,229	150,321	302,298
Note 1	Includes payment in full of unsecured claims of less than \$1,000 estimated at \$3,793 in Fiscal Year 1					

The general outline for payments to pursuant to the Proposal is as follows:

- i. Administrative Fees and Expenses, of and incidental to these proceedings together with such fees of the Trustee incidental to and arising from the preparation of the Proposal shall be paid in full in priority to the claim of the unsecured creditors. All payments of Trustee's fees are subject to taxation;
- ii. Superintendent's levy pursuant to section 147 of the BIA on any payments made to unsecured creditors;
- iii. All other preferred claims, if any, are to be paid in priority to unsecured creditors pursuant of sections 60(1) and 136 of the BIA;
- iv. Payment in full of unsecured creditors with Proven Claims of \$1,000 or less after the first fiscal year ending in 2018;
- v. After making the payments described above, the remaining unsecured creditors with Proven Claims of greater than \$1,000 will be paid their proportionate pro rata share of the remaining funds.

V. IDENTIFICATION AND VALUATION OF ASSETS

The realizable assets of the Company are accounts receivables, machinery and equipment.

In a bankruptcy:

- i. The Company believes the accounts receivable would be fully collectible.
- ii. The estimated value of the machinery and equipment in a bankruptcy is based on the gross appraised value less estimated costs for a shutdown of operations, including lease costs, labour and utilities, and
- iii. The appraisal of the machinery and equipment was performed by Timeline Services dated April 4, 2017.

The table below identifies the valuation of the assets per the Statement of Affairs and estimated value in a bankruptcy:

	Per Statement of Affairs	Estimated Value in a Bankruptcy
	\$'s	
Machinery & Equipment	301,325	167,800
Accounts Receivable	193,771	193,771
	495,096	361,571

The Proposal Trustee has reviewed the estimates and in their opinion, believe that they are reasonable. The above estimates do not include professional fees.

Based on this estimate the unsecured creditors would receive nothing in a bankruptcy as the secured creditors are owed \$380,000 and the estimated realizable values before professional fees are \$362,000.

VI. CREDITOR'S CLAIMS

Secured Creditor Claims

Royal Bank of Canada ("RBC") and Mike Smallwood are the only Secured Creditors of the Company and are owed \$260,000 and \$120,000 respectively. Secured Creditors are unaffected under the Proposal.

There will be no repayment of the principal of the secured loan to Mike Smallwood during the Proposal period of two fiscal years.

The Proposal Trustee has not undertaken a formal review of the security or obtained an independent legal opinion on the validity of the security of the various Secured Creditors.

Employee and Canada Revenue Agency Claims

The Company advises that it does not owe any arrears with respect to employee payroll source deductions to Canada Revenue Agency or arrears amounts owing to ongoing employees for wages and vacation. Any post filing obligations for payroll source deductions and employee wages and vacation are being paid in the normal course.

The Company is not aware of any other preferred creditors.

General Creditor Claims

General Creditor claims consist of approximately 26 unsecured creditors. The unsecured creditor balance identified to date is approximately \$382,000 based on the Company's records.

The unsecured creditors are to be paid in accordance with the terms of the Proposal.

VII. STATEMENT OF ESTIMATED REALIZATION

The table below compares the estimated recovery to unsecured creditors under a bankruptcy and a proposal.

	Bankruptcy	Proposal	
		Low	High
\$ 000's			
Proceeds ¹	362	154	318
Secured Creditors	380	-	-
Preferred Claim - WEPP	10	-	-
	390	-	-
Net proceeds available to creditors	(28)	154	318
Value of participating creditors	382	382	382
Recovery per dollar of claim to unsecured participating creditors ²	\$ -	\$ 0.40	\$ 0.83
Notes			
1	Proceeds are based on the estimated value in a bankruptcy and estimated Free Cash Flow available to unsecured creditors in a Proposal, including 100% payment of unsecured claims up to \$1,000		
2	Claims less than \$1,000 will recover 100%		

Based on our review of the Company's current assets and liabilities and the management's estimate in a bankruptcy, the unsecured creditors would recover \$NIL.

This Proposal is estimated to provide proceeds to General Creditors with unsecured claims of between \$154,000 and \$318,000, including payment in full of unsecured claims less than \$1,000, based on management's estimate of Free Cash Flow for the two fiscal years of the Proposal.

We estimate that the recovery in relation to General Creditors with unsecured claims in the

Proposal to be as follows:

- Proven Claims equal to or less than \$1,000 be paid 100%; and
- Proven Claims over \$1,000 will recover between \$0.40 and \$0.83 per dollar of their Proven Claim.

Accordingly, the Proposal provides for a higher recovery to unsecured creditors than a bankruptcy.

VIII. REMUNERATION OF THE TRUSTEE

The Proposal Trustee's fees for the period October 19, 2016 to Proposal acceptance will be paid by the Company. The Proposal Trustee fees from Proposal acceptance to the discharge of the Trustee will be paid by the Company as an operating expense prior to the calculation of Free Cash Flow.

We estimate the total fees and disbursements of the Proposal Trustee to be approximately \$50,000. This estimate assumes there are no factors that cause the Trustee's time to increase, such as, but not limited to, disputed and disallowed claims, and litigation of claims.

IX. CONDUCT OF THE DEBTOR

We have reviewed financial information, bank statements and the cheque register of the Company for a twelve month period prior to the Company filing the NOI and the period between filing the NOI and filing the Proposal. We are not aware of the Company being a party to any fraudulent preferences or transfers at undervalue as set out in the Act.

X. LEGAL ACTIONS

We are not aware of any legal actions by or against the Company.

XI. CONFLICT OF INTEREST

The Proposal Trustee is not aware of any conflict of interest and has had no previous dealings with the Company

XII. RECOMMENDATION

The Proposal offers all creditors a greater recovery than they would otherwise receive in a bankruptcy. Accordingly, the Proposal Trustee recommends that the General Creditors vote in favour of the Proposal.

Yours very truly,

The Bowra Group Inc.

In its capacity as the Trustee under the Proposal of West Coast Logistics Ltd
and not in its personal capacity

Per: 

Mario Mainella, CPA, CA, CIRP

EXHIBIT "D1"

Court File No. B-160890
Estate No.: 11-2177611
Vancouver Registry

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

**IN THE MATTER OF THE
PROPOSAL OF
WEST COAST LOGISTICS LTD.**

**MADE PURSUANT TO PART III DIVISION 1 OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED
AND**

MINUTES OF MEETING OF CREDITORS

**Held at the offices of Lawson Lundell LLP, Suite 1600 Cathedral Place, 925 West Georgia
Street, Vancouver BC
10:30 am on May 3rd, 2017**

PRESENT:

Mario Mainella, The Bowra Group Inc., Licensed Insolvency Trustee and Chair
Sofie Parker, The Bowra Group Inc., Insolvency Estate Administrator
Michael Smallwood, West Coast Logistics Ltd.
Grover Dimmock, West Coast Logistics Ltd.
Heather Ferris, Lawson Lundell LLP, Legal Counsel for West Coast Logistics Ltd.

All others as listed in attendance in person or by proxy in the attached attendance list which forms part of these minutes.

