

VIA EMAIL OR MAIL

February 10, 2025

To All Creditors of Canadian Sun & Mountains Travel Corporation

Dear Sir/Madam:

**Re: In the Matter of the Proposal of Canadian Sun & Mountains Travel Corporation
Notice of Proposal and Meeting of Creditors**

Please be advised that on January 31, 2025 (the "**Date of Filing**"), Canadian Sun & Mountains Travel Corporation (the "**Company**") filed a Proposal (the "**Proposal**") to its creditors pursuant to subsection 50.(1) of the *Bankruptcy and Insolvency Act* R.S.C. 1985, c. B-3 (the "**BIA**"). Crowe MacKay & Company Ltd. (the "**Proposal Trustee**") consented to act as Proposal Trustee for the Company.

On February 7, 2025 the Company filed an amended proposal (the "Amended Proposal").

Please find enclosed the following documents for your review:

1. Notice of Proposal to Creditors and List of Creditors;
2. Trustee's Report to Creditors on Proposal;
3. Amended Proposal;
4. Statement of Affairs;
5. Proof of Claim;
6. Proxy;
7. Instructions for Completing the Proof of Claim and Proxy Forms; and,
8. Voting Letter.

To be entitled to vote, the Proposal Trustee must receive your proof of claim no later than **12:00PM PST on Wednesday, 19 February, 2025**. You can vote either in person, by proxy or by sending your proof of claim and voting letter via mail, facsimile (604-687-5617) or via email at nelson.allan@crowemackay.ca and sarah.sabbagh@crowemackay.ca. You may also appoint a representative, including the Proposal Trustee, as your proxy to vote at the meeting on your behalf. Please note, a proxy is required if you are filing a claim on behalf of a corporate entity.

Meeting of Creditors

Date and Time:

Place:

Note:

Thursday, February 20, 2025, at 14:00 PM PST.

Online Virtual Meeting by Zoom

For an invitation to participate in this meeting, please email the Proposal Trustee at nelson.allan@crowemackay.ca and sarah.sabbagh@crowemackay.ca

Parties intending to attend the meeting must notify the Proposal Trustee by email to nelson.allan@crowemackay.ca and sarah.sabbagh@crowemackay.ca by no later than **12:00PM PST on Wednesday, 19 February, 2025**. The Proposal Trustee will provide you with confirmation of receipt.

To be entitled to a distribution from the Proposal, the Proposal Trustee must receive your proof of claim. The Trustee will be issuing a 30-day Notice to Prove Claim pursuant to Section 149 of the BIA once it is in a position to distribute funds. You must submit a proof of claim on or before the expiration of the aforesaid notice to be entitled to a distribution. Please ensure the amount entered into your proof of claim is inclusive of only amounts prior to the Date of Filing, January 31, 2025.

If you have any questions, please email the Proposal Trustee at nelson.allan@crowemackay.ca or sarah.sabbagh@crowemackay.ca.

Yours very truly,

CROWE MACKAY & COMPANY LTD., in its capacity as,
Licensed Insolvency Trustee for the Proposal of Canadian Sun & Mountains Travel Corporation
and not in its personal capacity

per:

A handwritten signature in black ink, appearing to be 'Nelson Allan', written over a horizontal line.

Mr. Nelson Allan, CPA, CIRP, LIT
(Chartered Insolvency & Restructuring Professional)

Encl.

District of: British Columbia
Division No. 05 - Nelson
Court No.
Estate No. 11-3182544

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

In the Matter of the Proposal of
Canadian Sun & Mountains Travel Corporation
of the City of Nelson, in the Province of British Columbia
Crowe MacKay & Company Ltd., Trustee

Take notice that Canadian Sun & Mountains Travel Corporation of the City of Nelson 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 February 2025 at 2:00 PM at 1400-1185 West Georgia Street, Vancouver, BC or by video conference, (for coordinates, contact Sarah Sabbagh at sarah.sabbagh@crowemackay.ca).

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 Vancouver in the Province of British Columbia, this 6th day of February 2025.

Crowe MacKay & Company Ltd. - Licensed Insolvency Trustee



1400-1185 West Georgia Street

Vancouver BC V6E 4E6

Phone: (604) 689-3928 Fax: (604) 687-5617

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

District of: British Columbia
 Division No. 05 - Nelson
 Court No.
 Estate No. 11-3182544

FORM 92 — Concluded

In the Matter of the Proposal of
 Canadian Sun & Mountains Travel Corporation
 of the City of Nelson, in the Province of British Columbia
 Crowe MacKay & Company Ltd., Trustee

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
AQUATIC SAFARIS	101 Fourth St Tofino BC V0R 2Z0		4,827.85
BANFF CENTER FOR THE ARTS	107 Tunnel Mountain Dr Banff AB T1L 1H5		4,000.00
Bank of Montreal (CEBA)	298 Baker St. Nelson BC V1L 4H3		60,000.00
BREWSTERS MOUNTAIN LODGE	208 Caribou St Banff AB T1L 1C1		38,245.27
Business Development Centre	1500-1133 Melville Street Vancouver BC V6E 4E5	#183779-01	146,426.00
Business Development Centre	1500-1133 Melville Street Vancouver BC V6E 4E5	HASCAP Loan #183779-03	619,862.00
CRA - Tax - Pacific	Surrey National Verification and Collection Centre 9755 King George Blvd Surrey BC V3T 5E1		66,008.00
CYCLE CITY VANCOUVER	648 Hornby St Vancouver BC V6C 2G2		5,156.00
Highland VIP	2000 Pegasus Rd NE, #6 Calgary AB T2E 8K7		900.90
INNOV 8 DIGITAL SOLUTIONS	520 Lake Street Nelson BC V1L 4C6		529.20
LISTEL HOTEL	1300 Robson St Vancouver BC V6E 1C5		20,689.19
Pacific Can RRRF Loan	1300-300 West Georgia Street Vancouver BC V6B 6B4	#000016943	195,000.00
STAR LIMO	328 Industrial Ave Vancouver BC V6A 2P3		20,990.10
Total			1,182,634.51

Province: British Columbia
Division No. 05 - Nelson
Court No. N/A
Estate No. 11-3182544

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

**IN THE MATTER OF THE PROPOSAL OF
CANADIAN SUN & MOUNTAINS TRAVEL CORPORATION
OF THE CITY OF NELSON, PROVINCE OF BRITISH COLUMBIA**

**CROWE MACKAY & COMPANY LTD., PROPOSAL TRUSTEE
PROPOSAL TRUSTEE'S REPORT ON THE PROPOSAL**

February 10, 2025

I. INTRODUCTION

1. This report (the "**Report**") has been prepared to provide the creditors of Canadian Sun & Mountains Travel Corporation. ("**CSM**" or the "**Company**") with information necessary to evaluate the Proposal filed by the Company on January 31, 2025 (the "**Proposal**"), and the recommendation of the Proposal Trustee (defined below) that creditors vote in favor of the Proposal. Parties are encouraged to read the Proposal and this Report in its entirety. This report includes, among other things, information regarding:
 - a. Company background and financial position;
 - b. activities of the Company around the Filing Date;
 - c. activities of the Proposal Trustee around the Filing Date;
 - d. Company's current financial situation;
 - e. summary of assets and liabilities;
 - f. review of the Company's books and records;
 - g. proposal to creditors;
 - h. statement of estimated realization and distribution;
 - i. recommendation of the Proposal Trustee; and,
 - j. voting procedures and other information
2. On January 31, 2025 (the "**Filing Date**"), the Company filed the Proposal pursuant to subsection 50.(1) of the *Bankruptcy and Insolvency Act* R.S.C. 1985, c. B-3 (the "**BIA**") and commenced these proceedings (the "**Proposal Proceedings**") in the Supreme Court of British Columbia, in Bankruptcy and Insolvency (the "**Court**"). Crowe MacKay & Company Ltd. consented to act as Trustee under the Proposal ("**CMCO**" or the "**Proposal Trustee**"). A copy of the Certificate of Filing of the Proposal can be found on the Proposal Trustee's website at <https://crowemackayco.ca/corporate-engagements/> (the "**Proposal Trustee's Website**").
3. Pursuant to subsection 69.1(1) of the BIA, the automatic stay of proceedings (the "**Stay**") which applies upon the filing of the Proposal is in effect until March 2, 2025, if not extended.
4. On January 31, 2025, the Company, with the assistance of the Proposal Trustee, prepared and filed with the Office of the Superintendent of Bankruptcy (the "**OSB**") a 10-week cash flow for the period ending April 10, 2025 (the "**Cash Flow Projection**"). Attached as **Appendix "A"** is a copy of the Cash Flow Projection for the Company.
5. On February 7, 2025, the Company filed an amended proposal (the "**Amended Proposal**") with the Office of the Superintendent of Bankruptcy. The major amendment was the addition of Article 3.7 to the Amended Proposal. For the purposes of this report, the Amended Proposal will be referred to hereafter as the "**Proposal**".
6. Attached as **Appendix "B"** and "**C**" is the Certificate of Filing of a Proposal from the OSB and the Amended Proposal respectively.

II. TERMS OF REFERENCE

7. In preparing this Report, the Proposal Trustee has necessarily relied upon unaudited financial and other information provided by the Company, the Company's books and records, and discussions with management of the Company, namely Mr. Rene Casas-Cordero and Mr. Grant Wedel (together, "**Management**") (collectively, the "**Information**").
8. 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 the Generally Accepted Auditing Standards pursuant to the Chartered Professional Accountants Handbook. Accordingly, the Proposal Trustee expresses no opinion and does not provide any other form of assurance on the accuracy and/or completeness of any information contained in this Report, or otherwise used to prepare this Report.
9. Certain of the information referred to in this Report consists of financial forecasts and/or projections prepared by the Company. An examination or review of the financial forecasts/projections and procedures as outlined by the Chartered Professional Accountants of Canada has not been performed by the Proposal Trustee. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions of future events and conditions that are not ascertainable, actual results may vary and the variations could be material.

III. COMPANY BACKGROUND AND FINANCIAL POSITION

10. CSM was started in 1997 in Nelson BC as a receptive tour operator, which creates and books travel itineraries for largely European guests. CSM is a business-to-business company, and works with travel agencies in Europe to sell Canadian travel packages. CSM's tours offer a wide range of tourism services throughout Western Canada, Yukon and Alaska.
11. In or around 2016, CSM was acquired by Mr. Rene Casas-Cordero and Mr. Sasha Maksimovic. CSM was amalgamated with Rensa Holding Corp. (an entity owned by Mr. and Ms. Casas-Cordero) in or around November 2, 2021 to form the current corporate entity. At or around the same time, Mr. Maksimovic sold his interest in the Company to 1286036 BC Ltd., an entity owned in whole by Ms. Kimberley Casas-Cordero (the "**Share Sale**"). The Share Sale was structured to have an earnout based on annual revenues which have paid Mr. Maksimovic an aggregate amount of \$260,000 from 2021 to 2023. On the basis that the Company was insolvent, no distribution was made in 2024 for the earnout as contemplated in the Share Sale.
12. The Company's directors are Mr. Casas-Cordero and Ms. Casas-Cordero (collectively, the "**Directors**"). Mr. Maksimovic resigned as a director sometime in late 2024.
13. Management advised that, as a result of the Covid-19 pandemic and the implementation of worldwide travel restrictions, the Company's operations were halted. Accordingly, the

Company was not able to earn income to sustain its operations. Cash flows were further restrained by the need to refund travel deposits to customers who had trips planned during 2020.

14. Management advised that the Company took on significant debt obligations from government agencies in support of industries impacted by the Covid-19 pandemic. In total, the Company took on over \$1.46M in debt relating to government Covid-19 financial assistance (the "**Covid Debt**").
15. Management advised that as a result of the Covid-19 pandemic travel restrictions, as well as the borrowing costs related to the Covid Debt, the Company incurred losses totaling approximately \$600,000 and \$300,000 for the 2020 and 2021 fiscal year-ends, respectively.
16. As a result of the cash flow strain from financing the losses incurred in 2020 and 2021, as well as the servicing costs for the Covid Debt, Management determined that the Company was insolvent, faced an impending liquidity crisis, and was unable to meet its obligations as they generally became due. On or around January 31, 2025, the Directors passed a resolution to file the Proposal pursuant to section 50(1) of the BIA, with CMCO acting as Proposal Trustee.

IV. ACTIVITIES OF THE COMPANY AROUND DATE OF FILING

17. During the lead up to the Filing Date, as well as during these Proposal Proceedings, the Company has, among other things:
 - a. stabilized and continued the operations of the Company;
 - b. laid off a part time employee in order to alleviate cash flow needs;
 - c. acquired a large new customer from the United Kingdom;
 - d. finalized its financial statements and corporate income tax return for the period ending October 31, 2024;
 - e. worked with the Proposal Trustee to prepare and file the cash flow projections along with related assumptions; and
 - f. worked with its legal counsel and the Proposal Trustee to develop the Proposal.

