

District of: British Columbia
Division No. 03 – Vancouver
Court No. B210455
Estate No. 11-2772140

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

In the matter of the proposal of
Legendary Developments (South Surrey) Ltd.
of the City of Surrey, in the Province of British Columbia

Take notice that Legendary Developments (South Surrey) Ltd. of the City of Surrey in the Province of British Columbia 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 20th day of January 2022 at 2:00 PM.

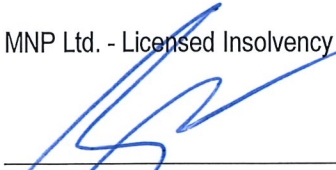
**The meeting will be convened solely via teleconference.
To attend the meeting please call the number below at the appointed time:
1 (877) 252-9279 (conference ID: 994 078 66#).**

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.

Please see the attached correspondence in relation to meeting details, requirements prior to the meeting, and conduct at the meeting.

Dated at the City of Vancouver in the Province of British Columbia, this 7th day of January 2022.

MNP Ltd. - Licensed Insolvency Trustee



Suite 1600, MNP Tower, 1021 West Hastings Street
Vancouver BC V6E 0C3
Phone: (778)372-5384 Fax: (604) 904-8628
vancouverpbmail@mnp.ca



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of British Columbia
Division No. 03 - Vancouver
Court No. 11-2772140
Estate No. 11-2772140

In the Matter of the Proposal of:

Legendary Developments (South Surrey) Ltd.

Debtor

MNP LTD / MNP LTÉE

Licensed Insolvency Trustee

Date of Proposal:	January 04, 2022	
Date of Bankruptcy:	October 06, 2021, 07:35	Security: \$
Meeting of Creditors:	January 20, 2022, 14:00 Via Teleconference (877) 252-9279, 994 07 866#, British Columbia Canada,	
Chair:	Trustee	

CERTIFICATE OF FILING OF A PROPOSAL BY A BANKRUPT

-- AMENDED --

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

- the aforementioned debtor was declared bankrupt and is presently undischarged;
- a proposal in respect of the debtor was subsequently filed under the provisions of the *Bankruptcy and Insolvency Act*.

The aforementioned trustee is required:

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

Date: January 06, 2022, 17:08

E-File/Dépôt Electronique

Official Receiver

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

Canada

January 7, 2022

To: Creditors of Legendary Developments (South Surrey) Ltd. (“Legendary”)

Re: First Meeting of Creditors

A Proposal to the Legendary creditors was filed pursuant to the provisions of the *Bankruptcy and Insolvency Act* on January 4, 2022 (the “**Proposal**”), and the First Meeting of Creditors (“**FMOC**”) to consider and vote on the Proposal will be held on January 20, 2022 at 2:00 pm Pacific Time.

In order to be entitled to vote at the meeting you must file a proof of claim with the Trustee prior to the date and time of the FMOC, and the Trustee must have accepted your claim for voting purposes. **If you filed an accepted proof of claim with the Trustee in respect of Legendary’s bankruptcy proceedings, you are not required to file a second proof of claim.**

In order to practice and maintain social distancing guidelines which are currently recommended during the COVID-19 pandemic, **the FMOC will be convened only by teleconference.**

It is not mandatory to attend the FMOC. You can participate in the voting on the Proposal by:

- 1) Attending the FMOC by teleconference as described below;
- 2) Completing the attached Proxy Document and appointing another person as your proxy to vote on the Proposal. For ALL creditors claims from companies, the Proxy Document must be completed to provide a person the right to vote the corporate claim; or
- 3) Completing and filing with the Trustee the attached Voting Letter (and Proxy Document for corporate creditors). Voting Letters filed with the Trustee will be counted at the FMOC assuming that the corresponding creditor’s proof of claim form is filed and admitted by the Trustee prior to the FMOC.

We encourage creditors to file all forms with the Trustee’s office electronically at the following email address: vancouverpbmail@mnt.ca

Please review the following procedures with respect to the FMOC:

Meeting Details

1. Date: January 20, 2022
2. Time: 2:00 pm Pacific Time
3. Call in Details: 1(877) 252-9279
4. Conference ID: 994 078 66#

Requirements Prior to FMOC

1. This Notice of Proposal to Creditors includes a proof of claim form, form of proxy and a voting letter. In order to be entitled to vote at the meeting you must file a proof of claim with the Trustee prior to the date and time of the FMOC, and the Trustee must have accepted your claim for voting purposes. **If you filed an accepted proof of claim with the Trustee in respect of Legendary’s bankruptcy proceedings, you are not required to file a second proof of claim.**

2. The cut-off time for filing a proof of claim form, proxy, and voting letter with the Trustee is 11:00 am Pacific Time on the date of the FMOC to permit a reasonable review by the Trustee.
3. The Trustee will use its best efforts to review and register late filed proof of claims forms, proxies, and voting letters for the FMOC.

Registration

1. The Trustee will open the conference line 15 minutes in advance of the appointed meeting time. We encourage creditors to call in earlier than the appointed time to permit registration and attendance to be completed and to avoid a delay in proceeding with the FMOC.
2. Callers will be acknowledged on a “first come first served” basis and registration will include the following:
 - a) Please identify yourself by the creditor number beside your creditor name listed in the Form 78 Statement of Affairs which is attached;
 - b) Identify any additional individuals attending with you and their capacity in attending;
 - c) Confirmation of claim amount;
 - d) Confirmation of whether vote will be by way of voting letter already lodged with the Trustee or by voice at the FMOC;
 - e) Confirmation of any proxies that you may hold for other creditors; and
 - f) Whether you want your name to stand as a potential Inspector to the estate when a vote is taken during the FMOC to appoint Inspectors (details of this role will be provided during the FMOC).

Procedure at the FMOC

1. Please have your phone on mute unless you are speaking to prevent background noise that will interfere with properly conducting the FMOC.
2. The Proposal Trustee will act as Chair of the FMOC.
3. The Chair will call the FMOC to order and may need to immediately adjourn the meeting for a period of time to allow the registration process to be completed.
4. The Chair will reconvene the FMOC as soon as possible and resume with the agenda set for the FMOC.

If you have any questions, please contact Seamus Boyle directly at (778) 372-5384 or at Seamus.Boyle@mnp.ca

MNP Ltd.

