

ONTARIO
SUPERIOR COURT OF JUSTICE
(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 OF
UNIQUE RESTORATION LTD.
PROPOSAL

Unique Restoration Ltd., (the “**Debtor**”), hereby submits the following Amended Proposal under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.

ARTICLE 1
DEFINITIONS

1.1 Definitions

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

- (a) “**Act**” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
- (b) “**Administrative Fees and Expenses**” means:
 - (i) the proper fees and expenses of the Proposal Trustee including its legal fees and disbursements; and
 - (ii) The legal and consulting fees and disbursements of the Proposal Trustee incurred on or incidental to negotiations in connection with the preparation of the Proposal and the transactions and agreements contemplated hereby, including advice given to the Debtor, its officers, directors and principals;
- (c) “**Approval order**” means an Order of the Court approving the Proposal in form and substance satisfactory to the Debtor;
- (d) “**Business Day**” means a day, other than a Saturday or Sunday, on which banks are generally open for business in Toronto, Ontario;

- (e) **“Canada Pension Plan”** means the *Canada Pension Plan*, R.S.C. 1985, c. C-8, as amended;
- (f) **“Certificate of Full Performance”** shall have the meaning given to it in Article 9.2 of this Proposal;
- (g) **“Claim”** means, collectively, any of the following:
 - (i) any right or claim of any Person against the Debtor or any Related Party that may be made in whole or in part against the Debtor or any property or assets of the Debtor or any Related Party, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind whatsoever of the Debtor, which indebtedness, liability or obligation is in existence at the Filing Date or which is based on an event, act or omission which occurred in whole or in part prior to the Filing Date, and any accrued interest thereon and costs payable in respect thereof to and including the Filing Date, whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, by guarantee, by surety or otherwise and whether or not such a right is executory or anticipatory in nature, including, without limitation, the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future based in whole or in part on facts which existed prior to or at the Filing Date and includes any other claims that would have been claims provable in bankruptcy had the Debtor become bankrupt on the Filing Date; and
 - (ii) any right or claim of any Person against the Debtor in connection with any indebtedness, liability or obligation of any kind whatsoever owed by the Debtor to such Person arising out of the restructuring, repudiation, disclaimer, resiliation, termination, amendment or breach after the Filing Date of any contract, lease, employment agreement or other agreement or obligation whether written or oral and whether such restructuring, disclaimer, resiliation, termination, amendment or breach took place or takes place before or after the Filing Date;
- (h) **“Claims Bar Date”** shall have the meaning given to it in Article 4.3 of this Proposal;
- (i) **“Court”** means the Ontario Superior Court of Justice (in Bankruptcy and Insolvency);

- (j) **“Creditor”** means any Person, having a Claim and may, if the context requires, mean a trustee, receiver, receiver-manager or other Person acting on behalf or in the name of such Person;
- (k) **“Creditors’ Meeting”** means any meeting of the Unsecured Creditor called for the purpose of considering and voting on the Proposal;
- (l) **“Creditors’ Meeting Date”** means such date and time as may be called by the Trustee, but in any event shall be no later than twenty-one (21) days following the filing of this Proposal with the Official Receiver;
- (m) **“Court Approval Date”** means the date on which the Court finally and conclusively approves this Proposal;
- (n) **“Debtor”** means Unique Restoration Ltd.;
- (o) **“Debtor’s Counsel”** means Rory McGovern of Rory McGovern PC;
- (p) **“Director”** and **“Officer”**) means any person or persons who are, have previously been, or in future may be directors or officers of the Debtor, including but not limited to those persons who, in the past, present or future:
 - (i) have or will act in the capacity of director or officer of the Debtor, with or without being so named, or
 - (ii) have or will perform the functions of a director or officer of the Debtor, with or without being so named; or
 - (iii) have been, are or may in future be deemed, de facto, acting, substitute or effective directors or officers of the Debtor; or
 - (iv) have been, are or will be persons subject to statutory liabilities of directors or officers arising from any statute, act or regulation of Canada;
- (q) **“Effective Date”** means the date on which the transactions and agreements provided for in this Proposal become effective, which date shall be 30 days after the Court Approval Date;
- (r) **“Employment Insurance Act”** means the *Employment Insurance Act*, S.C. 1996, c. 23, as amended;
- (s) **“Filing Date”** means the date on which the Debtor filed its Notice of Intention to make a Proposal, which date is January 4, 2021;