V. ACTIVITIES OF THE PROPOSAL TRUSTEE AROUND DATE OF FILING

18. During the lead up to the Filing Date, as well as during these Proposal Proceedings, the Proposal Trustee has, among other things:

- a. assisted the Company with preparing the Cash Flow Projection which, along with assumptions, was filed with the OSB on January 31, 2025 in accordance with section 50.(6) of the BIA;
- b. participated in numerous and extensive discussions, meetings, and phone calls with Management and counsel for the Company in relation to, among other things, the Company's ongoing activities, restructuring plan and estimated recoveries in a proposal versus a liquidation scenario;
- c. engaged in discussions and dealings with creditors and other stakeholders of the Company with respect to the Proposal Proceedings;
- d. investigated the financial position of the Company;
- e. reviewed the Proposal prepared by the Company and its counsel and participated in discussions with respect to same; and
- f. prepared this Report to creditors.

VI. COMPANY'S CURRENT FINANCIAL SITUATION

19. Below is a summary of the Company's assets and liabilities as shown on its balance sheet as at October 31, 2024:

Balance Sheet as at October 31, 2024

ASSETS

Current Assets

Cash	\$	45,676
Accounts Receivable		271,218
Income Taxes Receivable		3,471
Prepaid Expenses		<u>32,025</u>

Non-Current Assets

Due from Related Parties		325,548
Equipment		74,449
Goodwill		<u>1,075,294</u>

TOTAL \$ 1,827,681

LIABILITIES

Current Liabilities

Bank Overdraft	\$	131,206
Accounts Payable and Accrued Liabilities		221,730
Unearned Revenue		68,838
Current Portion of Long-Term Debt		<u>116,861</u>

Long Term Debt 953,200

TOTAL \$ 1,491,835

20. Below is a summary of the Company's income statement for the year ending October 31, 2024:

Income Statement for the Year Ending October 31, 2024

Revenue	\$	6,878,599
Cost of Sales		<u>5,733,261</u>
Gross Profit		1,145,338
Operating Expenses		1,132,031
Income Taxes		<u>4,374</u>
Net Income	\$	<u>8,933</u>

VII. SUMMARY OF THE COMPANY'S ASSETS AND LIABILITIES

ASSETS

21. If the Proposal is not supported by the requisite majority of creditors and approved by the Court, the Company will be deemed to have made an assignment in bankruptcy. In a bankruptcy scenario all 8 employees would be laid off. To assist the creditors in assessing the Proposal, the Proposal Trustee, with the assistance of Management, has, to the extent possible based on available records, included estimated realizable values of the Company's assets in the event of a bankruptcy and forced liquidation.
22. Below is a summary of the Company's assets as at January 31, 2025 prepared based on information provided by Management. As mentioned above, readers are cautioned that since the accounting records are unaudited, the figures may vary from actual.

Assets as at January 31,	Book Cost	Estimated Realizable Value (Low)	Estimated Realizable Value (High)
Cash	\$ 1,300	\$ 1,300	\$ 1,300
Guaranteed Investment	10,000	NIL	NIL
Prepaid Expenses	31,740	NIL	NIL
Due from Related Parties	36,000	NIL	NIL
Fixed Assets	111,804	59,320	69,063
Goodwill	1,075,294	NIL	NIL
TOTAL	\$ 1,266,138	\$ 60,620	\$ 70,363

Cash

23. As at the Filing Date, the Company had cash on hand of around \$1,300. In the event of a bankruptcy, it is expected that the Trustee can collect the full cash balance of \$1,300.

Guaranteed Investment Certificate

24. Management advised that as at the Filing Date, the Company held a Guaranteed Investment Certificate ("**GIC**") with a face value of \$10,000. The GIC is held on deposit for the purposes of consumer protection by the Bank of Montreal ("**BMO**"). Accordingly, in the event of a bankruptcy, it is estimated that there will be no benefit to the bankrupt estate.

Accounts Receivable

25. As at the Filing Date, the Company did not have any accounts receivable. Management advised that the Company is highly seasonal, and sales do not typically occur until later into the spring. That said, should any accounts receivable balance be accrued since the time of the Filing Date, it is unlikely that they are collectible in the context of a bankruptcy given that customers would likely not receive their respective travel services purchased and therefore not pay the balance owing on their travel package.

Prepaid Expenses

26. Management advised that the Company had in or around \$31,740 in prepaid expenses. Management advised that these were in majority non-refundable deposits held with vendors recorded in 2023. Management further advised that the accounting has not yet been updated to properly reflect that no prepaid expenses should be accrued as at the 2024 fiscal year end. Accordingly, in the event of a bankruptcy, the estimated realizations from prepaid expenses would be \$nil.

Due from Related Parties

27. Management advised that the Company had a related party receivable balance totalling \$36,000 as owing from Enjoy Vacations Ltd., but that this balance had been paid long ago and the accounting had not yet been updated. Management advised that nothing is owing from Enjoy Vacations Ltd., and that in fact Enjoy Vacations Ltd. is insolvent.
28. Also included on the Company balance sheet as at October 31, 2024 was a receivable balance of \$260,000. Management advised that this was an accounting error and misclassification of the earnout paid to Mr. Maksimovic from 2021 through to 2023 pursuant to the Share Sale. Management advised that no such receivable exists, and accordingly no balance would be recoverable in the context of a bankruptcy.

Fixed Assets

29. Management advised that as at the Filing Date, the Company had fixed assets as follows:

Fixed Asset Class	Net Book Value	Estimated Realizable Value (Low)	Estimated Realizable Value (High)
Computer	\$ 26,254	\$ 1,280	\$ 1,700
Trailers	10,000	6,400	8,500
Vehicles	75,550	51,640	58,863
	<u>\$ 111,804</u>	<u>\$ 59,320</u>	<u>\$ 69,063</u>

30. The Company is in possession of approximately 2 vehicles (the "**Vehicles**"). The black book values of the Vehicles totals between \$64,550 and \$69,250. In the context of a bankruptcy, after considering selling costs, it is estimated that the vehicles will have a net benefit to the bankrupt estate of between approximately \$44,000 and \$50,000.
31. Management advised that it had a third vehicle which was written off for insurance purposes near the end of 2024 as a result of an accident. The Company received approximately \$45,000 which it used for the purposes of funding operations in the ordinary course.
32. The Company has five (5) trailers which Management estimates to be valued between \$1,600 and \$2,000 each for a gross realizable value of \$8,000 to \$10,000 before selling

and administrative costs.. In the context of a bankruptcy, after considering selling costs, the trailers are estimated to realize between \$6,400 and \$8,500.

33. The Company had computer equipment with a net book value of approximately \$2,700 as at the Filing Date. The equipment was comprised of laptops, software, and miscellaneous computer parts. Management advised that the computer equipment is old, and accordingly estimates that the value of the equipment in the event of a bankruptcy is between \$Nil and \$2,000.

Goodwill

34. As at the Filing Date, the Company had goodwill recorded on its balance sheet in the amount of \$1,075,294. This goodwill arose as a result of the acquisition of the Company by its current management. Goodwill represents the excess resulting from the purchase price of the Company compared to the book value of its assets. It therefore recognizes the ability for the Company to earn increased profits as a result of intangible factors such as branding and reputation. Given the Company's current insolvent condition, in the event of bankruptcy, it is considered unlikely that there would any realization to the bankrupt estate from goodwill.

Other Assets

35. The Proposal Trustee is not aware of any other assets owned by the Company.

LIABILITIES

Deemed Trust Claims & Secured Creditors

36. As of the Filing Date, Management advised that the Company is current on its payroll remittances. This is subject to change as a trust examination has not yet been conducted by CRA. The Company will need to pay the amounts due for source deductions in full (including employee and employer portion plus interest and penalties) within six-months of Court approval of the Proposal unless otherwise extended by CRA. In the event of a bankruptcy, only the employee portion of this claim ranks as a deemed trust claim ahead of all other creditors including the Secured Creditors.
37. In the event of a bankruptcy, employees' claims for wages and vacation due within 6-months of the date of bankruptcy plus severance receive an elevated priority to a maximum of \$8,844.22 (2025 limit) pursuant to the *Wage Earner Protection Program Act* ("**WEPPA**"). Service Canada would then be entitled to a subrogated secured claim against the current assets of the Company pursuant to Section 81.3 of the BIA for the wages and vacation paid to the employees to a maximum of \$2,000 per employee. The current assets include the cash on hand and accounts receivable. The Proposal Trustee understands

there are approximately 5 employees currently employed at the Company who would be eligible for WEPPA, and that the Company is current on its payments to its employees. That said, a \$10,000 secured claim relating to employee wages has been included in the Proposal Trustee's Statement of Estimated Realization (defined below) for conservative purposes.

38. Management advised that as of the date of this Report, the Company has a secured creditor with a claim totaling approximately \$683,734. This is owing to the Business Development Bank of Canada ("**BDC**"). Based on a registration made by the BDC on the *Personal Property Registry* ("**PPR**"), the BDC holds first-in-time registered security against all present and after-acquired property ("**AIIPAAP**") of the Company. The amount owing to the BDC relates largely to the Covid Debt.
39. The Proposal Trustee has not obtained an independent legal opinion as to the validity and enforceability of BDC's security however nothing has come to its attention to indicate otherwise. As such, BDC's secured claim ranks in priority to the general body of unsecured creditors.
40. The claim of the BDC is included within the class of creditors defined as the "Secured Creditor" in the Proposal. The Proposal, and its classes of creditors, are discussed in greater detail below.

Preferred Creditors

41. The Proposal Trustee is not aware of any parties who hold a preferred claim pursuant to section 136 of the BIA.

Unsecured Creditors

42. Based on the Company's Statement of Affairs dated January 31, 2025, the Company was indebted to 13 unsecured creditors with claims totaling \$498,900.

VIII. REVIEW OF THE COMPANY'S BOOKS AND RECORDS

43. The Proposal Trustee is required to review the Company's accounting and banking records to identify any transactions that may be considered a fraudulent preference or a transfer at undervalue pursuant to Sections 95 and 96 of the BIA. Subsections 95 to 101 of the BIA confer upon the Proposal Trustee the ability to challenge settlements, preferential transactions and transactions at undervalue. If successful, the proceeds of any such challenges would be for the benefit of the general creditors.
44. The Proposal provides that sections 95 to 99 and 101 of the BIA will not apply with respect to the Proposal and the Company, which means that any potential recovery for preferences or transfers at undervalue are eliminated by the Proposal.

45. Notwithstanding that the Proposal provides for a release of reviewable transactions, the Company asked the Proposal Trustee to review the Company's accounting and banking records to satisfy itself that there would be no recoveries for the benefit of creditors arising from sections 95 to 101 of the BIA.
46. The Proposal Trustee conducted a review of the banking and accounting information for the period February 1, 2024 to January 31, 2025 and flagged the following transactions:

Date	Payee	Description	Amount
Jun-22	Sasha Maksimovic	Share Sale earnout	50,000.00
Aug-22	Sasha Maksimovic	Share Sale earnout	50,000.00
Aug-23	Sasha Maksimovic	Share Sale earnout	160,000.00
6/5/2024	L.V.R.E Holdings Ltd	Repayment of Loan owing from Rene Casas-Cordero	207,557.98
			<u>467,557.98</u>

(together, the "**Flagged Transactions**")

47. As discussed above, the Share Sale contemplated an earnout to a former shareholder which resulted in \$260,000 as being paid between 2021 to 2023.
48. Management advised that the Directors took on a mortgage from a private lender in or around January of 2024, and that these funds were then forwarded by the Directors to the Company in or around the same time in order to meet the Company's cash flow needs during its slow season. The loan agreement with the private lender contemplated repayment of the loan by August 1, 2024. The Company repaid the loan on behalf of the Directors on or around June 5, 2024.
49. Based on the information in the Proposal Trustee's possession, it is unclear at this time whether the Flagged Transactions would constitute as either a preference or transfer at undervalue pursuant to sections 95 and 96 of the BIA. Further, in the event of a bankruptcy, it is unclear whether the Trustee would be successful in attacking or reversing the Flagged Transactions. In order for the Trustee to reverse the Flagged Transactions, the onus would likely be on the Trustee to prove that the Company was insolvent at the time or that the transaction rendered it insolvent. In CMCO's experience, such efforts are difficult and would likely require intervention of the Court. Finally, the Trustee does not have sufficient funds to pursue the Flagged Transactions, and accordingly would require funding from a creditor for same.
50. As mentioned above, the Proposal provides that sections 95 to 99 and 101 of the BIA will not apply with respect to the Proposal and the Company, which means that any potential recovery for preferences or transfers at undervalue are eliminated by the Proposal.

IX. PROPOSAL TO CREDITORS

51. On January 31, 2025, the Company filed a Proposal to its creditors. A summary of the major terms of the Proposal is as follows:

- a. There are two creditor classes, as follows:
 - i. a class of unsecured claims (the "**Unsecured Creditors**"); and,
 - ii. a class relating to the secured claims (the "**Secured Creditors**").

