

Clerk's stamp:

COURT FILE NUMBER	Q.B. No. 872 of 2020
ESTATE NO.	23-2654754
COURT	COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
JUDICIAL CENTRE	SASKATOON
APPLICANT	THE BOWRA GROUP INC. IN ITS CAPACITY AS THE PROPOSAL TRUSTEE IN THE DIVISION I PROPOSAL OF 101100090 SASKATCHEWAN LTD.
PROCEEDING	IN THE MATTER OF THE PROPOSAL OF 101100090 SASKATCHEWAN LTD. UNDER DIVISION I OF THE BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, c B-3
DOCUMENT	<b><u>REPORT OF TRUSTEE ON AMENDED PROPOSAL</u></b>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	The Bowra Group Inc. Proposal Trustee of 101100090 Saskatchewan Ltd.  TD Tower - Suite 1411 10088 102 Avenue Edmonton, AB T5J 2Z1 Tel: 780 809 1224 Fax: 780 705 1946  Attention: Kristin Gray kgray@bowragroup.com  W LAW LLP Counsel to the 101100090 Saskatchewan Ltd.  Barristers and Solicitors Suite 300, 110 – 21 <sup>st</sup> Street East Saskatoon, SK, Canada S7K 0B6 Phone: 306.244.2242 Fax: 306.665.9507  Lawyer's Name: Mike Russell  Lawyer's Email: mrussell@wlaw.com  File No.: 33151.13

**IN THE COURT OF QUEEN'S BENCH FOR SASKATCHEWAN  
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE PROPOSAL OF  
101100090 SASKATCHEWAN LTD.**

FORM 40

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

THE BOWRA GROUP INC., of the City of Edmonton, of the Province of Alberta, the Licensed Insolvency Trustee acting in the Proposal of 101100090 Saskatchewan Ltd. (the "**Company**"), hereby reports to the Court as follows:

1. That on the 26<sup>th</sup> day of June 2020 the debtor did file a Notice of Intention to make a Proposal (the "**NOI**") and that The Bowra Group Inc. was appointed Licensed Insolvency Trustee (the "**Trustee**").
2. That on the 23<sup>rd</sup> day of July 2020, the Company applied for and obtained a Court Order extending the period within which the debtor is required to file a proposal by forty-five (45) days from July 26, 2020 to September 9, 2020.
3. That on the 9<sup>th</sup> day of September 2020, the Company applied for and obtained a Court Order extending the period within which the debtor is required to file a proposal by forty-five (45) days from September 9, 2020 to October 24, 2020.
4. That a Proposal (the "**Proposal**") was filed with The Bowra Group Inc. on the 23<sup>rd</sup> day of October 2020 a copy of which 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 23<sup>rd</sup> day of October 2020.
5. That on the 30<sup>th</sup> day of October 2020, the Trustee 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 12<sup>th</sup> day of November 2020, to consider the Proposal.
6. That with the notice was included a copy of the Proposal, a Condensed Statement of Assets and Liabilities, 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, the Condensed Statement, and the Report of Trustee are attached and marked as **Exhibits "C1", "C2" and "C3"**, respectively.

IN THE MATTER OF THE PROPOSAL OF  
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7. 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.
8. On the 23<sup>rd</sup> day of October 2020, the Proposal was amended (the "**Amended Proposal**") at section 7.3(c)(iii) of the Proposal to provide further clarity with respect to the distribution being made to secured creditors. A copy of which is attached as **Exhibit "D"**. The Amended Proposal was filed with the Official Receiver on the 13<sup>th</sup> day of November 2020 and presented to the creditors at the meeting of creditors on the 12<sup>th</sup> day of November 2020.
9. That the meeting of creditors was duly held on the 12<sup>th</sup> day of November 2020 and was presided over by Ms. Kristin Gray, Licensed Insolvency Trustee.
10. That the Amended Proposal was accepted by the required majority of creditors in each class;
  - 11 unsecured creditors with total claims of \$345,986 voted in favor of the Amended Proposal and 1 unsecured creditor with a total claim of \$52,919 voted against the Amended Proposal.
  - 2 secured creditors with total claims of \$700,000 voted in favor of the Amended Proposal; and,
  - 2 Builders' Lien Act creditors with total claims of \$24,075 voted in favor of the Amended Proposal.
11. That a copy of the minutes of the meeting of creditors is attached and marked as **Exhibit "E"**.
12. 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 Realization
	\$ (000's)	
Cash on Hand at October 23, 2020	12	12
Accounts Receivable	399	119
Inventory	89	89
Equipment	130	130
Furniture	10	10
	<b>640</b>	<b>360</b>

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The above amounts are subject to certain post filing costs, realization costs and professional fees.

b) the liabilities of the debtor are as follows:

	Per Statement of Affairs	Filed as at November 12, 2020
	\$'s	
BLA Creditors	168,944	139,575
Secured Creditors	976,849	700,000
Unsecured Creditors	562,794	653,294
	1,708,587	1,492,869

13. The Company is not compliant with pre-filing corporate taxes and pre-filing GST/HST. As of the date of this report the Company has engaged a professional accounting firm to complete the outstanding returns as soon as possible.

14. The Company is working with the Canada Revenue Agency to complete a trust audit for the period February 1, 2020 to current. The Company is current on all pre-filing and post-filing obligations in respect of payroll source deductions.

15. That we are also of the opinion that:

a) the causes of insolvency of the debtor are:

The Company ran into financial difficulty in 2016 as a result of project cost overruns, poor margins on supplies and labor, and a general economic downturn in the construction industry. In response, the Company attempted to right size, reduce employees, and cut costs. Amidst the foregoing challenges, in 2019 the Company was awarded a large project which ultimately resulted in significant losses and cash flow strain due to the unwillingness of the general contractor to pay for certain invoices after the project was completed. This large bad debt coupled with the downturn in the Saskatchewan construction industry and the Covid-19 shutdown resulted in the Company filing a NOI.

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 BIA apply with respect to the debtor;

IN THE MATTER OF THE PROPOSAL OF  
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- d) the Amended Proposal provides for the payment of all amounts owing to Her Majesty in right of Canada or a province mentioned in Section 60(1.1) of the BIA, if any;
- e) the Company is not in default of any remittance of an amount referred to in section 60(1.1) of the BIA that became due after the filing of the NOI;
- f) the Amended Proposal provides for all payments to employees of the Company pursuant to section 60(1.3) of the BIA, if any, and the Company can and will make any and all such payments; and,
- g) the Amended Proposal provides for all pension payments pursuant to section 60(1.3) of the BIA, if any, and the Company can and will make any and all such payments.

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

The Amended Proposal offers all creditors a greater recovery than they would otherwise receive in a bankruptcy and a bankruptcy would result in increased professional fees for the administration of a bankruptcy estate as opposed to completion of the Amended Proposal to creditors. Consequently, the Trustee recommends acceptance of the Amended Proposal.

17. That we did this day forward to the Superintendent of Bankruptcy a copy of this report.

DATED AT the City of Edmonton, in the Province of Alberta this 4<sup>th</sup> day of December 2020.

**THE BOWRA GROUP INC.**  
**Licensed Insolvency Trustee**



Per: Kristin Gray, CPA, CA, CIRP, LIT

# **EXHIBIT A**

DIVISION I PROPOSAL

OCTOBER 23, 2020

CANADA )  
PROVINCE OF SASKATCHEWAN )

Court No.: Q.B. No. 872 of 2020  
Estate No.: 23-2654754

**COURT OF QUEEN'S BENCH FOR SASKATCHEWAN**

**IN BANKRUPTCY AND INSOLVENCY**

**JUDICIAL CENTRE SASKATOON**

**APPLICANT 101100090 SASKATCHEWAN LTD.**

**IN THE MATTER OF SECTION 50.4 OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, C. B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 101100090 SASKATCHEWAN LTD.**

**PROPOSAL TO CREDITORS**

**WHEREAS:**

- A. 101100090 Saskatchewan Ltd. (the "**Company**") is a corporation incorporated pursuant to the laws of the Province of Saskatchewan.
- B. The Company is an "insolvent person", as defined in section 2 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**").
- C. The Company was incorporated in 2007 and operates a business providing residential and commercial plumbing, heating and gas service and maintenance and furnace and air conditioner installations.
- D. On June 26, 2020, the Company filed a notice of intention (the "**Notice of Intention**") to make a proposal (the "**Proposal**") to its creditors under section 50.4 of the BIA and thereby commenced proceedings to restructure its business and financial affairs under Division I of Part III of the BIA.
- E. The Bowra Group Inc. of Edmonton, Alberta, (the "**Trustee**") is a licensed trustee under the BIA which has consented to act as Trustee under the Proposal to be filed by the Company.
- F. By Order of the Court of Queen's Bench for Saskatchewan (the "**Court**") dated September 9, 2020, the Company obtained a second extension of the time within which it is required to file its Proposal to creditors under Division I of Part III of the BIA, up to and including October 24, 2020.
- G. Subject to the terms of the Proposal, within the Proposal Period, the Company intends to establish a fund in the total aggregate maximum amount of \$850,000.00 (the "**Proposal Fund**") to fund, among other things discussed later herein, payments required to be made by the Company to Unsecured Creditors and Secured Creditors.
- H. This paragraph and the immediately preceding paragraphs are hereinafter collectively referred to as the "**Recitals**" and individually as a "**Recital**" and are incorporated into (and form an integral part of) this Proposal.

**NOW, THEREFORE, THE COMPANY HEREBY SUBMITS THE FOLLOWING PROPOSAL TO ITS CREDITORS UNDER DIVISION I OF PART III OF THE BIA:**

**ARTICLE 1**

**Definitions**

1.1 For the purposes of the Proposal, the following words and phrases have the following respective meanings ascribed thereto:

- (a) **"BIA"** has the meaning ascribed thereto in Recital B. hereof;
- (b) **"BLA"** means *The Builders' Lien Act*, SS 1984-85-86, c B-7.1.
- (c) **"BLA Creditors"** means (collectively) the Creditors listed at Schedule "A" hereto, each of whom has claims against the BLA Security;
- (d) **"BLA Security"** shall mean the security posted by Traugott Builders Contractors Inc. in Court of Queen's Bench for Saskatchewan Action Q.B. No. 3332 of 2019, Judicial Centre of Saskatoon, in the amount of \$235,031.08, which BLA Security was posted pursuant to the BLA to secure payment of the lien claim of the Company in the amount of \$188,024.86, plus security for costs (the **"Company Lien Claim"**);
- (e) **"Claim"** means and includes means any indebtedness, liability, action, cause of action, suit, debt due, account, bond, covenant, contract, counterclaim, demand, claim, right, and obligation of any nature whatsoever of the Company or its Directors, to any Person, whether liquidated, unliquidated, fixed, contingent, matured, legal, equitable, secured, unsecured, present, future, known, or unknown, and whether by guarantee, surety or otherwise, in any way, and whether in whole or in part, incurred or arising or relating to the period prior to or existing on the Claims Eligibility Date, including any claim arising from a breach or termination of any contract or in respect of the costs of remedying any environmental condition or damage affecting real property;
- (f) **"Claims Eligibility Date"** means the date of the filing by the Company of the Notice of Intention pursuant to section 50.4 of the BIA, being June 26, 2020;
- (g) **"Claims Bar Date"** means March 31, 2021;
- (h) **"Company"** has the meaning ascribed thereto in Recital A. hereof;
- (i) **"Court"** has the meaning ascribed thereto in Recital F. hereof;
- (j) **"Court Approval Date"** shall mean the date on which the Court approves the Proposal;
- (k) **"Creditors"** means the Unsecured Creditors, the Secured Creditors and the BLA Creditors of the Company with a Proven Claim against the Company;
- (l) **"Crown Claims"** means Claims of Her Majesty in Right of Canada or a Province of Canada as described at section 60(1.1) of the BIA that were outstanding on the date of the filing of the Notice of Intention;
- (m) **"Director"** means any past or present director of the Company;
- (n) **"Levy"** has the meaning ascribed thereto in Article 7.3(b) hereof;
- (o) **"Meeting"** has the meaning ascribed thereto in Article 3.1 hereof;



- (p) **"Notice of Intention"** has the meaning ascribed thereto in Recital D. hereof;
- (q) **"Person"** shall be broadly interpreted and shall include, without limitation, an individual, firm, partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, corporation, unincorporated association or organization, syndicate, committee, the government of a country or any political subdivision thereof, or any agency, board, tribunal, commission, bureau, instrumentality or department of such government or political subdivision, or any other entity, howsoever designated or constituted, and the trustees, executors, administrators or other legal representatives of an individual;
- (r) **"Proposal"** has the meaning ascribed thereto in Recital D. hereof;
- (s) **"Proposal Costs"** means the reasonable professional fees and disbursements (plus applicable taxes) of: a) the Trustee; b) counsel to the Trustee, MLT Aikins LLP; and c) counsel to the Company, W Law Group LLP, in regard to all matters pertaining to the Notice of Intention and the Proposal, which fees and disbursements have not otherwise been paid in full and which fees and disbursements the Company intends to pay (to the greatest extent possible) utilizing funds that do not form part of the Proposal Fund;
- (t) **"Proposal Fund"** has the meaning ascribed thereto in Recital G. hereof;
- (u) **"Proposal Implementation Date"** means the date that rights and obligations under the Proposal become effective and is the latest date upon which each of the following events has occurred:
- (i) the approval of the Proposal by the requisite majority in number and two-thirds in value of the Creditors required under Division I of Part III of the BIA has been obtained; and
  - (ii) an Order of the Court approving the Proposal has been obtained and the appeal period from such Order has expired or, if any appeal is taken from such Order, a final Order dismissing such appeal has been obtained;
- (v) **"Proposal Period"** shall mean the 60-month period commencing on the Proposal Implementation Date;
- (w) **"Proven Claim"** means a proven and admitted Claim (as has been or as may be determined by the Trustee, in consultation with the Company) which has not been paid as of the date of the Meeting and, subject to Article 7.2, has been received by the Trustee on or before the Claims Bar Date;
- (x) **"Recitals"** has the meaning ascribed thereto in Recital H. hereof;
- (y) **"Secured Creditors"** means those creditors holding security interests against the assets of the Company as security for a debt due or accruing due to such creditors from the Company;
- (z) **"Trustee"** has the meaning ascribed thereto in Recital E. hereof; and
- (aa) **"Unsecured Creditors"** means those creditors with Claims which are not:
- (i) Claims of Secured Creditors; or
  - (ii) Claims of BLA Creditors.