MEETING:

Mario Mainella called the meeting to order at 10:30 am and introduced himself, legal counsel and the representatives of West Coast Logistics Ltd.

Mario Mainella announced he was acting as Chairman under the authority Section 51(3) of the Bankruptcy and Insolvency Act.

The Chairman declared the meeting properly called and, a quorum being present, duly constituted. The Chairman tabled the following documents:

- Certificate of Filing a Proposal;
- Notice to Creditors/Mailing Affidavit;
- The Proposal; and
- Trustee's Report on the Proposal.

The Chairman explained that the purpose of the meeting was to confirm the appointment of the Trustee, review the Proposal and Trustee's Report and vote on the Proposal.

UPON MOTION IT WAS UNANIMOUSLY RESOLVED THAT: The Bowra Group Inc. is affirmed in its appointment as Trustee.

- CARRIED -

The Proposal

After asking if everyone present was familiar with the Proposal and had reviewed the Trustee's report, the Chairman asked if there were any questions about the Proposal or in general.

Questions and responses included:

1. Question: What is a free cash flow?

Answer: The Trustee provided the creditors with the cash flow statement as prepared by the Company and reviewed by the Trustee. In addition, the Trustee advised that will monitor the cash flow and oversee the sales process.

2. Question: How did you determine no recovery on a bankruptcy for unsecured creditors?

Answer: Based on appraisal of equipment, estimated recovery of accounts receivable and an estimate of costs to be incurred.

The Chairman explained the Proposal will only be approved by the creditors if a majority in number and two-thirds in value of creditor's votes to approve the Proposal and that the Proposal, if approved, would then be subject to court approval.

The Chairman advised he had proxies and/or voting letters from 5 creditors voting in favour of the Proposal, representing claims totaling \$83,717.05. An additional 2 creditors with claims totalling \$446,353.14 were represented at the meeting.

The Chairman asked the creditors to conduct a straw vote on the Proposal.

The Trustee advised that this is not a binding vote but a vote to determine if the Trustee needs to further investigate the affairs of the Company.

The Chairman tabled the motion to adjourn the meeting for short period of time to investigate the affairs of the Company and asked that no creditor should leave the meeting until it was reconvened.

THE MOTION WAS PASSED UNANIMOUSLY.

The Trustee reconvened the meeting at 12:15 pm.


The legal counsel for Prudential Transportation Ltd. proposed a resolution pursuant to Section 52 of the Bankruptcy and Insolvency Act to adjourn the meeting in order to enable a further investigation of the affairs of the Company.

The owners of Prudential Transportation Ltd stated that they wanted to meet with the management of the Company to discuss the Proposal prior to the next meeting.

A motion was made to adjourn the meeting.

THE MOTION WAS PASSED UNANIMOUSLY THAT: The meeting shall be adjourned to 2:00 pm on May 17th, 2017.

There being no further business, the meeting adjourned at 12:25 pm.



Mario Mainella, Chairman

ATTENDANCE REGISTER

**IN THE MATTER OF THE PROPOSAL OF
West Coast Logistics Ltd.**

Date of Meeting:
May 3, 2017 10:30am

Trustee:
Mario Mainella, Licensed Insolvency Trustee, The Bowra Group Inc.

Chair:
Mario Mainella

Debtor:
West Coast Logistics Ltd.

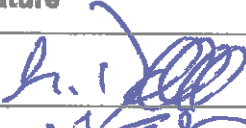


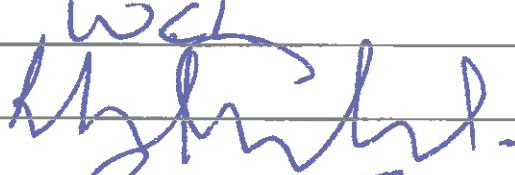

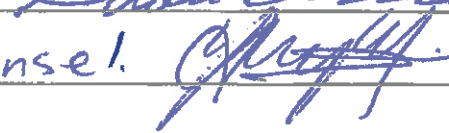
Name of Creditor	Signature	Claim Amount
Prudential Transportation Ltd.	 (Geoffrey Dubois, Lawyer)  REX D'SOUZA	\$252,300.66
0823 069 B.C. Ltd.		194,052.48
Director		
Mike Smallwood	WCL	
		
West coast		
West Coast - counsel		

EXHIBIT "D2"

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

**IN THE MATTER OF THE
PROPOSAL OF
WEST COAST LOGISTICS LTD.**

**MADE PURSUANT TO PART III DIVISION 1 OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED
AND**

MINUTES OF MEETING OF CREDITORS

**Held at the offices of Lawson Lundell LLP, Suite 1600 Cathedral Place, 925 West Georgia
Street, Vancouver BC
2:00PM on May 17th, 2017**

PRESENT:

**Mario Mainella, The Bowra Group Inc., Licensed Insolvency Trustee and Chair
Michael Smallwood, West Coast Logistics Ltd. – Via Conference Call
Heather Ferris, Lawson Lundell LLP, Legal Counsel for West Coast Logistics Ltd.**

All others as listed in attendance in person or by proxy in the attached attendance list which forms part of these Minutes.

MEETING:

Mario Mainella called the meeting to order at 2:00PM and introduced himself, legal counsel and the representatives of West Coast Logistics Ltd. (the "Company").

Mario Mainella announced he was acting as Chairman under the authority Section 51(3) of the Bankruptcy and Insolvency Act.

The Chairman declared the meeting properly called and, a quorum being present, duly constituted.

The Chairman advised he had proxies and/or voting letters from 5 creditors voting in favour of the Proposal, representing claims totaling \$86,647.16.

The Chairman explained that this meeting was reconvened from the previous meeting of May 3, 2017. The prior meeting was adjourned to further investigate the affairs of the Company. At the earlier meeting, the largest, unsecured creditor, Prudential Transportation Ltd. ("Prudential"), stated that they wanted to meet with the Company and discuss the Proposal to Creditors with the Company to determine if, after further investigation of the Company, that the Proposal to Creditors could be amended to satisfy Prudential to vote in favour of the Proposal. Prudential stated that this meeting would take place on either May 5 or May 8, 2017. The Chairman asked the Company whether any such meeting had occurred and/or whether Prudential had contacted the Company about a meeting and the Company advised that Prudential had not.

The Chairman tabled and attached to be included as part of the Minutes as **Appendix A**, emails from Prudential to the Company dated May 4, 2017 and May 12, 2017, stating the following:

May 4, 2017

"Hi Grover / Mike,

I have had a lengthy discussion with Aithea and this what we have concluded:

1. We need a personal guarantee from either one of you, preferably through property of equal debt value, until the debt is paid in full.
2. Prudential gets all the container trucking and will bill the client directly for the next five years.

If these terms are agreeable to you, we will vote yes. If not unfortunately we will be voting against the proposal on May 17th 2017."

May 12, 2017

"Hi Grover / Mike,

We have decided to withdraw the below offer off the table.

We will still be voting against the proposal on May 17th 2017, as we feel that West Coast Logistics is under estimating its ability to pay a higher amount and that the equipment has a higher value than appraised."