- (t) **“Implementation Date”** means the date upon which the conditions set forth in Article 10.4 of this Proposal have been satisfied;
- (u) **“Income Tax Act”** means the *Income Tax Act*, R.S.C. 1985, c.1(5th Supp), as amended;
- (v) **“Inspectors”** means one or more inspectors appointed pursuant to the Act, as provided for in the Proposal;
- (w) **“Legal Fees”** shall have the meaning given to it in Section 7.1 of this Proposal;
- (x) **“Official Receiver”** shall have the meaning ascribed thereto in the Act;
- (y) **“Person”** means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government, or any agency or instrumentality thereof, or any other entity howsoever designated or constituted;
- (z) **“Preferred Creditors”** means Creditors with Proven Unsecured Claims which are required by the Act to be paid in priority to all other Claims under a proposal by a debtor (but only in respect and to the extent of such Proven Unsecured Claims) and including, without limitation:
 - (i) Employees and former employees of the Debtor, not to include independent commissioned sales agents or contractors, for amounts equal to the amounts that they would be qualified to receive under paragraph 136(1)(d) of the Act if the Debtor became bankrupt on the Filing Date, as well as wages, salaries, commissions or compensation for services rendered after that date and before the Court approval of the Proposal, together with, in the case of travelling salespersons, disbursements properly incurred by those salespersons in and about the Debtor’s business during the same period, for greater certainty amounts due or which may become due pursuant to this paragraph do not include claims for severance or termination pay and any compensation in lieu of notice of termination;
 - (ii) Her Majesty in Right of Canada or a Province for all amounts that were outstanding at the Filing Date and are of a kind that could be subject to a demand under,
 - I subsection 224(1.2) of the Income Tax Act;
 - II any provisions of the Canada Pension Plan or of the Employment Insurance Act that refers to subsection 224(1.2) of the Income Tax Act and provides for collection of a contribution, as defined in the Canada Pension Plan, or an employee’s premium, or employer’s

premium, as defined in the Employment Insurance Act, and of any related interest, penalties or other amounts; or

III any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the Income Tax Act, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum;

(1) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the Income Tax Act; or

(2) is of the same nature as a contribution under the Canada Pension Plan if the province is a “province providing a comprehensive pension plan” as defined in subsection 3(1) of the Canada Pension Plan and the provincial legislation establishes a “provincial pension plan” as defined in that subsection;

- (aa) **“Post Filing Goods and Services”** means in respect of the Proposal, the goods supplied, services rendered and other consideration given to the Debtor subsequent to the Filing Date;
- (bb) **“Proof of Claim”** shall mean the proof of claim required by the Act to be mailed to each known Creditor prior to the Creditors’ Meeting;
- (cc) **“Proposal”** means this Proposal dated April 30, 2021 made pursuant to the Act, as further amended or supplemented from time to time;
- (dd) **“Proposal Trustee”** or **“Trustee”** means Crowe Soberman Inc.;
- (ee) **“Proposal Trustee’s Fees”** shall have the meaning given to it in Section 7.1 of this Proposal;
- (ff) **“Proven Unsecured Claim”** of a Creditor means the amount of the Claim of such Creditor (other than a Secured Creditor) finally determined in accordance with the provisions of the Act;
- (gg) **“Related Parties”** means affiliates, related entities and/or partnerships, shareholders, partners, limited partners, members, employees, officers, directors, spouses of directors, agents, heirs, administrators, executors, trustees, beneficiaries, predecessors, successors and assigns of the Debtor;

- (hh) **“Secured Creditor”** means any Person or Persons holding a valid mortgage, hypothec, pledge, charge, lien or privilege on or against any property of any Person or Persons as security for a Claim or a person whose Claim is based upon, or secured by a negotiable instrument held as collateral security upon which the Debtor is only indirectly or secondarily liable;
- (ii) **“Unsecured Creditors”** means, collectively, the Creditors who are not Secured Creditors; and
- (jj) **“Voting Letter”** shall mean the voting letter required by section 51(1) of the Act to be mailed to each known Creditor prior to the Creditors’ Meeting.