In its capacity as Licensed Insolvency Trustee
In the Proposal Proceedings of
Legendary Developments (South Surrey) Ltd.
and not in its personal capacity



Per: Greg Ibbott, CIRP, LIT, CPA, CA
Senior Vice President

No. 11-2772140
Vancouver Registry
Estate No. 11-2772140
Province of British Columbia
Bankruptcy Division

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY
IN THE MATTER OF THE PROPOSAL OF
LEGENDARY DEVELOPMENTS (SOUTH SURREY) LTD
PROPOSAL TO CREDITORS
January 4, 2022

ARTICLE 1
DEFINITIONS

In this Proposal, capitalized terms will have the meanings set out in the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended, save and except for the terms and definitions set out below:

- (a) “**Act**” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
- (b) “**Business Day**” means any day, other than a Saturday, a Sunday, or a statutory holiday in British Columbia;
- (c) “**Canada Pension Plan**” means the *Canada Pension Plan*, R.S.C. 1985, c. C-8, as amended;
- (d) “**Claim**” means any right or claim of any Person in the bankruptcy of the Debtor in connection with any indebtedness, liability or obligation or any kind whatsoever of the Debtor owed to such Person and any interest accrued thereon or costs, fees or other amounts in respect thereof, whether reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any claim in the bankruptcy of the Debtor arising from or caused by the repudiation by the Debtor of any contract, lease or other agreement, whether written or oral, the commission of a tort (intentional or unintentional), any breach of duty (legal, statutory, equitable, fiduciary or otherwise), any right of ownership or title to property, employment, contract, a trust or deemed trust, howsoever created, any claim in the bankruptcy of the Debtor through any affiliate, or any right or ability of any Person to advance a claim in the bankruptcy of the Debtor for contribution or indemnity or otherwise with respect to any grievance, matter, action, cause or chose in action, whether existing at present or commenced in the future, in each case based in whole or in part on facts which existed on the Date of Bankruptcy or which would, if unsecured, constitute a claim provable in the bankruptcy of the Debtor within the meaning of the Act. For

greater certainty, Claims include any Claim of a Creditor that holds security against the assets of the Debtor;

- (e) "**Claims Bar Date**" has the meaning given to it in paragraph 5.1;
- (f) "**Court**" means the Supreme Court of British Columbia in Bankruptcy and Insolvency and will have such extended meaning as is set out in section 2 of the Act;
- (g) "**Court Approval Date**" means the date on which the Court approves this Proposal;
- (h) "**Creditor**" means any Person having a Claim and may, if the context requires, mean a trustee, receiver, receiver-manager or other Person acting on behalf or in the name of such Person;
- (i) "**Creditors' Meeting**" means the meeting of the Creditors as outlined in Article 6;
- (j) "**Date of Bankruptcy**" means October 6, 2021;
- (k) "**Debtor**" means Legendary Developments (South Surrey) Ltd.;
- (l) "**Director**" means any person who is, has previously been, or in future may be a director of the Debtor;
- (m) "**Disputed Claim**" means any Claim which has been received by the Proposal Trustee in accordance with the terms of this Proposal and the Act but has not been accepted as proven or which is being disputed in whole or in part by the Debtor, the Proposal Trustee or any other person entitled to do so and has not been resolved by agreement or by order of the Court.
- (n) "**Effective Date**" means the date on which all conditions precedent to this Proposal have been satisfied or waived (as applicable);
- (o) "**Employees**" means natural persons employed by the Debtor at or prior to the date of this Proposal.
- (p) "**Employment Insurance Act**" means the *Employment Insurance Act*, S.C. 1996, c. 23;
- (q) "**Income Tax Act**" means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp), as amended;
- (r) "**Notice of Final Dividend**" means the notice made pursuant to section 149 of the Act to be sent by the Proposal Trustee to all known Persons having a Claim that have not yet filed a Proof of Claim with the Trustee or the Proposal Trustee, advising such Creditors that if their Claims are not proven within a period of 30 days after the sending of the notice, the Proposal Trustee will proceed to declare a dividend or final dividend without regard to that Creditor's Claim;

- (s) “**Officer**” means any person who is, has previously been, or in future may be an officer of the Debtor;
- (t) “**Person**” means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government, or any agency or instrumentality thereof, or any other entity howsoever designated or constituted;
- (u) “**Preferred Creditors**” means Creditors with Proven Claims which are required by the Act to be paid in priority to all other Claims under a proposal by a debtor (but only in respect of and to the extent of such Proven Claims) and including, without limitation:
 - (i) Employees and former Employees of the Debtor, not to include independent commissioned sales agents or contractors, for amounts equal to the amounts that they would be qualified to receive under paragraph 136(1)(d) of the Act on the Date of Bankruptcy, as well as wages, salaries, commissions or compensation for services rendered after that date and before the Court approval of the Proposal, together with, in the case of travelling salespersons, disbursements properly incurred by those salespersons in and about the Debtor’s businesses during the same period;
 - (ii) Her Majesty in Right of Canada or a Province for all amounts that were outstanding at the Date of Bankruptcy and are of a kind that could be subject to a demand under,
 - (A) Subsection 224(1.2) of the *Income Tax Act*;
 - (B) any provision of the Canada Pension Plan or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the *Income Tax Act* and provides for collection of a contribution, as defined in the Canada Pension Plan, or an employee’s premium, or employer’s premium, as defined in the *Employment Insurance Act*, and of any related interest, penalties or other amounts; or
 - (C) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:
 - (I) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act*; or
 - (II) is of the same nature as a contribution under the Canada Pension Plan if the province is a “province providing a comprehensive pension plan” as defined in subsection 3(1) of the Canada Pension Plan and the provincial legislation

establishes a "provincial pension plan" as defined in that subsection;

- (v) **"Proof of Claim"** means a proof of claim or proof of security, as applicable, required by the Act to be mailed to each known Creditor prior to the Creditors' Meeting and, for greater certainty, includes all Proofs of Claim filed by creditors in connection with the bankruptcy of the Debtor;
- (w) **"Proposal"** means this Proposal dated January 4, 2022 made pursuant to the Act, as amended or supplemented from time to time;
- (x) **"Proposal Approval Order"** means the order of the Court approving this Proposal, in form and substance satisfactory to the Debtor;
- (y) **"Proposal Fund"** means the sum of \$700,000 to be advanced by the Proposal Sponsor to the Proposal Trustee in accordance with paragraph 3.1;
- (z) **"Proposal Sponsor"** means Essence Properties Inc.;
- (aa) **"Proposal Trustee"** means MNP Ltd, in its capacity as the proposal trustee of the Debtor.
- (bb) **"Proven Claim"** means the amount of the Claim of any Creditor finally determined in accordance with the provisions of the Act;
- (cc) **"Proven Creditor"** means a Creditor with a Proven Claim;
- (dd) **"Superintendent's Levy"** means the levy exigible on certain amounts distributed by the Proposal Trustee under this Proposal in accordance with section 147 of the Act; and
- (ee) **"Trustee"** means MNP Ltd. In its capacity as licensed insolvency trustee of the estate of the Debtor, or any successor.