The Chairman also discussed that Prudential indicated a concern with the recent appraisal obtained by the Company regarding the valuation of the assets. Prudential referred to an earlier, 2015 equipment appraisal that provided a higher value of the assets. The Chairman tabled and attached an email dated May 16, 2017 to Prudential's legal counsel, to be included as part of the Minutes as **Appendix B**, which discloses the following:

- A copy of the July 27, 2015 Timeline Asset Appraisal of the Company's equipment;

- An estimated recovery to creditors of \$Nil based on the forced liquidation value of the July 27, 2015 appraisal;
- An estimated recovery to creditors of \$0.11 per dollar owed by the Company based on the Orderly liquidation value of the July 27, 2015 appraisal;
- An estimated recovery to creditors of \$0.64 per dollar owed by the Company based on the Fair Market Value of the July 27, 2015 appraisal;

The Chairman stated that the above estimated recovery values were excessive as they were based on a 2 year old appraisal. The purpose was to further inform Prudential that there would not be a full recovery to creditors based on the July 2015 appraisal.

The Company's legal counsel is taking the position that Prudential is not acting in good faith and request that the Trustee takes steps to disallow Prudential claim for voting purposes. The Chairman commented that it will be noted in the Minutes but no action will be taken at this time.

The Chairman also advised that he had discussions with Prudential legal counsel and that Prudential would vote against the Proposal. Prudential's legal counsel further advised that his client would agree to an adjournment to further investigate the affairs of the Company and that they would not attend the meeting if the meeting was going to be adjourned.

The Chairman tabled the motion to adjourn the meeting for short period of time to investigate the affairs of the Company and asked that no creditor should leave the meeting until it was reconvened.

THE MOTION WAS PASSED UNANIMOUSLY.

The Trustee reconvened the meeting at 2:15 pm.

The Chairman tabled the motion to adjourn the meeting for short period of time to investigate the affairs of the Company. The Chairman advised that , on or about May 31, 2017, an update would be sent to all creditors that filed a proof of claim as to the status of the investigation of the Company and when the next meeting would be held.

A motion was made to adjourn the meeting.

THE MOTION WAS PASSED UNANIMOUSLY.

There being no further business, the meeting adjourned at 2:25 pm.



Mario Mainella, Chairman

APPENDIX A

Mario Mainella

From: Mario Mainella
Sent: May-16-17 3:26 PM
To: Geoffrey Dabbs (gd@gdlaw.ca)
Cc: 'rex@prudentialtransportation.com'; 'Althea@prudentialtransportation.com'
Subject: FW: The proposal

Hi Geoff,

I would expect that both Rex and his business partner will both be attending the meeting tomorrow to discuss these emails below.

Let me know if you wish to discuss.

Thanks,

Mario

From: mike [mailto:mike.wcl@telus.net]
Sent: May-16-17 3:10 PM
To: Mario Mainella <mmainella@bowragroup.com>
Cc: michael.smallwood@shaw.ca
Subject: FW: The proposal

Sincerely,
Mike Smallwood
West Coast Logistics Ltd.
Mobile 604 318 2868
Office 604 540 1995
mike.wcl@telus.net

From: Rex DSouza [mailto:rex@prudentialtransportation.com]
Sent: May-12-17 9:00 AM
To: grover.wcl@telus.net; mike
Cc: Althea DSouza; Geoffrey Dabbs
Subject: RE: The proposal

Hi Grover / Mike,

We have decided to withdraw the below offer off the table.

We will still be voting against the proposal on May 17th 2017, as we feel that West Coast Logistics is under estimating its ability to pay a higher amount and that the equipment has a higher value than appraised.

Best regards

Rex D'souza



From: Rex DSouza

Sent: Thursday, May 04, 2017 7:51 AM

To: 'grover.wcl@telus.net' <grover.wcl@telus.net>; 'mike' <mike.wcl@telus.net>

Cc: Althea DSouza <Althea@prudentialtransportation.com>

Subject: The proposal

Hi Grover / Mike,

I have had a lengthy discussion with Althea and this what we have concluded:

1. We need a personal guarantee from either one of you, preferably through property of equal debt value, until the debt is paid in full.
2. Prudential gets all the container trucking and will bill the client directly for the next five years.

If these terms are agreeable to you, we will vote yes. If not unfortunately we will be voting against the proposal on May 17th 2017 .

Best regards

Rex D'souza



APPENDIX B

Mario Mainella

From: Mario Mainella
Sent: May-16-17 11:36 AM
To: Geoffrey Dabbs (gd@gdlaw.ca)
Subject: FW: West Coast Logistics Ltd. appraisal DRAFT
Attachments: Universal Terminal _2010_ Ltd. Appraisal Update_July 2015.pdf; Estimated Realization based on July 2015 Appraisals.xlsx

Hi Geoff,

Please see the attached appraisal from 2015 that Rex keeps referring to. I have done an analysis on the numbers based on the three different scenarios from the appraisal. These numbers are high given that it is a 2 year old appraisal and the wear and tear on the equipment. Further, Please see comments below from Mike Collins from Timeline.

I would to discuss this with you this afternoon. Please let me know when you are available.

Thanks,

Mario

From: Mike Collins TAS [<mailto:mcollins@assetscanada.com>]
Sent: May-04-17 3:46 PM
To: 'mike' <mike.wcl@telus.net>
Cc: Mario Mainella <mmainella@bowrargroup.com>; hwatson@assetscanada.com
Subject: RE: West Coast Logistics Ltd. appraisal DRAFT

Hi Mike:

Thanks for your email. I have attached the 2015 appraisal update for your records. I am not sure if you want to share this with everyone but it will help answer some of your questions.

The 2015 report provided 3 values - Forced Liquidation Value (FLV) – Orderly Liquidation Value (OLV) – Fair Market Value (FMV). This format of reporting is typical for lenders as they like to assess their risk in these 3 scenarios. The \$1,119,750 you reference in your email was the FMV in the 2015 report. To compare the 2 reports more accurately, the FLV in 2015 was \$542,000 versus the current FLV of \$354,500. For the current report, I also excluded any assets that might be deemed fixed to the premises including the steel loading ramp. Lastly, the overall condition of the fleet was essentially 2 years older and a couple of units were not running. I think this explains the decrease in the FLV values from 2015 to 2017, but get back to me if you have any other questions.

Best Regards,
Mike

Michael Collins

Timeline Asset Services Ltd. | www.assetscanada.com

2405 Pine St. PO Box 46838 | Vancouver, BC V6J 5M4

P 604 516 9379 | F 604 739 3014

mcollins@assetscanada.com

We know what it's worth

The contents of this email and any attachments are confidential and intended only for the addressee(s) and other persons who are duly authorized. If you have received this email in error please contact the sender and permanently delete all copies and threads.

From: mike [<mailto:mike.wcl@telus.net>]
Sent: Thursday, May 04, 2017 7:46 AM
To: 'Mike Collins TAS'
Cc: 'Marlo Mainella'; hwatson@assetscanada.com
Subject: RE: West Coast Logistics Ltd. appraisal DRAFT

Hi Mike,

Could you send me an email explaining the key drivers that have forced such a significant drop in asset valuation from the previous valuation completed in 2015 (approx. \$1.1m), I believe, compared with the recent valuation (\$345K). This came up at the creditors meeting and we tried to explain but it would be much better if we could have your expert opinion.