1.2 Articles of Reference

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

1.3 Interpretation Not Affected by Headings

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

1.4 Date for Any Action

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

1.5 Time

All times expressed herein are local time in Toronto, Ontario, Canada unless otherwise stipulated. Where the time for anything pursuant to the Proposal on a particular date is unspecified the time shall be deemed to be 5:00 p.m. local time in Toronto, Ontario, Canada.

1.6 Numbers

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

1.7 Currency

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

1.8 Statutory References

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

1.9 Successor and Assigns

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

ARTICLE 2 **GENERAL INTENT**

2.1 Purpose of Proposal

The purpose of this Proposal is to affect a compromise of the Claims of the Creditors of the Debtor, including all claims against Directors and their Related Parties, strictly in accordance with subsections 50(13) to 50(15) of the Act, in the expectation that all Creditors will derive a greater benefit from a Proposal to Creditors than would result from a bankruptcy.

Notwithstanding the terms and conditions of all arrangements or other arrangements with Creditors entered into before the Filing Date, for so long as an event of default in the Proposal has not occurred, or if it has occurred, has been waived or cured, all such agreements or other arrangements will be deemed to be amended to the extent necessary to give effect to all the terms and conditions of this Proposal. In the event of any conflict or inconsistency between the terms of such agreements or arrangements and the terms of this Proposal, the terms of this Proposal will govern.

2.2 Persons Affected

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

2.3 Post-Proposal Goods and Services

All debts incurred subsequent to the Filing Date shall be paid in the ordinary course of business by the Debtor. The Debtor shall, to the fullest extent possible, carry on its normal business operations and shall not dispose of any assets other than is contemplated by this Proposal, or other than is in the normal and regular course of its ongoing business.

The Debtor agrees that the Trustee, its counsel and the Debtor's Counsel shall not in any case be responsible for ensuring that payment is duly made to all those persons supplying goods and services for any period subsequent to the Filing Date. All Creditors hereby release and forever discharge the Proposal Trustee and the Debtor's Counsel from any and all liability relating to the Debtor's non-payment of any liabilities under this paragraph.

2.4 Assets Remain Vested in Debtor

The assets of the Debtor, if any, shall not vest in the Proposal Trustee, but shall remain vested in the Debtor, and the Trustee shall have no liability whatsoever for the Claims of Creditors arising before, on or after the Filing Date.

ARTICLE 3 **CLASSIFICATION AND TREATMENT OF CREDITORS**

3.1 Secured Creditors

This Proposal is not being made to Secured Creditors and if this Proposal is passed by the Courts, it will not affect the amounts and rights of Secured Creditors. Secured Creditors may vote and participate as Unsecured Creditors to the extent that they surrender the value of their security.

Secured Creditors acknowledge that their security is subordinate to the trust claims of Her Majesty in Right of Canada or a Province in this Proposal and in any ensuing bankruptcy, unless it is supported by a mortgage on real property or otherwise entitled to be classified as a *prescribed security instrument* in accordance with the Income Tax Act.

3.2 Classes of Creditors

For the purposes of voting on the Proposal, the Creditors of the Debtor shall be comprised of one (1) class of Unsecured Creditors.

3.3 Preferred Creditors

The Proven Unsecured Claims of the Preferred Creditors are to be paid by the Debtor in full in priority to all Proven Unsecured Claims in accordance with the scheme of distribution set forth in the Act. For greater certainty, the amounts referred to in Article 1.1(z) (i) shall be paid immediately after the Court Approval Date and the amount referred to in Article 1.1(z) (ii) shall be paid within six (6) months of the Court Approval Date or as otherwise agreed.

3.4 Unsecured Creditors

The Proven Unsecured Claims will be satisfied in accordance with Article 7 herein.

3.5 Different Capacities

Persons who are affected by this Proposal may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person is entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Person in writing or unless its Claims overlap or are otherwise duplicative.

3.6 Employee Claim

Prior to the Debtor's filing of the Notice of Intention under Section 50.4 of the *Bankruptcy and Insolvency Act*, there was a Claim brought by a former employee of the Debtor (the "**Employee Claim**"). The Employee Claim was referred to the Ontario Ministry of Labour and the Directors of the Debtor are required to settle same in the amount of \$13,200.00. In the event that there are any proceeds of recovery in connection with the Starlight Litigation, as defined in Section 7.1 herein, the Directors of the Debtor shall be entitled to be reimbursed for any amounts provided to settle the Employee Claim in priority to all other Claims of the Debtor's Creditors with the exception of the Legal Fees.