## ARTICLE 2

### Purpose of the Proposal

- 2.1 The purpose of the Proposal is to enable the Company to continue its business operations as a going concern by retiring and/or compromising in an orderly and fair-minded fashion the debts owed by the Company to its Creditors, in order to permit the Company to avoid bankruptcy (and the costs and professional fees associated with bankruptcy) and to provide the Creditors with the maximum recovery possible in regard to their respective Claims. If the Proposal is approved in accordance with the BIA, the Proposal (as so approved) is binding upon the Company and its Creditors.

## ARTICLE 3

### Meeting

- 3.1 There is to be a meeting of the Creditors to consider and vote upon the Proposal (the “**Meeting**”). The Meeting shall take place at the offices of the Trustee, located at **1411 TD Tower, 10088 – 102 Avenue, Edmonton, Alberta, at 10:00 MST on November 12, 2020.** Creditors may join the meeting by teleconference using the following information:

**Toll-free dial-in number (U.S. and Canada):** 866-261-6767

**Access (Participant) Code:** 2599021

- 3.2 The Proposal will be voted upon at the Meeting by the Creditors in accordance with Division I of Part III of the BIA. Should the Creditors approve the Proposal in accordance with Division I of Part III of the BIA, the Proposal will then be submitted to the Court for approval in accordance with section 58 of the BIA.

## ARTICLE 4

### Implementation of the Proposal

- 4.1 The Proposal will become effective on the Proposal Implementation Date, on which date the Proven Claims of the Creditors will be compromised in accordance with the terms hereof.

## ARTICLE 5

### Voting

- 5.1 In accordance with section 53 of the BIA, only Creditors shall be entitled to vote on the Proposal. For the purposes of voting on the Proposal in accordance with subsection 54(2)(d) of the BIA, the value ascribed to the vote of each Creditor shall be calculated by counting one vote for each dollar comprising the aggregate amount of the Proven Claim held by each such Creditor.

## ARTICLE 6

### Application to Court

- 6.1 Notice is hereby given that, upon approval of the Proposal by the Creditors at the Meeting, an application to the Court for an Order approving the Proposal will be made to the Court at a date and time to be determined (which date and time will be communicated to the Creditors by the Trustee).

## ARTICLE 7

### Classification of Creditors and Claims Bar Date

- 7.1 Pursuant to section 50(1.2) of the BIA, and for the purposes of the Proposal, the Company hereby makes this Proposal to the following three classes of Creditors:
- (a) Unsecured Creditors;
  - (b) Secured Creditors; and
  - (c) BLA Creditors.
- 7.2 Unless otherwise consented to by the Company (with approval of the Trustee), or unless otherwise determined by Court Order, any Claim which is not received by the Trustee on or before the Claims Bar Date shall not be admitted as a Proven Claim and shall be forever barred and extinguished.

### Recovery by Creditors Under the Proposal

- 7.3 Distribution of the Proposal Fund to the Unsecured Creditors and the Secured Creditors by the Trustee during the Proposal Period (in consultation with the Company and the inspectors, if any, appointed pursuant to section 56 of the BIA) shall be made in accordance with the following sequence of events, namely:
- (a) first, the Trustee shall pay forthwith from and out of the Proposal Fund, in priority to claims of all Creditors, any Proposal Costs which remain unpaid as at the date of any distribution by the Trustee to the Unsecured Creditors and the Secured Creditors (as the case may be). It is the intention of the Company to pay all Proposal Costs from sources of funds other than the Proposal Fund. However, in the event that any such Proposal Costs remain unpaid as at the Proposal Implementation Date, then the payments described in this subparagraph shall be made;
  - (b) second, after the payment of any Proposal Costs in the manner described above in subparagraph 7.3(a) hereof, the Trustee shall forthwith pay from and out of the Proposal Fund the levy (if any) payable to the Superintendent of Bankruptcy in respect of the Proposal pursuant to section 147 of the BIA (the "**Levy**");
  - (c) third, after the payment of any Proposal Costs and the Levy in the manner described above in subparagraphs 7.3(a) and 7.3(b) hereof, the Trustee shall pay from and out of the Proposal Fund the following payments, namely:
    - (i) within six months of Court approval of the Proposal, all Crown Claims (if any);
    - (ii) within six months of Court approval of the Proposal, payment to each of the Unsecured Creditors as follows:
      - 1 the value of its Proven Claim or \$1,000.00, whichever is less, provided that such Unsecured Creditor has executed and delivered to the Trustee the Election Form attached hereto as Schedule "B" on or before the Claims Bar Date; or
      - 2 where no such Election Form has been delivered by the Unsecured Creditor to the Trustee on or before the Claims Bar Date, 10% of the value of its Proven Claim; and

- (iii) annual proportional payments to the Secured Creditors (commencing on the date that is one year following the Court Approval Date, and continuing on the next four successive one year anniversary dates of the Court Approval Date during the Proposal Period) in the maximum aggregate amount of \$773,000.00, to be divided equally over the Proposal Period.

7.4 Notwithstanding the distribution scheme set forth in the preceding Article 7.3 hereof, the Company shall be at liberty (in consultation with the Trustee and the inspectors, if any, appointed pursuant to section 56 of the BIA) to prepay any and/or all of the payments contemplated in Article 7.3 hereof prior to the corresponding dates for such payments.

7.5 The following Proposal is made to the BLA Creditors:

- (a) each of the BLA Creditors shall be entitled to assert its respective Claim against the BLA Security free from any claim, opposition or interference by the Company;
- (b) the Company shall irrevocably agree that it will not assert or claim any entitlement under its Company Lien Claim against the BLA Security, with the objective of maximizing the pro-rata amounts available to the BLA Creditors to satisfy their respective Claims; and
- (c) the Company shall agree to assist the BLA Claimants with any reasonable request for documents or information in the possession of the Company that may assist the BLA Claimants to assert their respective Claims against the BLA Security.

## **ARTICLE 8**

### **Satisfaction of Claims and Administration of Proposal**

- 8.1 All payments to Creditors under this Proposal shall be subject to the Proposal Costs and the Levy, and the final amounts received by such Creditors shall be net of such Proposal Costs and the Levy.
- 8.2 Sections 95 to 101 of the BIA (inclusive) shall not apply to this Proposal.
- 8.3 In accordance with section 56 of the BIA, the Creditors may resolve to appoint one or more inspectors to assist the Trustee with the administration of this Proposal.
- 8.4 Upon the Trustee having made the payments prescribed herein and having confirmed that the Company has otherwise performed all of its obligations under the Proposal in accordance with Article 7 hereof, the Trustee shall provide the Company with a Certificate of Full Performance of the Proposal pursuant to section 65.3 of the BIA.
- 8.5 Upon issuance by the Trustee to the Company of a Certificate of Full Performance of the Proposal, the Company and the Directors shall be released from all Claims, and all such Claims shall be forever barred and extinguished.
- 8.6 As required by section 60(2) of the BIA, all monies payable under this Proposal shall be paid by the Company to the Trustee, and such monies shall thereafter be distributed by the Trustee in accordance with the Proposal and the BIA.
- 8.7 The Bowra Group Inc. shall be the Trustee under this Proposal.

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ARTICLE 9

**Compromise, Satisfaction and Release of Claims Against the Company**

- 9.1 Upon the Trustee issuing to the Company a Certificate of Full Performance, the Company and each and every present and former shareholder, officer, director, employee, auditor, financial advisor, legal counsel and agent of the Company and the Trustee and its legal counsel shall be released and forever discharged from and against any and all Claims, including any and all Claims against Directors, and all such Claims shall be forever barred and extinguished.

DATED at the City of Saskatoon, in the Province of Saskatchewan, this 23<sup>rd</sup> day of October, 2020.

**101100090 SASKATCHEWAN LTD.**

(Seal)

Per: \_\_\_\_\_

Ryan Kolibab, Director



**Schedule "A"**  
**List of BLA Creditors**

1. E.H. Price
2. Excel Refrigeration Ltd.
3. Fortified Construction Inc.
4. Jet Electric 2014 Ltd.
5. RMD Insulation Contracting Ltd.
6. Standard Mechanical Contracting Limited
7. Triple Crown Metals Ltd.

**Schedule "B"**  
**Election Form**

WHEREAS 101100090 SASKATCHEWAN LTD. (the "**Company**") has filed a Proposal pursuant to the provisions of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3 (the "**Proposal**");

AND WHEREAS terms not otherwise defined herein shall have the meanings ascribed to them in the Proposal.

AND WHEREAS \_\_\_\_\_ is an Unsecured Creditor with a Claim against the Company;

AND WHEREAS the Proposal provides that Unsecured Creditors may elect to accept the lesser of the value of their Proven Claim or the sum of \$1,000.00 in full and final satisfaction of their Proven Claim;

NOW THEREFORE in accordance with the terms of the Proposal, the Unsecured Creditor does hereby elect to accept the lesser of the value of its Proven Claim or the sum of \$1,000.00, payable by the Company in accordance with the Proposal in full and final satisfaction of its Proven Claim.

\*\*\*\* NOTE THAT THIS ELECTION FORM, ALONG WITH A FORM 31 PROOF OF CLAIM, MUST BE DELIVERED TO THE TRUSTEE BY EMAIL TO [claims@bowragroup.com](mailto:claims@bowragroup.com) ON OR BEFORE MARCH 31, 2021 \*\*\*\*

DATED this \_\_\_\_ day of \_\_\_\_\_, 202\_\_\_\_.

\_\_\_\_\_

Name: \_\_\_\_\_

**Schedule “C”**

to the Proposal to Creditors of 101100090 Saskatchewan Ltd.

Annual Cash Flow Forecast for the period of

November 2020 – October 2025



**101100090 SASKATCHEWAN LTD.  
CASH FLOW FORECAST  
PROPOSAL PERIOD - 60 MONTHS**

	<b>Nov. 1/2020 - Oct. 31/2021</b>	<b>Nov. 1/2021 - Oct. 31/2022</b>	<b>Nov. 1/2022 - Oct. 31/2023</b>	<b>Nov. 1/2023 - Oct. 31/2024</b>	<b>Nov. 1/2024 - Oct. 31/2025</b>	<b>Total 60 Months</b>
<b>Receipts</b>						
Collection of AR	1,890,000	1,930,000	2,070,000	2,180,000	2,330,000	10,400,000
Collection of holdbacks	18,000	18,000	18,000	18,000	18,000	90,000
Misc. income (note 4)	21,600	21,600	21,600	21,600	21,600	108,000
<b>Total Receipts</b>	<b>1,929,600</b>	<b>1,969,600</b>	<b>2,109,600</b>	<b>2,219,600</b>	<b>2,369,600</b>	<b>10,598,000</b>
<b>Disbursements</b>						
Payroll	500,000	600,000	600,000	680,000	720,000	3,100,000
Payroll remittance	50,000	60,000	60,000	68,000	72,000	310,000
Management fees (note 5)	150,000	150,000	150,000	150,000	150,000	750,000
GST remittances	94,500	96,500	103,500	109,000	116,500	520,000
PST remittances	6,600	6,600	6,600	6,600	6,600	33,000
Supplier purchases (note 6)	623,700	636,900	683,100	719,400	768,900	3,432,000
Telephone	14,400	14,400	14,400	14,400	14,400	72,000
Automobile expenses	45,600	45,600	45,600	45,600	45,600	228,000
Project costs (note 7)	21,600	21,600	21,600	21,600	21,600	108,000
Office expense	18,000	18,000	18,000	18,000	18,000	90,000
Rent	60,000	60,000	60,000	60,000	60,000	300,000
Insurance	25,200	25,200	25,200	25,200	25,200	126,000
WCB	18,000	18,000	18,000	18,000	18,000	90,000
Professional fees (note 8)	35,000	25,000	30,000	30,000	30,000	150,000
Leases	18,000	18,000	18,000	4,500	-	58,500
Contingency (note 9)	24,000	24,000	24,000	24,000	24,000	120,000
Payment to proposal fund	231,000	151,000	151,000	151,000	151,000	835,000
<b>Total Disbursements</b>	<b>1,935,600</b>	<b>1,970,800</b>	<b>2,029,000</b>	<b>2,145,300</b>	<b>2,241,800</b>	<b>10,322,500</b>
<b>Cash Flow for the Period</b>	<b>(6,000)</b>	<b>(1,200)</b>	<b>80,600</b>	<b>74,300</b>	<b>127,800</b>	<b>275,500</b>
<b>Opening Cash Balance**</b>	<b>12,255</b>	<b>6,255</b>	<b>5,055</b>	<b>85,655</b>	<b>159,955</b>	<b>12,255</b>
<b>Ending Cash Balance</b>	<b>6,255</b>	<b>5,055</b>	<b>85,655</b>	<b>159,955</b>	<b>287,755</b>	<b>287,755</b>

