

District of: Alberta
Division No. 01 - Edmonton
Court No. 24-2569362
Estate No. 24-2569362

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

In the matter of the proposal of
SKYLINE SIGN SERVICE LTD.
of the City of EDMONTON, in the Province of Alberta

Take notice that SKYLINE SIGN SERVICE LTD. of the City of EDMONTON in the Province of Alberta has lodged with us 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 herewith.

A general meeting of the creditors will be held at TD Tower, Suite 1411 - 10088 102 Avenue, EDMONTON, AB on the 27th day of November 2019 at 9:30 AM.

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, proxies and voting letters intended to be used at the meeting must be lodged with us prior to the commencement of the meeting.

Dated at the City of EDMONTON in the Province of Alberta, this 14th day of November 2019.

The Bowra Group Inc. - Licensed Insolvency Trustee

Per:



Kristin Gray - Licensed Insolvency Trustee
TD Tower, Suite 1411 - 10088 102 Avenue
EDMONTON AB T5J 2Z1
Phone: (780) 809-1224 Fax: (780) 705-1946

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

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
1973901 Alberta Ltd.	346, 6079 Maynard Way Edmonton AB T6R 0S4		480.00
Accufast Inc.	7201, 104 Street Calgary Trail S Edmonton AB T6E 4B8		540.48
AutoGaurd Repair	12233 67 Street Edmonton AB T5B 1M8		1,374.81
Bumper to Bumper	12245 Fort Road NW Edmonton AB T5B 4H2		293.38
Canada Fastenal	900 Wabanaki Drive Kitchener ON N2C 0B7		2,898.67
Canadian Benefit Providers	#202, 10235 124 Street NW Edmonton AB T5N 1P9		10,181.81
CBM Office Automation	9411 63rd Avenue Edmonton AB T6E 0G2		1,637.60
City of Edmonton	PO Box 2600 Edmonton AB T5J 5A1		1,067.93
Claytech Services Inc.	Suite 100, 1281 91 Street SW Edmonton AB T6X 1H1		693.00
EM Plastic & Electricl Products Ltd.	14 Brewster Road Brampton ON L6T 5B7		5,276.26
Green for Life Environmental	4208 84 Avenue Edmonton AB T6B 3N5		588.00
Gregg Distributors LP	16215 118 Avenue Edmonton AB T5V 1C7		1,173.06
Greystone Electric	8 Ravine Drive Whitecourt AB T7S 1H6		359.71
Hydrodrig Canada Inc.	PO Box 215 Bentley AB T0C 0J0		2,877.01
Klondike Crane Inspections Ltd.	10616 169 Street NW Edmonton AB T5P 3X6		1,701.01
McGee Richard Toogood LLP.	#1155, 5555 Calgary Trail NW Edmonton AB T6H 5P9		1,006.15
Media Maintenance Inc.	13891 Viking Place, Unit 2 Richmond BC V6V 1K8		714.00
MultiCam Canada West	#1 10411 173 Street Surrey BC V4N 5H3		714.69

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Mutual Propane Ltd.	16203 114 Avenue Edmonton AB T5M 2Z3		369.75
Next Generation Line Locating	5808 125 Avenue NW Edmonton AB T5W 5H2		339.50
OnDeck Capital	1100 Rene-Levesque Blvd W, Suite 1825 Montreal QC H3B 4N4		85,000.00
Receiver General of Canada	c/o Pacific Insolvency Intake Centre, 9755 King George Boulevard Surrey BC V3T 5E1		323,576.08
Regional Maple Leaf Communications	10213 111 Street Edmonton AB T5K 2V6		292.95
Site Dudes	548 King Street W, 3rd Floor, Suite 301 Toronto ON M5V 1M3		315.00
SOS Safety Magazine	10355 Jasper Avenue, Suite 200 Edmonton AB T5J 1Y6		630.00
Sunbelt Rentals	12160 68 Street NW Edmonton AB T5B 1R1		1,037.69
Sunco Communication and Installation	18961 111 Avenue Edmonton AB T5W 5H2		1,006.12
Swinton Building Services Ltd.	432 Grandin Drive Morinville AB T8R 1J1		1,837.50
Travelers Leasing Ltd.	500 - 4180 Lougheed Highway Burnaby BC V5C 6A7		16,406.13
Vertical Access Ltd.	244033 Range Road 31 Calgary AB T3Z 3L8		520.00
Yesna Capital	1600, 144 4 Avenue SW Calgary AB T2P 3N4		2,100.00
Total			467,008.29