1.2 Articles of Reference

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

1.3 Interpretation Not Affected by Headings

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

1.4 Date for Any Action

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

1.5 Time

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

1.6 Numbers

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

1.7 Currency

Unless otherwise stated herein, all references to currency in this Proposal are to the lawful money of Canada ("CAD").

Any Claim in a foreign currency will be converted to CAD at the daily exchange rate published by the Bank of Canada on the Date of Bankruptcy.

1.8 Statutory References

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

1.9 Successor and Assigns

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

ARTICLE 2 GENERAL INTENT

2.1 Purpose of Proposal

The purpose of this Proposal is to obtain the funds from the Proposal Sponsor to settle and compromise the Claims on a fair and equitable basis in accordance with the Act, and to achieve a recovery superior to what Creditors would otherwise attain. Once this Proposal has been fully performed, the bankruptcy of the Debtor will be annulled.

As the Debtor has no assets, all Claims are treated as unsecured notwithstanding certain Creditors may hold security over the assets of the Debtor.

2.2 Overview of Proposal

This Proposal provides for the compromise of the Claims of the Creditors. The Creditors will receive a *pro rata* distribution from the Proposal Fund as set out herein. In order to effect this Proposal, the Debtor has reached an agreement with the Proposal Sponsor for the Proposal Sponsor to advance the Proposal Fund to the Proposal Trustee. Once this Proposal has been fully performed, the bankruptcy of the Debtor will be annulled.

2.3 Persons Affected

This Proposal will, as of the Effective Date, be binding on the Debtor and on all Creditors, including the Crown, to whom this Proposal is made.

ARTICLE 3 THE PROPOSAL FUND

3.1 Proposal Fund

The Proposal Sponsor has agreed to advance the Proposal Fund as a loan to the Debtor to be secured by, *inter alia*, a general security agreement and a pledge of the shares in the Debtor by the shareholder of the Debtor. The Proposal Trustee will establish a segregated, non-interest bearing trust account to hold the Proposal Fund. All amounts comprising the Proposal Fund will be delivered to the Proposal Trustee, and will be held by the Proposal Trustee, in trust, pending distribution to Creditors.

ARTICLE 4 CLASSIFICATION AND TREATMENT OF CREDITORS

4.1 Classes of Creditors

For the purposes of voting on the Proposal, the Creditors will be composed of one class of Creditors, being those with Claims. All Claims will be treated as unsecured notwithstanding a Creditor may hold security over the assets of the Debtor.

4.2 Fees of the Proposal Trustee

The fees and disbursements of the Proposal Trustee in the preparation and administration of this Proposal including any legal fees (the "**Proposal Trustee's Fees**") will be paid from the Proposal Fund in full in priority to all other Proven Claims, including the Proven Claims of the Preferred Creditors. The Proposal Trustee may take advances of the Proposal Trustee's Fees, subject to final taxation by the Court.

4.3 Preferred Creditors

The Proven Claims of the Preferred Creditors are to be paid by the Proposal Trustee from the Proposal Fund in full in priority to all other Proven Claims except the Proposal Trustee's Fees in accordance with the scheme of distribution set forth in the Act.

4.4 Treatment of Creditors

Each Creditor will receive a distribution equal to their *pro rata* share of the Proposal Fund based on their Proven Claim, after distribution in accordance with paragraph 7.1.

ARTICLE 5 PROCEDURE FOR VALIDATION OF CLAIMS

5.1 Filing of Proofs of Claim

In order to vote on, or to receive a distribution under, this Proposal, each Creditor must file a Proof of Claim in accordance with the Act and as instructed in the Proposal Trustee's mailing to the Creditors with respect to this Proposal.

To be eligible to receive a distribution in accordance with Article 9, Creditors must have filed a Proof of Claim such that it is actually received by the Proposal Trustee in accordance with the Act and by no later than the date that is thirty (30) days from the date on which the Proposal Trustee delivers the Notice of Final Dividend (the "**Claims Bar Date**").

Creditors that fail to file their Proof of Claim with the Proposal Trustee before 5:00 p.m. on the Claims Bar Date will not be eligible for participation in the proposed distribution under this Proposal and their Claims will be forever barred as against the Debtor.

5.2 Valuing Claims

Upon receipt of a completed Proof of Claim, the Proposal Trustee will examine the Proof of Claim and will deal with each claim in accordance with the provisions of the Act. The procedure for valuing Claims and resolving disputes with respect to such Claims will be as set forth in the Act and in this Proposal. The Debtor and the Proposal Trustee reserve the right to seek the assistance of the Court in:

- (a) valuing a Claim, if required, to ascertain the result of any vote on this Proposal or the amount payable or to be distributed to such Creditor under this Proposal; and
- (b) resolving any Disputed Claim.

5.3 Set Off

The law of set-off will be applied to all Claims.

ARTICLE 6 CREDITORS' MEETING

6.1 Creditors' Meeting

The Proposal Trustee will hold the Creditors' Meeting in order for the Creditors to consider and vote upon this Proposal.

6.2 Time and Place of Creditors' Meeting

Unless otherwise ordered by the Court, the Creditors' Meeting will be held at a time and place to be established by the Official Receiver, or the nominee thereof, and confirmed in the Proposal Trustee's notice of meeting to be mailed pursuant to the Act.

6.3 Conduct of Creditors' Meeting

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

6.4 Adjournment of Creditors' Meeting

The Creditors' Meeting may be adjourned in accordance with section 52 of the Act.

6.5 Voting by Creditors

To the extent provided for herein, each Creditor will be entitled to vote to the extent of the amount that is equal to their respective Proven Claim.

6.6 Voting by Creditors with Disputed Claims

If a Creditor has a Disputed Claim and the amount of the Disputed Claim is not finally determined prior to the date of the Creditors' Meeting, that Creditor will be entitled to vote at the Creditors' Meeting on the portion of the Disputed Claim, if any, that has been accepted by the Proposal Trustee for voting purposes without prejudice to the rights of the Proposal Trustee, the Debtor, and that Creditor to have the quantum of the Disputed Claim finally determined.

