

IN THE MATTER OF THE JOINT PROPOSAL OF

LOWELL CURRIE OAKES AND  
DAWSON FUNERAL HOME LTD.

OF THE COMMUNITY OF CRAPAUD  
IN THE PROVINCE OF PRINCE EDWARD ISLAND

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We, Lowell Currie Oakes, herein after referred to as "Oakes" and Dawson Funeral Home Ltd, herein after referred to as "Dawson" and collectively herein after referred to as "the debtors", of the community of Crapaud Prince Edward Island, hereby submit the following proposal, pursuant to Part III, Division 1, of the Bankruptcy and Insolvency Act, herein after referred to as the "BIA".

IT IS PROPOSED:

1      SECURED CREDITORS

101252PEI Inc, which holds a mortgage on Dawson's real property, will be paid from the sale of the Dawson premises in Crapaud. The sale is to close on January 16, 2023.

Scotiabank, which has a lien on a 2019 Dodge Caravan, will be paid from the proceeds from the sale of the vehicle.

2      PREFERRED CREDITORS

That payment in priority to all other claims directed by the said Act shall be provided as follows:

Preferred claims, if any, without interest, and without penalty, are to be paid in full and final satisfaction of all provable preferred claims out of the proceeds of the assets, and the claims of preferred creditors are to include claims of every nature and kind whatsoever, whether contingent or unliquidated, arising out of events occurring prior to the date of the filing of this Proposal, in priority to all claims of unsecured creditors.

There does not appear to be any preferred creditors.

3      TRUSTEE'S FEES AND EXPENSES

Provision for payment of all proper fees and expenses incidental to the preparation of or arising out of the Proposal, shall be calculated as follows:

- (a) \$750.00 payable to the Trustee, upon filing of the Proposal with the Official Receiver
- (b) \$750.00 payable to the Trustee, upon court acceptance of the Proposal

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(c) In addition, twenty (20%) percent of the monies available for distribution to creditors under the proposal shall at the time of distribution be paid to the Trustee out of the monies being distributed on account of additional fees and expenses payable to the proposal.

Further, costs of administration shall include:

- (d) the \$153.30 fee for filing a proposal as referred to under the BIA;
- (e) the \$150.00 fee payable to the registrar as referred to under the BIA;
- (f) the amount of applicable federal and provincial taxes for goods and services and
- (g) Inspector fees as set out under the BIA, should an inspector(s) be appointed.

Notwithstanding Section 39 of the BIA, upon approval of the Proposal by creditors and receipt of an Order of the Court ratifying the Proposal pursuant to the provisions of the BIA, it is agreed that all such fees, expenses, liabilities and obligations of the Trustee shall be paid from funds deposited with the Trustee, in priority to all claims of creditors pursuant to Section 136(1)(b) of the BIA.

Further, upon receipt of authorization from the Estate Inspector(s), the Trustee will be permitted to withdraw periodically its reasonable fees and disbursements from the funds deposited with the Estate. If the creditors do not appoint any inspectors, the Trustee will be permitted to draw its fees as set out above, per paragraph 3 (a) to (f).

All of the amounts shall be subject to taxation by the Court upon presentation of the Final Statement of Receipts and Disbursements.

4 UNSECURED CREDITORS

Pursuant to Clause 8 of this Proposal, a dividend shall be paid, without interest, and without penalty, on a pro rata basis, in full and final settlement of the debtors' liability for all provable claims, out of the proceeds of the funds deposited with the Trustee after payment of the Trustee's fees and expenses and the claims of preferred creditors, and, without restricting the generality of the foregoing, the claims of

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unsecured creditors shall include claims of every nature and kind whatsoever, whether contingent or unliquidated, arising out of events occurring prior to the date of the filing of this Proposal, including the deficiency balance arising from the realization of any security by a secured creditor.

For greater certainty, creditors who may have a claim pursuant to section 178(1) of the BIA agree that if they vote for the acceptance of the proposal the dividend they receive is to be a full and final settlement of their debt with no further recourse to the debtors.

5 INCOME TAX

Oakes will prepare and file, on or before the filing due date, a provisional tax return for the 2022, tax year in which the proposal is filed. Should there be tax owing it is agreed that this will become a pre-proposal debt.

Oakes covenants and agrees that during the term of the proposal he will:

- a) remit current-year instalment payments of individual income tax where applicable and file income tax returns as required by the Income Tax Act.
- b) remit current HST payments and file HST returns as required by the Excise Tax Act
- c) remit current-year payroll deductions (employment insurance premiums, Canada Pension Plan contributions and income tax) as required by law.