ARTICLE 4
PROCEDURE FOR VALIDATION OF CLAIMS

4.1 Filing of Proofs of Claim

Each Unsecured Creditor must file a Proof of Claim in accordance with the Act to vote on, or to receive a distribution under the Proposal. Proofs of claim must be filed at, or prior to, the meeting of creditors to be considered valid. Only valid claims filed at, or prior to the meeting of creditors, either by proxy, or upon attendance at the meeting of creditors, shall be considered at the Proposal vote.

4.2 Allowance or Disallowance of Claims by the Trustee

Upon receipt of a completed Proof of Claim, the Trustee shall examine the Proof of Claim and shall deal with each claim in accordance with the provisions of the Act. The procedure for valuing Claims of Creditors and resolving disputes with respect to such Claims will be as set forth in the Act. The Debtor and/or Trustee reserve the right to seek the assistance of the Court in valuing the Claim of any Creditor, if required, to ascertain the result of any vote on the Proposal or the amount payable or to be distributed to such Creditor under the Proposal, as the case may be.

4.3 Claims Bar Process

Forthwith after the Implementation Date, the Proposal Trustee shall give notice pursuant to section 149 of the Act by registered mail to every Person with a Claim (other than Secured Claims) of which the Trustee has notice or knowledge, but whose Claim has not been filed or proved that if such Person does not prove its Claim within a period of thirty (30) after the mailing of the notice (the “**Claims Bar Date**”), the Trustee will proceed to declare a final distribution without regard to such Person’s Claim.

Subject to any exceptions set out in sections 149(2), (3) and (4) of the Act, any Creditor that does not prove its Claim (other than Secured Claims) by the Claims Bar Date shall be barred from making a Claim in the Proposal or sharing in any distribution hereunder, and such Claim shall be forever barred, extinguished and released.

ARTICLE 5
MEETING OF CREDITORS

5.1 Creditors’ Meeting

On the Creditors' Meeting Date, the Debtor shall hold the Creditors' meeting in order for the Unsecured Creditors to consider and vote upon the Proposal.

5.2 Time and Place of Meeting

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

5.3 Conduct of Meetings

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

5.4 Adjournment of Meetings

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

5.5 Voting by Creditors

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

5.6 Approval by Creditors

In order that the Proposal be binding on all of the Unsecured Creditors of the Debtor, in accordance with the Act, it must first be accepted by the Unsecured Creditors by a majority in number of the Unsecured Creditors who vote upon the Proposal (in person or by proxy) pursuant to Article 5.5 of this Proposal at the Creditors' Meeting or by a Voting Letter, representing two-third in value of the Proven Unsecured Claims of the Unsecured Creditors who voted on the Proposal pursuant to Article 5.5 of this Proposal whether in person or by proxy) at the Creditors' Meeting or by a Voting Letter.

5.7 Appointment of Inspectors

At the Meeting of Creditors, the Creditors may appoint up to five (5) Inspector(s) whose powers will be limited to:

- (a) advising the Proposal Trustee concerning any dispute which may arise as to the validity of Claims, and
- (b) advising the Proposal Trustee from time to time with respect to any other matter that the Proposal Trustee may refer to them.

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

The authority and term of office of the Inspector(s) will terminate upon the discharge of the Trustee.

ARTICLE 6 **PAYMENT OF ADMINISTRATIVE FEES AND EXPENSES**

6.1 Priority of Administrative Fees and Expenses

The Trustee's Administrative Fees and Expenses shall rank in priority to all other creditors, except as may be set out in the Act and will be paid pursuant to sections 60(1) and 60(2) of the Act. If the Debtor should default on his payment thereof, the Trustee may, in absolute priority, call upon all funds accumulated in the Proposal to satisfy its proper Administrative Fees and Expenses. In such case, the Proposal shall be considered in default, subject to waiver of same by the Inspectors.

6.2 Payment of Administrative Fees and Expenses

The Trustee shall be at liberty from time to time to apply reasonable amounts, out of the Proposal proceeds against its Administrative Fees and Expenses, and such amounts shall constitute advances against the Administrative Fees and Expenses when and as approved by the Court.

ARTICLE 7 **PROPOSAL**

7.1 Implementation of Proposal

The Debtor has substantially ceased the operation of its regular business and its only physical asset of any value, the building located at 1220 Matheson Blvd. in Mississauga, Ontario, is subject to claims of Secured Creditors and Preferred Creditors. As such, the Debtor does not have any liquid assets to distribute to Unsecured Creditors at this time.