**IN THE COURT OF QUEEN'S BENCH OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE PROPOSAL OF
SKYLINE SIGN SERVICE LTD.**

TRUSTEE'S REPORT TO CREDITORS

NOVEMBER 15, 2019

1. PURPOSE

On October 9, 2019 Skyline Sign Service Ltd. (the "Company" or "Skyline") filed a Notice of Intention to file a Proposal (the "NOI"). A proposal to creditors (the "Proposal") was filed on November 8, 2019. The Bowra Group Inc. has consented to act as Licensed Insolvency Trustee (the "Trustee").

The purpose of this report is to provide the creditors the following:

- a) Background and financial situation of the Company;
- b) Summary of the Proposal;
- c) Summary of the assets and liabilities;
- d) Estimate of the realization under a bankruptcy and the Proposal; and,
- e) Trustee's recommendation to accept the Proposal.

2. BACKGROUND AND FINANCIAL SITUATION

Company Background

Skyline is a signage company operating out of Edmonton, Alberta. The Company offers a variety of sign services including but not limited to; design and creative services, fabrication and manufacturing, installation and removal, and relocation services. The Company's directors are Mr. Kevin Barabash and Mrs. Shelly Barabash. The Company currently employs 16 people and operates out of leased space.

Financial Situation

The Company ran into financial difficulty with the downturn of the Alberta economy. Decreased revenues over the past three years led to decreased cash flow and difficulty managing current obligations. The Company fell behind in payment of their payroll source deductions and sales tax remittances to Canada Revenue Agency ("CRA"). The Company attempted to get additional funding to cover working capital shortfalls but was unable and on October 9, 2019 the Company filed a NOI.

3. SUMMARY OF PROPOSAL

The purpose of the Proposal is to restructure the financial affairs of Skyline in order to provide its creditors the best available opportunity to recover the funds owed to them and allow the Company to continue operating. The Proposal contemplates the following:

- a) The proposal fund (the "Proposal Fund") will be funded by way of quarterly payments from free cash flow of the Company every 3 months for a total of 12 payments, with the first payment being made to the Trustee within 3 months of Proposal approval;
- b) The Trustee will distribute the funds available in the Proposal Fund directly to the affected creditors on an annual basis, with the first annual distribution being made one year from the date of Court approval of the Proposal;
- c) Use of the Proposal Fund for payment of the following:
 - i. Reasonable professional fees and disbursements of the Trustee and the legal counsel, if any;
 - ii. The levy payable to the Superintendent of Bankruptcy;
 - iii. Distribution to Canada Revenue Agency ("CRA") for all Crown Priority Claims that were outstanding as at the filing date, if any; and,
 - iv. Distribution to the proven unsecured creditors, one year from the implementation date, or as soon as practicable in accordance with this Proposal and the *Bankruptcy and Insolvency Act* and annually thereafter until the final distribution, the Trustee shall distribute those available funds held as follows:
 - i. The available funds held in the Proposal Fund shall be distributed to the unsecured creditors, pro rata based on the proportion that the proven claim