(collectively, the "**Affected Creditors**")
- b. Each class shall be entitled to consider and vote on the Proposal.
- c. The following preferred payments shall be made before making any distributions to the creditors:
 - i. Payment of all proper fees, expenses and legal costs of the Trustee;
 - ii. Payment of the claims of employees as set out in section 136(1)(d) of the BIA, if any; and,
 - iii. All other preferred claims pursuant to sections 60(1) and 136 of the BIA.
- d. The CRA shall be paid directly from the Company as it relates to any amounts due which could be subject to a deemed trust under subsection 224(1.2) of the *Income Tax Act*;
- e. Commencing after Court approval of the Proposal, the Company will make payments to Trustee as it relates to the Secured Creditors totaling 23.5% of their proven claims, and will be distributed by the Proposal Trustee to the Secured Creditors in two (2) equal tranches as follows:
 - i. July 1, 2025; and,
 - ii. July 1, 2026.
- f. Commencing after Court approval of the Proposal, the Company will make payments to Trustee as it relates to the Unsecured Creditors totaling 5% of their proven claims, and will be distributed by the Proposal Trustee to the Unsecured Creditors on or around July 1, 2025. The distribution date may be extended by up to 180 days with the written consent of the Proposal Trustee and/or inspectors (if any). The Company may, at its sole discretion, accelerate the payment to the Proposal Trustee for distribution to the Unsecured Creditors.
- g. In order to share in any dividend distribution under the Proposal, Affected Creditors must have filed a Proof of Claim with the Proposal Trustee on or prior to the date that is thirty (30) days from the date of issuance of the Notice to Prove Claim issued pursuant to section 149 of the BIA (the "**Claims Bar Date**"). Any creditor who's Proof of Claim has not been filed and accepted by the Proposal Trustee prior to the expiration of the Claims Bar Date shall forever be barred from making a claim or sharing in any dividend hereunder.

- h. All distributions under this Proposal, shall be without interest or penalty and will be subject to a 5% levy payable to the Office of the Superintendent of Bankruptcy.
- i. Upon the Company meeting its obligations to the Affected Creditors under the Proposal, each Affected Creditor releases:
 - i. the Company from all Claims that arose before the Filing Date and that relate to the obligations of the Company prior to the Filing Date, regardless of the date of crystallization of such Claims;
 - ii. the Directors and Officers from all Claims that arose before the Filing Date and that relate to the obligations of the Company prior to the Filing Date, regardless of the date of crystallization of such Claims, where the Directors and Officers are, by law, liable in such capacity, provided however that nothing herein shall release any of the Directors or Officers from claims that may not be compromised under a proposal as set out in subsection 50(14) of the BIA.
 - iii. the Directors and Officers, along with 1286036 B.C. Ltd., from all Guarantees that arose before the Filing Date. For greater clarity, this includes any Guarantee granted by the Directors and Officers or 1286036 B.C. Ltd. to Business Development Bank of Canada.

X. STATEMENT OF ESTIMATED REALIZATION AND DISTRIBUTION

- 52. In order for the Proposal to be considered approved by the creditors, it must be approved by a majority in number of creditors holding at least two-thirds in value who vote at the creditor's meeting in person, by proxy or by voting letter in each of the two creditor classes. The Proposal must also be approved by the court which will consider, among other things, whether the Proposal is calculated to benefit the general body of creditors. The courts generally approves proposals that have been approved by the creditors.
- 53. If the Proposal is not approved by both creditor classes or the court, the Company will be deemed to have made an assignment in bankruptcy as of the Filing Date.
- 54. The Proposal Trustee, with the assistance of Management, has prepared a schedule comparing expected recoveries by the Affected Creditors in a bankruptcy and liquidation scenario vs. the amount those creditors might expect to receive under the Proposal (the "**Estimated Realization Schedule**"). Attached as **Appendix "D"** is a copy of the Estimated Realization Schedule.
- 55. In a bankruptcy scenario, it is estimated that the Unsecured Creditors would recover between 0% to unknown. This estimate is based on the following primary assumptions:
 - a. cash will be collected for in or around \$1,300, which will be made available to the bankrupt estate;

- b. there would not be any collections from the GIC, as it is held for the purposes of consumer protection;
 - c. it is assumed that there will not be any collections of accounts receivable;
 - d. prepaid expenses will yield between \$nil, as the amounts recorded are non-refundable deposits;
 - e. fixed assets would yield between \$69,062.50 and \$59,320 in net proceeds for the benefit of the bankrupt estate;
 - f. there would not be any recoveries from goodwill;
 - g. Management has advised that the related party receivable has been paid, and accordingly there is no balance owing.;
 - h. the Trustee in bankruptcy, along with its independent legal counsel estimate professional fees of between \$35,000 to \$55,000;
 - i. the CRA does not have a deemed trust claim for unpaid source deductions. Should it have a deemed trust claim subsequent to performing a trust examination, the recoveries to the secured creditors would decrease;
 - j. there would be a super priority secured claim of about \$2,000 per employee which is estimated to total between \$8,000 and \$10,000;
 - k. the BDC has a secured claim of about \$766,288; and,
 - l. there would not be any recoveries to the general body of unsecured creditors on the basis that any proceeds from the Company's assets would be insufficient to satisfy the Trustee, the secured claim for employees of up to \$2,000 each (for a total of approximately \$10,000), as well as the secured claim of the BDC.
56. Alternatively, under the Proposal, the Company is proposing to pay 5% of the proven claims of Unsecured Creditors. Based on the above information and assumptions, it is estimated that the Proposal is calculated to provide a greater recovery to the Unsecured Creditors as opposed to a bankruptcy.
57. In a bankruptcy scenario, it is estimated that the BDC would recover between nil and 3% of its secured claim from the bankrupt estate given the priority ranking of the employee claims. However, under the Proposal, the Company is proposing to pay 23.5% of the BDC's secured claim. Based on the above information and assumptions, it is estimated that the Proposal is calculated to provide a greater recovery to BDC as compared to bankruptcy.

XI. RECOMMENDATION OF THE PROPOSAL TRUSTEE

58. It is the duty of the Proposal Trustee to inform the creditors in an independent and objective manner as to the merits of the Proposal. Further, the Proposal Trustee is required to state whether or not, in its opinion, the Proposal provides an advantage to the general body of creditors as compared to bankruptcy.
59. Accordingly, the Proposal Trustee recommends that the Unsecured Creditors accept this Proposal for the following reasons:

- a. the Unsecured Creditors are expected to receive 0% of their proven claims in the event of a bankruptcy;
- b. the Proposal offers to pay 5% of the proven claims of Unsecured Creditors. This is estimated to provide a greater recovery to the Unsecured Creditors as compared to a bankruptcy;
- c. the Secured Creditors are expected to receive between nil and 3% of their proven claims in the event of a bankruptcy;
- d. the Proposal offers to pay 23.5% of the proven claims of the Secured Creditors. This is estimated to provide a greater recovery to the Secured Creditors as compared to a bankruptcy;
- e. the Proposal will allow for the Company to continue operations while also preserving existing relationships with stakeholders including suppliers, employees and other parties. This may provide for ongoing opportunities for suppliers, employees and other stakeholders to participate in the Company's future growth as it continues to contribute to the economy in a positive manner; and;
- f. should the Proposal not be accepted, the Company will be deemed bankrupt. This will result in, among other things, the immediate closure of the business, liquidation of any personal property (if it is economically viable) and termination of all employees along with service contracts.

XII. VOTING PROCEDURES AND OTHER INFORMATION

- 60. A meeting of creditors will take place at 2:00PM (PDT) February 20, 2025 for the purpose of voting on the Proposal.
- 61. The creditors' meeting will be held virtually. For the meeting login details, please send an email to nelson.allan@crowemackay.ca for an invitation to the meeting.
- 62. To be approved, a proposal must receive affirmative votes from creditors having a two-thirds majority of "dollars" voted (each \$1 of claim is entitled to 1 vote) and by a majority of the number of proven creditors voting in each of the two creditor classes.
- 63. Along with this Report, the Proposal Trustee mailed a copy of the Proposal, a condensed statement of affairs, a notice of the meeting of creditors, a form of Proof of Claim, Proxy, and Voting Letter.
- 64. In order to be eligible to vote on the Proposal creditors must have filed a Proof of Claim with the Proposal Trustee prior to the appointed meeting time. In order to be accepted by the Proposal Trustee, Proofs of Claim must be properly completed, signed and provide evidence (i.e. invoices, agreements and/or statements of account) in support of their claim. The Proposal Trustee will reject any deficient Proofs of Claim.

65. Votes can be cast in person at the meeting, by proxy or by voting letter. A corporation can only vote by voting letter or through an individual holding a valid proxy. Creditors are encouraged to submit their Proofs of Claim and voting letters to the Proposal Trustee in advance of the meeting date to assist the Trustee in getting their claims and votes duly registered.
66. If creditors do not vote to approve the Proposal in sufficient number and dollar value, the Company is deemed bankrupt and in that case the employment of all employees will be terminated.
67. If approved by creditors, the Proposal must then be approved by the Court. Refusal by the Court to approve the Proposal will also result in a deemed bankruptcy. However, based on our experience, it is unlikely a court would refuse to approve the Proposal if approved by the creditors in both classes.
68. Electronic submissions are acceptable. You may fax the above documents to the attention of Mr. Nelson Allan at Crowe MacKay & Company Ltd. (facsimile 604-687-5617 or by e-mail to nelson.allan@crowemackay.ca). It is not necessary to mail original copies to the Proposal Trustee.
69. If accepted by the creditors and approved by the Court, the Proposal becomes binding on all Affected Creditors whether they voted for or against the Proposal.

DATED AT the City of Vancouver, in the Province of British Columbia, this 10th of February, 2025.

Crowe MacKay & Company Ltd.

in its capacity as Licensed Insolvency Trustee of the Proposal of
Canadian Sun & Mountains Travel Corporation. and not in its personal capacity

Per:



Mr. Nelson Allan, CPA, CIRP, LIT
(Chartered Insolvency & Restructuring Professional)

APPENDIX A

In the Matter of Canadian Sun & Mountains Travel Corporation
For the Period of January 31, 2025 to April 10, 2025
Cash Flow Projections

	1 31-Jan-25 6-Feb-25	2 7-Feb-25 13-Feb-25	3 14-Feb-25 20-Feb-25	4 21-Feb-25 27-Feb-25	5 28-Feb-25 6-Mar-25
Opening Cash	1,325	18,125	11,175	46,725	22,610
Cash Inflows					
Forecasted Sales	28,625	8,625	58,625	8,625	8,625
Additional Financing Required	50,000	10,000	20,000	50,000	30,000
GST Refund					5,000
	78,625	18,625	78,625	58,625	43,625
Disbursements					
Cost of Sales	27,500	15,000	15,000	15,000	30,000
Contingency	1,500	1,500	1,500	1,500	1,500
Debt Servicing	375	375	375	375	375
General and Administrative Expenses	1,450	1,450	1,450	1,450	1,450
Professional fees - General	250	250	250	250	250
Professional fees - Restructuring	30,000	6,250	23,750	-	-
Rent	-	-	-	1,500	-
Utilities	625	625	625	625	625
Vehicles	125	125	125	125	125
Wages & Benefits	-	-	-	49,915	-
Contractors	-	-	-	12,000	-
	61,825	25,575	43,075	82,740	34,325
Change in Cash	16,800	(6,950)	35,550	(24,115)	9,300
Closing Cash	18,125	11,175	46,725	22,610	31,910

Rene Casas-Condoro

Canadian Sun & Mountains Travel Corporation

This statement of projected cash flow of Canadian Sun & Mountains Travel Corporation was prepared in accordance with Paragraph 62(1) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report.

[Signature]

Crowe MacKay & Company Ltd.
in its capacity as Trustee under the Proposal of Canadian Sun & Mountains Travel Corporation and not in its personal capacity

In the Matter of Canadian Sun & Mountains Travel Corporation
For the Period of January 31, 2025 to April 10, 2025
Cash Flow Projections

	6	7	8	9	10
	7-Mar-25	14-Mar-25	21-Mar-25	28-Mar-25	4-Apr-25
	13-Mar-25	20-Mar-25	27-Mar-25	3-Apr-25	10-Apr-25
Opening Cash	31,910	16,210	25,510	19,519	21,194
Cash Inflows					
Forecasted Sales	8,625	8,625	58,625	46,000	46,000
Additional Financing Required	-	20,000	30,000	-	-
GST Refund	[3]				
	8,625	28,625	88,625	46,000	46,000
Disbursements					
Cost of Sales	15,000	15,000	15,000	40,000	40,000
Contingency	1,500	1,500	1,500	1,500	1,500
Debt Servicing	375	375	375	375	375
General and Administrative Expenses	1,450	1,450	1,450	1,450	1,450
Professional fees - General	250	250	250	250	250
Professional fees - Restructuring	5,000	-	11,875	-	-
Rent	-	-	1,500	-	-
Utilities	625	625	625	625	625
Vehicles	125	125	125	125	125
Wages & Benefits	-	-	49,915	-	-
Contractors	-	-	12,000	-	-
	24,325	19,325	94,615	44,325	44,325
Change in Cash	(15,700)	9,300	(5,990)	1,675	1,675
Closing Cash	16,210	25,510	19,519	21,194	22,869

District of: British Columbia
Division No. 05 - Nelson
Court No.
Estate No.

- FORM 30 -

Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Proposal of
Canadian Sun & Mountains Travel Corporation
of the City of Nelson, in the Province of British Columbia
Crowe MacKay & Company Ltd., Trustee

The Management of Canadian Sun & Mountains Travel Corporation, has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 31st day of January 2025, consisting of projected cash flow over the next 10 weeks.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Vancouver in the Province of British Columbia, this 31st day of January 2025.

Rene Casas-Cordero

Canadian Sun & Mountains Travel
Corporation
Debtor

Rene Casas-Cordero - Director

Name and title of signing officer

Name and title of signing officer

District of: British Columbia
Division No. 05 - Nelson
Court No.
Estate No.