6.7 Approval by Creditors

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

6.8 Appointment of Inspectors

At the Creditors' Meeting, the Creditors may appoint up to five inspector(s) whose powers will be limited to:

- (a) advising the Proposal Trustee concerning any dispute which may arise as to the validity of Claims; and

- (b) advising the Proposal Trustee from time to time with respect to any other matter that the Proposal Trustee may refer to them.

Any decision, direction or act of the inspector(s) may be referred to the Court by the Proposal Trustee and the Court may confirm, reverse or modify the decision, direction or act and make such order as it thinks just.

The authority and term of office of the inspector(s) will terminate upon the discharge of the Proposal Trustee or such earlier time if the inspector(s) resign(s) by notifying the Proposal Trustee of such resignation in writing.

ARTICLE 7 CONDITIONS PRECEDENT

- 7.1 The performance of this Proposal will be conditional upon the fulfillment or satisfaction, or waiver by the Trustee (where applicable) of the following conditions:
- (a) the receipt by the Proposal Trustee of the Proposal Fund;
 - (b) the approval of this Proposal by the Creditors in accordance with paragraph 6.7; and
 - (c) the Proposal Approval Order being pronounced and entered and not having been successfully appealed, set aside, varied, stayed or waived, and all appeal periods having expired.

ARTICLE 8 EVENTS OF DEFAULT

- 8.1 The non-fulfillment, non-satisfaction or waiver of any conditions precedent in Article 7 will constitute a default under this Proposal for the purposes of section 62.1 of the Act and otherwise under this Proposal.

ARTICLE 9 PROPOSAL TO CREDITORS

- 9.1 The amount to be paid to the Creditors on account of their Proven Claims will be as set out in this section. The Creditors will accept the amounts set out herein in full satisfaction of their Claims and the Creditors will have no other recourse to any other property of the Trustee or the Debtor or against the Trustee or the Debtor otherwise. For greater certainty, this Proposal does not compromise or otherwise affect a Creditor's claim against a third party unless expressly stated herein, including without limitation a guarantor, indemnitor, and covenantor of the obligations of the Debtor.
- 9.2 The Proposal Trustee will remit payments (less the *pro rata* portion of the total amount of the Superintendent's Levy required by the Act to be paid in respect of such payments) to the Creditors from the Proposal Fund in the following manner and order of priority:
- (a) first, to the Proven Claims of the Preferred Creditors, without interest, to be paid in full in accordance with the provisions of paragraph 0. The Proven Claims

under subsection 224(1.2) of the *Income Tax Act* or similar act and legislation will be paid within six (6) months after the Court Approval Date; and

- (b) second, to the Creditors in accordance with paragraph 4.4.

**ARTICLE 10
DIRECTORS AND OFFICERS OF THE DEBTOR**

- 10.1** Upon the filing of the Certificate of Full Performance provided for in section 65.3 of the Act, each and every Director and Officer will be released from any and all demands, claims, debts, judgments, liens, and other recoveries on account of any potential, contingent or actual statutory liability of whatsoever nature which any person may be entitled to assert against such Director or Officer as at the Date of Bankruptcy, including, without limitation, any and all Claims howsoever related to any obligations of the Debtor where the Director or Officer is or may be liable at law in their capacity as Director or Officer for the payment of such obligations, whether known or unknown, existing or hereafter arising, based in whole or in part on any act, omission, transaction, dealing or other occurrence existing or taking place prior to the Date of Bankruptcy or, with respect to any agreements of the Debtor that have been disclaimed, repudiated or terminated after the Date of Bankruptcy in whole or in part which exist prior to or at the time of such disclaimer, repudiation or termination.
- 10.2** Notwithstanding paragraph 10.1, nothing in this Proposal will release or discharge any Director from the exceptions set out in section 50(14) of the Act and paragraph 10.1 of this Proposal will be strictly interpreted so that it complies with section 50(13) of the Act.
- 10.3** Any release contemplated in paragraph 10.1 will not be obtained or be valid in case of any uncured default in the performance of this Proposal.

**ARTICLE 11
APPLICATION OF SECTIONS 95-101 OF THE ACT**

- 11.1** Sections 95 to 101 of the Act and any provincial statute relating to preference, settlement, fraudulent conveyance or the like will not apply to any dealings by the Debtor during the period prior to the Date of Bankruptcy.

**ARTICLE 12
PROPOSAL TRUSTEE**

- 12.1** MNP Ltd., in its capacity as proposal trustee, and not in its personal capacity, will be the Proposal Trustee under this Proposal and all monies payable under this Proposal will be paid over to the Proposal Trustee who will make payment of all distributions in accordance with the terms of this Proposal.
- 12.2** Any payments made by the Proposal Trustee to Creditors hereunder will be made by the Proposal Trustee net of any levies payable or due under the Act.
- 12.3** The Proposal Trustee is acting in its capacity as Proposal Trustee and not in its personal capacity and no officer, director, employee or agent of the Proposal Trustee will incur any obligations or liabilities in connection with this Proposal or in respect of the business activities or liabilities of the Debtor.

- 12.4 The Proposal Trustee, in such capacity, will have no liability whatsoever for the Claims arising before, on or after the Date of Bankruptcy.

**ARTICLE 13
FULL PERFORMANCE OF PROPOSAL**

- 13.1 All obligations of the Debtor under this Proposal will commence as of the Effective Date. This Proposal will be fully performed upon full payment to the Proposal Trustee of the Proposal Fund in accordance herewith.
- 13.2 When this Proposal has been fully performed, the Proposal Trustee will issue to the Debtor and the Official Receiver the Certificate of Full Performance as provided for in section 65.3 of the Act, and at which time the bankruptcy of the Debtor will be annulled pursuant to section 61(1) of the Act. For greater certainty, the bankruptcy will not be annulled until all Claims have been fully compromised on the terms in this Proposal, and the Proposal has been fully performed.
- 13.3 During the currency of this Proposal and until the Certificate of Full Performance referred to in paragraph 13.2 is issued by the Proposal Trustee, the Debtor will remain a bankrupt under the Act.
- 13.4 Upon the issuance of the Certificate of Full Performance, all Persons will be deemed to have waived any and all defaults of the Debtor then existing or previously committed by the Debtor or caused by the Debtor, directly or indirectly, or non-compliance with any covenant, positive or negative, pledge, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, purchase order, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Debtor arising from the bankruptcy of the Debtor, the filing of this Proposal, or the transactions contemplated by this Proposal.
- 13.5 The provisions of this Proposal will be binding on the Creditors and their respective heirs, executors, administrators, successors, and assigns.