- of each unsecured creditor bears to the total proven claims of all unsecured creditors; or,
- ii. Notwithstanding the foregoing, any holder of an unsecured claim may choose a cash election, whereby their unsecured claim will be settled in full, by payment of 50% of the claim to a maximum of \$5,000 per holder of an unsecured claim (the "Cash Election"). The Cash Election payments will be made from the first payment made by the Company to the Proposal Fund and will be paid in priority to the Trustee Fees and the Crown Priority Claims. The Trustee shall disburse the Cash Election payments within one month of receipt of the first payment from the Company to the Proposal Fund.
 - d) The Proposal is not being made to secured creditors ("Secured Creditors") and as such any secured claims are unaffected by the Proposal. The Company intends to continue to pay the Secured Creditors in accordance with the present agreement existing between the Company and the Secured Creditor;
 - e) Mrs. Shelly Barabash and Mr. Kevin Barabash have agreed to subordinate their secured claim arising from their secured shareholder's loans to all other claims, subject to Proposal approval;

Cash Flow

Management has prepared an annual cash flow forecast for the period of December 2019 to November 2022 included in the Proposal. The cash flows are attached as **Appendix A** and summarized on Table 1 below. The cash flow attached to the Proposal included some immaterial adding errors in Year 3. The table below reflects the correct amounts.

				Table 1
	Year 1	Year 2	Year 3	
	000's	000's	000's	Total
Sales	2,506	2,745	3,005	8,256
Cost of Sales	571	599	629	1,799
%	23%	22%	21%	22%
Payments to Secured Creditor	74	27	-	101
Operating Expenses	1,747	1,887	2,073	5,707
Cash Flow	114	232	303	649

Management has indicated their cash flow numbers are conservative compared to prior years to account for the current economic times, an increase in minimum wage and an increase in the cost of supplies.

The Trustee has reviewed the Company's cash flow projections and believes the projections are reasonable and achievable based on prior year financial performance and discussions with management. The Trustee believes the Company will be able make the quarterly payments contemplated in the Proposal.

Canada Revenue Agency

The Company is indebted to CRA for prefilling obligations of approximately \$323,575, of which \$231,901 relates to payroll source deductions. The Company has requested the CRA extend the period required to pay all Crown Priority Claims outstanding as at the date of filing the Proposal be extended beyond the six months required per subsection 60(1.1) of the BIA. The Company anticipates full repayment in 16-18 months. The Trustee believes this is a reasonable period based on the Company's long-term cash flow.

4. CREDITOR'S CLAIMS

Secured Creditors

Table 2 provides a listing of secured claims totaling approximately \$101,406 that would rank in priority to the unsecured creditors:

Table 2		
Creditor	Assets Secured	Estimated Claim (\$000's)
OnDeck Capital	General Security Agreement - all present and after-acquired property	85
Travelers Leasing Ltd.	2015 Multicam Router	16
The Bank of Nova Scotia	Vehicle	Unknown

The Secured Creditors are to be paid in accordance with the present agreement existing between the Company and the Secured Creditor as outlined on page three of this report.

Preferred Creditors

As discussed earlier, The Company owes CRA approximately \$231,801 for pre-filing payroll source deductions. The amount is classified as a deemed trust claim and is entitled to receive payment of the amount owed in priority of the unsecured creditors. In accordance with the *Bankruptcy and Insolvency Act* unpaid source deductions must be paid in full within six months of Court approval of the Proposal. The Company has requested CRA agree to extend the time for full payment from 6 months to 16-18 months.

Unsecured Creditors

The Company has identified 35 unsecured creditors. The unsecured creditor balance identified to date totals approximately \$134,793 based on the Company's records. The major unsecured creditors are:

Creditor	Table 3
	Estimated Claim (\$000's)
Canada Revenue Agency - GST	92
Canadian Benefit Providers	10
EM Plastic & Electrical Services	5
Canada Fastenal	3

The unsecured creditors are to be paid in accordance with the terms of the Proposal outlined on page two of this report.

