

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:



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Mario Mainella - 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		4,950.80
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
<b>Total</b>			<b>821,804.89</b>

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 <sup>1</sup>	<u>1,942,349</u>	<u>1,942,349</u>	<u>1,894,072</u>	<u>1,894,072</u>	<u>3,836,421</u>	<u>3,836,421</u>
Free Cash Flow	<u>164,851</u>	<u>287,251</u>	<u>264,638</u>	<u>576,458</u>	<u>429,489</u>	<u>863,709</u>
Estimated amount available to unsecured creditors	<u>57,698</u>	<u>100,538</u>	<u>92,623</u>	<u>213,229</u>	<u>150,321</u>	<u>302,298</u>
<b>Note 1</b>	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
	<u>495,096</u>	<u>361,571</u>

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 <sup>1</sup>	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 <sup>2</sup>	\$ -	\$ 0.40	\$ 0.83
<b>Notes</b>			
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

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

PROPOSAL OF

WEST COAST LOGISTICS LTD.

DATED FOR REFERENCE APRIL 12, 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 3.33.3(a), plus 35% of the Free Cash Flow for two (2) fiscal years of April 1 to March 31, ending 2018 and 2019.
- (b) Within one (1) month of the respective year end the Debtor will make these payments to the Trustee which the Trustee will then verify based on information provided by the Debtor and confirmed with the 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**

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.

#### **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](mailto: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](mailto: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; and

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 the case of notice mailed as

aforesaid, on the fifth (5<sup>th</sup>) 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**

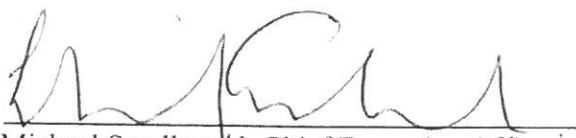
It is intended that all provisions of this Proposal shall be fully binding on and effective between all Persons named or referred to in this Proposal and in the event that any particular provision or provisions of this Proposal is or are found to be void, voidable or unenforceable for any reason whatever, 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 12<sup>th</sup> day of April, 2017.

**WEST COAST LOGISTICS LTD.**

Per:   
Michael Smallwood, Chief Executive Officer

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, RRIFs, 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

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

FORM 31  
Proof of Claim  
(Sections 50.1, 81.5, 81.6, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1),  
and Paragraphs 51(1)(e) and 66.14(b) 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

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

\_\_\_\_\_  
\_\_\_\_\_

In the matter of the proposal of WEST COAST LOGISTICS LTD. of the City of NEW WESTMINSTER in the Province of British Columbia and the claim of \_\_\_\_\_, creditor.

I, \_\_\_\_\_ (name of creditor or representative of the creditor), of the city of \_\_\_\_\_ in the province of \_\_\_\_\_, do hereby certify:

1. That I am a creditor of the above named debtor (or I am \_\_\_\_\_ (position/title) of \_\_\_\_\_, creditor).

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of proposal, namely the 17th day of October 2016, and still is, indebted to the creditor in the sum of \$ \_\_\_\_\_, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)

4. (Check and complete appropriate category.)

A. UNSECURED CLAIM OF \$ \_\_\_\_\_

(other than as a customer contemplated by Section 262 of the Act)

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

Regarding the amount of \$ \_\_\_\_\_, I claim a right to a priority under section 136 of the Act.

Regarding the amount of \$ \_\_\_\_\_, I do not claim a right to a priority.  
(Set out on an attached sheet details to support priority claim.)

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

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

C. SECURED CLAIM OF \$ \_\_\_\_\_

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

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

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

- E. CLAIM BY WAGE EARNER OF \$ \_\_\_\_\_
- That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ \_\_\_\_\_,
- That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ \_\_\_\_\_,
- F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ \_\_\_\_\_
- That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ \_\_\_\_\_,
- That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ \_\_\_\_\_,
- G. CLAIM AGAINST DIRECTOR \$ \_\_\_\_\_

*(To be completed when a proposal provides for the compromise of claims against directors.)*  
 That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:  
*(Give full particulars of the claim, including the calculations upon which the claim is based.)*

- H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ \_\_\_\_\_

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

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

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

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

- Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.
- I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
 Witness

\_\_\_\_\_  
 Creditor

Phone Number: \_\_\_\_\_  
 Fax Number : \_\_\_\_\_  
 E-mail Address : \_\_\_\_\_

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

WARNINGS: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 20(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

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

FORM 36  
Proxy  
(Subsection 102(2) and paragraphs 51(1)(e) and 66.15(3)(b) 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

I, \_\_\_\_\_, of \_\_\_\_\_, a creditor in the above matter, hereby  
appoint \_\_\_\_\_, of \_\_\_\_\_, to be  
my proxyholder in the above matter, except as to the receipt of dividends, \_\_\_\_\_ (with or without)  
power to appoint another proxyholder in his or her place.

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Individual Creditor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Name of Corporate Creditor

Per \_\_\_\_\_  
Name and Title of Signing Officer

Return To:

The Bowra Group Inc.  
430 - 505 Burrard Street, PO Box 72  
VANCOUVER BC V7X 1M3  
Phone: (604) 689-8939 Fax: (604) 689-8584  
E-mail: claims@bowragroup.com



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

FORM 37

Voting Letter  
(Paragraph 51(1)(f) 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

I, \_\_\_\_\_, creditor (or I, \_\_\_\_\_, representative  
of \_\_\_\_\_, creditor), of \_\_\_\_\_, a creditor in the above matter  
for the sum of \$ \_\_\_\_\_, hereby request the trustee acting with respect to the proposal of WEST  
COAST LOGISTICS LTD., to record my vote \_\_\_\_\_ (for or against) the acceptance of the proposal  
as made on the \_\_\_\_\_ day of \_\_\_\_\_.

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Individual Creditor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Name of Corporate Creditor

Per \_\_\_\_\_  
Name and Title of Signing Officer

Return To:  
The Bowra Group Inc.  
Per:

\_\_\_\_\_  
Mario Mainella - Licensed Insolvency Trustee  
430 - 505 Burrard Street, PO Box 72  
VANCOUVER BC V7X 1M3  
Phone: (604) 689-8939 Fax: (604) 689-8584  
E-mail: claims@bowragroup.com