Sincerely,

Mike Smallwood

West Coast Logistics Ltd.

Mobile 604 318 2868

Office 604 540 1995

mike.wcl@telus.net



July 27, 2015

via email: farukh.syed@rbc.com
Farukh Syed
Commercial Account Manager
RBC Financial Group
650 W 41st Ave.
Vancouver, BC V5Z 2M9

via email: chris.clifford@rbc.com
Chris Clifford
Senior Manager, Leasing
RBC Capital Markets
600 Burrard St.
Vancouver, BC V6C 3B1

Dear Sirs:

RE: **Asset Appraisal UPDATE of Universal Terminal (2010) Ltd. (the Company) located at 18 Spruce Street New Westminster, BC**

As requested, Timeline Asset Services Ltd. (TAS) has viewed the Company's various assets and provides the following appraisal report update to our initial report prepared in May 2014 (Initial Report). The purpose of this report is to update our opinion of Orderly Liquidation Value (OLV) and Fair Market Value (FMV) provided in the Initial Report and also to provide our opinion of Forced Liquidation Value (FLV) (not previously required in the Initial Report).

Background/Inspection

On July 20, 2015, TAS conducted an inspection at the Company's premises to record current hours and condition of the Company-owned assets. We were informed by Grover Dimmick (Owner) of certain maintenance work and repairs that have occurred since our Initial Report and also that there had been no significant additions or deletions to the Company-owned assets. Attached as Appendix A is a detailed listing of all assets covered in this report. A photo gallery taken during our recent inspection is attached as Appendix B.

Assets

The Company-owned Major Assets include: 5 Kalmar high capacity yard forklifts; 12 TCM, Hyster and Toyota forklifts; Ottawa yard shunt; various roll and pulp clamp attachments for forklifts; custom fabricated steel loading dock with ramp; and custom fabricated pipe handling extensions.

The Company-owned Secondary Assets include: various forklift attachments; custom fabricated lumber pushers and loading components; golf cart; and spare forks and extensions.

Based on our inspection, the assets appeared to be in good to excellent used condition and well maintained. As per the scope of our initial engagement and this update, we did not perform an operational analysis of the assets and assume that the information provided to us by the Company with respect to age, condition, ownership, original cost and maintenance is accurate. We have also provided our opinion of asset durability (remaining useful life) in years, for the Major Assets.

Stated Values

TAS states values as provided in the summary below and detailed in attached Appendix A:

Description	FLV	OLV	FMV
-Major Assets	534,000	827,000	1,170,500
-Secondary Assets	8,375	14,250	27,000
Company-owned Assets Total	\$ 542,375	\$ 841,250	\$ 1,197,500

Terms of this Report

FLV represents our opinion of the gross proceeds realized from a sale at a properly advertised onsite auction at the New Westminster premises within 60 days. We have assumed that all Company-owned assets would be available for sale. In providing the above values, we have not considered costs associated with the liquidation including commission and occupancy costs. Typical commission charges for a file of this size would be in the 15% to 20% range when blended with a minimum net guarantee. Additional costs to consider would be rent, utilities, insurance, site clean-up and professional fees.

OLV represents our opinion of gross proceeds realized from a sale at a properly advertised liquidation and/or auction of all of the assets with the involvement of the Company. Due to the specific nature of the assets, we have based our reporting of this value on a liquidation period of up to 120 days to allow for proper marketing and exposure. In this scenario, we assume that the liquidator would offer the assets for sale to the local and regional markets and would encourage an "en bloc" sale where possible in advance of an auction. Typical commission for a liquidation of this type would be in the 14% to 18% range.

FMV represents an opinion of realizable value at which the assets would change hands between a willing buyer and a willing seller, neither being under the compulsion to buy nor the compulsion to sell, both having reasonable knowledge of the relevant facts and without the restriction of time. In providing this FMV we assume that the Company is operating as a going concern and would continue to do so after the transaction.

In all values stated above, we take into account the quantity, quality and condition of product and the saleability and marketability of the assets and provide a gross dollar amount that does not consider cost of liquidation or removal. These values are stated in Canadian funds. Please note that the isolation of any single element as the sole basis of comparison to the whole appraisal may be inaccurate. These values provided above can be strongly affected by fluctuations in market conditions, time available and method of sale.

Exclusions

We have only valued assets as instructed by the Company as per our engagement for the Initial Report and have excluded all customer-owned inventory onsite.

Limitations

In preparing this report we have relied on information provided by the Company. We have not verified the ownership of any assets and have based the stated values on our assessment of the current FLV, OLV and FMV for these assets in their current location. Furthermore, we caution that in a realization scenario, the then-current condition of the assets could strongly affect sale proceeds.

Restrictions

The contents of this report are confidential and intended for use only by the addressee named above and other parties who are duly authorized, including RBC Royal Bank of Canada as previously stated.

Appraiser's Qualification Statement

Since 1988, Michael Collins has been employed in the auction and liquidation industry and is an accredited Member In Good Standing of the Canadian Personal Property Appraisers Group (CPPAG).

Through employment with Jarvis Auctions, Timeline Sales and Timeline Asset Services, he has performed hundreds of appraisals across companies of all sizes. He has appraised a wide variety of assets and inventories (finished/unfinished goods and raw materials) across many industries including, but not limited to:

metal and wood working; manufacturing and production; restaurant and food services; warehouse and material handling; rolling stock and vehicles; commercial printing and graphic design; logging and lumber; construction; mining and tunnelling; aircraft and aviation; laboratory and research testing; office and computer products; and retail outlets.

These appraisals have been prepared for insolvency and restructuring professionals, major accounting firms, banks and lending institutions, lawyers, insurance companies, government institutions, not-for-profits, private companies and individuals across Canada.

As a commercial auctioneer and appraiser, he constantly tracks market trends in all industries and has substantial research relationships and resources at his disposal; this enables him to prepare detailed, accurate appraisal reports.

Should you have any questions regarding the above, please contact our office.

Yours truly,

Timeline Asset Services Ltd.



Michael Collins, CPPA

Cc. *Rex D'sousa, Prudential Transportation Ltd.*

Attach. Appendices A and B

Appendix A

Asset Listing and Appraisal Update of:

Universal Terminal (2010) Ltd. (the Company)

Location of Assets:

- 18 Spruce Street, New Westminster, BC

Notes:

This Appendix accompanies an appraisal report update prepared for RBC Royal Bank and the Company. The assets were initially viewed by Michael Collins, CPPA on May 5, 2014 and recently viewed on July 20, 2015 for this update.

This Appendix should be read in conjunction with the Initial Report and this update report that explains specific definitions of values and details the scope of the reporting.