# **EXHIBIT B**

CREDITOR MAILING LIST

## *Creditor Mailing List*

In the Matter of the Proposal of  
101100090 SASKATCHEWAN LTD  
of the City of SASKATOON, in the Province of Saskatchewan

Creditor Type	Name	Attention	Address
Director	RYAN KOLIBAB		615 ATTON CRESCENT SASKATOON SK S7W 0K4
Secured	Affinity Credit Union 2013	Judy DuChalard	PO Box 1330 SASKATOON SK S7K 3P4
	Business Development Bank of Canada		135 - 21 Street E SASKATOON SK S7K 0B4
	Kubota Canada Ltd.		5900 14 Avenue MARKHAM ON L3S 4K4
	Polaris Leasing Ltd.		Unit 2 - 396 Assiniboine Avenue WINNIPEG MB R3C 0Y1
	Specific Consulting Corp.	Greg Donnelly	102 Saskatchewan Crescent W SASKATOON SK S7M 0A3 gdonnelly1@live.com
Unsecured	Acure Fluid Analytics Ltd.		PO Box 30083 Westview Saskatoon SK S7L 7M6
	Affinity Credit Union 2013	Judy DuChalard	PO Box 1330 SASKATOON SK S7K 3P4
	Aquifer Distribution Ltd.		227 Venture Crescent Saskatoon SK S7K 6N8
	Breck Construction		c/o Litman Law, 3075 14 Avenue, Suite 216 Markham ON L3R 0G9
	Buckberger Baerg & Partners LLP		210-616 Main St Saskatoon SK S7H 0J6
	Business Development Bank of Canada		135 - 21 Street E SASKATOON SK S7K 0B4
	Capital Fire Protection Ltd.		365 Maxwell Crescent Regina SK S4N 5X9
	Carrier Enterprise Canada LLP	Aliou Traore	PO Box C9509C Stn M Calgary AB T2P 5L8 Aliou.traore@carrierenterprise.com
	City of Saskatoon		City Hall 222 - 3rd Ave Saskatoon SK S7K 0J5
	Construction Fasteners & Tools Ltd.		504 45th A St E Saskatoon SK S7K 0W6
	CRA - Canada Revenue Agency		c/o Pacific Insolvency Intake Centre - Surrey National Verification and Collection Centre 9755 King George Boulevard Surrey BC V3T 5E1 Fax: (866) 219-0311
	Diversified Electric Ltd.		RR #3 Box 31 GS 303 Saskatoon SK S7K 3J6
	E.H. Price		13 Terracon Place Winnipeg MB R2J 4B3
	Ecol Laser Services		1 -630 45th Street W Saskatoon SK S7L 5W9
	Emco Corporation		c/o C.G.I. Credit Guard Inc. Suite 808, 1112 W. Pender Street. VANCOUVER BC V6E 2S1

## *Creditor Mailing List*

In the Matter of the Proposal of  
101100090 SASKATCHEWAN LTD  
of the City of SASKATOON, in the Province of Saskatchewan

Creditor Type	Name	Attention	Address
Unsecured	Excel Refrigeration Ltd.		15-501 Pakwa Place Saskatoon SK S7L 6A3
	Flash Electrical Contracting Ltd.		311 Charlebois Cres Saskatoon SK S7K 5J6
	Fortified Construction Inc.		Box 92, Site 600 Saskatoon SK S7K 3J9
	Goodman Air Conditioning & Heating		PO Box 15171, Station A Toronto ON M5W 1C1
	HVAC Sales Ltd.		Bay 1 - 227 Wheeler St. Saskatoon SK S7P 0A4
	Jet Electric 2014 Ltd.		3203 Wells Ave Saskatoon SK S7K 5W4
	Lennox Heating Cooling		1 Spav Drive BRAMPTON ON L6S 6E1
	Maximum Properties Inc.		3303 Faithful Avenue Saskatoon SK S7K 8H5
	McGill's Industrial Services Inc		105 Melville Street Saskatoon SK S7J 5A5
	Neskor Cutting & Coring Services Ltd.		2-3040 Miners Avenue Saskatoon SK S7K 5V1
	Northern Fireplace		419 - 47th Street E Saskatoon SK S7K 5H4
	Nu-Trend Industries		#2-618 47th Street East Saskatoon SK S7K 5X3
	Numa Technologies Corp.		401 - 15 Innovation Blvd Saskatoon SK S7N 2X8
	Professional Computer Service		10 - 1015 Central Avenue Saskatoon SK S7N 4J2
	RMD Insulation Contracting Ltd.		Box 2043 Warman SK S0K 4S0
	Robinson Supply		Unit 1 - 582 King Edward Street WINNIPEG MB R3H 1H8
	Sask Power		2025 Victoria Ave Regina SK S4P 0S1
	Saskatchewan Workers Compensation		200 1881 Scarth Street Regina SK S4P 4L1
	Saskatoon CO-OP (CardLock)		201-503 Wellman Crescent Saskatoon SK S7T 0G3
	Saskatoon Wash World Inc.		3058 Faithful Ave Saskatoon SK S7K 8H2
	Sasktel Mobility	Kristin Hilderman	2121 Saskatchewan Drive, 12th Flr. Regina SK S4P 3Y2 Fax: (306) 777-5406
	SCS Contracting Ltd.		859B 60th Street E Saskatoon SK S7K 5Z7
	Sinclair Supply Ltd.		10914 120 St Edmonton AB T5H 3P7
	Specific Consulting Corp.	Greg Donnelly	102 Saskatchewan Crescent W SASKATOON SK S7M 0A3 gdonnelly1@live.com
	Standard Mechanical Contracting Limited	Jim McAughey	3055 Universal Drive Mississauga ON M4X 2E2 jim@standardmechanical.com

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## *Creditor Mailing List*

In the Matter of the Proposal of  
101100090 SASKATCHEWAN LTD  
of the City of SASKATOON, in the Province of Saskatchewan

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Creditor Type	Name	Attention	Address
Unsecured	Sunbelt Rentals of Canada Inc.		c/o Priority Credit Management Corp 17315 108 Avenue EDMONTON AB T5S 1G2
	Supreme Office Products Ltd.		PO Box 4318 Regina SK S4P 3W6
	The Rent-It Store		633 - 45th Street East Saskatoon SK S7K 0W4 Fax: (306) 244-4049
	The Rent-It Store & Tool Supply		633 45th Street E Saskatoon SK S7K 0W4
	The W Law Group		300, 110 - 21 Street E Saskatoon SK S7K 0B6
	Trane Canada ULC		PO Box 4232/C.P. 4232 Postal Station A/SUCC. A T Toronto ON M5W 5P4
	Triple Crown Metals Ltd.		507 Dickson Lane Saskatoon SK S7T 0H7
	Twinco Properties		102 Saskatchewan Crescent W SASKATOON SK S7M 0A3
	Wolseley Canada Inc.		Box 1418 Station T Calgary AB T2H 2H7
	Wrap It Right Insulation Ltd.		408-110 Shillington Crescent Saskatoon SK S7M 3Z8

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# **EXHIBIT C1**

FORM 92 – NOTICE OF PROPOSAL TO CREDITORS

District of: Saskatchewan  
Division No. 02 - Saskatoon  
Court No. Q.B. No 872 of 2020  
Estate No. 23-2654754

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

In the Matter of the Proposal of  
101100090 SASKATCHEWAN LTD.  
of the City of SASKATOON, in the Province of Saskatchewan

Take notice that 101100090 SASKATCHEWAN LTD. of the City of SASKATOON in the Province of Saskatchewan has lodged with me 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.

A general meeting of the creditors will be held on the 12th day of November 2020 at 10:00 AM via teleconference  
Access Code: 2599021 Dial-in Number: 866-261-6767 (U.S. and Canada).

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 must be lodged with me prior to the commencement of the meeting.

Proxies and voting letters intended to be used at the meeting may be filed at any time up until the moment a vote is called.

Dated at the City of EDMONTON in the Province of Alberta, this 29th day of October 2020.

The Bowra Group Inc. - Licensed Insolvency Trustee

Per:



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Kristin Gray - Licensed Insolvency Trustee  
TD Tower, Suite 1411 - 10088 102 Avenue  
EDMONTON AB T5J 2Z1  
Phone: (780) 809-1224 Fax: (780) 705-1946

(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
Acure Fluid Analytics Ltd.	PO Box 30083 Westview Saskatoon SK S7L 7M6		2,315.25
Affinity Credit Union 2013	PO Box 1330 SASKATOON SK S7K 3P4		433,829.41
Aquifer Distrubution Ltd.	227 Venture Crescent Saskatoon SK S7K 6N8		151,270.82
Breck Construction	c/o Litman Law, 3075 14 Avenue, Suite 216 Markham ON L3R 0G9		4,410.00
Buckberger Baerg & Partners LLP	210-616 Main St Saskatoon SK S7H 0J6		17,798.69
Business Development Bank of Canada	135 - 21 Street E SASKATOON SK S7K 0B4		276,020.00
Capital Fire Protection Ltd.	365 Maxwell Crescent Regina SK S4N 5X9		656.25
Carrier Enterprise Canada LLP Aliou Traore	PO Box C9509C Stn M Calgary AB T2P 5L8		39,488.39
City of Saskatoon	City Hall 222 - 3rd Ave Saskatoon SK S7K 0J5		8,288.40
Construction Fasteners & Tools Ltd.	504 45th A St E Saskatoon SK S7K 0W6		6,747.42
CRA - Canada Revenue Agency	c/o Pacific Insolvency Intake Centre - Surrey National Verification and Collection Centre 9755 King George Boulevard Surrey BC V3T 5E1		52,777.00
E.H. Price	13 Terracon Place Winnipeg MB R2J 4B3		18,088.15
Emco Corporation (Midwest)	c/o C.G.I. Credit Guard Inc. Suite 808, 1112 W. Pender Street. VANCOUVER BC V6E 2S1		6,785.92
Excel Refrigeration Ltd.	15-501 Pakwa Place Saskatoon SK S7L 6A3		3,599.54
Flash Electrical Contracting Ltd.	311 Charlebois Cres Saskatoon SK S7K 5J6		3,360.00
Fortified Construction Inc.	Box 92, Site 600 Saskatoon SK S7K 3J9		7,681.20
Goodman Air Conditioning & Heating	PO Box 15171, Station A Toronto ON M5W 1C1		7,435.86



List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Jet Electric 2014 Ltd.	3203 Wells Ave Saskatoon SK S7K 5W4		2,858.13
Kubota Canada Ltd.	5900 14 Avenue MARKHAM ON L3S 4K4		11,000.00
Lennox Heating Cooling (Deposit only)	PO Box 3509 STA A Toronto ON M5W 3G4		5,336.54
Maximum Properties	3303 Faithful Avenue Saskatoon SK S7K 8H5		14,806.59
McGill's Industrial Services Inc	105 Melville Street Saskatoon SK S7J 5A5		343.14
Neskor Cutting & Coring Services Ltd.	2-3040 Miners Avenue Saskatoon SK S7K 5V1		9,406.70
Northern Fireplace	419 - 47th Street E Saskatoon SK S7K 5H4		771.47
Numa Technologies Corp.	401 - 15 Innovation Blvd Saskatoon SK S7N 2X8		715.95
Nu-Trend Industries	#2-618 47th Street East Saskatoon SK S7K 5X3		11,840.66
Polaris Leasing Ltd.	Unit 2 - 396 Assiniboine Avenue WINNIPEG MB R3C 0Y1		6,000.00
Professional Computer Service	10 - 1015 Central Avenue Saskatoon SK S7N 4J2		671.01
RMD Insulation Contracting Ltd.	Box 2043 Warman SK S0K 4S0		1,867.79
Robinson Supply	829 46 St E A Saskatoon SK S7K 0X2		70,370.62
Sask Power	2025 Victoria Ave Regina SK S4P 0S1		585.66
Saskatchewan Workers Compensation	200 1881 Scarth Street Regina SK S4P 4L1		15,048.91
Saskatoon CO-OP (CardLock)	201-503 Wellman Crescent Saskatoon SK S7T 0G3		5,589.36
Sasktel Mobility Kristin Hilderman	2121 Saskatchewan Drive, 12th Flr. Regina SK S4P 3Y2		1,401.56
SCS Contracting Ltd.	859B 60th Street E Saskatoon SK S7K 5Z7		2,415.00
Sinclair Supply Ltd.	10914 120 St Edmonton AB T5H 3P7		61,578.48