As set out in the Debtor's motion materials in connection with the motions to extend the stay of proceedings dated February 3, 2021 and March 17, 2021, the Debtor's only remaining asset that may produce any recovery for the Debtor's Creditors is the litigation bearing British Columbia Court File Number S-189965 (the "**Starlight Litigation**").

The current value of the Debtor's claim in connection with the Starlight Litigation is approximately \$2.3 million, plus interest. The Debtor is seeking to amend its Counterclaim in the Starlight Litigation to increase the claimed damages. As of the date of this Amended Proposal, the Debtor's application to amend its Counterclaim has been adjourned generally on consent of the parties.

The Debtor has actively taken steps to prosecute its claims in connection with the Starlight Litigation in order to fund the within proposal to the Debtor's Creditors. At the present time, the trial of the Starlight Litigation is scheduled to commence on January 24, 2022, with discoveries expected to take place in the summer of 2021.

7.2 Funding of the Starlight Litigation

The Starlight Litigation is being funded by the Directors of the Debtor for the benefit of the Debtor's Creditors and to try and achieve an orderly wind down of the Debtor's business. The Debtor has appointed the Debtor's Counsel, as its counsel in respect of the Starlight Litigation. The Debtor's Counsel has agreed to work at a discounted rate to assist the Debtor and its Creditors but, in the event of a successful outcome of the Starlight Litigation for the Debtor, the Debtor's Counsel shall be entitled to a success fee equal to the greater of (a) 20% of the gross proceeds of any recovery, and (b) an adjusted hourly rate of \$350 per hour for all docketed time spent working on the Starlight Litigation (the "**Legal Fees**").

7.3 Distribution of Proceeds from Starlight Litigation

All proceeds, if any, that the Debtor obtains as a result of any settlement or final determination of the Starlight Litigation by a court will be used to fund the within proposal to the Debtor's Creditors. The proceeds of recovery, if any, will be distributed within a reasonable time after they have been received, in trust, by the Proposal Trustee.

Any Legal Fees will be payable in priority to all other Claims of the Debtor's Creditors, subordinate only to the accrued but not yet paid fees of the Proposal Trustee and its counsel at the time of distribution (the "**Proposal Trustee's Fees**"). After the Legal Fees and the Proposal Trustee's Fees have been paid by the Debtor, all remaining proceeds of recovery shall be distributed to the Debtor's Creditors in accordance with this Proposal and the Act.

ARTICLE 8
PROPOSAL TRUSTEE AND DEBTOR'S COUNSEL

8.1 Proposal Trustee

Crowe Soberman Inc., corporate trustee of the City of Toronto, in the Province of Ontario, and not in its personal capacity, shall be the Proposal Trustee under this Proposal and all monies payable under this Proposal shall be paid over to the Proposal Trustee who shall make payment of all distributions in accordance with the terms of this Proposal.

8.2 Superintendent Levy

Any payments made by the Proposal Trustee to creditors hereunder shall be made by the Proposal Trustee net of any levies payable or due under the Act.

8.3 No Liability of Proposal Trustee and Debtor's Counsel

The Proposal Trustee is acting in its capacity as Proposal Trustee and not in its personal capacity and no officer, director, employee or agent of the Proposal Trustee shall incur any obligations or liabilities in connection with this Proposal or in respect of the business activities or liabilities of the Debtor.

The Debtor's Counsel is acting in good faith and for the benefit of the Debtor and its Creditors to effectuate the purpose set out in Section 7.2 of this Proposal. The Debtor's Counsel shall not incur any obligations or liabilities in connection with this Proposal or the prosecution of the Starlight Litigation. For greater certainty, the Debtor's Counsel will not be responsible or liable for any obligations of the Debtor before, on or after the Filing Date and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by this Proposal or by the Debtor unless such acts have been carried out in bad faith and constitute a wilful or wrongful act or default.

8.4 Discharge of Proposal Trustee

Upon distribution of the amounts payable under Article 7.1 of this Proposal, and payment of the Administrative Fees and Expenses, the Proposal Trustee shall have discharged its duties as Proposal Trustee and shall be entitled to apply for its discharge as Proposal Trustee hereunder. For greater certainty, the Proposal Trustee will not be responsible or liable for any obligations of the Debtor before, on or after the Filing Date and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by this Proposal unless such acts have been carried out in bad faith and constitute a wilful or wrongful act or default.