APPENDIX A
Universal Terminal (2010) Ltd.
 Company-owned Assets

Description	Forced Liquidation Value	Orderly Liquidation Value	Fair Market Value	Serial No.	Asset Durability (years)	Photo Ref.
Major Assets						
- 2000 Kalmar DCD120-12 40,000 lb. capacity forklift with 13,728 hours and fork sets -- Fleet # 7 -- good condition	45,000	75,000	110,000	T33101.0500	7-9	5
- 2000 Kalmar DCD120-12 36,000 lb. capacity forklift with 11,810 hours and fork sets -- Fleet # 5 -- good condition	45,000	75,000	110,000	T33103.0945	7-9	29
- 2001 Kalmar DCD136-6 36,000 lb. capacity forklift with MD Totco 30,000 lb. scaling system, 7,254 hours and fork sets -- Fleet #6 -- very good condition	52,500	95,000	125,000	T33103.1663	7-9	1
- 2005 Kalmar DCE160-12 30,000 lb. capacity forklift with 8,179 hours and fork sets -- Fleet # 1 -- excellent condition	67,500	105,000	140,000	T33105.0874	10-12	6
- 2005 Kalmar DCE120-12 36,000 lb. capacity forklift with 8,696 hours and fork sets -- Fleet # 4 -- excellent condition	77,500	122,500	150,000	T33105.1033	10-12	2
- 2003 TCM FD4578 diesel forklift with 9,799 hours -- good condition	13,000	20,000	27,500	35G01954	8-10	16
- 2003 TCM FHG36N2 propane forklift with 6,327 hours -- very good condition	13,000	20,000	27,500	A33N00173	8-10	18
- 2003 TCM FD4578 diesel forklift with 10,386 hours -- good condition	13,000	20,000	27,500	35G01572	8-10	27
- 2003 TCM FCG30-2 propane forklift with 3,383 hours and rebuilt head -- very good condition	12,000	16,000	22,000	A40P00506	8-10	4
- 2007 Hyster H70FT propane forklift with 4,374 hours -- Fleet #905 -- excellent condition	12,500	18,000	25,000	L177B172626E	10-12	20
- 2007 Hyster H70FT propane forklift with 4,943 hours -- Fleet #905 -- excellent condition	12,500	18,000	25,000	L177B17879E	10-12	11
- 2006 Hyster H90XMS propane forklift with 5,958 hours -- Fleet # 902 -- very good condition	12,500	18,000	25,000	L005V08682D	10-12	23
- 2006 Hyster H90XMS propane forklift with 5,539 hours -- Fleet # 903 -- very good condition	12,500	18,000	25,000	L005V85690D	10-12	25
- 2006 Hyster H90XMS propane forklift with 5,398 hours -- Fleet # 904 -- very good condition	12,000	17,000	24,000	L005V08693D	10-12	10
- 2013 Hyster H90FT propane forklift with 2,000 hours -- Fleet # 901 -- excellent condition	26,000	31,000	40,000	R005V03102K	15	19

APPENDIX A
Universal Terminal (2010) Ltd.
 Company-owned Assets

Description	Forced Liquidation Value	Orderly Liquidation Value	Fair Market Value	Serial No.	Asset Durability (years)	Photo Ref.
- 2013 Hyster H90FT propane forklift with 1,585 hours – Fleet # 800 – excellent condition	28,000	34,000	44,000	S005V01709L	15	9
- 2001 Toyota 7FG45 propane forklift with rebuilt engine and 10,671 hours – excellent condition	15,000	22,000	28,000	10475	6-8	8
- 1992 Ottawa 50 shunt truck with 5,822 hours	7,500	12,500	20,000	66765	5-7	3
- 17 assorted Cascade single and double roll and pulp clamp attachments and rotators attachments – package value	40,000	55,000	90,000	various	8-10	various
- custom fabricated 25 ft. x 25 ft. steel loading dock with ramp and rail	10,000	20,000	50,000	not visible	12-15	30
- custom fabricated pipe handling boom extensions	7,000	15,000	35,000	not visible	6-8	30
2 @ \$3,500/\$7,500/\$17,500						
Major Assets Sub total	534,000	827,000	1,170,500			
Secondary Assets						
- 2002 Club Car golf cart with canopy	1,000	1,500	2,500	AG0279-169684		7
- Inventory of 6 highback lumber forks and various forks sets and extensions	3,500	5,000	10,000	not visible		
- custom fabricated lumber loading cart	750	1,500	3,000	not visible		
- custom fabricated lumber pusher – large	1,250	2,500	5,000	not visible		
- custom fabricated lumber pusher – small	375	750	1,500	not visible		
- custom fabricated 5th wheel attachment	1,500	3,000	5,000	not visible		
Secondary Assets Sub total	8,375	14,250	27,000			
Company-owned Assets Total	542,375	841,250	1,197,500			



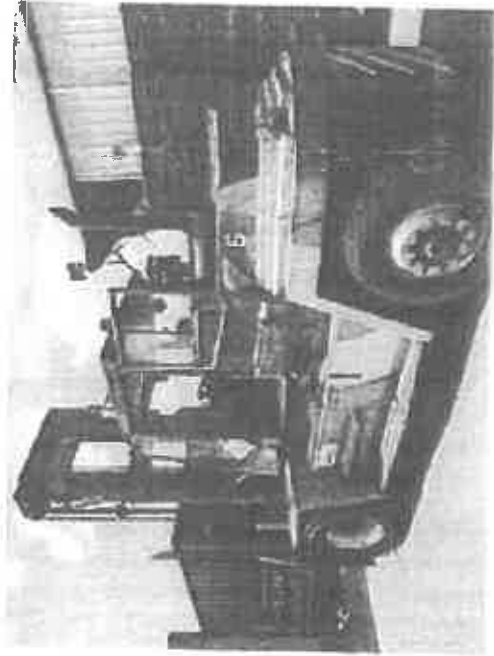
Appendix B

Photo Gallery

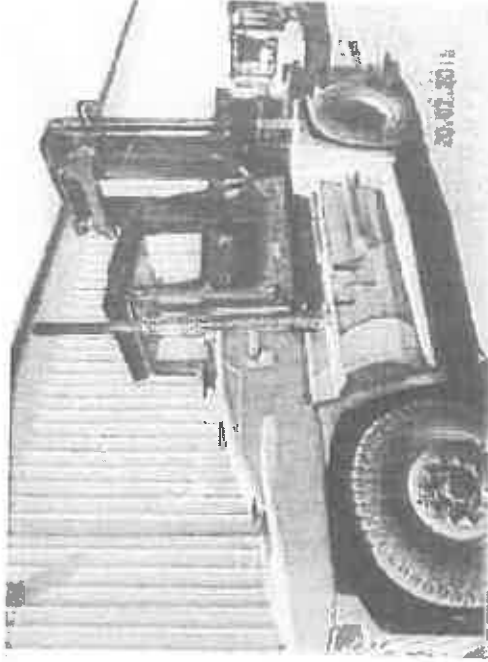
Universal Terminal (2010) Ltd..