5. IDENTIFICATION AND VALUATION OF ASSETS

Table 4 identifies the value of the Company's assets as shown on the Statement of Affairs and the estimated gross realizable value in a bankruptcy as of the date of filing of the Proposal:

Table 4		
	Per Statement of Affairs	Estimated Realization
	(000's)	
Cash on hand at November 8, 2019	37	37
Accounts Receivable	228	150
Inventory	20	5
Equipment and Furniture	75	45
Vehicles	75	45
	435	282

The estimated gross values are before payment of any post filing obligations, selling costs, professional fees and costs associated with administration of the estate.

Cash on hand represents the Company's bank account balance as at the date of filing the Proposal.

Receivables represent outstanding amounts owing to the Company based on the books and records. In a bankruptcy we estimate approximately \$150,000 would be collectible due to outstanding warranty obligations and holdbacks.

Equipment and furniture consist of two corporate trailers, a CNC router and miscellaneous office furniture and supplies. Vehicles consist of four corporate trucks. The Company has indicated that these trucks are of nominal value due to age and condition.

Estimated recoveries of the equipment, furniture and vehicle are based on discussions with auctioneers and review of recent auction results.

6. STATEMENT OF ESTIMATED REALIZATION

Table 5 compares the estimated recovery to creditors under a bankruptcy and a proposal.

Table 5

	Bankruptcy	Proposal Low Recovery	Proposal High Recovery
	\$000's		
Assets			
Cash	37	-	-
Accounts Receivable	150	-	-
Inventory	5	-	-
Equipment and furniture	45	-	-
Vehicles	45	-	-
Cash flow available from operations	-	487	649
Total net proceeds	282	487	649
Recovery costs	20	-	-
Professional fees	50	25	25
Total costs	70	25	25
Net funds available for distribution	212	462	624
Less: CRA deemed trust claim	231	231	231
Less: Secured Creditors	85	-	-
Total funds available for distribution	-	231	393
Total unsecured creditors	135	135	135
Estimated recovery per \$1 to unsecured creditors	-	1.00	1.00

Based on our review of the Company's current assets and liabilities and our discussions with the Company's management, in the event of a bankruptcy, it is our view that the liquidation of the Company's assets would provide the unsecured and secured creditors a recovery of \$nil. All funds would be used to satisfy CRA's deemed trust claim.

In a high recovery scenario for the Proposal it is assumed that the Company's free cash flow is consistent with the long-term cash flows provided. In a low recovery scenario, it is assumed the Company's free cash flow is twenty-five percent lower than expected.

Under the Proposal we estimate there to be between \$231,000 and \$393,000 available from the Proposal Fund for distribution to the unsecured creditors. This will provide the unsecured creditors a full recovery of their unsecured claim.

7. CONDUCT OF THE DEBTOR

We have reviewed financial information and bank statements of the Company for a three-month period prior to the Company filing the NOI. We are not aware of the Company being party to any reviewable transactions or fraudulent preferences as set out in the *Bankruptcy and Insolvency Act*.

8. LEGAL ACTIONS

The Trustee is not aware of the Company being party to any legal proceedings.

9. CONFLICT OF INTEREST

The Trustee is not aware of any conflict of interest.

10. CONCLUSION

The Proposal offers all creditors a greater recovery than they would otherwise receive in a bankruptcy. Consequently, the Trustee recommends acceptance of the Proposal.



THE BOWRA GROUP INC.

Licensed Insolvency Trustee under the Proposal of Skyline Sign Service Ltd.