FORM 30 - Attachment
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Proposal of
Canadian Sun & Mountains Travel Corporation
of the City of Nelson, in the Province of British Columbia
Crowe MacKay & Company Ltd., Trustee

Purpose:

The purpose of the Cash Flow Statement for the week ending April 13, 2025 is to enable the creditors of Canadian Sun & Mountains Travel Corporation to assess their position regarding the filing of a Proposal pursuant to Section 50.4 of the Bankruptcy and Insolvency Act.

Projection Notes:

Hypothetical Assumption – means an assumption that assumes a set of economic conditions or courses of action that are not necessarily the most probable in the insolvent persons judgement, but are consistent with the purposes of the cash flow projection;

Probable assumption - means an assumption that the insolvent person believes reflects the most probable set of economic conditions and planned courses of action; they are suitably supported, consistent with the plans of the insolvent person and provide a reasonable basis for the cash flow statement.

Assumptions:

In the matter of the Proposal of Canadian Sun and Mountains Travel Corporation (the "Company"), the following is a list of assumptions developed by the Company's management ("Management") underlying the 10-week cash flow projection from January 31, 2025 through to April 10, 2025.

1. Forecasted sales: cash inflows are based on projected new bookings or final payments that are due 30 days before a customer's travel date. These final payments will be subject to cancellation policies up until the 30 days prior to the customer's travel date. In the event of a cancellation, all costs are entirely refundable for both CSM and its customers. Due to the seasonality of tourism in Canada, Management has prepared these projections using prior year trends which show an increase in bookings in the Spring months. These figures are inclusive of Goods and Services Tax ("GST") collected.
2. Additional Financing: cash inflows from interim financing are projected on the basis that the Company's management advances funds on an as-needed basis, up to an amount of \$400,000 during the 10-week period. The additional financing will only be required should there be insufficient liquidity available.
3. GST Refund: Management anticipate collecting a \$5,000 GST refund based on Income Tax Credits.
4. Cost of Sales: Management advised that cash outflows from costs of sales averages around 85% of gross sales. The timing of cost of sales is not always in line with the sales, as the costs are not incurred up until a month prior to the customer's travel date.
5. Contingency: A contingency expense has been included on a weekly basis for unforeseen costs that may occur.
6. Debt Servicing: cash outflows for debt servicing relate to the Company's credit card interest.
7. General and Administrative Expenses: cash outflows from operating expenses are based on historical averages, and include advertising, insurance, memberships, office expenses, and bank fees and charges.
8. Professional Fees – General: cash outflows are fees for the Company's accountant that they will consult with throughout the Proposal period.
9. Professional Fees (Restructuring): cash outflows are inclusive of Crowe Mackay & Company Ltd ("CMCL") fees as Proposal Trustee, legal counsel for CMCL (if needed), and Bridgehouse Law LLP as the Company's legal counsel. These figures are conservative estimates, and are subject to change.
10. Rent: cash outflows for an office that the Company leases in Nelson. The Company will continue to occupy this premises throughout the proposal period.
11. Utilities: Management has based these cash outflows on historical data.
12. Vehicles: Management has based these cash outflows on historical data. It is inclusive of fuel, insurance, etc.
13. Wages, Benefits, and Employee Source Deduction: cash outflows are inclusive of employee wages, source deductions, employee benefits, All employees are assumed to be paid based on their current remuneration level.
14. Contractors: the Company has one (1) contractor who is paid on a monthly basis at their contractual rate.

Dated at the City of Vancouver in the Province of British Columbia, this 31st day of January 2025.

Rene Casas-Condero

Canadian Sun & Mountains Travel
Corporation
Debtor

APPENDIX B



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of British Columbia
Division No. 05 - Nelson
Court No. 11-3182544
Estate No. 11-3182544

In the Matter of the Proposal of:

Canadian Sun & Mountains Travel Corporation

Debtor

CROWE MACKAY & COMPANY LTD

Licensed Insolvency Trustee

Date of Proposal:	January 31, 2025	Security:	\$
Meeting of Creditors:	February 20, 2025, 14:00 by video conference or at 1400-1185 West Georgia Street Vancouver, British Columbia Canada,		
Chair:	Official Receiver		

CERTIFICATE OF FILING OF A PROPOSAL - Section 62

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

- a proposal in respect of the aforementioned debtor was filed under section 62 of the *Bankruptcy and Insolvency Act*.

The aforementioned trustee is required:

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

E-File/Dépôt Electronique

Date: February 03, 2025, 19:16

Official Receiver

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

Canada

APPENDIX C

Amendments to Proposal are underlined.

The Amended Proposal can be found in the creditor package. It is not attached hereto for the purposes of the mailout.

APPENDIX D

In the Matter of Canadian Sun & Mountains Travel Corp. (the "Company")
Analysis of Estimated Recoveries under Bankruptcy and Proposal Scenarios
Prepared as at January 31, 2025

	Ref.	Estimated Gross Realizations from Assets	Net Book Value as at January 31, 2025	Bankruptcy - Low	Bankruptcy - High	Proposal
Cash	[1]		1,300	1,300	1,300	
Intercompany Receivables	[2]			NIL	NIL	
GIC	[3]		260,000	NIL	NIL	
Prepaid Expenses	[4]		10,000	NIL	NIL	
Fixed Assets	[5]		31,740	NIL	NIL	
Goodwill	[6]		111,804	74,150	81,250	
Related Party - Enjoy Vacations	[7]		1,075,294	NIL	NIL	
	[8]		36,000	NIL	NIL	
Proposal Funds	[9]					
Secured Creditors				NIL	NIL	180,078
Unsecured Creditors				NIL	NIL	20,817
Recovery from Flagged Transactions	[10]			NIL	Unknown	
Total Gross Realizations from Assets				75,450	82,550	200,895
Estimated Costs of Realization						
Costs on Realization of Fixed Assets	[11]			14,830	12,188	
Trustee Fees	[12]			45,000	30,000	
Legal Fees	[12]			10,000	5,000	
Total Costs of Realization				69,830	47,188	
Net Proceeds				5,620	35,363	200,895
Allocation of Net Proceeds						
CRA Source Deductions	[13]		NIL	NIL	NIL	
Wage Earners Protection Program	[13]		10,000	8,000	10,000	
AIIPAAP Charge Holders	[14]					
BDC - Loan 1			146,426	NIL	25,363	
BDC - Loan 2			619,862	NIL	NIL	
Balance of Funds Remaining for Distribution				NIL	NIL	
Total Unsecured Claims	[15]		416,347	416,347	416,347	416,347
Total Secured Claims			766,288	766,288	766,288	766,288
Distribution as a % of unsecured claims						
Secured Creditors			766,288	0.00%	3%	23.50%
Unsecured Creditors			416,347	0%	0%	5.00%

NOTES:

[1] The net book values are based on management prepared accounting and financial information. The management prepared accounting and financial information have not been audited or reviewed.
 [2] Based on the accounting information provided by the Company and its management, the Company has a cash balance of approximately \$1,300.
 [3] The Company had an intercompany receivable balance of \$260,000 relating to the sale of the Company's shares. Management advised that this balance is not a receivable balance but rather an accounting error. This balance is as a result of the \$260,000 paid by the Company to a former shareholder on the basis of an earnout as set out in the Share Purchase Agreement. Accordingly, in the event of a bankruptcy, it is assumed that there would be no recovery, as this is in fact not an intercompany receivable.

[4] The GIC is held on deposit for the purposes of consumer protection by the Bank of Montreal ("BMO"). Accordingly, in the event of a bankruptcy, it is estimated that there will be no benefit to the bankrupt estate.
 [5] The Company had in or around \$31K in prepaid expenses as at January 31, 2025. Management advised that the majority of the prepaids expenses are non-refundable deposits. Accordingly, for the purposes of this analysis, it is assumed that in both a "Bankruptcy - Low" scenario and in a "Bankruptcy - High" that \$NIL would be recovered.

[6] The Company had fixed assets with a net book value of in or around \$112K as at January 31, 2025. Management advised that the Company's fixed assets included 2 vehicles, 5 trailers and computer equipment. Below is an analysis of the expected gross recoveries from the sale of the fixed assets. The vehicles value is based on blackbook values obtained for each vehicle. Management provided an estimated value for the trailers of \$2,000 each, as well as an estimate of \$2,000 for the computer equipment.

	Fixed Assets	Bankruptcy - Low	Bankruptcy - High
	2022 GMC Yukon SLT	55,000.00	58,550.00
	2016 Infiniti QX60	9,550.00	10,700.00
	5 Trailers (\$2,000 each)	8,000.00	10,000.00
	Computers	1,600.00	2,000.00
		74,150.00	81,250.00

[7] The Company had goodwill of \$1M recorded on its balance sheet. In the event of bankruptcy, the goodwill would not realize any value to the bankrupt estate.

[8] The Company had a related party receivable balance totaling \$37,000 recorded on its balance sheet. Management advised that this balance has been repaid to the Company, however the accounting has not yet been reflected to show same. Management further advised that the related party does not have any assets, and is insolvent itself.

[9] These funds are based on the Proposal filed by the Company on January 31, 2025. The Proposal sets out that secured creditors will be paid 23.5% of their proven claims, while unsecured creditors will be paid 5% of their proven claims.

[10] The Proposal Trustee has flagged certain transactions which may constitute a preference or transaction at undervalue pursuant to sections 95 and 96 of the BIA respectively. Is is unclear what recoveries, if any at all, would be made in the event of a bankruptcy. Further, the Trustee would require funding from creditors in advance of pursuing these flagged transactions.

[11] In the event of a bankruptcy, it is assumed that a liquidator or auctioneer would realize upon the fixed assets. It is assumed that the liquidator/auctioneer commission would be between 15%-20% for a bankruptcy "High" and "Low" scenario respectively.

[12] Legal and Trustee fees are estimates and represents the professional fees and costs in the event of a bankruptcy. These are estimates and are accordingly subject to change.

[13] Management advised that the Company is current on its payroll remittances. Accordingly, there does not appear to be any amounts owing to CRA which may constitute as a deemed trust claim.

In the event of a bankruptcy, employees are protected for wages and vacation due within 6 months of the date of bankruptcy plus severance to a maximum of \$8,844.22 pursuant to the Wage Earners Protection Program Act (WEPPA). Service Canada will have a subrogated claim against the estate for the amounts paid to the employees. Amounts paid for wages and vacation will rank as a secured claim ahead of Accord but behind CRA's deemed trust claim for source deductions to a maximum of \$2,000 per employee as against the current assets of the company. Non-arm's length employees are not eligible for WEPPA.

Total number of employees	5
Entitlement per employee	2,000.00
Total secured claim pursuant to WEPPA	10,000.00

[14] It is expected that in the "Bankruptcy - High" scenario, the Business Development Bank of Canada (BDC) will receive approximately \$31K in funds, and that no funds will be distributed under the "Bankruptcy - Low" scenario. The remainder of the BDC funds would therefore be fully unsecured.

[15] Total unsecured claims are based on the statement of affairs prepared by the Company.

No: 11-3182544
Estate No. 11-3182544
Province of British Columbia
Bankruptcy Division
~~Vancouver~~-Nelson Registry

In the Supreme Court of British Columbia

IN BANKRUPTCY AND INSOLVENCY

**IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT,
R.S.C. 1985, C. B-3, AS AMENDED**

AND

**IN THE MATTER OF THE PROPOSAL
CANADIAN SUN & MOUNTAINS TRAVEL CORPORATION**

AMENDED PROPOSAL TO CREDITORS

~~JANUARY 31~~FEBRUARY 7, 2025

PROPOSAL TO CREDITORS

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Proposal, unless otherwise stated or the context otherwise requires:

"**Affected Claims**" means all Claims, other than Unaffected Claims.

"**Affected Creditors**" means any Creditor having an Affected Claim, but only with respect to, and to the extent of, such Affected Claim.

"**Approval Order**" means an Order that, among other things, approves and directs the implementation of the Proposal and all actions and transactions set out herein, effective as at the Implementation Date in accordance with the terms of this Proposal.

"**BIA**" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.

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

"**Cash Distribution**" means a cash distribution by the Proposal Trustee from the Cash Distribution Fund to Affected Creditors with a Proven Claim made in accordance with Article 3.

"**Cash Distribution Dates**" means, subject to modifications made in accordance with Article 7, the distribution dates as set out in Article 3.

"**Cash Distribution Fund**" means the fund established by the Company pursuant to and as described in Article 4.

"**Cash Distribution Fund Proceeds**" means the funds contributed to the Cash Distribution Fund in accordance with Article 4.

"**Claim**" means any right or claim of any Person against the Company which constitutes a "*claim provable in bankruptcy*" as that term is defined under the BIA, whether or not asserted in connection with any indebtedness, liability, or obligation was in existence on the Filing Date, as well as interest accrued that may accrue thereon, including any indebtedness, liability or obligation owed to such person as a result of any breach of duty (including any legal, statutory, or equitable fiduciary duty), any right of ownership of or title to property or assets or right to a trust or deemed trust against, any of the property or assets of the Company, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any right or ability of any Person to advance a claim for contribution or indemnity or otherwise against the Company with respect to any matter, cause or chose in action, but subject to any counterclaim, set-off or right of compensation in favour of the

Company which may exist, which claim is based in whole or in part on facts which existed prior to the Filing Date and for clarity, includes Crown Claims.

"**Claims Bar Date**" has the meaning ascribed to it in Article 5.1 of this Proposal.