Appraisal Update Inspection Photos

captured July 20, 2015



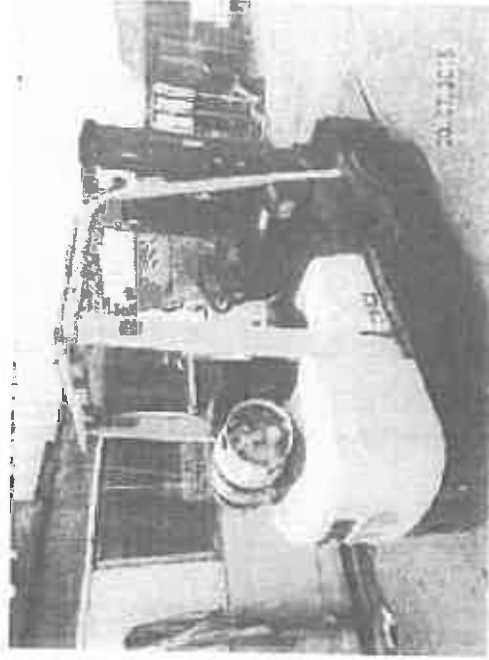
Universal Terminal (2010) Ltd. (1)



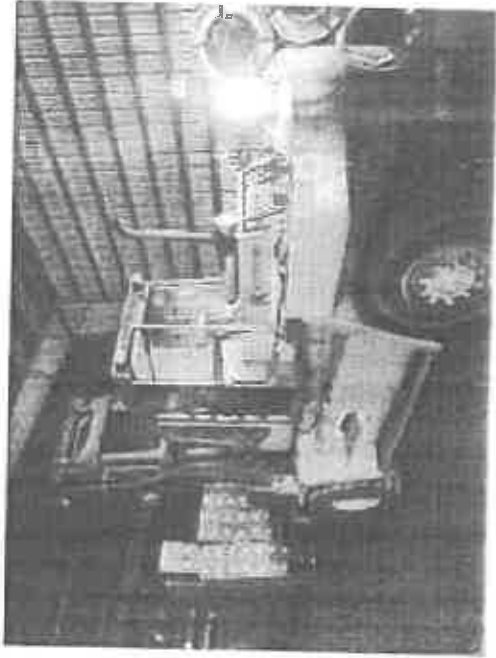
Universal Terminal (2010) Ltd. (2)



Universal Terminal (2010) Ltd. (3)



Universal Terminal (2010) Ltd. (4)



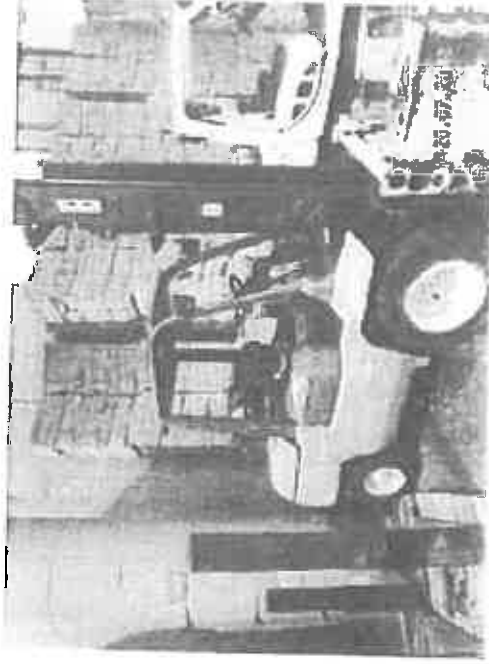
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Universal Terminal (2010) Ltd. (6)



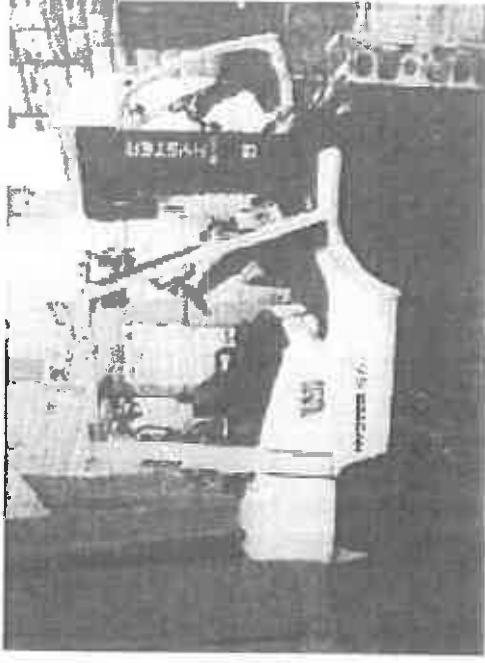
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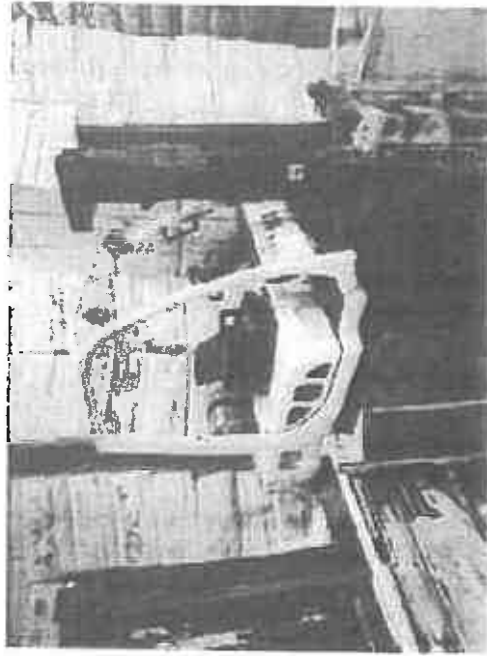
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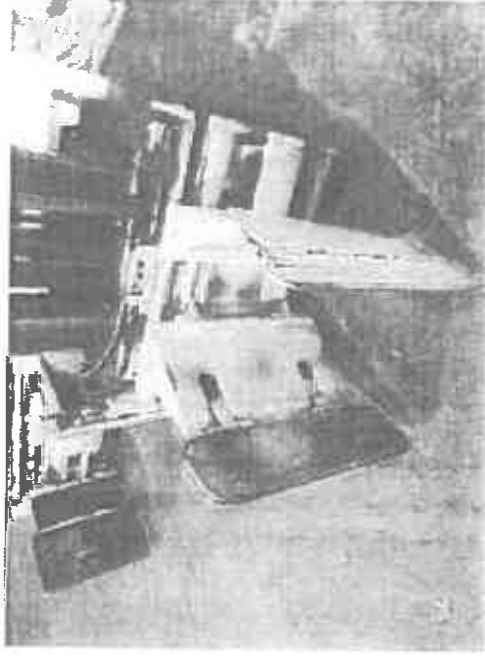
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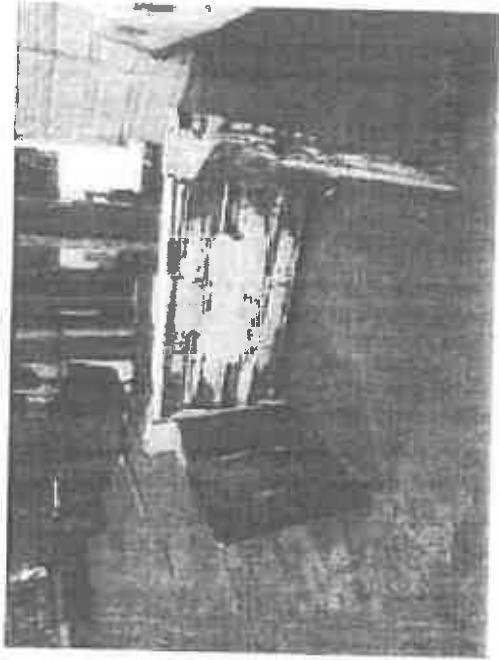
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Universal Terminal (2010) Ltd. (11)