<b>List of Creditors with claims of \$250 or more.</b>			
Creditor	Address	Account#	Claim Amount
Specific Consulting Corp.	102 Saskatchewan Crescent W SASKATOON SK S7M 0A3		250,000.00
Standard Mechanical Contracting Limited	3055 Universal Drive Mississauga ON L4X 2E2		115,500.00
Sunbelt Rentals of Canada Inc.	c/o Priority Credit Management Corp 17315 108 Avenue EDMONTON AB T5S 1G2		8,983.19
Supreme Office Products Ltd.	PO Box 4318 Regina SK S4P 3W6		432.86
The Rent-It Store	633 - 45th Street East Saskatoon SK S7K 0W4		9,656.53
The Rent-It Store & Tool Supply	633 45th Street E Saskatoon SK S7K 0W4		9,656.53
The W Law Group	110 21st St E Saskatoon SK S7K 0B6		2,286.82
Trane Canada ULC	PO Box 4232/C.P. 4232 Postal Station A/SUCC. A T Toronto ON M5W 5P4		2,950.92
Triple Crown Metals Ltd.	229 Avenue I South Saskatoon SK S7M 1X8		21,217.14
Wolseley Canada Inc.	Box 1418 Station T Calgary AB T2H 2H7		18,178.01
Wrap It Right Insulation Ltd.	408-110 Shillington Crescent Saskatoon SK S7M 3Z8		5,985.00
<b>Total</b>			1,708,006.87

## **EXHIBIT C2**

FORM 78 – CONDENSED STATEMENT OF AFFAIRS

District of: Saskatchewan  
 Division No. 02 - Saskatoon  
 Court No. 23-2654754  
 Estate No. 23-2654754

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  
 101100090 SASKATCHEWAN LTD.

of the City of SASKATOON, in the Province of Saskatchewan

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 23rd day of October 2020. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

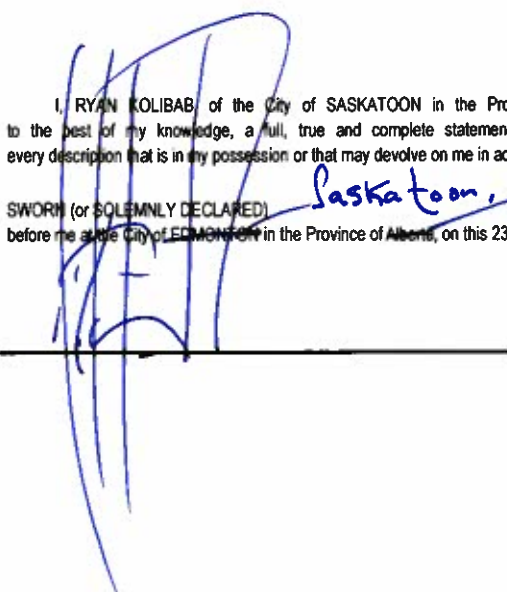
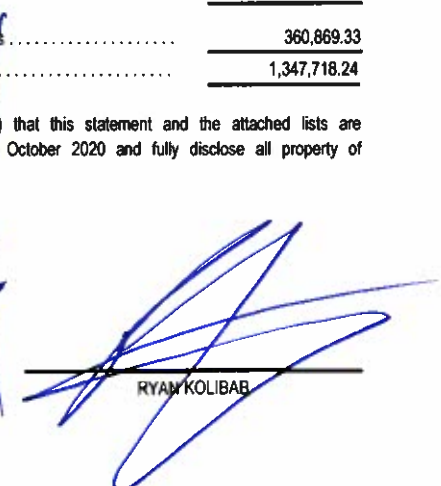
LIABILITIES (as stated and estimated by the officer)		ASSETS (as stated and estimated by the officer)	
1. Unsecured creditors as per list "A" .....	731,738.16	1. Inventory .....	89,400.00
Balance of secured claims as per list "B" .....	615,980.08	2. Trade fixtures, etc. ....	0.00
Total unsecured creditors .....	1,347,718.24	3. Accounts receivable and other receivables, as per list "E"	
2. Secured creditors as per list "B" .....	360,869.33	Good .....	119,001.83
3. Preferred creditors as per list "C" .....	0.00	Doubtful .....	279,539.15
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for .....	0.00	Bad .....	0.00
Total liabilities .....	1,708,587.57	Estimated to produce .....	119,001.83
Surplus .....	NIL	4. Bills of exchange, promissory note, etc., as per list "F" .....	0.00
		5. Deposits in financial institutions .....	12,255.00
		6. Cash .....	0.00
		7. Livestock .....	0.00
		8. Machinery, equipment and plant .....	130,262.50
		9. Real property or immovable as per list "G" .....	0.00
		10. Furniture .....	9,950.00
		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 .....	360,869.33
		Deficiency .....	1,347,718.24

I, RYAN KOLIBAB of the City of SASKATOON in the Province of Saskatchewan, 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 the affairs of the Corporation on the 23rd day of October 2020 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 EDMONTON in the Province of Alberta, on this 23rd day of October 2020.

*Saskatoon, Saskatchewan*

RYAN KOLIBAB

# **EXHIBIT C3**

TRUSTEE'S REPORT TO CREDITORS

OCTOBER 29, 2020

**IN THE COURT OF QUEEN'S BENCH OF SASKATCHEWAN  
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE PROPOSAL OF  
101100090 SASKATCHEWAN LTD.**

**TRUSTEE'S REPORT TO CREDITORS**

**OCTOBER 29, 2020**

**1. PURPOSE**

On June 26, 2020, 101100090 Saskatchewan Ltd. o/a Kolibab Mechanical (the "**Company**" or "**Kolibab**") filed a Notice of Intention to file a Proposal (the "**NOI**"). By Order of the Court of Queen's Bench of Saskatchewan the Company obtained an extension of the time to file a proposal to September 9, 2020. A second extension Order was granted on September 9, 2020 further extending the say of proceedings to October 24, 2020. A proposal to creditors (the "**Proposal**") was filed on October 23, 2020. The Bowra Group Inc. has consented to act as Licensed Insolvency Trustee (the "**Trustee**").

The purpose of this report is to provide the creditors the following:

- a) Background and financial situation of the Company;
- b) Summary of the Proposal;
- c) Summary of the assets and liabilities;
- d) Estimate of the realization under a bankruptcy and the Proposal; and,
- e) Trustee's recommendation to accept the Proposal.

**2. BACKGROUND AND FINANCIAL SITUATION**

**Company Background**

Kolibab provides plumbing, heating and mechanical services out of Saskatoon, Saskatchewan. The Company's sole director is Mr. Ryan Kolibab and the company currently employees approximately 36 people. The Company was incorporated on April 18, 2007 pursuant to the laws

of Saskatchewan and has its head office located in Saskatoon, Saskatchewan. The Company's assets include accounts receivable, inventory, and small machinery.

### **Financial Situation**

The Company ran into financial difficulty in 2016 as a result of project cost overruns, poor margins on supplies and labour and a general economic downturn in the construction industry. In response the Company attempted to right size, reduce employees and cut costs. Admist the foregoing challenges, in 2019 the Company was awarded a large project which ultimately resulted in significant losses and cash flow strain due to the unwillingness of the general contractor to pay for certain invoices after the project was completed. This large bad debt coupled with the downturn in the Saskatchewan construction industry and the COVID-19 shutdown resulted in the Company filing a NOI on June 26, 2020.

### **3. SUMMARY OF PROPOSAL**

The purpose of the Proposal is to restructure the financial affairs of Kolibab in order to provide its creditors the best available opportunity to recover the funds owed to them and allow the Company to continue operating. The Proposal contemplates the following:

- a) The proposal fund (the "**Proposal Fund**") will be funded by payments made to the Trustee from the Company, with the first payment being made to creditors within 6 months of Court approval of the Proposal ("**Court Approval Date**"). Subsequent payments will be made annually thereafter on the Court Approval Date;
- b) Use of the Proposal Fund for payment of the following:
  - i. Reasonable professional fees and disbursements of the Trustee and the legal counsel, if any;
  - ii. The levy payable to the Superintendent of Bankruptcy;
  - iii. Distribution to Canada Revenue Agency ("**CRA**") for all Crown Priority Claims that were outstanding as at the filing date, if any; and,
  - iv. Distribution to the proven unsecured creditors:
    - i. Any holder of an unsecured claim may choose a cash election, whereby their unsecured claim will be settled in full, by payment of the lesser of their valued claim or the sum of \$1,000 (the "**Cash Election**"). The Cash

- Election payments will be made from the first payment made by the Company to the Proposal Fund. The Trustee shall disburse the Cash Election payments within six months of the Court Approval Date;
- ii. Any unsecured creditor who does not opt for the Cash Election shall receive payment of 10% of their valued claim in full and final satisfaction of their claim. These payments will also be made from the first payment from the Company to the Proposal Fund. The Trustee shall disburse the payments within six months of the Court Approval Date;
  - v. Secured creditors will receive annual payments to the aggregate total of \$773,000 to be divided equally among the periods of the Proposal. Payments will commence one year after the Court Approval Date and will continue thereafter over the Proposal period (60 months).

**Creditors must file a valid Proof of Claim and if applicable, an Election Form, with the Trustee by March 31, 2021.**

Notwithstanding the distribution scheme set out above, the Company shall be at liberty to pay any and/or all payments contemplated in the Proposal prior to the corresponding dates for such payments, with the permission of the Trustee and inspectors, if any, appointed pursuant to section 56 of the BIA.

### **BLA Creditors**

Kolibab has a claim against Traugott Building Contractors Ltd. ("**Traugott**") in relation to Cineplex Inc.'s ("**Cineplex**") project concerning the construction of a new multiplex theatre at Centre Mall in Saskatoon, Saskatchewan. Kolibab was one of Traugott's subcontractors. The project reached substantial completion in or around November 2019. Kolibab registered a claim of lien in the amount of \$188,025 against the title to the improved property in early-December 2019 (the "**Lien Claim**"). Traugott posted a bond of \$235,031 of the lien's value in Court in late December 2019. (the "**BLA Security**")

A portion of the Lien Claim is owed by Kolibab to its own subcontractors, these creditors, whose debt solely relates to work done on the Cineplex project (the "**BLA Creditors**") have been classified separately for purposes of the Proposal.



The Proposal being made to the BLA Creditors is as follows:

- Each of the BLA Creditors shall be entitled to assert its respective claim against the BLA Security free from any claim, opposition or interference by the Company;
- The Company will not claim any entitlement under its Company Lien Claim against the BLA Security to maximize the pro-rata amounts available to the BLA Creditors; and,
- The Company shall assist the BLA Creditors with any reasonable request for documents or information in the possession of the Company that may assist the BLA Creditors to assert their respective claims against the BLA Security.

### Cash Flow

The Company has prepared a yearly cash flow forecast for the Proposal period from November 2020 to October 2025. The cash flows are attached as **Appendix A** and summarized in Table 1 below. The 60-month cash flow is also appended to the Proposal as "Schedule C".

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	000's	000's	000's	000's	000's	
Sales	1,930	1,970	2,110	2,220	2,370	10,600
Cost of Sales	624	637	683	719	769	3,432
%	32%	32%	32%	32%	32%	32%
Operating Expenses	1,312	1,334	1,346	1,426	1,473	6,891
<b>Cash Flow</b>	- 6	- 1	81	75	128	277

Management has indicated their cash flow numbers are conservative compared to prior years to account for the current economic times, the impact of COVID-19, an increase in minimum wage and an increase in the cost of supplies.

The Trustee has reviewed the Company's cash flow projections and believes the projections are reasonable and achievable based on prior year financial performance and discussions with management. The Trustee believes the Company will be able to make the payments contemplated in the Proposal.

#### 4. CREDITOR'S CLAIMS

##### Secured Creditors

Table 2 provides a listing of secured claims as provided by the Company totaling approximately \$976,849 that would rank in priority to the unsecured creditors:

Creditor	Assets Secured	Table 2 Estimated Claim (\$000's)
Affinity Credit Union 2013	General Security Agreement - all present and after-acquired property	434
Business Development Bank of Canada	General Security Agreement - all present and after-acquired property	276
Specific Consulting Corp.	General Security Agreement - all present and after-acquired property	250
Kubota Canada Ltd.	Specific Serial Numbered Equipment	11
Polaris Leasing Ltd.	Specific Serial Numbered Equipment	6

The Secured Creditors are to be paid in accordance with the Proposal outlined on page three of this report. The Proposal is not being made to Leasing Creditors. Leasing creditors will continue to be paid in accordance with the terms of their respective agreements.

##### Preferred Creditors

The Company is not aware of any indebtedness to preferred creditors.

##### Deemed Trust / Crown Claims

The Company does not owe any arrears with respect to payroll source deductions to Canada Revenue Agency. Post filing obligations for payroll source deductions and GST are being paid in the normal course.

## Unsecured Creditors

The Company has identified 49 unsecured creditors. The balance identified to date of unsecured creditors participating in the Proposal totals approximately \$731,738 based on the Company's records. The major unsecured creditors are:

<b>Creditor</b>	<b>Table 3 Estimated Claim (\$000's)</b>
Aquifer Distribution Ltd.	151
Robinson Supply	70
Sinclair Supply Ltd.	62
Canada Revenue Agency	53

The amount owing to Canada Revenue Agency relates to pre-filing GST and prior year corporate taxes.