"**Company**" means Canadian Sun & Mountains Travel Corporation.

"**Conditions Precedent**" means those condition precedents to the implementation of this Proposal as defined and enumerated in Article 6.1 of this Proposal.

"**Court**" means the Supreme Court of British Columbia, in bankruptcy and insolvency.

"**Creditor**" means any Person having a Claim.

"**Crown**" means His Majesty the King in right of Canada or a province.

"**Crown Claims**" means the Claims of the Crown set out in Section 60(1.1) of the BIA outstanding as at the Filing Date against the Company, if any, payment of which will be made in priority to the payment of the Preferred Claims and to distributions in respect of the Affected Creditor Claims, and specifically excludes any other claims of the Crown.

"**Director**" means anyone who is, or is deemed to be, a director of the Company at the Filing Date.

"**Filing Date**" means January 31, 2025, the date on which the Company filed a Proposal with the Office of the Superintendent of Bankruptcy Canada.

"**Guarantees**" means any guarantee, covenant to pay, indemnity or similar obligation granted by a person related to or incidental to any Claim, regardless whether the person is primary obligor or not in relation to that obligation.

"**Implementation Date**" means the date on which all Condition Precedents have been satisfied.

"**Meeting**" means the meeting of the Affected Creditors held in accordance with Section 51(1) of the BIA for the purpose of considering and, if thought fit, voting to approve this Proposal and agreeing to the compromises and arrangements constituted hereby, and includes any subsequent reconvened meeting should any meeting be adjourned.

"**Notice to Prove Claim**" means the notice made pursuant to Section 149 of the BIA 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 Proposal Trustee, advising such Creditors that if their Claims are not proven within 30 days after the sending of such notice (i.e. the Claims Bar Date), the Proposal Trustee will proceed to declare a dividend or final dividend without regard to that Creditor's Claim.

"**Officers**" means, anyone who is, or is deemed to be, an officer of the Company as at the Filing Date.

"**Order**" means any order of the Court made in the Proposal Proceedings.

"Person" means any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate (including a limited liability company and an unlimited liability company), any governmental authority, regulatory board, corporation, unincorporated association or organization, syndicate or other entity, whether or not having legal status.

"Post-Filing Claim" means a Claim arising from the supply of goods and services to the Company after the Filing Date or a claim for sales or excise taxes, source deductions or assessments and premiums arising in relation to such Claims. Post-Filing Claims do not include claims in respect of an obligation incurred prior to the Filing Date but which is payable after the Filing Date.

"Post Filing Creditor" means a Creditor having a Post-Filing Claim.

"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.

"Proof of Claim" means the form of document prescribed by the BIA to be filed with the Proposal Trustee to prove the Claim of a Creditor.

"Proposal" means this proposal among the Company and the Affected Creditors, as from time to time amended, modified or supplements pursuant to an Order, or pursuant to an agreement among the Company and the Affected Creditors as provided for herein, or at any Meeting.

"Proposal Proceedings" means the proceedings under the BIA commenced under the Supreme Court of British Columbia Action in relation to the Proposal.

"Proposal Trustee" means Crowe MacKay & Company Ltd. in its capacity as proposal trustee of the Company.

"Proposal Trustee's Costs" means all proper fees, expenses and legal costs of the Proposal Trustee arising in any way in relation to this Proposal.

"Proven Claim" means a Claim which, after delivery of a Proof of Claim to the Proposal Trustee has been: (a) admitted by the Proposal Trustee in whole or in part; or (b) disallowed by the Proposal Trustee and such disallowance has been subsequently (i) resolved by agreement among the Claimant, the Company and the Proposal Trustee; or (ii) set aside in whole or in part by the Court. Proven Claims shall not include any amounts due to a Post-Filing Creditor in respect of a Post Filing Claim and shall not include any interest for the period subsequent to the Filing Date.

"Related Creditor" means any Person who is a "related person" as defined under Section 4 of the BIA having a Proven Claim to the extent of their Proven Claim.

"Released Parties" means those persons released by the Affected Creditors, as defined and enumerated in Article 2.7(c) of the Proposal.

"Required Majority" means a majority in number and two thirds in value of the Voting Creditors who vote on this Proposal in accordance with the voting procedures established hereby and under the BIA.

"Secured Claims" means a Claim that is secured by a Security Interest.

"Secured Creditor" means a Person having a Secured Claim.

"Security Interest" means a mortgage, hypothec, prior claim, pledge, charge, lien or other security interest on or against the assets and property of the Company or any part thereof as security for a debt due and accruing from the Company, or any negotiable instrument held as collateral security and on which the Company is only indirectly or secondarily liable.

"Unaffected Claim" means a Claim of an Unaffected Creditor.

"Unaffected Creditor" means: (a) Post-Filing Creditors; (b) Preferred Creditors; and (c) the Crown (to the extent of any Crown Claims).

"Unsecured Claims" means all Claims, other than Unaffected Claims and Secured Claims.

"Unsecured Creditors" means any Creditor having an Unsecured Claim, but only with respect to, and to the extent of, such Unsecured Claim.

"Voting Creditors" means all Affected Creditors in attendance at the Meeting in person or by proxy and who are entitled to vote at the Meeting. For clarity, this excludes all Related Creditors, Unaffected Creditors (to the extent of their Unaffected Claims).

1.2 Interpretation

For the purposes of this Proposal:

- (a) the division of this Proposal into Articles and Sections and the insertion of headings are for convenience only and do not form part of this Proposal and will not be used to interpret, define or limit the scope, extent or intent of this Proposal;
- (b) the words "hereunder", "hereof", and similar expressions, refer to this Proposal and not to any particular Article, Section or Schedule and references to Articles, Sections and Schedules are to Articles and Sections of, and Schedules to this Proposal;
- (c) words importing the singular include the plural and vice versa and words importing any gender include all genders;
- (d) the words "includes" and "including", and similar terms of inclusion shall not, unless expressly modified by the words only or solely, be construed as terms of limitation, but rather shall mean "includes without limitation", or "including without limitation", as applicable, so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;

- (e) a reference to any statute is to that statute as now enacted or as the statute may from time to time be amended, re-enacted or replaced, and includes any regulation made thereunder;
- (f) a reference to any agreement, indenture or other document is to that document as amended, supplemented, restated or replaced from time to time; and
- (g) unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Vancouver, British Columbia, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day.

1.3 Currency

All references to amounts of money mean the lawful currency of Canada unless otherwise expressly indicated. For purposes relating to voting on this Proposal and calculating distributions thereunder, any Claims submitted and denominated in a currency other than Canadian dollars shall be converted to Canadian dollars as at the Filing Date based on the applicable daily average exchange rate published by the Bank of Canada on the Filing Date.

1.4 Interest

Interest shall not accrue or be paid on any Affected Claims after the Filing Date, and no Affected Claims shall be entitled to interest accruing on or after the Filing Date.

1.5 Date for Any Action

In the event that any date on which any action is required to be taken under this Proposal is not a Business Day, that action shall be required to be taken on the following date that is a Business Day.

ARTICLE 2 PURPOSE AND EFFECT OF PROPOSAL

2.1 Purpose of Proposal

The purpose of this Proposal is to enable the Company to preserve and carry on its core business.

In the event of the bankruptcy of the Company and the forced liquidation of its assets, it is very unlikely that there will be any more than nominal recovery by any Creditors other than Secured Creditors. The successful implementation of this Proposal will enable the Company to continue its business operations.

2.2 Overview of Proposal

This Proposal provides for the compromise of the Affected Creditor Claims of the Affected Creditors. The Affected Creditors will receive a cash distribution in accordance with Article 3. The Cash Distribution Fund will be funded by sales revenues and by a cash injection by related

parties. This Proposal will, as of the Implementation Date, be effective and binding on all Persons affected by the Proposal, and to whom this Proposal is made.

The alternative to this Proposal is the bankruptcy of the Company and the immediate liquidation of its assets. In a bankruptcy scenario, it is expected that it will be difficult, if not impossible, for a bankruptcy trustee to realize on the assets of the Company to such a degree that there will be a distribution to the unsecured creditors. In a bankruptcy, the Secured Creditors will be entitled to a distribution, if any, in priority to the Unsecured Creditors, thereby reducing the amount available for distribution to any Unsecured Creditors.

Accordingly, and as will be apparent from the foregoing, this Proposal is premised on the expectation that Affected Creditors will derive a materially greater benefit from this Proposal than would result from a bankruptcy and the immediate liquidation of the Company's assets.

2.3 Proposal Trustee Under this Proposal

Subject to the provisions of the BIA, the Proposal Trustee shall act as the administrator for certain purposes connected with this Proposal, including administration of the Proof of Claims process and the Meeting, as well as the distribution of the Proposal Proceeds, all in accordance with this Proposal.

2.4 Persons Affected by this Proposal

This Proposal provides for, among other things, the compromise, discharge, and release of all Affected Claims against the Company. Accordingly, on the Implementation Date, this Proposal will become effective and shall be binding on the Company, the Affected Creditors and all other Persons named or referred to in, or subject to, this Proposal.

2.5 Unaffected Claims

This Proposal does not affect Unaffected Claims. Persons with Unaffected Claims will not be entitled to vote on or receive any distributions under this Proposal in respect of such Claims. Nothing in this Proposal shall affect any of the Company's rights and defences, both legal and equitable, with respect to any Unaffected Claim, including all rights with respect to legal and equitable defences or entitlements to set-offs and recoupments against such Claims.

2.6 Equity Claims

Persons having equity claims or equity interests (such as those terms are defined in the BIA), shall not be entitled to receive a distribution under this Proposal or otherwise receive anything in respect of their shares or interest or be entitled to vote on this Proposal on its equity claim.

2.7 Release of Company, Directors and Officers, Guarantors and Proposal Trustee by Affected Creditors

Upon the Company meeting its obligations to the Affected Creditors under this Proposal, each Affected Creditor hereby, and without the need for any further action, releases:

- (a) the Company from all Claims that arose before the Filing Date and that relate to the obligations of the Company prior to the Filing Date, regardless of the date of crystallization of such Claims; and
- (b) the Directors and Officers from all Claims that arose before the Filing Date and that relate to the obligations of the Company prior to the Filing Date, regardless of the date of crystallization of such Claims, where the Directors and Officers are, by law, liable in such capacity, provided however that nothing herein shall release any of the Directors or Officers from claims that may not be compromised under a proposal as set out in subsection 50(14) of the BIA.
- (c) the Directors and Officers, along with 1286036 B.C. Ltd., from all Guarantees that arose before the Filing Date. For greater clarity, this includes any Guarantee granted by the Directors and Officers or -1286036 B.C. Ltd. to Business Development Bank of Canada.

Once the Company has met its obligations to the Affected Creditors under this Proposal, no Affected Creditor shall have any right, remedy or claim against the Proposal Trustee or the Company, and each of their respective past and present Directors and Officers, employees, financial advisors, legal counsel, representatives and agents, (each a "Released Party", and collectively, the "Released Parties") for anything arising in connection with this Proposal or these Proposal Proceedings. The Released Parties shall then be fully and irrevocably released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Affected Creditor may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any omission, transaction, agreement, guarantee, surety, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Implementation Date that are in any way relating to, arising out of or in connection with the Claims, as applicable, 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 wilful 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 3 TREATMENT OF CREDITORS

3.1 Classes of Creditors

For the purposes of considering and voting on this Proposal, there shall be two classes of Affected Creditors, Secured Creditors and Unsecured Creditors.

3.2 Unsecured Creditors

The Proposal Trustee shall pay from the Cash Distribution Fund to each Unsecured Creditor with a Proven Claim a Cash Distribution equal to 5% of its Proven Claim. On approval of the Proposal, the Cash Distribution will be paid on July 1, 2025, which date may be extended by up to 180 days with the written consent of the Proposal Trustee and/or the inspectors (if any)., however, the Company may, at its sole discretion, accelerate the payment of the Cash Distribution in the event the Company is successful in raising capital and able to fund the Cash Distribution Fund sooner than anticipated.

3.3 Secured Creditors

The Proposal Trustee shall pay from the Cash Distribution Fund to each Secured Creditor with a Proven Claim a Cash Distribution equal to 23.5% of its Proven Claim. The Cash Distribution will be paid in two equal tranches as follows:

- (a) July 1, 2025; and
- (b) July 1, 2026.

which dates may be extended by up to 180 days with the written consent of the Proposal Trustee and/or the inspectors (if any)., however, the Company may, at its sole discretion, accelerate the payment of each Cash Distribution in the event the Company is successful in raising capital and able to fund the Cash Distribution Fund sooner than anticipated.

3.4 Unaffected Claims

Unaffected Claims are not included under or in any way affected by this Proposal. Unaffected Claims that are not Post-Filing Claims will be paid in accordance with existing agreements between the Unaffected Creditors and the Company or in accordance with alternative arrangements to be negotiated concurrently with the filing and implementation of this Proposal. Unaffected Claims that are Post-Filing Claims will be unaffected by this Proposal and will be paid by the Company in the ordinary course of business.

Crown Claims that are Proven Claims (if any) shall be paid in their entirety, inclusive of interest, within six months after the granting of the Approval Order in accordance with the scheme of distribution set forth in the BIA.

Preferred Claims that are Proven Claims (if any) shall be paid in full on or after the date that is immediately upon the Approval Order, in accordance with the scheme of distribution set forth in the BIA.