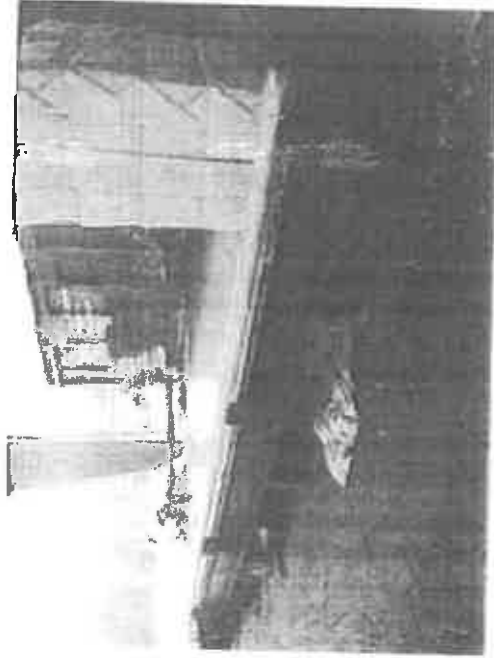
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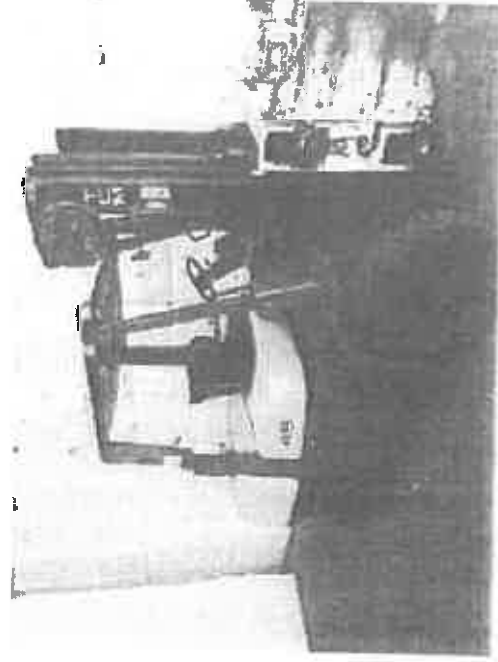
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Universal Terminal (2010) Ltd. (14)



Universal Terminal (2010) Ltd. (15)



Universal Terminal (2010) Ltd. (16)



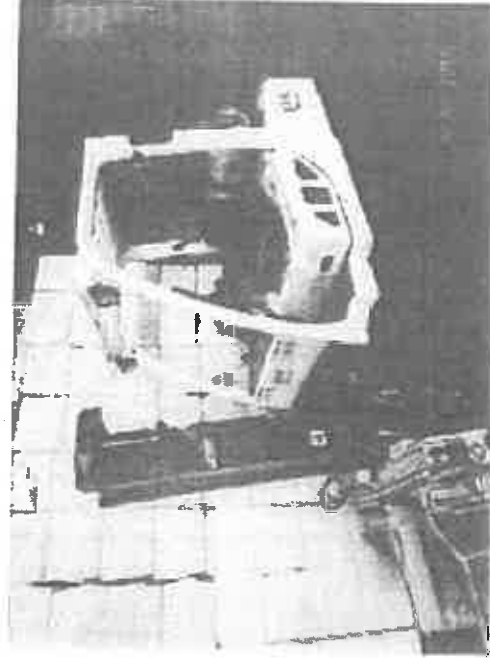
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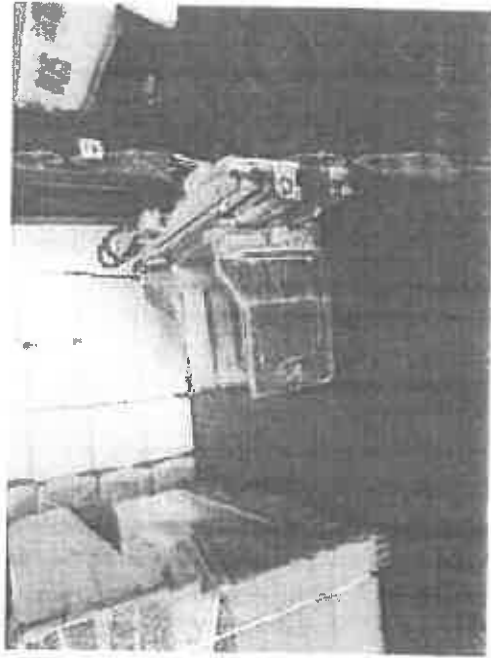
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Universal Terminal (2010) Ltd. (19)



Universal Terminal (2010) Ltd. (20)



Universal Terminal (2010) Ltd. (21)



Universal Terminal (2010) Ltd. (22)



Universal Terminal (2010) Ltd. (23)



Universal Terminal (2010) Ltd. (24)



Universal Terminal (2010) Ltd. (25)



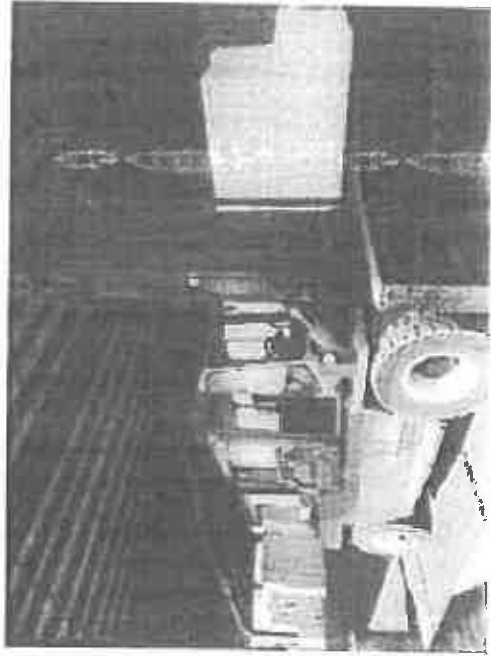
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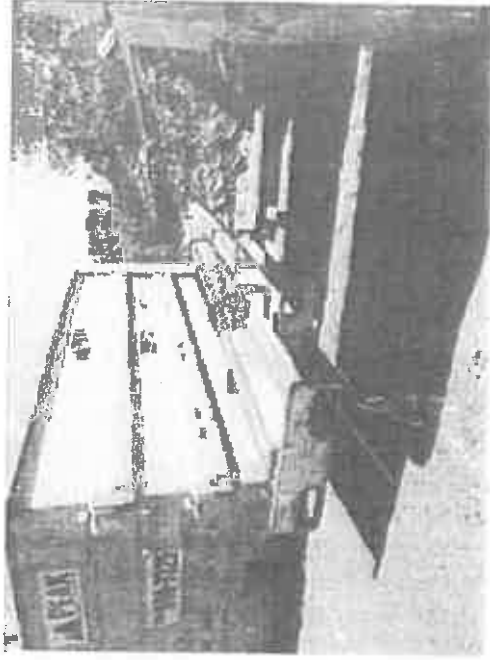
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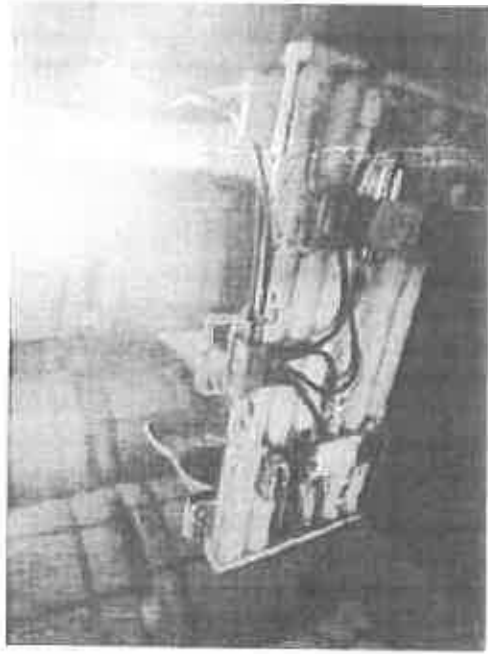
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Universal Terminal (2010) Ltd. (29)



