

Schedule "A"

PROPOSAL

WHEREAS, pursuant to the Notice of Intention to Make a Proposal dated May 31, 2021, Hayer Demolition Ltd. ("Hayer Demolition" or the "Company") initiated proceedings under the *Bankruptcy and Insolvency Act* (Canada) R.S.C. 1985, c. B-3 as amended (the "BIA"), pursuant to Section 50(1) thereof;

NOW THEREFORE the Company hereby submits the following proposal under the BIA to its creditors (the "Proposal").

ARTICLE I DEFINITIONS

1.01 Definitions

In this Proposal:

"**Administrative Fees and Expenses**" means the fees, expenses and disbursements incurred by or on behalf of the Proposal Trustee, the solicitors for the Proposal Trustee and the solicitors of the Company, both before and after the Filing Date;

"**Affected Creditor Claim**" means a Proven Claim, other than an Unaffected Claim;

"**Affected Creditor Share**" means the amount that is equal to 100% of the face value of an Affected Creditor Claim

"**Affected Creditors**" means all Persons having Affected Creditor Claims, but only with respect to and to the extent of such Affected Creditor Claims;

"**Affected Creditors Class**" means the class consisting of the Affected Creditors established under and for the purposes of this Proposal, including voting in respect thereof;

"**Approval Order**" means an order of the Court, among other things, approving the Proposal;

"**BIA**" has the meaning ascribed to it in the recitals;

"**Business Day**" means a day, other than a Saturday or Sunday, on which banks are generally open for business in Vancouver, British Columbia;

"**Claim**" means any right or claim of any Person against the Company in connection with any indebtedness, liability, or obligation of any kind whatsoever in existence on the Filing Date (or which has arisen after the Filing Date as a result of the disclaimer or repudiation by the Company on or after the Filing Date of any lease or any other agreement), and any interest accrued thereon to and including the Filing Date and costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets

"Governmental Authority" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (i) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (ii) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

"Implementation" means the completion and implementation of the transactions contemplated by this Proposal;

"Implementation Certificate" has the meaning ascribed to it in Section 7.02(e);

"Official Receiver" shall have the meaning ascribed thereto in the BIA;

"Person" means any individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, Governmental Authority and a natural person in such person's capacity as trustee, executor, administrator or other legal representative;

"Preferred Claim" means a Claim enumerated in Section 136(1) of the BIA outstanding as at the Filing Date against the Company, if any, the payment of which will be made in priority to distributions in respect of Affected Creditor Claims;

"Proposal" means this Proposal of the Company, and any amendments, modifications and/or supplements hereto made in accordance with the terms hereof;

"Proposal Fund" means the fund established by Hayer Demolition pursuant to and as described in Section 5.01;

"Proposal Implementation Date" means the date on which Implementation occurs, which shall occur following the satisfaction of the Conditions Precedent;

"Proposal Trustee" means Crowe MacKay & Company Ltd. in its capacity as trustee in respect of this Proposal, or its duly appointed successor;

"Proposal Trustee's Website" means the following website:
<https://www.crowemackayco.ca/engagements/recent-engagements>;

"Proven Claim" means in respect of an Affected Creditor, the amount of a Claim as finally determined in accordance with the provisions of the BIA;

"Released Claims" means, collectively, the matters that are subject to release and discharge pursuant to section 6.01;

"Released Parties" means, collectively, (i) the Company, (ii) each affiliate or subsidiary of the Company; (iv) the Proposal Trustee, and (v) subject to section 6.01, each of the foregoing Persons' respective former and current officers, directors, principals, members, affiliates, shareholders,

Proposal will provide for a payment in full of the Secured Claims and the Affected Creditor Claims. Paul Hayer has undertaken to the Company to source the required funds, which will be provided to the Company to fund this Proposal by way of equity investment, loan or some combination of the two.

1.03 Date for Any Action

In the event that any date on which any action is required to be taken under this Proposal by any of the parties is not a Business Day, such action will be required to be taken on the next succeeding day which is a Business Day.

1.04 Time

All times expressed in this Proposal are local time in Vancouver, British Columbia, Canada unless otherwise stipulated. Time is of the essence in this Proposal.

1.05 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).