Oakes acknowledges that and agrees that the Canada Revenue Agency may offset any pre-proposal refunds against any pre-proposal debts.

Oakes agrees that in the event of any failure to file and pay the amount due at the time and in the manner specified, each such failure shall constitute a default in the performance of the proposal, and provided that the Trustee is notified in writing by the



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Canada Revenue Agency, the proposal shall be defaulted. Upon receiving the aforesaid notification, Oakes will have 30 days to remedy the default. If not remedied within that time, the proposal will be defaulted.

6 APPOINTMENT OF TRUSTEE

That MNP Ltd. shall be the trustee under the proposal.

7 PROPOSAL FUNDING

Proposal funds are estimated to come from the following sources:

Oakes assets:

- The sale of his two lots is estimated to provide \$153,435.00
- The equity in a vehicle and an ATV is estimated to provide \$6,719.00

Dawson assets:

- The equity from the sale of the funeral home is estimated to provide \$128,116.00
- The vehicles' equity is estimated to provide \$8,018.00
- The equity in equipment, inventory and furniture is estimated to provide \$14,150.00
- The cash on hand amounts to \$1,500.00

Third party funds:

- If the joint proposal is accepted, Oakes' spouse will provide 24% of the sale proceeds from the sale of her home, which amount is estimated to provide \$150,000.00. These funds will not be available if the joint proposal is not accepted by the creditors and the Court.

The total proposal funding is estimated to be \$461,938.00. This amount may vary and will ultimately depend on the actual proceeds received from the above funding sources.

8 METHOD OF PAYMENT

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That all funds payable under this Proposal, shall be paid to the Trustee for distribution to the creditors in accordance with the following terms. Funds received by the Trustee, less Trustee's fees and expenses as approved by the Inspectors or as taxed by the Court, shall be distributed to proven creditors.

9     SUPERINTENDENT'S LEVY

That there shall be deducted from each distribution by the Trustee the levy payable to the Superintendent of Bankruptcy pursuant to Section 147 of the BIA.

10    REVIEW OF PROOFS OF CLAIM

That it is a condition of this Proposal that the provisions of Sections 127-134 of the BIA shall apply to this Proposal.

11    JUDGEMENTS

That any judgments registered against Oakes and Dawson as of the date of the filing of this Proposal, shall be released forthwith upon the filing of the Court Order ratifying the Proposal, as approved by Creditors.

12    APPOINTMENT AND POWER OF INSPECTORS

That, at the statutory meeting of creditors called to consider this Proposal, the creditors, if they so desire, may appoint one or more but not exceeding five (5) individuals to serve as Inspectors. A majority of the inspectors shall constitute a quorum and their powers shall be as follows:

- a) To generally assist the Trustee in the Administration of this Proposal;

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- b) To approve, on behalf of the creditors, any decision of the trustee relating to any matter in the performance of the proposal.
- c) To grant such extension , postponement or alteration as may be required with respect to the sale of assets contemplated herein.
- d) To approve the trustee's fees and disbursements.

13 DEBTOR PLEDGES COOPERATION

That I, Lowell Currie Oakes hereby bind myself to cooperate in every way with the Trustee and the inspectors in carrying out the terms of the Proposal.

14 RELEASE OF DEBTORS

That upon the satisfactory performance of the terms of this Proposal, a Trustee's Certificate of Full Performance shall be delivered to Lowell Currie Oakes and Dawson Funeral Home Ltd.

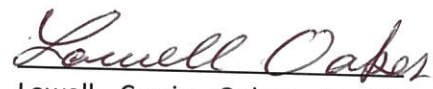
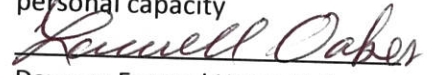
15 SEVERABILITY

That notwithstanding the unenforceability of any clause in this Proposal, the remainder of the Proposal shall remain in effect and binding on the debtor and all parties to which the Proposal is made.

DATED at the city of Charlottetown, in the province of Prince Edward Island, this 7<sup>th</sup> day of December, 2022.

  
Witness: J Walter MacKinnon

  
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Lowell Currie Oakes, in his  
personal capacity  
  
Dawson Funeral Home Ltd  
Per; Lowell Currie Oakes,

CANADA  
PROVINCE OF PRINCE EDWARD ISLAND  
ESTATE NO.  
COURT NO.

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Director