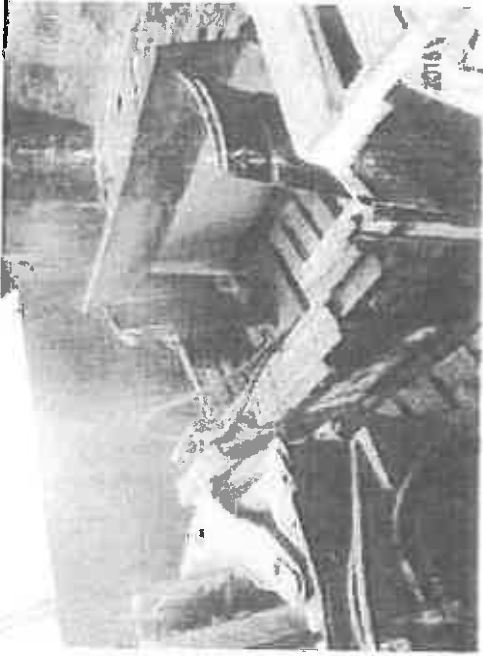
Universal Terminal (2010) Ltd. (30)



Universal Terminal (2010) Ltd. (31)



Universal Terminal (2010) Ltd. (32)



Universal Terminal (2010) Ltd. (33)



Universal Terminal (2010) Ltd. (34)

Westcoast Logistics
Liquidation based on July 27, 2015 Timeline Asset Services Appraisal
As at May 16, 2017

	Forced Liquidation Value	Orderly Liquidation Value	Fair Market Value
Estimated Gross Proceeds of Equipment	534,000	827,000	1,170,500
Less: Commission and selling costs	(106,800)	(165,400)	(234,100)
Estimated Net Proceeds of Equipment	427,200	661,600	936,400
Realization of Accounts Receivable	119,000	119,000	119,000
	546,200	780,600	1,055,400
Costs of Realization			
Rent	134,000	134,000	134,000
Rent - Forklifts	2,500	2,500	2,500
Labour	70,000	70,000	70,000
Insurance	12,000	12,000	12,000
Utilities and Other	10,000	10,000	10,000
Professional Fees	75,000	75,000	75,000
Contingency	20,000	20,000	20,000
	323,500	323,500	323,500
Estimated Net Realizations	222,700	457,100	731,900
Distribution of Secured Payments			
WEPPA	20,000	20,000	20,000
RBC	260,000	260,000	260,000
Smallwood	120,000	120,000	120,000
	400,000	400,000	400,000
Net Available(Shortfall) to Unsecured Creditors	(177,300)	57,100	331,900
Estimated Dividend for Every \$ of Proven Claim	\$ -	\$ 0.11	\$ 0.64

EXHIBIT "D3"

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

IN THE MATTER OF THE
PROPOSAL OF
WEST COAST LOGISTICS LTD.

MADE PURSUANT TO PART III DIVISION 1 OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED
AND

MINUTES OF SUBSEQUENT MEETING OF CREDITORS

Held at the offices of The Bowra Group Inc., Suite 430, 505 Burrard Street, Vancouver, BC
10:00AM on December 4th, 2017

PRESENT:

Mario Mainella, The Bowra Group Inc., Licensed Insolvency Trustee and Chair
Michael Smallwood, West Coast Logistics Ltd.

All others as listed in attendance in person or by proxy in the attached attendance list which forms part of these minutes.

MEETING:

Mario Mainella called the meeting to order at 10:00AM and introduced himself and the representatives of West Coast Logistics Ltd. ("WCL" or "the Company").

Mario Mainella announced he was acting as Chairman under the authority Section 51(3) of the Bankruptcy and Insolvency Act.

The Chairman declared the meeting properly called and, a quorum being present, duly constituted.

The Chairman advised he had proxies and/or voting letters from 7 creditors voting in favour of the Proposal, representing claims totaling \$91,597.96.

The Chairman explained that this meeting was reconvened from the previous meeting of May 3, 2017 and May 17, 2017. The previous meeting minutes were available to everyone in attendance to view.

Prudential Transportation

The Chairman advised that since the last meeting, the Company had moved forward with a court application to disallow the vote of Prudential Transportation ("Prudential") (an unsecured creditor of the Company).

The Company held that Prudential should be disqualified from voting under *BIA* s. 115.1 because its vote was going to be cast for an "improper purpose," and that permitting it to vote in that manner would result in a "substantial injustice," i.e., the defeat of the proposal and WCL's consequent bankruptcy.

A Registrar heard the initial court application and ordered in favour of the Company. The Registrar's decision was appealed by Prudential and the Appeal Judge dismissed Prudential's appeal.

Amendment to the Proposal

The Chairman advised that the Proposal was amended to provide the unsecured creditors with:

1. Semi-annual payments as opposed to annual payments; and
2. Cash flows available on a quarterly basis to the creditors if requested from the Trustee.

The above changes were noted in sections 4.2 and 4.8 of the Amended Proposal.

The Chairman advised that the Amended Proposal to creditors was the same or better than the original Proposal to creditors.

The Chairman asked if there were any questions about the Proposal. None were asked by those in attendance. The Chairman proceeded with a vote on the Amended Proposal.

Vote on Amended Proposal

The Chairman explained the Proposal will only be approved by the creditors if a majority in number and two-thirds in value of creditor's vote to approve the Proposal and that the Proposal, if approved, would then be subject to court approval.

The Chairman advised he had proxies and/or voting letters from 7 creditors voting in favour of the Proposal, representing claims totaling \$91,597.96.

The Chairman called for a vote on the Proposal.

The result of the vote was:

	Number of Votes	% of Votes	Value of Votes	% of Value
FOR Approval of the Proposal	9	100.00%	\$ 230,887.34	100.00%
AGAINST Approval of the Proposal	0	0.00%	\$ -	0.00%
	9	100%	\$ 230,887.34	100%

The number of creditors voting in favour of the Proposal was 100% with votes in number of creditors and dollar value.

The Chairman declared the Proposal was accepted by the creditors and a motion was made to declare the Proposal accepted by the creditors.

THE MOTION WAS PASSED UNANIMOUSLY THAT: The Proposal is accepted by the creditors.

- CARRIED -

There being no further business, the meeting adjourned at 10:25 AM.



Mario Mainella, Chairman