**ARTICLE 14
AMENDMENT OF PROPOSAL**

- 14.1 The Trustee may vary, amend, modify or supplement this Proposal at any and all meetings of the Creditors and at any time and from time to time before or, with leave of the Court, after the final meeting of the Creditors.
- 14.2 If there are any variations, amendments, modifications or supplements to this Proposal made at or prior to the final meeting of the Creditors held to consider this Proposal which the Proposal Trustee determines are for the general benefit of the Creditors, the Proposal Trustee will be entitled to approve such variations, amendments, modifications or supplements by exercising all voting rights its receives from Creditors who have voted in favour of this Proposal and by counting all "yes" votes and "no" votes which have not, to the time the variations, amendments, modifications or supplements are made, been changed, as "yes" votes and "no" votes for the amended or supplemental Proposal.

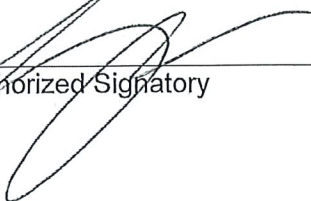
[Signature page follows]

DATED at the City of Vancouver, British Columbia this 4th day of January, 2022.

**MNP LTD., in its capacity as the Licensed
Insolvency Trustee of the bankruptcy estate of
LEGENDARY DEVELOPMENTS (SOUTH
SURREY) LTD and not in its personal capacity**

Per:

Authorized Signatory

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke, positioned above the signature line.

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

Original Amended

Court File No. **VLC-S-B-210455**

-- Form 78 --

Statement of Affairs (Business Bankruptcy) 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 Bankruptcy of
 Legendary Developments (South Surrey) Ltd.
 of the City of Surrey, in the Province of British Columbia



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 bankruptcy, on the 4th day of October, 2021. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

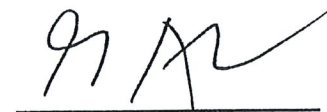
LIABILITIES (as stated and estimated by the officer)	
1. Unsecured creditors as per list "A"	25,117,015.81
Balance of secured claims as per list "B"	0.00
Total unsecured creditors	25,117,015.81
2. Secured creditors as per list "B"	0.00
3. Preferred creditors as per list "C"	0.00
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for	0.00
Total liabilities	25,117,015.81
Surplus	NIL

ASSETS (as stated and estimated by the officer)	
1. Inventory	0.00
2. Trade fixtures, etc.	0.00
3. Accounts receivable and other receivables, as per list "E"	
Good	0.00
Doubtful	0.00
Bad	0.00
Estimated to produce	0.00
4. Bills of exchange, promissory note, etc., as per list "F"	0.00
5. Deposits in financial institutions	0.00
6. Cash	0.00
7. Livestock	0.00
8. Machinery, equipment and plant	0.00
9. Real property or immovable as per list "G"	0.00
10. Furniture	0.00
11. RRSPs, RRIFs, life insurance, etc.	0.00
12. Securities (shares, bonds, debentures, etc.)	0.00
13. Interests under wills	0.00
14. Vehicles	0.00
15. Other property, as per list "H"	0.00
If bankrupt 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	0.00
Deficiency	25,117,015.81

I, Gurdeep Dhalwal, of the City of Burnaby in the Province of British Columbia, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of the affairs of the Corporation on the 4 day of October, 2021 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) 4th October
 before me at the City of Vancouver in the Province of British Columbia, on this 29th day of September 2021.


H. LANCE WILLIAMS
 Barrister & Solicitor
McCarthy Tétrault LLP
 SUITE 2400 - 745 THURLOW STREET
 VANCOUVER, B.C. V6E 0C5
 DIRECT 604-643-7154


 Gurdeep Dhalwal

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


FORM 78 -- Continued

List "A"
 Unsecured Creditors

Legendary Developments (South Surrey) Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	1075472 B.C. Ltd.	1001-181 Athletes Way Vancouver BC V5Y 0E5	1.00	0.00	1.00
2	1177849 BC Ltd. Attn: Sunny Singh	205 - 5481 Kingsway Burnaby BC V5H 2G1	1,975,222.31	0.00	1,975,222.31
3	AEI Holding Corp.	1045-1185 West Georgia Street Vancouver BC V6E 4E6	1.00	0.00	1.00
4	Balbir & Vir & Chatraj & Ravandeep Attn: Roger Dusanj	Kingsmen Capital 370-8029 199 Street Langley BC V2Y 0E2	1,927,986.30	0.00	1,927,986.30
5	Chanelle Cruz Design Inc Attn: Richelle Natt	15858 104th Avenue Surrey BC V4N 2J2	1,323,174.62	0.00	1,323,174.62
6	Chatraj & Sarbjit Dosanj Attn: Roger Dusanj	Kingsmen Capital 370-8029 199 Street Langley BC V2Y 0E2	1,842,054.79	0.00	1,842,054.79
7	CRA - Tax - Pacific	Surrey National Verification and Collection Centre 9755 King George Blvd Surrey BC V3T 5E1	1.00	0.00	1.00
8	CTJ Investments Inc.	5300 Lancing Road Richmond BC V7C 3A1	1.00	0.00	1.00
9	Gurdeep Dhaliwal	PO Box 35035 RPO Fleetwood Postal Outlet Surrey BC V4N 9E9	2,715,554.77	0.00	2,715,554.77
10	Harchand Sangha & Kamarjot Sangha Attn: Henry Sangha	14889 75A Street Surrey BC V3S 0V1	2,171,232.88	0.00	2,171,232.88
11	Jitender Bhagirath & Prem Bhagirath Attn: Jay Bhagirath	15341 Royal Avenue White Rock BC V4B 1M9	2,205,753.42	0.00	2,205,753.42
12	Majoris Investments Ltd. Attn: Joseph Ng	Suite 1045-1185 West Georgia Street Vancouver BC V6E 4E6	1,190,816.33	0.00	1,190,816.33
13	Metropoint Attn: Maria McMillan	10325 150 Street Surrey BC V3R 4B1	3,532,241.79	0.00	3,532,241.79
14	Ministry of Finance - PST - British Columbia	Station Provincial Government PO Box 9445 Victoria BC V8W 9V5	1.00	0.00	1.00
15	Ravandeep & Anjeet Dosanj Attn: Roger Dusanj	Kingsmen Capital 370-8029 199 Street Langley BC V2Y 0E2	1,916,808.22	0.00	1,916,808.22
16	Sarbjit Thind & Salinderpal Josan Attn: Harpreet Judge	8387 154A Street Surrey BC V3S 4P1	2,209,863.01	0.00	2,209,863.01
17	Sukhvir & Jason Sidhu & Larry Heran Attn: Jason Sidhu	13737 96 Ave #909 Surrey BC V3V 0C6	2,106,301.37	0.00	2,106,301.37
18	WorkSafeBC - Collections Department	PO Box 5350 Stn. Terminal Vancouver BC V6B 5L5	1.00	0.00	1.00
Total:			25,117,015.81	0.00	25,117,015.81

