

No: 11-3182544
Estate No. 11-3182544
Province of British Columbia
Bankruptcy Division
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**

SECOND AMENDED PROPOSAL TO CREDITORS

~~FEBRUARY 7~~ MARCH 3, 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 ("BDC").

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 31, 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). 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 (for greater certainty, the sole Secured Creditor is BDC) with a Proven Claim a Cash Distribution ~~equal to 23.5% of its Proven Claim. After approval of the Proposal, the Cash Distribution will be paid in two equal tranches~~ as follows:

- (a) \$100,000 on acceptance of the Proposal;
- (a)(b) \$200,000 on July 31, 2025; and
- (b)(c) \$150,000 on July 31/August 31, 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).~~ 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@csmtravel.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 day of January, 2025.

Canadian Sun & Mountains Travel Corporation

Per: Rene Casas-Cordero

Authorized Signatory