The unsecured creditors are to be paid in accordance with the terms of the Proposal outlined on page two and three of this report.

## 5. IDENTIFICATION AND VALUATION OF ASSETS

Table 4 identifies the book value of the Company's assets and the estimated gross realizable value in a bankruptcy as of the date of filing of the Proposal:

Table 4

	Book Value as of Oct 23, 2020	Estimated Realization
	(000's)	
Cash on hand at October 23, 2020	12	12
Accounts Receivable	399	119
Inventory	179	89
Equipment	261	130
Furniture	20	10
	<b>871</b>	<b>360</b>

The estimated gross values are before payment of any post filing obligations, selling costs, professional fees and costs associated with administration of the estate.

Cash on hand represents the Company's bank account balance as at the date of filing the Proposal.

Receivables represent outstanding amounts owing to the Company based on the books and records. In a bankruptcy we estimate approximately \$119,000 would be collectible. We estimate any receivables aged greater than 30 days would be difficult to collect in a bankruptcy.

Inventory represents miscellaneous supplies and parts, we estimate the realizable value in a liquidation would be approximately \$89,400.

Equipment consists of trailers, vehicles, shipping containers, and tools. Given the condition and age of the equipment and tools, we estimate the recovery under a bankruptcy would be approximately \$130,263.

Furniture consists of miscellaneous office furniture and supplies we estimate the recovery under a bankruptcy would be approximately \$9,950.

## 6. STATEMENT OF ESTIMATED REALIZATION

Table 5 compares the estimated recovery to creditors under a bankruptcy and the Proposal.

	Bankruptcy	Proposal
	\$000's	
<b>Assets</b>		
Cash	12	-
Accounts Receivable	57	-
Inventory	89	-
Equipment and furniture	130	-
Furniture	10	-
Proposal fund	-	850
<b>Total net proceeds</b>	<b>298</b>	<b>850</b>
<b>Recovery costs</b>		
Recovery costs	44.70	-
Professional fees/Admin fees	50	-
Repayment of DIP financing	150	-
<b>Total costs</b>	<b>245</b>	<b>-</b>
<b>Net funds available for distribution</b>	<b>53</b>	<b>850</b>
Total secured creditors	977	977
Total unsecured creditors	731	731
<b>Estimated recovery per \$1 to unsecured creditors</b>	<b>-</b>	<b>0.10 - 1.00</b>

Based on our review of the Company's current assets and liabilities and our discussions with the Company's management, in the event of a bankruptcy, it is our view that the liquidation of the Company's assets would provide the unsecured creditors a recovery of \$nil. All assets are subject to the security held by the secured creditors.

In accordance with the Proposal, we estimate there to be approximately \$77,000 available from the Proposal Fund for distribution to the unsecured creditors and \$773,000 available for distribution to secured creditors. The Proposal Fund will vary depending on claims filed with the Trustee. The amount of recovery for each claim will vary depending on the amount of the claim and option chosen under the Proposal;

- Unsecured creditors who opt for the Cash Election that are owed less than \$1,000 would be paid in full;
- Unsecured creditors who opt for the Cash Election and are owed between \$1,000 and \$10,000 could receive between \$0.10 and \$0.99 per dollar of unsecured claim;
- Unsecured creditors who do not opt for the Cash Election and are owed more than \$10,000 would receive \$0.10 per dollar of unsecured claim; and,
- Secured creditors will receive approximately \$0.80 per dollar of secured claim.

## 7. CONDUCT OF THE DEBTOR

We have reviewed financial information and bank statements of the Company for the period of January 1, 2020 to June 30, 2020. We are not aware of the Company being party to any reviewable transactions or fraudulent preferences as set out in the BIA.

## 8. LEGAL ACTIONS

We understand that Kolibab is party to the following legal actions:

- i. Actions against Kolibab
  - a) Kolibab is a defendant in an action brought by The Rent-It-Store Ltd. ("**Rent-It-Store**") for non-payment of rental invoices in the amount of \$9,656.53. Rent-It-Store improperly filed their action against the incorrect corporate name, Kolibab Mechanical, resulting in an improper filing of the action. The matter is set for Small Claims Chambers in Saskatchewan on November 5, 2020, where the Company's legal counsel will be requesting the action be adjourned sine die in light of the stay of proceedings.
  - b) Kolibab is defendant in an action launched by Traugott to remove liens placed by Kolibab against specific parcels of land in Saskatoon, as previously discussed in

this report. An Order was granted by the Court of Queen's Bench of Saskatchewan removing the Kolibab liens upon posting of \$235,031 by Traugott to the Court as security for the monies allegedly owing to Kolibab. This money has been paid to the Court where it remains to this point. The availability of these funds is expressly addressed in reference to the "BLA Creditors" in the Proposal to creditors.

ii. Actions brought about by Kolibab

- a. Kolibab is the applicant in an action against Prairie Cedar Homes Inc., Western Cedar Homes Inc., Douglas Wayne Pocha, Barbara Lynne Pocha, Gary Provencher, Christine Ryan and Kaizen Consulting Inc. relating to unpaid amounts for services rendered by Kolibab in the amount of \$33,778.13.
- b. Kolibab is the applicant in an action against Western Cedar Homes Inc. relating to unpaid amounts for services rendered by Kolibab in the amount of \$28,231.90.
- c. As mentioned previously in this report, Kolibab has a Lien Claim against Traugott for non-payment of services rendered in the Cineplex project in the amount of \$188,025.

## 9. CONFLICT OF INTEREST

The Trustee is not aware of any conflict of interest.

## 10. RENUMERATION OF THE TRUSTEE

The Trustee has received an initial retainer from the Company in the amount of \$30,000 for payment of Trustee fees and fees of the Trustee's legal counsel. The Trustee estimates total fees and disbursements, including those of its legal counsel, to be approximately \$30,000 - \$45,000.

## 11. CONCLUSION

The Proposal offers all creditors a greater recovery than they would otherwise receive in a bankruptcy. Consequently, the Trustee recommends acceptance of the Proposal.



**THE BOWRA GROUP INC.**

Licensed Insolvency Trustee under the Proposal of 101100090 Saskatchewan Ltd.



# **APPENDIX A**

Forecasted Cashflows included in the  
Proposal

	Nov. 1/2020 - Oct. 31/2021	Nov. 1/2021 - Oct. 31/2022	Nov. 1/2022 - Oct. 31/2023	Nov. 1/2023 - Oct. 31/2024	Nov. 1/2024 - Oct. 31/2025	Total 60 Months
<b>Receipts</b>						
Collection of AR	1,890,000	1,930,000	2,070,000	2,180,000	2,330,000	10,400,000
Collection of holdbacks	18,000	18,000	18,000	18,000	18,000	90,000
Misc. income (note 4)	21,600	21,600	21,600	21,600	21,600	108,000
<b>Total Receipts</b>	<b>1,929,600</b>	<b>1,969,600</b>	<b>2,109,600</b>	<b>2,219,600</b>	<b>2,369,600</b>	<b>10,598,000</b>
<b>Disbursements</b>						
Payroll	500,000	600,000	600,000	680,000	720,000	3,100,000
Payroll remittance	50,000	60,000	60,000	68,000	72,000	310,000
Management fees (note 5)	150,000	150,000	150,000	150,000	150,000	750,000
GST remittances	94,500	96,500	103,500	109,000	116,500	520,000
PST remittances	6,600	6,600	6,600	6,600	6,600	33,000
Supplier purchases (note 6)	623,700	636,900	683,100	719,400	768,900	3,432,000
Telephone	14,400	14,400	14,400	14,400	14,400	72,000
Automobile expenses	45,600	45,600	45,600	45,600	45,600	228,000
Project costs (note 7)	21,600	21,600	21,600	21,600	21,600	108,000
Office expense	18,000	18,000	18,000	18,000	18,000	90,000
Rent	60,000	60,000	60,000	60,000	60,000	300,000
Insurance	25,200	25,200	25,200	25,200	25,200	126,000
WCB	18,000	18,000	18,000	18,000	18,000	90,000
Professional fees (note 8)	35,000	25,000	30,000	30,000	30,000	150,000
Leases	18,000	18,000	18,000	4,500	-	58,500
Contingency (note 9)	24,000	24,000	24,000	24,000	24,000	120,000
Payment to proposal fund	231,000	151,000	151,000	151,000	151,000	835,000
<b>Total Disbursements</b>	<b>1,935,600</b>	<b>1,970,800</b>	<b>2,029,000</b>	<b>2,145,300</b>	<b>2,241,800</b>	<b>10,322,500</b>
<b>Cash Flow for the Period</b>	<b>(6,000)</b>	<b>(1,200)</b>	<b>80,600</b>	<b>74,300</b>	<b>127,800</b>	<b>275,500</b>
<b>Opening Cash Balance**</b>	<b>12,255</b>	<b>6,255</b>	<b>5,055</b>	<b>85,655</b>	<b>159,955</b>	<b>12,255</b>
<b>Ending Cash Balance</b>	<b>6,255</b>	<b>5,055</b>	<b>85,655</b>	<b>159,955</b>	<b>287,755</b>	<b>287,755</b>

# **EXHIBIT D**

AMENDED DIVISION I PROPOSAL

OCTOBER 23, 2020

CANADA )  
PROVINCE OF SASKATCHEWAN )

Court No.: Q.B. No. 872 of 2020  
Estate No.: 23-2654754

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN

IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE SASKATOON

APPLICANT 101100090 SASKATCHEWAN LTD.

IN THE MATTER OF SECTION 50.4 OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 101100090 SASKATCHEWAN LTD.

AMENDED PROPOSAL TO CREDITORS

WHEREAS:

- A. 101100090 Saskatchewan Ltd. (the "**Company**") is a corporation incorporated pursuant to the laws of the Province of Saskatchewan.
- B. The Company is an "insolvent person", as defined in section 2 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**").
- C. The Company was incorporated in 2007 and operates a business providing residential and commercial plumbing, heating and gas service and maintenance and furnace and air conditioner installations.
- D. On June 26, 2020, the Company filed a notice of intention (the "**Notice of Intention**") to make a proposal (the "**Proposal**") to its creditors under section 50.4 of the BIA and thereby commenced proceedings to restructure its business and financial affairs under Division I of Part III of the BIA.
- E. The Bowra Group Inc. of Edmonton, Alberta, (the "**Trustee**") is a licensed trustee under the BIA which has consented to act as Trustee under the Proposal to be filed by the Company.
- F. By Order of the Court of Queen's Bench for Saskatchewan (the "**Court**") dated September 9, 2020, the Company obtained a second extension of the time within which it is required to file its Proposal to creditors under Division I of Part III of the BIA, up to and including October 24, 2020.
- G. Subject to the terms of the Proposal, within the Proposal Period, the Company intends to establish a fund in the total aggregate maximum amount of \$850,000.00 (the "**Proposal Fund**") to fund, among other things discussed later herein, payments required to be made by the Company to Unsecured Creditors and Secured Creditors.
- H. This paragraph and the immediately preceding paragraphs are hereinafter collectively referred to as the "**Recitals**" and individually as a "**Recital**" and are incorporated into (and form an integral part of) this Proposal.

**NOW, THEREFORE, THE COMPANY HEREBY SUBMITS THE FOLLOWING PROPOSAL TO ITS CREDITORS UNDER DIVISION I OF PART III OF THE BIA:**

**ARTICLE 1**

**Definitions**

- 1.1 For the purposes of the Proposal, the following words and phrases have the following respective meanings ascribed thereto:
- (a) **"BIA"** has the meaning ascribed thereto in Recital B. hereof;
  - (b) **"BLA"** means *The Builders' Lien Act*, SS 1984-85-86, c B-7.1.
  - (c) **"BLA Creditors"** means (collectively) the Creditors listed at Schedule "A" hereto, each of whom has claims against the BLA Security;
  - (d) **"BLA Security"** shall mean the security posted by Traugott Builders Contractors Inc. in Court of Queen's Bench for Saskatchewan Action Q.B. No. 3332 of 2019, Judicial Centre of Saskatoon, in the amount of \$235,031.08, which BLA Security was posted pursuant to the BLA to secure payment of the lien claim of the Company in the amount of \$188,024.86, plus security for costs (the **"Company Lien Claim"**);
  - (e) **"Claim"** means and includes means any indebtedness, liability, action, cause of action, suit, debt due, account, bond, covenant, contract, counterclaim, demand, claim, right, and obligation of any nature whatsoever of the Company or its Directors, to any Person, whether liquidated, unliquidated, fixed, contingent, matured, legal, equitable, secured, unsecured, present, future, known, or unknown, and whether by guarantee, surety or otherwise, in any way, and whether in whole or in part, incurred or arising or relating to the period prior to or existing on the Claims Eligibility Date, including any claim arising from a breach or termination of any contract or in respect of the costs of remedying any environmental condition or damage affecting real property;
  - (f) **"Claims Eligibility Date"** means the date of the filing by the Company of the Notice of Intention pursuant to section 50.4 of the BIA, being June 26, 2020;
  - (g) **"Claims Bar Date"** means March 31, 2021;
  - (h) **"Company"** has the meaning ascribed thereto in Recital A. hereof;
  - (i) **"Court"** has the meaning ascribed thereto in Recital F. hereof;
  - (j) **"Court Approval Date"** shall mean the date on which the Court approves the Proposal;
  - (k) **"Creditors"** means the Unsecured Creditors, the Secured Creditors and the BLA Creditors of the Company with a Proven Claim against the Company;
  - (l) **"Crown Claims"** means Claims of Her Majesty in Right of Canada or a Province of Canada as described at section 60(1.1) of the BIA that were outstanding on the date of the filing of the Notice of Intention;
  - (m) **"Director"** means any past or present director of the Company;
  - (n) **"Levy"** has the meaning ascribed thereto in Article 7.3(b) hereof;
  - (o) **"Meeting"** has the meaning ascribed thereto in Article 3.1 hereof;