October 4, 2021
 Date


 Gurdeep Dhaliwal

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


FORM 78 -- Continued

List "B"
Secured Creditors

Legendary Developments (South Surrey) Ltd.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
			Total: 0.00			0.00	0.00	0.00

October 4, 2021
Date


Gurdeep Dhalwal

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

FORM 78 -- Continued

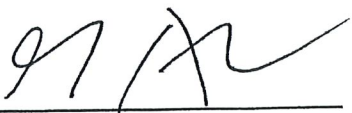
List "C"
Preferred Creditors for Wages, Rent, etc.

Legendary Developments (South Surrey) Ltd.

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
Total:					0.00	0.00	0.00

October 4, 2021

Date



Gurdeep Dhaliwal

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


FORM 78 -- Continued

List "D"
Contingent or Other Liabilities

Legendary Developments (South Surrey) Ltd.

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
Total:			0.00	0.00		

October 4, 2021
Date


Gurdeep Dhalival

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


FORM 78 -- Continued

List "E"
Debts Due to the Bankrupt

Legendary Developments (South Surrey) Ltd.

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
				0.00				
			Total:	0.00			0.00	
				0.00				

October 4, 2021
Date


Gurdeep Dhaliwal

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

FORM 78 -- Continued


List "F"

Bills of Exchange, Promissory Notes, Lien Notes, Chattel
Mortgages, etc., Available as Assets

Legendary Developments (South Surrey) Ltd.

No.	Name of all promissory, acceptors, endorsers, mortgagors, and guarantors	Address	Occupation	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.
Total:				0.00		0.00	

October 4, 2021
Date


Gurdeep Dhaliwal

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


FORM 78 -- Continued

List "G"
Real Property or Immovables Owned by Bankrupt

Legendary Developments (South Surrey) Ltd.

Description of property	Nature of bankrupt interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
			Total:	0.00	0.00

October 4, 2021
Date


Gurdeep Dhaliwal

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

FORM 78 -- Concluded


List "H"
 Property

Legendary Developments (South Surrey) Ltd.

FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade			0.00	0.00
(b) Trade fixtures, etc.			0.00	0.00
(c) Cash in financial institutions			0.00	0.00
(d) Cash on hand			0.00	0.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant			0.00	0.00
(g) Furniture			0.00	0.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles			0.00	0.00
(l) Taxes			0.00	0.00
(m) Other			0.00	0.00
			Total:	0.00

October 4, 2021
 Date


 Gurdeep Dhaliwal

COURT NO. B210455
ESTATE NO. 11-2772140

VANCOUVER REGISTRY

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

**IN THE MATTER OF THE PROPOSAL OF
LEGENDARY DEVELOPMENTS (SOUTH SURREY) LTD.**

PROPOSAL TRUSTEE'S REPORT TO CREDITORS

BACKGROUND

Legendary Developments (South Surrey) Ltd. (“**Legendary**” or the “**Debtor**”) was incorporated on June 28, 2017 and is a real estate developer based in Surrey, British Columbia.

A corporate registry search dated July 27, 2021 indicated that the Debtor’s sole Director is Gurdeep Dhaliwal (the “**Mr. Dhaliwal**” or the “**Director**”).

The Director advises that Legendary ceased day-to-day operations in June 2019.

Legendary was unable to meet its obligations as they generally became due and made a voluntary assignment in bankruptcy (the “**Bankruptcy**”) pursuant to the provisions of the *Bankruptcy and Insolvency Act* (the “**Act**”) effective October 6, 2021 (the “**Date of Bankruptcy**”). MNP Ltd. was appointed Licensed Insolvency Trustee (the “**Trustee**”) and was affirmed by the creditors at the first meeting of creditors. Harjeet Judge and Henry Sangha were appointed as inspectors (the “**Bankruptcy Inspectors**”) at the first meeting of creditors.

With the approval of the Bankruptcy Inspectors, the Trustee filed a proposal to Legendary’s creditors on January 4, 2022 (the “**Proposal**”) and MNP Ltd. consented to act as Licensed Insolvency Trustee in the proposal proceedings (the “**Proposal Trustee**”).

In preparing this Proposal Trustee’s Report to Creditors (the “**Report**”) and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, the Debtor’s books and records, discussions with management and information from other third-party sources (collectively, the “**Information**”). Except as described in this Report, the Proposal Trustee has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with

Generally Accepted Assurance Standards or other standards established by the Chartered Professional Accountants of Canada.

Capitalized terms used in the Report are the same as those referenced in the Proposal.

Unless otherwise stated herein, all references to currency are to Canadian currency.

SUMMARY OF PROPOSAL

A summary and major terms of the Proposal are as follows:

- Acceptance of the Proposal by the creditors, approval of the Proposal by the Court, and full completion of the Proposal terms operates to annul the Bankruptcy and revest in the Debtor all the right, title and interest of the Trustee in the property of the Debtor.
- There will be one Class of Creditors for the purpose of considering and voting upon the Proposal.
- A Proposal Sponsor has agreed to advance the Proposal Fund totaling \$700,000.
- The Proposal Trustee's fees and expenses, and legal costs of the Proposal Trustee arising out of the Proposal shall be paid from the Proposal Fund in priority to the Claims of General Creditors.
- The Claims of all Creditors will be paid a distribution equal to their *pro rata* share of the Proposal Fund based on their Proven Claim
- Upon the Court Approval of the Proposal, the Proposal Trustee will issue 30 day notices to any known creditor that has not submitted their Claim. If a creditor does not submit and prove their Claim within 30 days after the sending of the notice, the Proposal Trustee will proceed to declare a dividend or final dividend without regard to that Creditor's Claim.
- The Proposal contains a provision that Claims against the Debtor's Director are compromised after the filing of the Certificate of Full Performance provided for in section 65.3 of the Act.
- The Proposal contains a provision that sections 95 to 101 of the Act and any provincial statute relating to preference, settlement, fraudulent conveyance or the like will not apply to any dealings by the Debtor during the period prior to the Date of Bankruptcy.