ARTICLE 9
FULL PERFORMANCE OF PROPOSAL

9.1 Obligations of the Debtor

All obligations of the Debtor under this Proposal will commence as of the Court Approval Date. This Proposal will be fully performed upon the payment to the Proposal Trustee of the amounts, if any, referred to in Article 7 and when all other obligations of the Debtor set out herein have been satisfied.

9.2 Certificate of Full Performance

When the Proposal has been fully performed by the Debtor, the Proposal Trustee will issue to the Debtor and the Official Receiver the Certificate of Full Performance as provided for in Section 65.3 of the Act (the “**Certificate of Full Performance**”).

9.3 Status of the Debtor

During the currency of this Proposal and until the Certificate of Full Performance is issued by the Proposal Trustee, the Debtor shall not merge, amalgamate, rollover or otherwise change or reorganize its corporate structure, without the prior approval of the Inspectors and unless the new or successor entity agrees to be bound by all terms and conditions of this Proposal.

ARTICLE 10
MISCELLANEOUS

10.1 Compromise Effective for all Purposes

On the Implementation Date, all Claims (other than Claims of Secured Creditors) shall be forever discharged, extinguished and released, excepting only the obligations of the Debtor to make distributions in respect of Article 7 of this Proposal in the manner and to the extent provided for in this proposal. The distributions contemplated hereunder will be binding upon each Creditor, its heirs, executors, administrators, successors and assigns, for all purposes.

10.2 Modification of Proposal Prior to Approval by Unsecured Creditors

Prior to the vote on the Proposal, the Debtor or any Unsecured Creditor may propose an alteration or modification of the Proposal. If there are any variations, amendments, modifications or

supplements to the Proposal made at or prior to the final meeting of the Creditors held to consider the Proposal that the Proposal Trustee determines are for the general benefit of Creditors, the Proposal Trustee shall be entitled to approve such variations, amendments, modifications or supplements.

10.3 Consents, Waivers and Agreements

As at 12:01 a.m. on the day the Certificate of Full Performance is issued by the Proposal Trustee, each Creditor (other than Secured Creditors) shall be deemed:

- (a) to have executed and delivered to the Debtor all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Proposal in its entirety;
- (b) to have waived any default by the Debtor in any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Creditor and the Debtor that has occurred on or prior to the Implementation Date;
- (c) to have agreed, in the event that there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Creditor and the Debtor as at the Implementation Date (other than those entered into by the Debtor on, or with effect from the Implementation Date) and the provisions of this Proposal, that the provisions of this Proposal shall take precedence and priority and the provisions of such agreement or other arrangement shall be amended accordingly; and
- (d) to have released the Debtor, the Proposal Trustee and each of their respective affiliates, employees, agents, directors, officers, shareholders, advisors, consultants and lawyers from any and all demands, claims, actions, causes of action, counter-claims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens, set-off rights and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person 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 act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date, relating to or arising out of or in connection with Claims, the filing of the Debtor's Notice of Intention to Make a Proposal under the Act and actions taken in furtherance thereof, the business and affairs of the Debtor, the Proposal or any of the matters herein.

10.4 Conditions to Proposal Implementation

The implementation of the Proposal by the Debtor will be conditional upon the fulfillment or satisfaction of the following conditions:

- (a) acceptance of the Proposal by the Unsecured Creditors in accordance with Article 5 of this Proposal;
- (b) granting by the Court of the Approval order which shall not have been varied, amended, stayed, suspended or appealed as of the Implementation Date except with the consent of the Debtor; and
- (c) the expiry of all appeal periods in respect of the Approval Order.

10.5 Release

Upon the issuance of the Certificate of Full Performance by the Trustee, the Debtor's Counsel, each and every Director and Officer and their respective Related Parties shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action that arose on or before the Filing Date and that relate to the obligation of the Debtor where the Director and Officer is by law liable in their capacity as Director and Officer for the payment of such obligations, and provided nothing herein shall release or discharge a Director and Officer from claims that:

- (a) relate to contractual rights of one or more Creditors arising from contracts with the Director and Officer;
- (b) are based on allegations of misrepresentation made by the Director and Officer to Creditors or wrongful or oppressive conduct by the Director and Officer; or
- (c) which may be asserted by Secured Creditors.