- (p) **"Notice of Intention"** has the meaning ascribed thereto in Recital D. hereof;
- (q) **"Person"** shall be broadly interpreted and shall include, without limitation, an individual, firm, partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, corporation, unincorporated association or organization, syndicate, committee, the government of a country or any political subdivision thereof, or any agency, board, tribunal, commission, bureau, instrumentality or department of such government or political subdivision, or any other entity, howsoever designated or constituted, and the trustees, executors, administrators or other legal representatives of an individual;
- (r) **"Proposal"** has the meaning ascribed thereto in Recital D. hereof;
- (s) **"Proposal Costs"** means the reasonable professional fees and disbursements (plus applicable taxes) of: a) the Trustee; b) counsel to the Trustee, MLT Aikins LLP; and c) counsel to the Company, W Law Group LLP, in regard to all matters pertaining to the Notice of Intention and the Proposal, which fees and disbursements have not otherwise been paid in full and which fees and disbursements the Company intends to pay (to the greatest extent possible) utilizing funds that do not form part of the Proposal Fund;
- (t) **"Proposal Fund"** has the meaning ascribed thereto in Recital G. hereof;
- (u) **"Proposal Implementation Date"** means the date that rights and obligations under the Proposal become effective and is the latest date upon which each of the following events has occurred:
- (i) the approval of the Proposal by the requisite majority in number and two-thirds in value of the Creditors required under Division I of Part III of the BIA has been obtained; and
  - (ii) an Order of the Court approving the Proposal has been obtained and the appeal period from such Order has expired or, if any appeal is taken from such Order, a final Order dismissing such appeal has been obtained;
- (v) **"Proposal Period"** shall mean the 60-month period commencing on the Proposal Implementation Date;
- (w) **"Proven Claim"** means a proven and admitted Claim (as has been or as may be determined by the Trustee, in consultation with the Company) which has not been paid as of the date of the Meeting and, subject to Article 7.2, has been received by the Trustee on or before the Claims Bar Date;
- (x) **"Recitals"** has the meaning ascribed thereto in Recital H. hereof;
- (y) **"Secured Creditors"** means those creditors holding security interests against the assets of the Company as security for a debt due or accruing due to such creditors from the Company;
- (z) **"Trustee"** has the meaning ascribed thereto in Recital E. hereof; and
- (aa) **"Unsecured Creditors"** means those creditors with Claims which are not:
- (i) Claims of Secured Creditors; or
  - (ii) Claims of BLA Creditors.

## ARTICLE 2

### Purpose of the Proposal

- 2.1 The purpose of the Proposal is to enable the Company to continue its business operations as a going concern by retiring and/or compromising in an orderly and fair-minded fashion the debts owed by the Company to its Creditors, in order to permit the Company to avoid bankruptcy (and the costs and professional fees associated with bankruptcy) and to provide the Creditors with the maximum recovery possible in regard to their respective Claims. If the Proposal is approved in accordance with the BIA, the Proposal (as so approved) is binding upon the Company and its Creditors.

## ARTICLE 3

### Meeting

- 3.1 There is to be a meeting of the Creditors to consider and vote upon the Proposal (the “**Meeting**”). The Meeting shall take place at the offices of the Trustee, located at **1411 TD Tower, 10088 – 102 Avenue, Edmonton, Alberta, at 10:00 MST on November 12, 2020.** Creditors may join the meeting by teleconference using the following information:

**Toll-free dial-in number (U.S. and Canada):** 866-261-6767

**Access (Participant) Code:** 2599021

- 3.2 The Proposal will be voted upon at the Meeting by the Creditors in accordance with Division I of Part III of the BIA. Should the Creditors approve the Proposal in accordance with Division I of Part III of the BIA, the Proposal will then be submitted to the Court for approval in accordance with section 58 of the BIA.

## ARTICLE 4

### Implementation of the Proposal

- 4.1 The Proposal will become effective on the Proposal Implementation Date, on which date the Proven Claims of the Creditors will be compromised in accordance with the terms hereof.

## ARTICLE 5

### Voting

- 5.1 In accordance with section 53 of the BIA, only Creditors shall be entitled to vote on the Proposal. For the purposes of voting on the Proposal in accordance with subsection 54(2)(d) of the BIA, the value ascribed to the vote of each Creditor shall be calculated by counting one vote for each dollar comprising the aggregate amount of the Proven Claim held by each such Creditor.

## ARTICLE 6

### Application to Court

- 6.1 Notice is hereby given that, upon approval of the Proposal by the Creditors at the Meeting, an application to the Court for an Order approving the Proposal will be made to the Court at a date and time to be determined (which date and time will be communicated to the Creditors by the Trustee).

## ARTICLE 7

### Classification of Creditors and Claims Bar Date

- 7.1 Pursuant to section 50(1.2) of the BIA, and for the purposes of the Proposal, the Company hereby makes this Proposal to the following three classes of Creditors:
- (a) Unsecured Creditors;
  - (b) Secured Creditors; and
  - (c) BLA Creditors.
- 7.2 Unless otherwise consented to by the Company (with approval of the Trustee), or unless otherwise determined by Court Order, any Claim which is not received by the Trustee on or before the Claims Bar Date shall not be admitted as a Proven Claim and shall be forever barred and extinguished.

### Recovery by Creditors Under the Proposal

- 7.3 Distribution of the Proposal Fund to the Unsecured Creditors and the Secured Creditors by the Trustee during the Proposal Period (in consultation with the Company and the inspectors, if any, appointed pursuant to section 56 of the BIA) shall be made in accordance with the following sequence of events, namely:
- (a) first, the Trustee shall pay forthwith from and out of the Proposal Fund, in priority to claims of all Creditors, any Proposal Costs which remain unpaid as at the date of any distribution by the Trustee to the Unsecured Creditors and the Secured Creditors (as the case may be). It is the intention of the Company to pay all Proposal Costs from sources of funds other than the Proposal Fund. However, in the event that any such Proposal Costs remain unpaid as at the Proposal Implementation Date, then the payments described in this subparagraph shall be made;
  - (b) second, after the payment of any Proposal Costs in the manner described above in subparagraph 7.3(a) hereof, the Trustee shall forthwith pay from and out of the Proposal Fund the levy (if any) payable to the Superintendent of Bankruptcy in respect of the Proposal pursuant to section 147 of the BIA (the "**Levy**");
  - (c) third, after the payment of any Proposal Costs and the Levy in the manner described above in subparagraphs 7.3(a) and 7.3(b) hereof, the Trustee shall pay from and out of the Proposal Fund the following payments, namely:
    - (i) within six months of Court approval of the Proposal, all Crown Claims (if any);
    - (ii) within six months of Court approval of the Proposal, payment to each of the Unsecured Creditors as follows:
      - 1 the value of its Proven Claim or \$1,000.00, whichever is less, provided that such Unsecured Creditor has executed and delivered to the Trustee the Election Form attached hereto as Schedule "B" on or before the Claims Bar Date; or
      - 2 where no such Election Form has been delivered by the Unsecured Creditor to the Trustee on or before the Claims Bar Date, 10% of the value of its Proven Claim; and



- (iii) annual proportional payments to the Secured Creditors (commencing on the date that is one year following the Court Approval Date, and continuing on the next four successive one year anniversary dates of the Court Approval Date during the Proposal Period) in the maximum aggregate amount of 78% of their Proven Claims or \$773,000.00, whichever is less, to be divided equally over the Proposal Period.

7.4 Notwithstanding the distribution scheme set forth in the preceding Article 7.3 hereof, the Company shall be at liberty (in consultation with the Trustee and the inspectors, if any, appointed pursuant to section 56 of the BIA) to prepay any and/or all of the payments contemplated in Article 7.3 hereof prior to the corresponding dates for such payments.

7.5 The following Proposal is made to the BLA Creditors:

- (a) each of the BLA Creditors shall be entitled to assert its respective Claim against the BLA Security free from any claim, opposition or interference by the Company;
- (b) the Company shall irrevocably agree that it will not assert or claim any entitlement under its Company Lien Claim against the BLA Security, with the objective of maximizing the pro-rata amounts available to the BLA Creditors to satisfy their respective Claims; and
- (c) the Company shall agree to assist the BLA Claimants with any reasonable request for documents or information in the possession of the Company that may assist the BLA Claimants to assert their respective Claims against the BLA Security.

## **ARTICLE 8**

### **Satisfaction of Claims and Administration of Proposal**

- 8.1 All payments to Creditors under this Proposal shall be subject to the Proposal Costs and the Levy, and the final amounts received by such Creditors shall be net of such Proposal Costs and the Levy.
- 8.2 Sections 95 to 101 of the BIA (inclusive) shall not apply to this Proposal.
- 8.3 In accordance with section 56 of the BIA, the Creditors may resolve to appoint one or more inspectors to assist the Trustee with the administration of this Proposal.
- 8.4 Upon the Trustee having made the payments prescribed herein and having confirmed that the Company has otherwise performed all of its obligations under the Proposal in accordance with Article 7 hereof, the Trustee shall provide the Company with a Certificate of Full Performance of the Proposal pursuant to section 65.3 of the BIA.
- 8.5 Upon issuance by the Trustee to the Company of a Certificate of Full Performance of the Proposal, the Company and the Directors shall be released from all Claims, and all such Claims shall be forever barred and extinguished.
- 8.6 As required by section 60(2) of the BIA, all monies payable under this Proposal shall be paid by the Company to the Trustee, and such monies shall thereafter be distributed by the Trustee in accordance with the Proposal and the BIA.
- 8.7 The Bowra Group Inc. shall be the Trustee under this Proposal.

***[REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY]***

ARTICLE 9

**Compromise, Satisfaction and Release of Claims Against the Company**

- 9.1 Upon the Trustee issuing to the Company a Certificate of Full Performance, the Company and each and every present and former shareholder, officer, director, employee, auditor, financial advisor, legal counsel and agent of the Company and the Trustee and its legal counsel shall be released and forever discharged from and against any and all Claims, including any and all Claims against Directors, and all such Claims shall be forever barred and extinguished.

DATED at the City of Saskatoon, in the Province of Saskatchewan, this 23<sup>rd</sup> day of October, 2020.

**101100090 SASKATCHEWAN LTD.**

(Seal)

Per: \_\_\_\_\_

Ryan Kolibab, Director



**Schedule "A"**  
**List of BLA Creditors**

1. E.H. Price
2. Excel Refrigeration Ltd.
3. Fortified Construction Inc.
4. Jet Electric 2014 Ltd.
5. RMD Insulation Contracting Ltd.
6. Standard Mechanical Contracting Limited
7. Triple Crown Metals Ltd.

**Schedule "B"**  
**Election Form**

WHEREAS 101100090 SASKATCHEWAN LTD. (the "**Company**") has filed a Proposal pursuant to the provisions of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3 (the "**Proposal**");

AND WHEREAS terms not otherwise defined herein shall have the meanings ascribed to them in the Proposal.

AND WHEREAS \_\_\_\_\_ is an Unsecured Creditor with a Claim against the Company;

AND WHEREAS the Proposal provides that Unsecured Creditors may elect to accept the lesser of the value of their Proven Claim or the sum of \$1,000.00 in full and final satisfaction of their Proven Claim;

NOW THEREFORE in accordance with the terms of the Proposal, the Unsecured Creditor does hereby elect to accept the lesser of the value of its Proven Claim or the sum of \$1,000.00, payable by the Company in accordance with the Proposal in full and final satisfaction of its Proven Claim.

\*\*\*\* NOTE THAT THIS ELECTION FORM, ALONG WITH A FORM 31 PROOF OF CLAIM, MUST BE DELIVERED TO THE TRUSTEE BY EMAIL TO [claims@bowragroup.com](mailto:claims@bowragroup.com) ON OR BEFORE MARCH 31, 2021 \*\*\*\*

DATED this \_\_\_\_ day of \_\_\_\_\_, 202\_\_.

\_\_\_\_\_

Name: \_\_\_\_\_

**Schedule “C”**

to the Proposal to Creditors of 101100090 Saskatchewan Ltd.