OPERATIONS

As previously reported, the Debtor ceased day-to-day operations in June 2019 and will remain inactive until the Proposal is fully performed.

ASSETS

According to the Statement of Affairs filed in the bankruptcy, the Debtor does not have any assets.

The Debtor's Director reported that the Debtor had accumulated tax losses of approximately \$14,000,000. The tax losses of a bankrupt corporation do not have any value and were therefore not reported on the Statement of Affairs. As of the date of this report, there has not been any changes with respect to the Company's assets.

LIABILITIES

Secured Creditors

The Proposal Trustee has not obtained an independent legal opinion on the validity or enforceability of the various security agreements and/or Claims of the various secured creditors discussed in the Report.

CRA

The Director indicated that the Debtor does not have any employees. We do not anticipate a debt owing to CRA in relation to payroll withholdings.

Any debt owing to CRA for unremitted Goods and Service Tax at the Date of Bankruptcy will rank as a general, unsecured Claim. The Director advised that there is not any unpaid Goods and Service Tax and that all returns, and remittances are current.

Other Secured Creditors

A Personal Property Registry search performed by the Trustee, dated July 27, 2021 showed that 1075472 B.C. Ltd, AEI Holding Corp., CTJ Investments Inc., and Majoris Investments Ltd. have registered security agreements against the Debtor. As previously reported the Debtor does not have any assets, therefore the estimated value of the security for each of the above-named creditors is \$0 and each of these debts have been classified as unsecured on the Statement of Affairs.

Preferred Creditors

Employees

Employees are preferred creditors pursuant to Section 136 of the *Bankruptcy and Insolvency Act*, and as such, their preferred Claims must be paid in full before any payments are made to the general unsecured creditors. Each employee's preferred Claim may not exceed \$2,000, relating to wages and vacation pay during the six-month period immediately preceding the initial date of filing. Amounts owing in excess of the

threshold or relate to a period more than six months prior to the Notice of Intention, are general unsecured Claims. Any Claims relating to severance or termination pay are general unsecured Claims.

The Trustee is not aware of any preferred amounts owing to former employees.

Unsecured Creditors

The Statement of Affairs reports total unsecured creditors of \$25,117,016. However, Mr. Dhaliwal has advised the Proposal Trustee that he will not be making a claim for amounts showing owing to him of approximately \$2.7 million. Therefore, the total unsecured creditors that may submit claims is expected to be \$22,401,461.

Ultimately the amounts owing to the unsecured creditors will be based on proofs of Claim ("POC") filed and admitted by the Trustee. The Proposal allows that POC's filed by creditors in connection with the bankruptcy of the Debtor are included as filed in this Proposal. Creditors do not need to file again if they have filed their POC in the bankruptcy proceeding.

As of the date of this report ten proofs of Claim have been filed with the Proposal Trustee and represents approximately \$21,754,181 in total creditor Claims. There have been no significant differences between the Claims listed on the Statement of Affairs and the Claims filed with the Proposal Trustee to date.

CONDUCT OF THE DEBTOR

Preferences and Transactions at Under Value

The Trustee reviewed various financial documents including the Company's trial balance and tax returns for the years ending 2019 and 2020. From the Trustee's review of the books and records, there were no preferential transactions or transactions at under value identified that would likely be challenged by a Trustee in Bankruptcy pursuant to the provisions of the *Bankruptcy and Insolvency Act*.

REMUNERATION OF THE PROPOSAL TRUSTEE

The costs of administration pertaining to the Proposal Trustee's fees and disbursements and legal costs incurred in relation to the Proposal are a preferred Claim and will be paid from the Proposal Fund and will be subject to taxation by Court and approval of the Inspectors, if appointed.

The Proposal states that in the event no Inspectors are appointed, the Proposal Trustee may take advances of its Fees, subject to final taxation by the Court. If any Inspectors are appointed, they must approve any advances to the Proposal Trustee for fees, in accordance with the *Bankruptcy and Insolvency Act*.

Essence Properties Inc. provided the Trustee with a third party deposit in the amount of \$70,000 to cover the Trustee's professional fees for the administration of the bankruptcy process and as a retainer related to the proposal process.

ESTIMATED REALIZATION – BANKRUPTCY vs. PROPOSAL

The Proposal Trustee has prepared a Statement of Estimated Realization (the "Statement") which is attached as Schedule "A" to this Report and compares the estimated net realization in a bankruptcy versus proposal scenario. If the Proposal is not accepted by the creditors, the Debtor's bankruptcy will not be annulled.

Pursuant to the terms of the Proposal, \$700,000 will be paid into the Proposal Fund by the Proposal Sponsor and it is estimated that the creditors may receive a dividend of approximately 3%.

In a bankruptcy, the Trustee does not anticipate any proceeds to be realized and does not expect any realization for the Debtor's creditors.

CONSEQUENCES OF NON-APPROVAL OF THE PROPOSAL

If the Proposal is not accepted by the creditors, the Debtor's bankruptcy will be sustained. In a bankruptcy scenario we do not expect the creditors to receive a dividend.

Accordingly, we recommend acceptance of this Proposal.

DATED AT the City of Vancouver, British Columbia this 7th day of January, 2022.

MNP Ltd.

In its capacity as Licensed Insolvency Trustee
In the Proposal Proceedings of Legendary Developments (South Surrey) Ltd.
and not in its corporate capacity

Per:  Greg Ibbott, CIRP, LIT, CPA, CA
Senior Vice President

**In the Matter of the Proposal of
 Legendary Developments (South Surrey) Ltd.**

Statement of Estimated Realization (rounded)

Bankruptcy vs. Proposal

	Schedule "A"	
	Proposal	Bankruptcy
ESTIMATED RECEIPTS		
Asset Realization	\$ -	\$ -
Proposal Sponsor Funding	700,000	-
Total Estimated Receipts	\$ 700,000	\$ -
ESTIMATED DISBURSEMENTS		
Proposal Trustee's Fees	38,095	-
GST on Above	1,905	-
Total Estimated Disbursements	\$ 40,000	\$ -
AVAILABLE FOR DISTRIBUTION	\$ 660,000	\$ -
Secured Creditors		
Canada Revenue Agency	\$ -	\$ -
Secured Claims of Employees	-	-
Preferred Creditors	-	-
General Unsecured Creditors	660,000	-
	\$ 660,000	\$ -
Estimated Claims of General Creditors	\$ 22,401,016	\$ 25,117,016
Estimated % Dividend (Note 1)	3%	0%

Notes:

1. The estimated dividend does not take into account the 5% levy payable to the Superintendent of Bankruptcy which is payable on all dividends. The levy is payable in either a proposal or bankruptcy.
2. With no funds available from company assets in the Bankruptcy process, the Bankruptcy Trustee Fees are paid by way of Third Party Retainer.