1.06 Successors and Assigns

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

1.07 Currency

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

1.08 Articles of Reference

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

1.09 Interpretation Not Affected by Headings

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

ARTICLE III
MEETING OF AFFECTED CREDITORS

3.01 Proving Claims

The procedure for dealing with the allowance, disallowance, and resolution of Proof of Claims will be as set out in Section 135 of the BIA.

To be eligible to receive a distribution in accordance with Article 2.02, creditors must have filed a Proof of Claim in accordance with the BIA and by no later than the date that is 30 days from the date on which the Proposal Trustee delivers its "Notice to Prove Claim" pursuant to Section 149 of the BIA (the "Claims Bar Date").

Affected Creditors that fail to file their Proof of Claim with the Proposal Trustee before 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 Company.

3.02 Meeting of Affected Creditors

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

3.03 Time and Means of Creditors' Meeting

The Creditors' Meeting shall take place at 10:00AM (Vancouver time) on September 8, 2021. Due to COVID-19, the Creditors' Meeting shall be held virtually. For an invitation to join the meeting, please contact the Proposal Trustee at derek.lai@crowemackay.ca and nelson.allan@crowemackay.ca.

3.04 Quorum and Conduct of Creditors' Meeting

A quorum shall be constituted for the Creditors' Meeting or any adjournment thereof if there is one Affected Creditor, entitled to vote, present in person (virtually) or by proxy, or if one Affected Creditor, entitled to vote, has submitted a voting letter in accordance with the provisions of the BIA and this Proposal. If the requisite quorum is not present at the Creditors' Meeting or if the Creditors' Meeting has to be postponed for any reason, then the Creditors' Meeting shall be adjourned by the Proposal Trustee to such date, time and place or online meeting platform as determined by the Proposal Trustee. For greater certainty, the Creditors' Meeting may be adjourned one or more times.

3.05 Voting at the Meeting

Each Affected Creditor will be required to submit a proof of claim to the Proposal Trustee. Each Affected Creditor shall be entitled to a single vote valued in the full amount of its Proven Claim. In order to vote at the Creditors' Meeting, the proof of claim must be submitted to the Proposal Trustee no later than 12:00 p.m. (Vancouver time) on the day that is one (1) Business Day prior to the commencement of the Creditors' Meeting.

4.02 Preferred Claims

On the Distribution Date the Preferred Claims, if any, will be paid in full by the Proposal Trustee.

ARTICLE V **DISTRIBUTIONS**

5.01 Proposal Fund

On or before the Distribution Date Hayer Demolition shall transfer to the Proposal Trustee (the "First Tranche Payment"), in trust, an amount equal to the amount necessary to pay each Affected Creditor 50% of its Affected Creditor Share, pay the Crown Claims and the Preferred Claims, if any, and a reasonable reserve on account of Administrative Fees and Expenses. These funds shall be held in a specific trust account by the Proposal Trustee (the "Proposal Fund") and used for the specific purposes set out in this Proposal, plus a reasonable reserve on account of Administrative Fees and Expenses.

On or before the date that is 30 days after the Distribution Date, Hayer Demolition shall transfer to the Proposal Trustee (the "Second Tranche Payment"), in trust, an amount equal to the amount necessary to pay each Affected Creditor a further 25% of its Affected Creditor Share. These funds shall be held in a specific trust account by the Proposal Trustee and used for the specific purposes set out in this Proposal, plus a reasonable reserve on account of Administrative Fees and Expenses.

On or before the date that is 60 days after the Distribution Date, Hayer Demolition shall transfer to the Proposal Trustee (the "Third Tranche Payment"), in trust, an amount equal to the amount necessary to pay each Affected Creditor an amount such that, when combined with any interim distributions, each Affected Creditor has received all of its Affected Creditor Share. These funds shall be held in a specific trust account by the Proposal Trustee and used for the specific purposes set out in this Proposal, plus a reasonable reserve on account of Administrative Fees and Expenses.

All cash transferred to the Proposal Trustee, other than the reasonable reserve on account of Administrative Fees and Expenses Creditors shall be held in trust by the Proposal Trustee in the Proposal Fund for the benefit of such Persons who are entitled to receive Distributions (including all Affected Creditors to the extent of their Proven Claims) pursuant to this Proposal. Any excess funds remaining in the Proposal Fund following the distribution of all amounts contemplated by the Proposal to those parties entitled to such disbursements shall be remitted directly to the Hayer Demolition, or as Hayer Demolition may direct.