Annual Cash Flow Forecast for the period of

November 2020 – October 2025

**101100090 SASKATCHEWAN LTD.  
CASH FLOW FORECAST  
PROPOSAL PERIOD - 60 MONTHS**

	<b>Nov. 1/2020 - Oct. 31/2021</b>	<b>Nov. 1/2021 - Oct. 31/2022</b>	<b>Nov. 1/2022 - Oct. 31/2023</b>	<b>Nov. 1/2023 - Oct. 31/2024</b>	<b>Nov. 1/2024 - Oct. 31/2025</b>	<b>Total 60 Months</b>
<b>Receipts</b>						
Collection of AR	1,890,000	1,930,000	2,070,000	2,180,000	2,330,000	10,400,000
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Misc. income (note 4)	21,600	21,600	21,600	21,600	21,600	108,000
<b>Total Receipts</b>	<b>1,929,600</b>	<b>1,969,600</b>	<b>2,109,600</b>	<b>2,219,600</b>	<b>2,369,600</b>	<b>10,598,000</b>
<b>Disbursements</b>						
Payroll	500,000	600,000	600,000	680,000	720,000	3,100,000
Payroll remittance	50,000	60,000	60,000	68,000	72,000	310,000
Management fees (note 5)	150,000	150,000	150,000	150,000	150,000	750,000
GST remittances	94,500	96,500	103,500	109,000	116,500	520,000
PST remittances	6,600	6,600	6,600	6,600	6,600	33,000
Supplier purchases (note 6)	623,700	636,900	683,100	719,400	768,900	3,432,000
Telephone	14,400	14,400	14,400	14,400	14,400	72,000
Automobile expenses	45,600	45,600	45,600	45,600	45,600	228,000
Project costs (note 7)	21,600	21,600	21,600	21,600	21,600	108,000
Office expense	18,000	18,000	18,000	18,000	18,000	90,000
Rent	60,000	60,000	60,000	60,000	60,000	300,000
Insurance	25,200	25,200	25,200	25,200	25,200	126,000
WCB	18,000	18,000	18,000	18,000	18,000	90,000
Professional fees (note 8)	35,000	25,000	30,000	30,000	30,000	150,000
Leases	18,000	18,000	18,000	4,500	-	58,500
Contingency (note 9)	24,000	24,000	24,000	24,000	24,000	120,000
Payment to proposal fund	231,000	151,000	151,000	151,000	151,000	835,000
<b>Total Disbursements</b>	<b>1,935,600</b>	<b>1,970,800</b>	<b>2,029,000</b>	<b>2,145,300</b>	<b>2,241,800</b>	<b>10,322,500</b>
<b>Cash Flow for the Period</b>	<b>(6,000)</b>	<b>(1,200)</b>	<b>80,600</b>	<b>74,300</b>	<b>127,800</b>	<b>275,500</b>
<b>Opening Cash Balance**</b>	<b>12,255</b>	<b>6,255</b>	<b>5,055</b>	<b>85,655</b>	<b>159,955</b>	<b>12,255</b>
<b>Ending Cash Balance</b>	<b>6,255</b>	<b>5,055</b>	<b>85,655</b>	<b>159,955</b>	<b>287,755</b>	<b>287,755</b>

# **EXHIBIT E**

MINUTES OF THE MEETING OF CREDITORS

NOVEMBER 12, 2020

**IN THE COURT OF QUEEN'S BENCH OF SASKATCHEWAN  
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE PROPOSAL OF  
101100090 SASKATCHEWAN LTD.**

Minutes of the Meeting of the Creditors to consider the Amended Proposal of 101100090 Saskatchewan Ltd. (the "Company"), held via teleconference on Thursday, November 12, 2020 at 10:00AM.

**PRESENT:**

Kristin Gray, Licensed Insolvency Trustee, The Bowra Group Inc. (the "Trustee")

Ryan Kolibab, Director of 101100090 Saskatchewan Ltd.

Mike Russell and Kevin Hoy, The W Law Group, counsel for the Company.

All others as listed in attendance in person or by proxy.

**MEETING:**

Kristin Gray called the meeting to order at 10:12AM and introduced herself, Mike Russel and Kevin Hoy of The W Law Group, counsel to the Company and Ryan Kolibab, director of the Company.

Kristin Gray announced she was acting as Chairman under the authority of 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 Notice of Intention to Make a Proposal;
- Certificate of Filing a Proposal;
- Notice to creditors / Mailing affidavit;
- Trustee's Report on the Proposal; and
- The Amended Proposal.



The Chairman explained that the purpose of the meeting was to confirm the appointment of the Trustee, review the Trustee’s preliminary report, vote on the Amended Proposal of the Company, and appoint Inspectors.

The Trustee explained the only change to the Amended Proposal from the originally filed Proposal was an administrative change to section 7.3 (iii) of the Proposal to provide further clarity to creditors with respect to the distribution being made to secured creditors.

After asking if everyone present was familiar with the Amended Proposal and reviewing the Trustee’s Report to Creditor’s dated October 29, 2020 the Chairman asked if there were any questions about the Proposal or in general. No questions were asked.

The Chairman called for a vote by the creditors.

The result of the vote per class of creditor was as follows:

**Unsecured Creditors**

	Number of Votes	% of Votes	Value of Unsecured Votes	% of Value
<b>For</b> Approval of the Proposal	11	91.67%	345,986.45	86.73%
<b>Against</b> Approval of the Proposal	1	8.33%	52,919.00	13.27%
	<b>12</b>	<b>100%</b>	<b>398,905.45</b>	<b>100%</b>

The number of unsecured creditors voting in favour of the Amended Proposal was 91.67% with votes accounting for 86.73% of claim value.

**Secured Creditors**

	Number of Votes	% of Votes	Value of Unsecured Votes	% of Value
<b>For</b> Approval of the Proposal	2	100%	700,000.00	100%
<b>Against</b> Approval of the Proposal	0	-	-	-
	<b>2</b>	<b>100%</b>	<b>700,000.00</b>	<b>100%</b>

The number of secured creditors voting in favour of the Amended Proposal was 100% with votes accounting for 100% of claim value.

## BLA Creditors

	Number of Votes	% of Votes	Value of Unsecured Votes	% of Value
<b>For</b> Approval of the Proposal	2	100%	24,075.27	100%
<b>Against</b> Approval of the Proposal	0	-	-	-
	<b>2</b>	<b>100%</b>	<b>24,075.27</b>	<b>100%</b>

The number of BLA creditors voting in favour of the Amended Proposal was 100% with votes accounting for 100% of claim value.

The Chairman declared the Amended Proposal ACCEPTED by the creditors.

The Chairman called for nominations for Inspectors to assist with the duties as set out in the Amended Proposal.

The Chairman briefly explained the role and responsibilities of an Inspector.

Greg Donnelly of Specific Consulting Corporation expressed interest in acting as Inspector.

**UPON MOTION IT WAS UNANIMOUSLY RESOLVED THAT:** Greg Donnelly is appointed as Inspector.

**-CARRIED-**

The Chairman called for a vote on a resolution affirming the appointment of The Bowra Group Inc. as Licensed Insolvency Trustee.

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

**-CARRIED-**

The Chairman asked if there were any additional questions.

Q: A creditor asked if BDC, a secured creditor, had proven their claim with the Trustee.

A: The Trustee confirmed BDC had not filed claim with the Trustee as at the start of the meeting.

There being no further business, the meeting was adjourned at 10:40AM.



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Kristin Gray, Chairman, LIT

**ATTENDANCE REGISTER**  
**IN THE MATTER OF THE PROPOSAL OF**  
**101100090 SASKATCHEWAN LTD.**

**HELD VIA TELECONFERENCE**

<b>Date of Meeting:</b>		
November 12, 2020 at 10:00 AM		
<b>Trustee:</b>		
Kristin Gray, Licensed Insolvency Trustee, The Bowra Group Inc., by telephone		
<b>Chair:</b>		
Kristin Gray, Licensed Insolvency Trustee, The Bowra Group Inc., by telephone		
<b>Debtor:</b>		
101100090 Saskatchewan Ltd. – Director: Ryan Kolibab, by telephone		
The W Law Group. – Counsel to the Company, Mike Russel and Kevin Hoy, by telephone		
<b>Name of Creditor</b>	<b>Signature</b>	<b>Claim Amount</b>
Affinity Credit Union Ltd. Proxy: Wayne L. Pederson	By telephone	\$440,910.37
Triple Crown Metals Ltd. Attendee: Justin Mcghee	By telephone	\$21,217.14
Robinson Supply Attendee: Gladys Cassidy	By telephone	\$66,949.60
Rent-It Store Attendee: Gina Dunness	By telephone	\$9,656.53
Specific Consulting Corporation Attendee: Greg Donnelly	By telephone	\$340,000.00

## Proxy Holders

Estate Name: 101100090 SASKATCHEWAN LTD.  
 Estate Number: 23-2654754  
 File Name: 101100090 SASKATCHEWAN LTD.

Creditor Name	Address	POC?	Total Liability			Voting \$ Name	Address	Proxy Holder	
			SOA \$	Filed \$	Voting \$			Telephone	E-mail
Affinity Credit Union 2013	PO Box 1330 SASKATOON SK S7K 3P4	Yes	433,829.41	440,910.37	80,910.37	Wayne L. Pederson		( ) -- --	
CRA - Canada Revenue Agency	c/o Pacific Insolvency Intake Centre - Surrey National Verification and Collection Centre 9755 King George Boulevard Surrey BC V3T 5E1	Yes	52,777.00	52,919.20	52,919.20	Debbie Mitchell of CRA		( ) -- --	
Standard Mechanical Contracting Limited	3055 Universal Drive Mississauga ON M4X 2E2	Yes	115,500.00	115,500.00	115,500.00	Jim McAughey		( ) -- --	

**IN THE COURT OF QUEEN'S BENCH OF SASKATCHEWAN  
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE PROPOSAL OF  
101100090 SASKATCHEWAN LTD.**

**TRUSTEE'S REPORT TO CREDITORS**

**OCTOBER 29, 2020**

**1. PURPOSE**

On June 26, 2020, 101100090 Saskatchewan Ltd. o/a Kolibab Mechanical (the **"Company"** or **"Kolibab"**) filed a Notice of Intention to file a Proposal (the **"NOI"**). By Order of the Court of Queen's Bench of Saskatchewan the Company obtained an extension of the time to file a proposal to September 9, 2020. A second extension Order was granted on September 9, 2020 further extending the say of proceedings to October 24, 2020. A proposal to creditors (the **"Proposal"**) was filed on October 23, 2020. The Bowra Group Inc. has consented to act as Licensed Insolvency Trustee (the **"Trustee"**).

The purpose of this report is to provide the creditors the following:

- a) Background and financial situation of the Company;
- b) Summary of the Proposal;
- c) Summary of the assets and liabilities;
- d) Estimate of the realization under a bankruptcy and the Proposal; and,
- e) Trustee's recommendation to accept the Proposal.

**2. BACKGROUND AND FINANCIAL SITUATION**

**Company Background**

Kolibab provides plumbing, heating and mechanical services out of Saskatoon, Saskatchewan. The Company's sole director is Mr. Ryan Kolibab and the company currently employees approximately 36 people. The Company was incorporated on April 18, 2007 pursuant to the laws

of Saskatchewan and has its head office located in Saskatoon, Saskatchewan. The Company's assets include accounts receivable, inventory, and small machinery.

### **Financial Situation**

The Company ran into financial difficulty in 2016 as a result of project cost overruns, poor margins on supplies and labour and a general economic downturn in the construction industry. In response the Company attempted to right size, reduce employees and cut costs. Admist the foregoing challenges, in 2019 the Company was awarded a large project which ultimately resulted in significant losses and cash flow strain due to the unwillingness of the general contractor to pay for certain invoices after the project was completed. This large bad debt coupled with the downturn in the Saskatchewan construction industry and the COVID-19 shutdown resulted in the Company filing a NOI on June 26, 2020.

### **3. SUMMARY OF PROPOSAL**

The purpose of the Proposal is to restructure the financial affairs of Kolibab in order to provide its creditors the best available opportunity to recover the funds owed to them and allow the Company to continue operating. The Proposal contemplates the following:

- a) The proposal fund (the "**Proposal Fund**") will be funded by payments made to the Trustee from the Company, with the first payment being made to creditors within 6 months of Court approval of the Proposal ("**Court Approval Date**"). Subsequent payments will be made annually thereafter on the Court Approval Date;
- b) Use of the Proposal Fund for payment of the following:
  - i. Reasonable professional fees and disbursements of the Trustee and the legal counsel, if any;
  - ii. The levy payable to the Superintendent of Bankruptcy;
  - iii. Distribution to Canada Revenue Agency ("**CRA**") for all Crown Priority Claims that were outstanding as at the filing date, if any; and,
  - iv. Distribution to the proven unsecured creditors:
    - i. Any holder of an unsecured claim may choose a cash election, whereby their unsecured claim will be settled in full, by payment of the lesser of their valued claim or the sum of \$1,000 (the "**Cash Election**"). The Cash

- Election payments will be made from the first payment made by the Company to the Proposal Fund. The Trustee shall disburse the Cash Election payments within six months of the Court Approval Date;
- ii. Any unsecured creditor who does not opt for the Cash Election shall receive payment of 10% of their valued claim in full and final satisfaction of their claim. These payments will also be made from the first payment from the Company to the Proposal Fund. The Trustee shall disburse the payments within six months of the Court Approval Date;
  - v. Secured creditors will receive annual payments to the aggregate total of \$773,000 to be divided equally among the periods of the Proposal. Payments will commence one year after the Court Approval Date and will continue thereafter over the Proposal period (60 months).