3.5 Proposal Trustee's Costs

The Proposal Trustee's Costs in respect of this Proposal shall be paid by the Company in the ordinary course of business and in accordance with the agreements between the Company and the Proposal Trustee.

3.6 Full Satisfaction of All Affected Creditor Claims and No Other Entitlements

All Affected Creditors shall accept the consideration set out in Article 3 hereof in full and complete satisfaction of their Affected Creditor Claims, and all liens, certificates of pending litigation, executions, or other similar charges or actions or proceedings in respect of such Affected Creditor Claims will have no effect in law or in equity against the Company, or other assets and undertaking of the Company. When implementation of the Proposal is complete, any and all such registered liens, certificates of pending litigation, executions or other similar charges or actions brought, made or claimed by Affected Creditors will be deemed to have been discharged, dismissed or vacated without cost to the Company and the Company will be released from any and all Affected Creditor Claims of Affected Creditors.

3.7 Preferences or Transfers Under Value

Upon the issuance of the Approval Order, the statutory terms of Sections 95 to 101 of the BIA and any provision of provincial legislation having similar objectives shall not apply pursuant to Section 101.1 of the BIA.

ARTICLE 4

CASH DISTRIBUTION FUND & CASH DISTRIBUTION

4.1 Cash Distribution Fund

The Company will fund the Cash Distribution Fund by way of making a payment in respect of each of the Cash Distributions set out in Article 3 above to the Proposal Trustee at least 14 days before each of the Cash Distribution Dates (which date(s) may be extended with the written consent of the Proposal Trustee and/or the inspectors (if any)), until such time that the Cash Distributions have been paid to each of the Affected Creditors.

The Company shall make such payments to the Proposal Trustee on dates and in a manner to be reasonably determined by the Proposal Trustee so as to enable the Proposal Trustee to facilitate Cash Distributions from the Cash Distribution Fund in accordance with this Proposal.

All amounts comprising the Cash Distribution Fund will be delivered to the Proposal Trustee, and will be held by the Proposal Trustee, in trust, pending distribution to Affected Creditors in the time and manner set out in Article 3.

4.2 Cash Distribution

In accordance with Article 3, the Cash Distribution Fund Proceeds shall be distributed by the Proposal Trustee as soon as practicably possible, but in any event within thirty (30) days of the Cash Distribution Dates in accordance with Article 3.

4.3 Method of Distributions

Unless otherwise agreed to by the Proposal Trustee and an Affected Creditor, all Cash Distributions made by the Proposal Trustee from the Cash Distribution Fund pursuant to this Proposal shall be made by cheque mailed to the address shown on the proof of claim filed by such Affected Creditor or, where an Affected Creditor has provided the Trustee with written notice of a change of address, to such address set out in that notice.

ARTICLE 5

MEETING OF CREDITORS

5.1 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 3, Creditors must have filed a Proof of Claim in accordance with the BIA such that it is actually received by the Proposal Trustee 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 the Notice to Prove Claim (the "**Claims Bar Date**") pursuant to Section 149 of the BIA. The Proposal Trustee may issue the Notice to Prove Claim at its discretion anytime following the Implementation 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.

5.2 Meeting

Unless otherwise ordered by the Court, the Meeting shall be held at 2:00 PM (Vancouver time) on February 20, 2025, virtually. For an invitation to join the meeting, please contact the Proposal Trustee at: Nelson.Allan@crowemackay.ca.

5.3 Conduct of Meeting

Unless otherwise ordered by the Court, the Meeting shall be chaired by a representative of the Office of the Superintendent in Bankruptcy, or the nominee thereof. The Meeting shall be conducted in accordance with Part III, Division I of the BIA.

The only Persons entitled to attend the Meeting are the Affected Creditors, including the holders of proxies, and their legal counsel, if any, and the Directors and Officers of the Company, auditors, advisors and legal counsel of the Company, together with such representatives of the Proposal Trustee as the Proposal Trustee may appoint in its discretion, legal counsel for the Proposal Trustee and such scrutineers as may be duly appointed by the chair of the Meeting. Any other person may be admitted only on invitation of the chair of the Meeting.

5.4 Voting at the Meeting

Each Voting Creditor will be entitled to vote the full amount of its Proven Claim at the Meeting. Each Voting Creditor shall have one vote for the purposes of determining a majority in number, and each Voting Creditor shall be entitled to one vote for every \$1.00 of its Proven Claim for the purposes of determining a majority in value.

5.5 Parties Not Entitled to Vote

Related Creditors and Unaffected Creditors, to the extent of their Unaffected Claims, shall not be entitled to vote at the Meeting.

5.6 Adjournment of the Meeting

The Meeting may be adjourned in accordance with Section 52 of the BIA. If the Meeting is adjourned, no further Proof of Claims nor proxies shall be filed with or accepted by the Proposal Trustee or the Company for the purpose of voting at any reconvening of the Meeting.

5.7 Proxies and Voting Letters

Affected Creditors will be entitled to vote at the Meeting by proxy or voting letter. The particulars with respect to voting by proxy or voting letter will be detailed in the Proof of Claim package and will be binding upon all Affected Creditors.

ARTICLE 6 CONDITIONS PRECEDENT

6.1 Conditions Precedent

The implementation of this Proposal by the Company on the Implementation Date is subject to the satisfaction by the Company of the following conditions precedent (collectively, the "**Conditions Precedent**"):

- (a) this Proposal shall have been approved by the Affected Creditors by the Required Majority in accordance with the provisions of the BIA;
- (b) the Approval Order sanctioning this Proposal shall have been made, and the effect of the Approval Order shall not have been stayed, revised, modified, reversed or amended, and the Approval Order shall, among other things:
 - i. declare that: (1) this Proposal has been approved by the Required Majority of the Affected Creditors in conformity with the BIA; and (2) this Proposal and the transactions contemplated hereby, are fair and reasonable, and in the best interests of the Company, the Affected Creditors, and the other stakeholders;
 - ii. order that this Proposal is sanctioned and approved pursuant to the BIA;
and
 - iii. authorize and direct the Company and the Proposal Trustee to execute and deliver the agreements, documents, and instruments contemplated by this Proposal in order to effect all actions contemplated by this Proposal.
- (c) all other actions, documents and agreements necessary to implement this Proposal as required herein shall have been effected and executed.

The non-fulfillment or non-satisfaction of any of the Conditions Precedent set forth in this Article 6.1(a) through (c) shall constitute a default under this Proposal for the purposes of Section 62.1 of the BIA and otherwise under this Proposal.

ARTICLE 7
AMENDMENT AND MODIFICATIONS

7.1 Modification to Proposal before or at Meeting

The Company reserves the right, with the consent of the Proposal Trustee and/or inspectors (if any), to amend, modify, supplement or restate this Proposal at any time prior to the Meeting, or at the Meeting, in which case the amended, modified, supplemented or restated proposal will be put before the Affected Creditors Class for approval at the Meeting.

7.2 Modification of Proposal after Meeting

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

- (a) by the Company, if the amendment is considered by the Proposal Trustee and the inspectors (if any) to be non-substantive in nature, and, with the approval of the Proposal Trustee; and
- (b) by the Court on application of the Company or the Proposal Trustee and upon notice to those determined by the applicant to be directly affected by the proposed modification.

ARTICLE 8
APPLICATION FOR COURT APPROVAL
& EFFECT OF PROPOSAL

8.1 Application for Court Approval

Upon the conclusion of the Meeting, if this Proposal has been approved by the Affected Creditors Class by the Required Majority, the Proposal Trustee shall apply to the Court for the Approval Order. Subject only to the Approval Order being granted and the satisfaction of those Conditions Precedent enumerated in Article 6.1, this Proposal will be implemented by the Company and will be binding upon all the Affected Creditors and all other Persons affected by this Proposal in accordance with its terms.

8.2 Binding Effect of Proposal

After the issuance of the Approval Order by the Court, subject to satisfaction of the Conditions Precedent, the Proposal shall be implemented by the Company and shall be fully effective and binding on the Company and all Persons affected by the Proposal. Without limitation, the treatment of Affected Creditor Claims under the Proposal shall be final and binding on the Company, the Affected Creditors, and all Persons affected by the Proposal and their respective heirs, executors, administrators, legal representatives, successors, and assigns. For greater certainty, this Proposal shall have no effect upon Unaffected Creditors.

ARTICLE 9

NOTICE, UNDELIVERABLE DISTRIBUTIONS AND THE LEVY

9.1 Notices and Payments to Affected Creditors

Any notices, correspondence and distributions to Affected Creditors under or in relation to this Proposal shall be delivered to the address provided by each Affected Creditor unless the Company and the Proposal Trustee are notified by an Affected Creditor in writing of an alternative address for delivery.

9.2 Undeliverable Distributions

If any distribution, delivery or correspondence to an Affected Creditor under this Proposal is returned to the sender as undeliverable, no further distributions, deliveries or correspondence shall be made to that Affected Creditor unless and until the sender is notified by such Affected Creditor, in writing, of their current address, at which time any missed deliveries, distributions (without interest) and correspondence shall be delivered to such Affected Creditor.

Undeliverable distributions shall be retained by the sender until they are claimed or until six months after the date of such distribution, after which they shall revert to the Company, free of any restrictions or claims thereon.

9.3 Withholding Taxes and Superintendent's Levy

All distributions to the Affected Creditors under this Proposal shall be made net of the levy imposed by the Superintendent of Bankruptcy under the BIA. This includes any distribution of equity. Notwithstanding any other provision of this Proposal, each Affected Creditor that receives a distribution pursuant to this Proposal shall have the sole and exclusive responsibility for the satisfaction and payment of any taxes or tax obligations imposed by any governmental entity (including income, withholding and other tax obligations on account of such distribution).

ARTICLE 10 GENERAL

10.1 Capacity of Proposal Trustee

Crowe MacKay & Company Ltd. is acting in its capacity as Proposal Trustee and not in its personal capacity, and shall not incur any liabilities or obligations in connection with this Proposal or in respect of the business or obligations of the Company, whether existing as at the Filing Date or incurred subsequent thereto and no Person shall have any Claim against Crowe MacKay & Company Ltd. in respect thereof. The foregoing is in addition to, and not substitution for, and in no way affects any protections afforded Crowe MacKay & Company Ltd. under the BIA or elsewhere.

10.2 Certificate of Completion

Upon the Proposal Trustee making the last distributions to the Affected Creditors as contemplated by this Proposal, the terms of this Proposal shall be deemed to be fully performed and the Proposal Trustee shall provide to the Official Receiver a certificate pursuant to Section 65.3 of the BIA and the Proposal Trustee shall thereupon be entitled to be discharged.

10.3 No Default

Each Affected Creditor will be deemed to have waived any default by the Company in any provision, expressed or implied or in any agreement existing between the Affected Creditor and the Company that occurred on or prior to the Implementation Date. Each Affected Creditor will be deemed to have agreed that, to the extent there is any conflict between the provisions of any such agreement and the provisions of this Proposal, the provisions of this Proposal take precedence and the provisions of any such agreement are amended accordingly.

10.4 Conflict Between this Proposal and Other Agreements

From and after the Implementation Date, any conflict between: (a) this Proposal; and (b) the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, purchase order, mortgage, security agreement, indenture, trust indenture, loan or other agreement, commitment letter, lease or other arrangement or undertaking, written or oral (including any and all amendments or supplements thereto) existing with, between or among one or more of the Affected Creditors and the Company as at the Implementation Date, will be deemed to be governed by the provisions of this Proposal and the Approval Order, which shall take precedence and priority. For greater certainty, all Affected Creditors shall be deemed to consent to all transactions contemplated in this Proposal.

10.5 Severability

If, subsequent to the Implementation Date, any term or provision of this Proposal is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Company or Proposal Trustee, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Proposal shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

10.6 Further Assurances

Each of the Persons named or referred to in, or subject to, this Proposal will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of this Proposal and to give effect to the transactions contemplated herein.

10.7 Governing Law

This Proposal will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

10.8 Notices to Company or Proposal Trustee

All notices, Proofs of Claim, and other correspondence relating to this Proposal and to be delivered to the Company or the Proposal Trustee shall be in writing and shall be delivered either personally, by email, by regular mail, by registered mail or by certified mail, return receipt requested, at the following address:

To the Company

Canadian Sun & Mountains Travel Corporation
5405 13A Avenue
Delta BC, V5M 3V5
Attention: Rene Casas-Cordero
Email: rene@csntravel.com

With a copy to:

Bridgehouse Law LLP
9th Floor, 900 West Hastings Street
Vancouver, British Columbia V6C 1E5
Attention: Ben La Borie
Email: blaborie@bridgehouselaw.ca

To the Proposal Trustee

Crowe MacKay & Company Ltd., in its capacity as
Proposal Trustee of Canadian Sun & Mountains Travel Corporation
1400-1185 West Georgia Street
Vancouver BC, V6E 4E6
Attention: Nelson Allan
Email: nelson.allan@crowemackay.ca

10.9 Successors and Assigns

This Proposal is binding upon the Company, the Creditors and their respective heirs, executors, administrators, successors and assigns.

10.10 Date and Reference

This Proposal may be referred to as being the Proposal of the Company dated for reference the 31st of January, 2025.

Canadian Sun & Mountains Travel Corporation

Per: Rene Casas-Cordero

Authorized Signatory
(Rene Casas-Cordero)

District of: British Columbia
Division No. 05 - Nelson
Court No.
Estate No.