5.02 Distributions

On or after the Distribution Date, and after the payments contemplated by Sections 4.01 and 4.02, the Proposal Trustee may, in its sole discretion, make an interim Distribution to each Affected Creditor of 50% of its Affected Creditor Share out of the Proposal Fund (the "First Tranche Distribution").

any of the Affected Creditors all to the full extent permitted by applicable law, provided that nothing herein shall release or discharge a Released Party for gross negligence, criminal, fraudulent or other willful misconduct, if any such party is found liable or guilty, as the case may be, for such misconduct by the express terms of a judgment rendered on a final determination on the merits..

ARTICLE VII **CONDITIONS PRECEDENT**

7.01 Confirmation of Proposal

Provided that the Proposal is approved by the Required Majority, the Proposal Trustee shall apply for the Approval Order no later than five (5) days following the Creditors' Meeting.

7.02 Conditions Precedent

This Proposal will take effect on the Proposal Implementation Date. The Implementation of this Proposal on the Proposal Implementation Date is subject to the satisfaction of the following conditions precedent (collectively, the "Conditions Precedent"):

- (a) the Proposal is approved by the Required Majority;
- (b) the Approval Order, in form and substance satisfactory to Hayer Demolition, has been issued, has not been stayed and no appeal therefrom is outstanding;
- (c) Either
 - (i) At least 10 business days have passed since the expiry of the appeal period for the Approval Order, and no application for leave to appeal the Approval Order or notice of appeal with respect to the Approval Order has been filed; or
 - (ii) If an application for leave to appeal the Approval Order or notice of appeal with respect to the Approval Order has been filed, all such applications for leave to appeal and all appeals have been finally dismissed.
- (d) As of the date on which all other Conditions Precedent under this Section 7.02 are satisfied, there shall not be in effect any preliminary or final decision, order or decree by a Governmental Authority, no application shall have been made to any Governmental Authority, and no action or investigation shall have been announced, threatened or commenced by any Governmental Authority, in consequence or in connection with the Proposal or the Project that restrains, impedes or prohibits (or if granted could reasonably be expected to restrain, impede or inhibit), the Proposal or any part thereof or the Project or any part thereof or requires or purports to require a variation of the Proposal or the Project; and

of the Proposal (other than those entered into by the Company on, or with effect from, such date and time) and the provisions of this Proposal, that the provisions of this Proposal shall take precedence and priority and the provisions of such agreement or other arrangement shall be amended accordingly.

ARTICLE IX
ADMINISTRATIVE FEES AND EXPENSES

9.01 Administrative Fees and Expenses

Administrative Fees and Expenses will be paid in cash by the Company in the ordinary course of business and no later than on the Proposal Implementation Date together with a reserve in respect of the discharge of the Proposal Trustee. The Proposal Trustee's fees and costs including its legal fees are subject to final taxation by the Court.

ARTICLE X
INDEMNIFICATION

10.01 Indemnification of Proposal Trustee

The Proposal Trustee shall be indemnified in full by the Company for all personal liability arising from fulfilling any duties or exercising any powers or duties conferred upon it by this Proposal or under the BIA, except for any willful misconduct or gross negligence.

ARTICLE XI
POST FILING GOODS AND SERVICES

11.01 Payment of Payroll Deductions and Post Filing Claims

The following shall continue to be paid in the ordinary course by the Company prior to and after the Court Approval Date and shall not constitute Distributions or payments under this Proposal:

- (a) all Persons, who may advance monies, or provide goods or services to the Company after the Filing Date shall be paid by the Company in the ordinary course of business;
- (b) current source deductions and other amounts payable pursuant to Section 60(1.2) of the BIA, if applicable, shall be paid to Her Majesty in Right of Canada in full by the Company as and when due; and
- (c) current goods and services tax (GST), and all amounts owing on account of provincial sales taxes, if applicable, shall be paid in full by the Company as and when due.

renounced such rights, remedies and recourses and any Claims based thereon against the Company or any other Person whatsoever.

13.03 Governing Law

The Proposal shall be governed by and construed in accordance with the laws of British Columbia and the federal laws of Canada applicable therein. Any disputes as to the interpretation or application of the Proposal and all proceedings taken in connection with the Proposal shall be subject to the exclusive jurisdiction of the Court.

Dated at Vancouver, this 13th day of August, 2021.

Hayer Demolition Ltd.

Per:



Name:

Title:

I have the authority to bind the Corporation