District of: British Columbia
Division No. 03 - Vancouver
Court No. B210455
Estate No. 11-2772140

FORM 31 / 36
Proof of Claim / Proxy

In the Matter of the Division 1 Proposal of
Legendary Developments (South Surrey) Ltd.
of the City of Surrey, in the Province of British Columbia

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

In the matter of the proposal of Legendary Developments (South Surrey) Ltd. of the City of Surrey in the Province of British Columbia and the claim of _____, creditor.

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

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

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

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

3. That the debtor was, at the date of proposal, namely the 6th day of October 2021, and still is, indebted to the creditor in the sum of \$ _____, as specified in the statement of account (or affidavit or solemn declaration) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)

4. (Check and complete appropriate category.)

A. UNSECURED CLAIM OF \$ _____

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

That in respect of this debt, I do not hold any assets of the debtor as security and

(Check appropriate description.)

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

Regarding the amount of \$ _____, I do not claim a right to a priority.

(Set out on an attached sheet details to support priority claim.)

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

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

C. SECURED CLAIM OF \$ _____

That in respect of this debt, I hold assets of the debtor valued at \$ _____ as security, particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

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

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ _____

(Attach a copy of sales agreement and delivery receipts.)

E. CLAIM BY WAGE EARNER OF \$ _____

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

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

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

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

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

G. CLAIM AGAINST DIRECTOR \$_____

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

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

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

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

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

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

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

Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.

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

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

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Per _____
Name and Title of Signing Officer

Return To:

Phone Number: _____

Fax Number: _____

E-mail Address: _____

MNP Ltd. - Licensed Insolvency Trustee

Suite 1600, MNP Tower, 1021 West Hastings Street
Vancouver BC V6E 0C3
Fax: (604) 904-8628
E-mail: vancouverpbmail@mnp.ca

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

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

Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

District of: British Columbia
Division No. 03 - Vancouver
Court No. B210455
Estate No. 11-2772140

Proxy / Voting letter

In the Matter of the Division 1 Proposal of
Legendary Developments (South Surrey) Ltd.
of the City of Surrey, in the Province of British Columbia

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

I, _____, creditor (or I, _____, representative of
_____, creditor), of _____, a creditor in the above matter for the sum of \$
_____, hereby request the trustee acting with respect to the proposal of Legendary Developments (South
Surrey) Ltd., to record my vote _____ (for or against) the acceptance of the proposal as made on the
_____ day of _____, _____.

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

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Per _____
Name and Title of Signing Officer

Return To:

MNP Ltd. - Licensed Insolvency Trustee
Per:

Greg Ibbott - Licensed Insolvency Trustee
Suite 1600, MNP Tower, 1021 West Hastings Street
Vancouver BC V6E 0C3
Fax: (604) 904-8628
E-mail: vancouverpbmail@mnp.ca

CHECKLIST FOR COMPLETING A PROOF OF CLAIM FORM

This checklist is provided to assist you in preparing a complete and accurate Proof of Claim form and, where required, a Proxy. A creditor who does not prove their claim is not entitled to vote or share in any distribution. Please check each requirement.

GENERAL

- The form must be signed by the person completing the Proof of Claim and that person must be an authorized signatory.
- The signature of a witness is required.
- Give the complete address, including postal code, where any notice or correspondence is to be forwarded.
- The amount on the Statement of Account must correspond with the amount indicated on the Proof of Claim.

PARAGRAPH 1

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

PARAGRAPH 3

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

PARAGRAPH 4

- An unsecured creditor must strike out sub-paragraphs B, C, D and E.
- A secured creditor must attach proof of registration of the security, including the date on which the security was given and the value at which you assess the security.
- A claim by a farmer, fisherman or aqua culturist must attach a copy of the sales agreement and delivery documents.
- Details of Section 136 are listed below.

PARAGRAPH 5

- All claimants must indicate if they are or are not related to the debtor, as defined in Section 4 of the Bankruptcy and Insolvency Act.

PARAGRAPH 6

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

PROXY

The *Bankruptcy and Insolvency Act* permits a Proof of Claim to be made by a duly authorized agent of a creditor, however, this does not give such a person power to vote at the First Meeting of Creditors or to act as the proxy of the creditors unless the proxy form is completed by the creditor appointing the authorized agent as proxy.

- A creditor may vote either in person or by proxy.
- The Trustee may be appointed as a proxy for any creditor.
- A Corporation may vote by an authorized agent at a meeting of creditors.
- Debtors may not be appointed a proxy to vote at any meeting of their creditors.
- In order for a duly authorized person to have a right to vote, they must be a creditor themselves or be the holder of a property executed proxy, showing the name of the creditor.

SECTION 136 (Condensed Priority of Claims)

Subject to the rights of secured creditors, the proceeds realized from the property of a bankrupt shall be applied in priority of payment as follows:

- The cost of administration of the estate in the following order:
 - Expenses and fees of the trustee
 - Legal costs
- Wages, salaries, commissions or compensation for services rendered in the six months immediately preceding the date of bankruptcy, to a maximum of \$2,000 per person together with, in the case of a travelling salesman, disbursements incurred by the salesman during this same period to a maximum of \$1,000;
- Alimony, support or maintenance for a spouse or child for periodic amounts accrued in the year before the date of bankruptcy plus any lump sum amount;
- Municipal taxes assessed or levied within the two years immediately preceding the bankruptcy which do not constitute a lien or charge on real property of the bankrupt but this claim is restricted to the interest in the property held by the bankrupt;
- Landlord for rent arrears in the three months immediately preceding the date of bankruptcy and accelerated rent for three months following the bankruptcy if provided for in the lease but this claim is restricted to the realization from the property and any accelerated rent paid by the Trustee must be credited against the amount payable by the Trustee for occupation rent;
- A solicitor's bill of costs, including sheriff's and land registration fees, for the first creditor to attach or execute against the property of the bankrupt but this claim is restricted to the amount realized from the applicable property;
- Claims resulting from injuries to employees of the bankrupt in which the *Workers' Compensation Act* does not apply but this claim is restricted to the amount of moneys received from persons guaranteeing the bankrupt against damages for those claims.

A creditor whose rights are restricted by this section are entitled to rank as an unsecured creditor for any balance remaining on their claim.