☒ Original

☐ Amended

-- Form 78 --

Statement of Affairs (Corporate Proposal)
(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
Canadian Sun & Mountains Travel Corporation
of the City of Nelson, in the Province of British Columbia
Crowe MacKay & Company Ltd., Trustee

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 31st day of January 2025. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration by a duly authorized director, if the debtor is a corporation, or by yourself, in other cases..

Give reasons for the bankrupt's/debtor's financial difficulty (Select all that apply and provide details):

- | | | | | |
|---|---|---|--|--|
| <input checked="" type="checkbox"/> Negative market conditions; | <input type="checkbox"/> Foreign Exchange Fluctuations; | <input type="checkbox"/> Economic Downturn; | <input type="checkbox"/> Poor Financial Performance; | <input type="checkbox"/> Legal Matters (Provide details); |
| <input type="checkbox"/> Lack of Working Capital/Funding; | <input type="checkbox"/> Competition; | <input type="checkbox"/> Legislated or Regulatory Restrictions; | <input type="checkbox"/> Natural Disaster; | <input type="checkbox"/> Increased Cost of Doing Business; |
| <input type="checkbox"/> Overhead Increasing; | <input type="checkbox"/> Faulty Infrastructure or Business Model; | <input type="checkbox"/> Unsuccessful Marketing Initiatives; | <input type="checkbox"/> Personal Issues; | <input type="checkbox"/> Poor Management; |
| <input type="checkbox"/> Faulty Accounting; | <input type="checkbox"/> Tax Liabilities; | <input type="checkbox"/> Labour; | <input type="checkbox"/> Other (Please specify). | |

Provide relevant details:

ASSETS

(totals from the list of assets as stated and estimated by bankrupt/debtor)

1. Cash on hand		1,300.00
2. Deposits in financial institutions		0.00
3. Accounts receivable and other receivables		
Total amount	0.00	
Estimated realizable value	0.00	0.00
4. Inventory		0.00
5. Trade fixtures, etc.		0.00
6. Livestock		0.00
7. Machinery and equipment		0.00
8. Real property or immovables		0.00
9. Furniture		0.00
10. Intangible assets (intellectual properties, licences, cryptocurrencies, digital tokens, etc.)		0.00
11. Vehicles		69,250.00
12. Securities (shares, bonds, debentures, etc.)		0.00
13. Other property		12,005.00
Total of lines 1 to 13		82,555.00

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	82,555.00
Deficiency	-1,100,079.51
Total value of assets located outside Canada included in lines 1 to 13	0.00

LIABILITIES

(totals from the list of liabilities as stated and estimated by bankrupt/debtor)

1. Secured creditors	82,554.00
2. Preferred creditors, securities, and priorities	0.00
3. Unsecured creditors	1,100,080.51
4. Contingent, trust claims or other liabilities estimated to be provable for	0.00
Total liabilities	1,182,634.51
Surplus	1,100,079.51

List of Assets

Arrange by Nature of asset and number consecutively

No.	Nature of asset ¹	Address/Location	Asset located outside Canada	Details	Percentage of bankrupt's/debtor's interest	Total value of the bankrupt's/debtor's interest	Estimated realizable value	Equity or Surplus	Placeholder (values on this line are for notification)
101	Cash on hand	n/a	<input type="checkbox"/>	Cash on Hand	100.00	1,300.00	1,300.00	0.00	<input type="checkbox"/>
501	Other personal property	n/a	<input type="checkbox"/>	Other - Computer Equipment	100.00	2,000.00	2,000.00	0.00	<input type="checkbox"/>
502	Other personal property	n/a	<input type="checkbox"/>	Other - Prepaid Expenses	100.00	1.00	1.00	0.00	<input type="checkbox"/>
503	Other personal property	n/a	<input type="checkbox"/>	Other - CSM Investments	100.00	1.00	1.00	0.00	<input type="checkbox"/>
504	Other personal property	n/a	<input type="checkbox"/>	Other - Trailers	100.00	10,000.00	10,000.00	0.00	<input type="checkbox"/>
505	Other personal property	n/a	<input type="checkbox"/>	Other - Goodwill	100.00	1.00	1.00	0.00	<input type="checkbox"/>
506	Other personal property	n/a	<input type="checkbox"/>	Other - GIC	100.00	1.00	1.00	0.00	<input type="checkbox"/>
507	Other personal property	n/a	<input type="checkbox"/>	Other - Related Party Loan - Enjoy Vacations	100.00	1.00	1.00	1.00	<input type="checkbox"/>
801	Vehicles	n/a	<input type="checkbox"/>	2016 Infiniti QX60	100.00	10,700.00	10,700.00	0.00	<input type="checkbox"/>
802	Vehicles	n/a	<input type="checkbox"/>	2022 GMC Yukon SLT	100.00	58,550.00	58,550.00	0.00	<input type="checkbox"/>
Total						82,555.00	82,555.00		

¹ Choose one option for each item: Cash on hand; Deposits in financial institutions; Accounts receivable and other receivables; Inventory; Trade fixtures, etc.; Livestock; Machinery and equipment; Residential rental property; Commercial building; Industrial building; Land; Immovable industrial equipment; Other real property; Furniture; Intangible assets (intellectual properties, licences, cryptocurrencies, digital tokens, etc.); Vehicles; Securities (shares, bonds, debentures, etc.); Bills of exchange, promissory note, etc.; Tax refunds; Other personal property.

Rene Casas-Cordero

Rene Casas-Cordero

31-Jan-2025

Date

List of Liabilities

No.	Name of creditor or claimant	Address	Nature of liability ²	Details	Date given/ incurred	Amount of Claim					Asset securing the liability	Ground for the right to a priority ³	Estimated surplus or (deficit) from security	Place-holder (values on this line are for notification only)
						Unsecured	Secured	Preferred/Priorities	Contingent, trust claims or other liabilities	Total amount of claim				
1	AQUATIC SAFARIS	101 Fourth St Tofino BC V0R 2Z0	Accounts payable	Vendor Vendor		4,827.85	0.00	0.00	0.00	4,827.85			0.00	<input type="checkbox"/>
2	BANFF CENTER FOR THE ARTS	107 Tunnel Mountain Dr Banff AB T1L 1H5	Accounts payable	Vendor		4,000.00	0.00	0.00	0.00	4,000.00			0.00	<input type="checkbox"/>
3	Bank of Montreal (CEBA)	298 Baker St. Nelson BC V1L 4H3	Bank Loans except real property mortgage	Bank		60,000.00	0.00	0.00	0.00	60,000.00			0.00	<input type="checkbox"/>
4	BREWSTER MOUNTAIN LODGE	208 Caribou St Banff AB T1L 1C1	Accounts payable	Vendor		38,245.27	0.00	0.00	0.00	38,245.27			0.00	<input type="checkbox"/>
5	Business Development Centre	1500-1133 Melville Street Vancouver BC V6E 4E5	Bank Loans except real property mortgage	Loan Loan		146,426.00	0.00	0.00	0.00	146,426.00			-146,426.00	<input type="checkbox"/>
6	Business Development Centre	1500-1133 Melville Street Vancouver BC V6E 4E5	Bank Loans except real property mortgage	Loan HASCAP Loan	20-Oct-2016	537,308.00	82,554.00	0.00	0.00	619,862.00	101,801.80 2,501,502, 503,504.50 5,506		-537,308.00	<input type="checkbox"/>
7	CRA - Tax - Pacific	Surrey National Verification and Collection Centre 9755 King George Blvd Surrey BC V3T 5E1	Corporate taxes	taxes		66,008.00	0.00	0.00	0.00	66,008.00			0.00	<input type="checkbox"/>
8	CYCLE CITY VANCOUVER	648 Hornby St Vancouver BC V6C 2G2	Accounts payable	Vendor		5,156.00	0.00	0.00	0.00	5,156.00			0.00	<input type="checkbox"/>
9	Highland VIP	2000 Pegasus Rd NE, #6 Calgary AB T2E 8K7	Accounts payable	Vendor		900.90	0.00	0.00	0.00	900.90			0.00	<input type="checkbox"/>
10	INNOV 8 DIGITAL SOLUTIONS	520 Lake Street Nelson BC V1L 4C6	Accounts payable	Vendor		529.20	0.00	0.00	0.00	529.20			0.00	<input type="checkbox"/>

Rene Casas-Cordero

Rene Casas-Cordero

31-Jan-2025

Date

List of Liabilities

No.	Name of creditor or claimant	Address	Nature of liability ²	Details	Date given/ incurred	Amount of Claim					Asset securing the liability	Ground for the right to a priority ³	Estimated surplus or (deficit) from security	Placeholder (values on this line are for notification only)
						Unsecured	Secured	Preferred/Priorities	Contingent, trust claims or other liabilities	Total amount of claim				
11	LISTEL HOTEL	1300 Robson St Vancouver BC V6E 1C5	Accounts payable	Vendor		20,689.19	0.00	0.00	0.00	20,689.19			0.00	<input type="checkbox"/>
12	Pacific Can RRRF Loan	1300-300 West Georgia Street Vancouver BC V6B 6B4	Bank Loans except real property mortgage	Loan		195,000.00	0.00	0.00	0.00	195,000.00			0.00	<input type="checkbox"/>
13	STAR LIMO	328 Industrial Ave Vancouver BC V6A 2P3	Accounts payable	Vendor		20,990.10	0.00	0.00	0.00	20,990.10			0.00	<input type="checkbox"/>
Total						1,100,080.51	82,554.00	0.00	0.00	1,182,634.51				

² Choose one option for each item: Accounts payable; Owed rent; Owed wages; Severance pay; Corporate taxes; Sales taxes; Employee source deductions; Litigation/legal costs and awards; Subordinated debenture; Bills of exchange; Promissory notes; Lien notes; Mortgages or hypothec on real or immovable property; Chattel mortgages or movable hypothec; General Security Agreement; Intercompany loans; Bank loans (except real property mortgage); Finance company loans; Shareholder loans; Shares and subscribed capital; Other claim or liability.

³ Choose one option for each item with a preferred or priority amount: Unpaid supplier; Farmer, fisherman or aquaculturist; Owed wages; Unpaid amount regarding pension plan; Municipal taxes; Rent; Customer of a bankrupt securities firm; Deemed trust in favour of the Crown; Priming charges and interim financing; Environmental liabilities; Other.

I, Rene Casas-Cordero, of the City of Delta 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 31st day of January 2025 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) remotely by Rene Casas-Cordero stated as being located in the City of Vancouver in the Province of British Columbia before me at the City of Nelson in the Province of British Columbia, on this 31st day of January 2025 in accordance with provincial Regulation on Administering Oath or Declaration Remotely.

Rene Casas-Cordero

Rene Casas-Cordero

J
Jonathan McNair, Commissioner for Taking Affidavits
For the Province of British Columbia
Expires June 30, 2027

District of: British Columbia
Division No. 05 - Nelson
Court No.
Estate No. 11-3182544

FORM 31

Proof of Claim

(Sections 50.1, 81.5, 81.6, subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8),
102(2), 124(2), 128(1), and paragraphs 51(1)(e) and 66.14(b) of the Act)

In the Matter of the Proposal of
Canadian Sun & Mountains Travel Corporation
of the City of Nelson, in the Province of British Columbia
Crowe MacKay & Company Ltd., Trustee

The creditor's preference is to receive all notices and correspondence regarding this claim at the following address and/or facsimile number and/or email address (a mailing address must be provided in all cases):

Address: _____
Facsimile: _____
Email: _____
Contact person name or position: _____
Telephone number for contact person: _____

In the matter of the proposal of Canadian Sun & Mountains Travel Corporation of the City of Nelson in the Province of British Columbia and the claim of _____, creditor.

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

1. That I am a creditor of the above named debtor (or that I am _____ (state position or title) of _____, (name of creditor or representative of the creditor) and that I am authorized to represent and (if the creditor is a corporation) that I have authority to bind the creditor of the above-named debtor).

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 31st day of January 2025, and still is, indebted to the creditor in the sum of \$ _____, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. Any debt payable in a currency other than Canadian currency was converted to Canadian currency as of the date of proposal.

(The attached statement of account or affidavit must specify the supporting documents or other evidence in support of the claim)

4. That, to the best of my knowledge, this debt has never been (or this debt has been or part of this debt has been) statute-barred as determined under the relevant legislation.

5. That payment for this debt by the debtor to the creditor has been due (or has been in default) since the _____ day of _____, and that the last payment, if any, on this debt by the debtor to the creditor was made on the _____ day of _____, and/or that the last acknowledgement, if any, of liability for this debt by the debtor to the creditor was made on the _____ day of _____, as follows:

(Give full particulars of the claim, including its history, any acknowledgement or legal action)

6. (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 do not claim a right to a priority.

☐ Regarding the amount of \$ _____, I claim a right to a priority under paragraph 136(1)(d) of the Act (Complete paragraph 6E below.)