This release shall have no force or effect if the Debtor goes bankrupt before the terms of the Proposal are performed. In addition, the release of the Debtor, the Directors and Officers and the Related Parties is conditional on the Directors funding the Starlight Litigation until a final determination is made by the Supreme Court of British Columbia, including any appeals to the Court of Appeal of British Columbia, or the Starlight Litigation is otherwise finally resolved by the parties.

10.6 Effect of Proposal Generally

As at 12:01 a.m. on the date the Certificate of Full Performance is issued by the Proposal Trustee, the treatment of all Claims under the Proposal shall be final and binding on the Debtor and all Creditors (other than Secured Creditors), along with their respective heirs, executors, administrators, legal personal representatives, successors and assigns, and the Proposal shall constitute (i) a full, final and absolute settlement of all rights of Creditors (other than in respect of

Secured Creditors); and (ii) an absolute release and discharge of all indebtedness, liabilities and obligations of the Debtor of or in respect of all Claims (other than Secured Claims).

10.7 Sections 95 to 101 of the BIA

Sections 95 to 101 of the BIA and any other laws relating to preferences, fraudulent conveyances or transfers at undervalue shall not apply to the Proposal or to any payments or distributions made in connection with this Proposal or with the restructuring of the Debtor, whether made before or after the Date of Filing.

10.9 Notices

Any notices or communications to be made or given hereunder shall be in writing and shall refer to this Proposal and may, subject as hereinafter provided, be made or given by personal delivery, prepaid mail, or fax/email to the respective parties as follows:

- (a) if to the Debtor:

Rory McGovern Professional Corporation
25 Adelaide St. E. Suite 1910
Toronto, ON, M5C 3A1

Attention: Rory McGovern
Email: rory@rorymcgovernpc.com

- (b) if to an Unsecured Creditor, to the address or fax for such Unsecured Creditor specified in the Proof of Claim filed by such Unsecured Creditor or, if no Proof of Claim has been filed, to such other address at which the notifying party may reasonably believe that the Unsecured Creditor may be contacted; and

- (c) if to the Proposal Trustee:

Crowe Soberman Inc.
2 St. Clair Avenue East, Suite 1100
Toronto, ON M4T 2T5

Attention: Hans Rizzari
Email: Hans.Rizzari@CroweSoberman.com

with a copy to:

Goldman Sloan Nash & Haber LLP
Suite 1600 – 480 University Avenue

Toronto, ON, M5G 1V2

Attention: Brendan Bissell
Email: bissell@gsnh.com

or to such other address, email or fax number as any party may from time to time notify the others in accordance with this section. In the event of any strike, lock-out and other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be given or made by personal delivery or email and any notice or other communication given or made by prepaid mail within the five (5) Business Day period immediately preceding the commencement of such interruption will be deemed not to have been given or made. All such notices and communications will be deemed to have been received, in the case of notice by email or by delivery prior to 5:00 p.m. (local time) on a Business Day, when received or if received after 5:00 p.m. (local time) on a Business Day or at any on a non-Business Day, on the next following Business Day and in the case of notice mailed as aforesaid, on the fifth (5th) Business Day following the date on which such notice or other communication is mailed. The unintentional failure to give a notice contemplated hereunder to any particular Creditor will not invalidate this Proposal or any action taken by any Person pursuant to this Proposal.

10.9 Foreign Currency Obligations

For the purposes of this Proposal, Claims denominated in a currency other than Canadian Dollars will be converted to Canadian Dollars at the daily average exchange rate of the Bank of Canada on the Filing Date.

10.10 Applicable Law

This Proposal shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

10.11 Non Severability

It is intended that all provisions of this Proposal shall be fully binding on and effective between all Persons named or referred to in this Proposal and in the event that any particular provision or provisions of this Proposal is or are found to be void, voidable or unenforceable for any reason whatsoever, then the remainder of this Proposal and all other provisions shall be void and of no force or effect.

10.12 Deeming Provisions

In this Proposal the deeming provisions are not rebuttable, are conclusive and irrevocable.

DATED at the City of Toronto, in the Province of Ontario, this 21st day of May, 2021.

Unique Restoration Ltd.

Per:



Name: Steven Leblanc