**Creditors must file a valid Proof of Claim and if applicable, an Election Form, with the Trustee by March 31, 2021.**

Notwithstanding the distribution scheme set out above, the Company shall be at liberty to pay any and/or all payments contemplated in the Proposal prior to the corresponding dates for such payments, with the permission of the Trustee and inspectors, if any, appointed pursuant to section 56 of the BIA.

### **BLA Creditors**

Kolibab has a claim against Traugott Building Contractors Ltd. ("**Traugott**") in relation to Cineplex Inc.'s ("**Cineplex**") project concerning the construction of a new multiplex theatre at Centre Mall in Saskatoon, Saskatchewan. Kolibab was one of Traugott's subcontractors. The project reached substantial completion in or around November 2019. Kolibab registered a claim of lien in the amount of \$188,025 against the title to the improved property in early-December 2019 (the "**Lien Claim**"). Traugott posted a bond of \$235,031 of the lien's value in Court in late December 2019. (the "**BLA Security**")

A portion of the Lien Claim is owed by Kolibab to its own subcontractors, these creditors, whose debt solely relates to work done on the Cineplex project (the "**BLA Creditors**") have been classified separately for purposes of the Proposal.



The Proposal being made to the BLA Creditors is as follows:

- Each of the BLA Creditors shall be entitled to assert its respective claim against the BLA Security free from any claim, opposition or interference by the Company;
- The Company will not claim any entitlement under its Company Lien Claim against the BLA Security to maximize the pro-rata amounts available to the BLA Creditors; and,
- The Company shall assist the BLA Creditors with any reasonable request for documents or information in the possession of the Company that may assist the BLA Creditors to assert their respective claims against the BLA Security.

### Cash Flow

The Company has prepared a yearly cash flow forecast for the Proposal period from November 2020 to October 2025. The cash flows are attached as **Appendix A** and summarized in Table 1 below. The 60-month cash flow is also appended to the Proposal as "Schedule C".

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	000's	000's	000's	000's	000's	
Sales	1,930	1,970	2,110	2,220	2,370	10,600
Cost of Sales	624	637	683	719	769	3,432
%	32%	32%	32%	32%	32%	32%
Operating Expenses	1,312	1,334	1,346	1,426	1,473	6,891
<b>Cash Flow</b>	- 6	- 1	81	75	128	277

Management has indicated their cash flow numbers are conservative compared to prior years to account for the current economic times, the impact of COVID-19, an increase in minimum wage and an increase in the cost of supplies.

The Trustee has reviewed the Company's cash flow projections and believes the projections are reasonable and achievable based on prior year financial performance and discussions with management. The Trustee believes the Company will be able to make the payments contemplated in the Proposal.

#### 4. CREDITOR'S CLAIMS

##### Secured Creditors

Table 2 provides a listing of secured claims as provided by the Company totaling approximately \$976,849 that would rank in priority to the unsecured creditors:

Creditor	Assets Secured	Table 2 Estimated Claim (\$000's)
Affinity Credit Union 2013	General Security Agreement - all present and after-acquired property	434
Business Development Bank of Canada	General Security Agreement - all present and after-acquired property	276
Specific Consulting Corp.	General Security Agreement - all present and after-acquired property	250
Kubota Canada Ltd.	Specific Serial Numbered Equipment	11
Polaris Leasing Ltd.	Specific Serial Numbered Equipment	6

The Secured Creditors are to be paid in accordance with the Proposal outlined on page three of this report. The Proposal is not being made to Leasing Creditors. Leasing creditors will continue to be paid in accordance with the terms of their respective agreements.

##### Preferred Creditors

The Company is not aware of any indebtedness to preferred creditors.

##### Deemed Trust / Crown Claims

The Company does not owe any arrears with respect to payroll source deductions to Canada Revenue Agency. Post filing obligations for payroll source deductions and GST are being paid in the normal course.

## Unsecured Creditors

The Company has identified 49 unsecured creditors. The balance identified to date of unsecured creditors participating in the Proposal totals approximately \$731,738 based on the Company's records. The major unsecured creditors are:

<b>Creditor</b>	<b>Table 3 Estimated Claim (\$000's)</b>
Aquifer Distribution Ltd.	151
Robinson Supply	70
Sinclair Supply Ltd.	62
Canada Revenue Agency	53

The amount owing to Canada Revenue Agency relates to pre-filing GST and prior year corporate taxes.

The unsecured creditors are to be paid in accordance with the terms of the Proposal outlined on page two and three of this report.

## 5. IDENTIFICATION AND VALUATION OF ASSETS

Table 4 identifies the book value of the Company's assets and the estimated gross realizable value in a bankruptcy as of the date of filing of the Proposal:

Table 4

	Book Value as of Oct 23, 2020	Estimated Realization
	(000's)	
Cash on hand at October 23, 2020	12	12
Accounts Receivable	399	119
Inventory	179	89
Equipment	261	130
Furniture	20	10
	<b>871</b>	<b>360</b>

The estimated gross values are before payment of any post filing obligations, selling costs, professional fees and costs associated with administration of the estate.

Cash on hand represents the Company's bank account balance as at the date of filing the Proposal.

Receivables represent outstanding amounts owing to the Company based on the books and records. In a bankruptcy we estimate approximately \$119,000 would be collectible. We estimate any receivables aged greater than 30 days would be difficult to collect in a bankruptcy.

Inventory represents miscellaneous supplies and parts, we estimate the realizable value in a liquidation would be approximately \$89,400.

Equipment consists of trailers, vehicles, shipping containers, and tools. Given the condition and age of the equipment and tools, we estimate the recovery under a bankruptcy would be approximately \$130,263.

Furniture consists of miscellaneous office furniture and supplies we estimate the recovery under a bankruptcy would be approximately \$9,950.

## 6. STATEMENT OF ESTIMATED REALIZATION

Table 5 compares the estimated recovery to creditors under a bankruptcy and the Proposal.

	Bankruptcy	Proposal
	\$000's	
<b>Assets</b>		
Cash	12	-
Accounts Receivable	57	-
Inventory	89	-
Equipment and furniture	130	-
Furniture	10	-
Proposal fund	-	850
<b>Total net proceeds</b>	<b>298</b>	<b>850</b>
<b>Recovery costs</b>		
Recovery costs	44.70	-
Professional fees/Admin fees	50	-
Repayment of DIP financing	150	-
<b>Total costs</b>	<b>245</b>	<b>-</b>
<b>Net funds available for distribution</b>	<b>53</b>	<b>850</b>
Total secured creditors	977	977
Total unsecured creditors	731	731
<b>Estimated recovery per \$1 to unsecured creditors</b>	<b>-</b>	<b>0.10 - 1.00</b>

Based on our review of the Company's current assets and liabilities and our discussions with the Company's management, in the event of a bankruptcy, it is our view that the liquidation of the Company's assets would provide the unsecured creditors a recovery of \$nil. All assets are subject to the security held by the secured creditors.

In accordance with the Proposal, we estimate there to be approximately \$77,000 available from the Proposal Fund for distribution to the unsecured creditors and \$773,000 available for distribution to secured creditors. The Proposal Fund will vary depending on claims filed with the Trustee. The amount of recovery for each claim will vary depending on the amount of the claim and option chosen under the Proposal;

- Unsecured creditors who opt for the Cash Election that are owed less than \$1,000 would be paid in full;
- Unsecured creditors who opt for the Cash Election and are owed between \$1,000 and \$10,000 could receive between \$0.10 and \$0.99 per dollar of unsecured claim;
- Unsecured creditors who do not opt for the Cash Election and are owed more than \$10,000 would receive \$0.10 per dollar of unsecured claim; and,
- Secured creditors will receive approximately \$0.80 per dollar of secured claim.

## 7. CONDUCT OF THE DEBTOR

We have reviewed financial information and bank statements of the Company for the period of January 1, 2020 to June 30, 2020. We are not aware of the Company being party to any reviewable transactions or fraudulent preferences as set out in the BIA.

## 8. LEGAL ACTIONS

We understand that Kolibab is party to the following legal actions:

- i. Actions against Kolibab
  - a) Kolibab is a defendant in an action brought by The Rent-It-Store Ltd. ("**Rent-It-Store**") for non-payment of rental invoices in the amount of \$9,656.53. Rent-It-Store improperly filed their action against the incorrect corporate name, Kolibab Mechanical, resulting in an improper filing of the action. The matter is set for Small Claims Chambers in Saskatchewan on November 5, 2020, where the Company's legal counsel will be requesting the action be adjourned sine die in light of the stay of proceedings.
  - b) Kolibab is defendant in an action launched by Traugott to remove liens placed by Kolibab against specific parcels of land in Saskatoon, as previously discussed in

this report. An Order was granted by the Court of Queen's Bench of Saskatchewan removing the Kolibab liens upon posting of \$235,031 by Traugott to the Court as security for the monies allegedly owing to Kolibab. This money has been paid to the Court where it remains to this point. The availability of these funds is expressly addressed in reference to the "BLA Creditors" in the Proposal to creditors.

ii. Actions brought about by Kolibab

- a. Kolibab is the applicant in an action against Prairie Cedar Homes Inc., Western Cedar Homes Inc., Douglas Wayne Pocha, Barbara Lynne Pocha, Gary Provencher, Christine Ryan and Kaizen Consulting Inc. relating to unpaid amounts for services rendered by Kolibab in the amount of \$33,778.13.
- b. Kolibab is the applicant in an action against Western Cedar Homes Inc. relating to unpaid amounts for services rendered by Kolibab in the amount of \$28,231.90.
- c. As mentioned previously in this report, Kolibab has a Lien Claim against Traugott for non-payment of services rendered in the Cineplex project in the amount of \$188,025.

## 9. CONFLICT OF INTEREST

The Trustee is not aware of any conflict of interest.

## 10. RENUMERATION OF THE TRUSTEE

The Trustee has received an initial retainer from the Company in the amount of \$30,000 for payment of Trustee fees and fees of the Trustee's legal counsel. The Trustee estimates total fees and disbursements, including those of its legal counsel, to be approximately \$30,000 - \$45,000.

## 11. CONCLUSION

The Proposal offers all creditors a greater recovery than they would otherwise receive in a bankruptcy. Consequently, the Trustee recommends acceptance of the Proposal.



**THE BOWRA GROUP INC.**

Licensed Insolvency Trustee under the Proposal of 101100090 Saskatchewan Ltd.



# **APPENDIX A**

Forecasted Cashflows included in the  
Proposal

	Nov. 1/2020 - Oct. 31/2021	Nov. 1/2021 - Oct. 31/2022	Nov. 1/2022 - Oct. 31/2023	Nov. 1/2023 - Oct. 31/2024	Nov. 1/2024 - Oct. 31/2025	Total 60 Months
<b>Receipts</b>						
Collection of AR	1,890,000	1,930,000	2,070,000	2,180,000	2,330,000	10,400,000
Collection of holdbacks	18,000	18,000	18,000	18,000	18,000	90,000
Misc. income (note 4)	21,600	21,600	21,600	21,600	21,600	108,000
<b>Total Receipts</b>	<b>1,929,600</b>	<b>1,969,600</b>	<b>2,109,600</b>	<b>2,219,600</b>	<b>2,369,600</b>	<b>10,598,000</b>
<b>Disbursements</b>						
Payroll	500,000	600,000	600,000	680,000	720,000	3,100,000
Payroll remittance	50,000	60,000	60,000	68,000	72,000	310,000
Management fees (note 5)	150,000	150,000	150,000	150,000	150,000	750,000
GST remittances	94,500	96,500	103,500	109,000	116,500	520,000
PST remittances	6,600	6,600	6,600	6,600	6,600	33,000
Supplier purchases (note 6)	623,700	636,900	683,100	719,400	768,900	3,432,000
Telephone	14,400	14,400	14,400	14,400	14,400	72,000
Automobile expenses	45,600	45,600	45,600	45,600	45,600	228,000
Project costs (note 7)	21,600	21,600	21,600	21,600	21,600	108,000
Office expense	18,000	18,000	18,000	18,000	18,000	90,000
Rent	60,000	60,000	60,000	60,000	60,000	300,000
Insurance	25,200	25,200	25,200	25,200	25,200	126,000
WCB	18,000	18,000	18,000	18,000	18,000	90,000
Professional fees (note 8)	35,000	25,000	30,000	30,000	30,000	150,000
Leases	18,000	18,000	18,000	4,500	-	58,500
Contingency (note 9)	24,000	24,000	24,000	24,000	24,000	120,000
Payment to proposal fund	231,000	151,000	151,000	151,000	151,000	835,000
<b>Total Disbursements</b>	<b>1,935,600</b>	<b>1,970,800</b>	<b>2,029,000</b>	<b>2,145,300</b>	<b>2,241,800</b>	<b>10,322,500</b>
<b>Cash Flow for the Period</b>	<b>(6,000)</b>	<b>(1,200)</b>	<b>80,600</b>	<b>74,300</b>	<b>127,800</b>	<b>275,500</b>
<b>Opening Cash Balance**</b>	<b>12,255</b>	<b>6,255</b>	<b>5,055</b>	<b>85,655</b>	<b>159,955</b>	<b>12,255</b>
<b>Ending Cash Balance</b>	<b>6,255</b>	<b>5,055</b>	<b>85,655</b>	<b>159,955</b>	<b>287,755</b>	<b>287,755</b>