District of British Columbia
Division No. 05 - Nelson
Court No.
Estate No. 11-3182544

FORM 31 --- Continued

In the Matter of the Proposal of
Canadian Sun & Mountains Travel Corporation
of the City of Nelson, in the Province of British Columbia
Crowe MacKay & Company Ltd., Trustee

- ☐ Regarding the amount of \$ _____, I claim a right to a priority under paragraph 136(1)(d.01) of the Act.
- ☐ Regarding the amount of \$ _____, I claim a right to a priority under paragraph 136(1)(d.02) of the Act.
- ☐ Regarding the amount of \$ _____, I claim a right to a priority under paragraph 136(1)(d.1) of the Act.
- ☐ Regarding the amount of \$ _____, I claim a right to a priority under paragraph 136(1)(e) of the Act.
- ☐ Regarding the amount of \$ _____, I claim a right to a priority under paragraph 136(1)(f) of the Act.
- ☐ Regarding the amount of \$ _____, I claim a right to a priority under paragraph 136(1)(g) of the Act.
- ☐ Regarding the amount of \$ _____, I claim a right to a priority under paragraph 136(1)(i) of the Act.

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

☐ **B. Claim of Lessor for disclaimer of a lease of \$ _____**

That I make a claim under subsection 65.2(4) of the Act, the 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, the 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.)

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 the proof of security, by the secured creditor.

☐ **D. Claim by Farmer, Fisherman or Aquaculturist of \$ _____**

That I 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 make a claim under subsection 81.3(8) of the Act in the amount of \$ _____.
- ☐ That I make a claim under subsection 81.4(8) of the Act in the amount of \$ _____.

☐ **F. Claim by Pension Plan for unpaid amount of \$ _____**

- ☐ That I make a claim under subsection 81.5 of the Act in the amount of \$ _____.
- ☐ That I make a claim under subsection 81.6 of the Act in the amount of \$ _____.

☐ **G. Claim against Director of \$ _____**

(To be completed when a proposal provides for the compromise of claims against directors)
That I make a claim under subsection 50(13) of the Act, the 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 of \$ _____**

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

District of British Columbia
Division No. 05 - Nelson
Court No.
Estate No. 11-3182544

FORM 31 — Concluded

In the Matter of the Proposal of
Canadian Sun & Mountains Travel Corporation
of the City of Nelson, in the Province of British Columbia
Crowe MacKay & Company Ltd., Trustee

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

8. That the following are the payments that I have received from the debtor, the credits that I have allowed to the debtor, and the transfers at undervalue within the meaning of section 2 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)

9. (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.

Warning: Subsection 201(1) of the Act provides for the imposition of severe penalties in the event that a creditor or person claiming to be a creditor makes any false claim, proof, declaration or statement of account.

Dated at _____, this _____ day of _____,

Signature of creditor or representative

District of: British Columbia
Division No. 05 - Nelson
Court No.
Estate No. 11-3182544

FORM 36

Proxy

(Subsection 102(2) and paragraphs 51(1)(e) and 66.15(3)(b) of the Act)

In the Matter of the Proposal of
Canadian Sun & Mountains Travel Corporation
of the City of Nelson, in the Province of British Columbia
Crowe MacKay & Company Ltd., Trustee

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

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

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Per _____
Name and Title of Signing Officer

Return To:

Crowe MacKay & Company Ltd. - Licensed Insolvency Trustee

1400-1185 West Georgia Street
Vancouver BC V6E 4E6
Fax: (604) 687-5617
E-mail: trustee@crowemackay.ca

Guidance for Completing Form 31, Proof of Claim

Form 31, Proof of Claim

Form 31 is used to file a proof of claim under the Bankruptcy and Insolvency Act (the Act).

If you need more information in completing this Form, contact the Licensed Insolvency Trustee (LIT) responsible for the administration of the estate.

The form should be completed by:

- Creditors or their authorized representatives in response to a proposal or bankruptcy.

Creditor Contact Information

The creditor's preferred contact details for correspondence about the claim.

- This can be a mailing address, fax number or email address.
- More than one type of contact can be provided. The LIT will then have the discretion to send correspondence by one of these options.

The creditor's mailing address **must** be given to allow the LIT to distribute any estate funds.

Name a contact person to receive correspondence about the claim.

- This can be the creditor or the name or position of a creditor representative.
- A telephone number for the contact person can be given for communication with the LIT.

Additional Details

Enter the following:

- Select if the claim relates to a bankruptcy, a proposal or a receivership.
- The full legal name of the debtor, or the full legal or trade name of the debtor corporation.
- The city and province of the debtor.
- The full legal name of the creditor.

The type of proceeding and the name and city of the debtor may be pre-filled by the LIT.

Creditor Information

Enter the following:

- The full name of the creditor or creditor representative.
- The city and province of the creditor or creditor representative.

Creditor Statement

The creditor or creditor representative confirms that all information related to the creditor's claim is true and completed to the best of their knowledge.

Paragraphs 1 and 2:

- If you are an employee the creditor or a creditor representative, supply your position or job title, and the full legal name of your employer.
- If the creditor is a corporation, the person completing the form must confirm that they have the authority to bind the creditor.

Paragraph 3

Claim details:

- Select if the claim relates to a bankruptcy, a receivership, a proposal or a proposal made following a notice of intention.
- The filing date of the proceeding (day, month, and year).
 - This date may be pre-filled by the LIT.
- The full amount, in Canadian dollars, the debtor owes the creditor on the date of the proceedings, minus any counterclaims to which the debtor is entitled.
 - If the amount owing was payable in a currency other than Canadian dollars, it should be converted to Canadian dollars at the rate provided in the proposal.
 - If there is no specified rate, use the exchange rate on the filing date provided above.
- Attach supporting documents to provide all relevant details to prove the claim. This allows the LIT to examine the claim and decide whether to allow it.

Paragraph 4

Confirmation of debt status:

- Select whether all, part or none of the debt is statute-barred.
 - A debt is statute-barred when legislation extinguishes the debt or bars a creditor from taking legal action to recover on it due to the passage of time, known as the limitation period.
 - The specific conditions and the time for a debt to become statute-barred vary depending on the circumstances and relevant legislation. For most unsecured liabilities, the general limitation period is between two and six years.
 - A statute-barred debt is not a provable claim under the Act. If you have a claim, it is advisable to seek legal advice to confirm the relevant legislation and limitation period that apply to your claim.

Paragraph 5

Claim Details:

- Provide the date (day, month, and year) when payment was owed and the date (day, month, and year) of the last payment made by the debtor for the debt, if any.
- Provide the date of the debtor's most recent acknowledgment of the debt, if any.
- Include all relevant details about the debt or obligation, e.g., the nature and history of the claim, how and when the debt or obligation was contracted, etc.

Paragraph 6

Type of Claim (according to the Act)

Check each applicable category for the claim or claims and include the required information and supporting documentation for each claim.

A. Unsecured Claim:

- For a claim against a securities firm, omit any amount claimed against the customer pool fund.

Priority claims:

If not claiming a right to a priority, check the first box and enter the amount for which there is no priority being claimed.

If claiming a right to a priority under any of paragraphs 136(1)(d), (d.01), (d.02), (d.1), (e), (f), (g) or (i) of the Act, check the corresponding box and enter the amount for which a priority is claimed.

- **Employee claims:** For unpaid wages, salaries, commissions or compensation of up to \$2000, for work done during the six months preceding the bankruptcy or receivership, check the paragraph 136(1)(d) box. The details of the claim must also be provided in section E.
- **Secured creditor claims:** For the amount not received from the realization of the security because of the legislated security for unpaid wages or pension plans for the benefit of the debtor's employees, check the paragraph 136(1)(d.01) or 136(1)(d.02) box.
- **Former partner or child support claims:** For unpaid alimony, alimentary pension, support or maintenance of a former partner or child for a lump sum or periodic payment for amounts due in the year before the bankruptcy or proposal, check the paragraph 136(1)(d.01) box.
- **Municipal tax claims:** For unpaid property taxes owed for the last two years before the bankruptcy or proposal and for which the municipality has not registered on title, check the paragraph 136(1)(e) box.
- **Lessor claims:** For unpaid rent for the three months before the bankruptcy or proposal or accelerated rent for the three months after the bankruptcy or proposal, check the paragraph 136(1)(f) box.
- **Creditor cost claims:** For legal fees and costs paid by a creditor for any process against the property of the debtor filed before the bankruptcy or proposal, check the paragraph 136(1)(g) box.
- **Insurer claims:** For claims of insurers who paid money for injuries to the debtor's employees not covered by the provisions of any workers' compensation legislation, check the paragraph 136(1)(i) box.

The total amount of all the amounts in priority must correspond to the total amount for unsecured claims reported at A.

B. Lessor's claim for a disclaimer of a lease:

- This is only available if the debtor used a proposal to end a commercial lease.
- Provide details of the claim, including calculations on which the claim is based.

C. Secured claim:

- Provide the amount of the secured debt and complete details of the security, including the date the security was given and the value at which it is assessed at the date of completing the form.
- Include copies of security and registration documents.

D. Claims by Farmers, Fishers or Aquaculturists:

- The amount entered on both lines should be the same.
- This claim only applies to inventory supplied by farmers, fishers or aquaculturists within 15 days of the bankruptcy date or receiver's appointment (see the filing date at Paragraph 3).
- Include sales agreements and delivery receipts.

E. Claims by Wage Earner:

- If the claim relates to the bankruptcy of the employer, check the subsection 81.3(8) box.
 - Enter the amount claimed for unpaid wages for work done within six months before the bankruptcy.
- If the claim relates to the appointment of a receiver to the property of the employer, check the subsection 81.4(8) box.
 - Enter the amount claimed for unpaid wages for work done within six months before the receiver's appointment.
 - A priority claim can often be filed at A for these unpaid wages under paragraph 136(1)(d).

F. Claims by Pension Plans:

- This claim should be filed by the pension plan administrator, not by the employee or former employee of the debtor.
- If the claim relates to the employer's bankruptcy, check the section 81.5 box.
 - Enter the amount claimed for unpaid amounts from the pension plan.
- If the claim relates to the appointment of a receiver to the property of the employer, check the section 81.6 box.
 - Enter the amount claimed for unpaid amounts from the pension plan.

G. Claims against Directors:

- This only applies to corporations that have filed a proposal that includes a compromise or protection from claims against the directors of the corporation made under subsection 50(13).
- A director of a corporation other than an income trust means a person who holds the position of a director regardless of their title, and in the case of an income trust, a person holding the position of trustee by any name.
- Fully explain the claim and include detailed calculations upon which the claim is based.

H. Claims by a customer of a bankrupt securities firm:

- A securities firm refers to a business that buys and sells securities, such as shares, mutual funds shares, notes, bonds, debentures, commodity futures, or derivatives, on behalf of its customers.
- The amount claimed must be for the net equity of the customer:
 - This is the value of the securities in the customer's account, had it been liquidated at the close of business on the date of bankruptcy, less any amount owed by the customer to the securities firm on the same date.
- Include detailed calculations upon which the claim is based.

Paragraph 7

Relationship to the Debtor

- Indicate whether the creditor is related to the debtor:
 - Individuals are related if they are connected by blood, marriage, common-law partnership, or adoption.
 - Corporations are typically related to individuals who control them, as well as other corporations controlled by the same persons or are part of the same group of corporations.
- Indicate whether the creditor has dealt with the debtor in a non-arm's length manner:
 - Non-arm's length refers to a relationship or transaction between parties who are related to each other.
 - Creditors related to the debtor are generally considered not to deal with each other at arm's length.

Paragraph 8

Payment and Credits

List all payments received from the debtor and credit extended to the debtor during the designated period.

- Designated period:
 - For related persons or persons who are not at arm's length, the designated period is twelve months before the date of filing in Paragraph 3.
 - Otherwise, the designated period is three months before the date of filing in Paragraph 3.
- Provide information on any transfers at undervalue by the debtor that the creditor was a party to, or is aware of, for the designated period.
 - Transfers at undervalue include all transactions, either for goods or services, for which the debtor received conspicuously less than reasonable value.
- Include all details of payments, credits or any transfers at undervalue.

Paragraph 9

Request for Information

If the proof of claim relates to an individual bankrupt, you can request to receive specific information by checking the applicable box.

Check the first box to be informed whenever the LIT reviews the bankrupt's financial situation, redetermines if they must make surplus income payments to the estate, and the new amount of these payments.

Check the second box to receive a copy of the LIT's report on the discharge of the bankrupt which includes information such as the reasons for bankruptcy, the bankrupt's conduct, performance of their required duties, and other relevant facts.

- The LIT will send a copy of the report to the creditor using the contact information provided in the **Creditor Contact Information** section.

Paragraph 10

Signature

The person completing the form must sign it and include the location and specific date (day, month, and year) they signed it.

- Signing this form binds the creditor and attests that the information is full, true and complete to the best of their knowledge.
- It is a serious offence for a creditor to include any false information or to make any false claims with the intent to defraud. The offence can result in a fine of up to \$5,000, imprisonment for up to one year, or both.

District of: British Columbia
Division No. 05 - Nelson
Court No.
Estate No. 11-3182544

FORM 37

Voting Letter
(Paragraph 51(1)(f) of the Act)

In the Matter of the Proposal of
Canadian Sun & Mountains Travel Corporation
of the City of Nelson, in the Province of British Columbia
Crowe MacKay & Company Ltd., Trustee

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
Canadian Sun & Mountains Travel Corporation, 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:
Crowe MacKay & Company Ltd. - Licensed Insolvency Trustee
Per:

Nelson Allan - Licensed Insolvency Trustee
1400-1185 West Georgia Street
Vancouver BC V6E 4E6
Fax: (604) 687-5617
E-mail: trustee@crowemackay.ca