APPENDIX A

Forecasted Cashflows included in the Proposal

SKYLINE SIGN SERVICE LTD.
CASH FLOW FORECAST
December 2019 – November 2020

Date	December 2019	January 2020	February 2020	March 2020	April 2020	May 2020	June 2020	July 2020	August 2020	September 2020	October 2020	November 2020	TOTAL
Receipts													
Collection of accounts receivables	\$221,843	\$242,255	\$205,916	\$185,325	\$181,618	\$181,618	\$181,618	\$185,325	\$199,371	\$217,314	\$244,043	\$260,101	\$2,506,257
Miscellaneous receipts													
Total Receipts	\$221,843	\$242,255	\$205,916	\$185,325	\$181,618	\$181,618	\$181,618	\$185,325	\$199,371	\$217,314	\$244,043	\$260,101	\$2,506,257
Disbursements													
Payroll – includes source deductions	\$92,563	\$92,563	\$92,563	\$92,563	\$136,749	\$92,563	\$92,563	\$92,563	\$92,563	\$103,396	\$155,094	\$103,396	\$1,241,139
Supplier purchases	\$44,250	\$44,250	\$44,250	\$44,250	\$44,250	\$44,250	\$44,250	\$44,250	\$44,250	\$57,540	\$57,540	\$57,540	\$570,870
Rent	\$8940	\$8940	\$8940	\$8940	\$8940	\$8940	\$8940	\$8940	\$8940	\$8940	\$8940	\$8940	\$107,280
Auto Expenses - fuel/ maint. ETC.	\$8950	\$8950	\$6850	\$6850	\$6850	\$6850	\$6850	\$6850	\$6850	\$8950	\$8950	\$8950	\$92,700
On-Deck	\$6650	\$6650	\$6650	\$6650	\$6650	\$4430	\$4430	\$4430	\$4430	\$4430	\$4430	\$4430	\$74,260
Insurance/ WCB	\$3443	\$3443	\$3443	\$3443	\$3443	\$3443	\$3443	\$3443	\$3443	\$3674	\$3674	\$3674	\$42,009
Equipment lease	\$4007	\$4007	\$4007	\$4007	\$4007	\$4007	\$4007	\$4007	\$4007	\$4007	\$4007	\$4007	\$48,084
Miscellaneous – safety course/ dues/ subscriptions/ ETC.	\$3366	\$3366	\$3366	\$3366	\$3366	\$3366	\$3366	\$3366	\$3366	\$3366	\$3366	\$3366	\$40,393
Benefits	\$3259	\$3259	\$3259	\$3259	\$3259	\$3259	\$3259	\$3259	\$3259	\$3621	\$3621	\$3621	\$40,194
Opp. costs - office supp/ waste/ janitorial/ website	\$2937	\$2937	\$2937	\$2937	\$2937	\$2937	\$2937	\$2937	\$2937	\$2937	\$2937	\$2937	\$35,255
Utilities	\$2550	\$2550	\$2550	\$2550	\$2550	\$2550	\$2550	\$2550	\$2550	\$2550	\$2550	\$2550	\$30,600
Miscellaneous - empl. good will/ travel/ advert./ ETC.	\$1721	\$1721	\$1721	\$1721	\$1721	\$1721	\$1721	\$1721	\$1721	\$1721	\$1721	\$1721	\$20,654
Professional fees	\$2858	\$1429	\$1429	\$2858	\$1429	\$0	\$1429	\$2858	\$0	\$1429	\$1429	\$0	\$17,148
Bank fees/ processing charges	\$1335	\$1335	\$1335	\$1335	\$1335	\$1335	\$1335	\$1335	\$1335	\$1335	\$1335	\$1335	\$16,030
Total Disbursements	\$188,829	\$187,400	\$185,300	\$186,729	\$231,486	\$179,651	\$181,080	\$182,509	\$179,651	\$207,696	\$267,295	\$214,168	\$2,391,994
Cash Flow for the Period	\$33,014	\$54,855	\$20,616	-\$1404	-\$49,868	\$1967	\$538	\$2816	\$19,720	\$9418	-\$23,252	\$45,933	\$114,353
Opening Cash Balance	\$92,337	\$125,851	\$180,706	\$201,322	\$199,918	\$150,050	\$152,017	\$152,555	\$155,371	\$175,091	\$184,509	\$161,257	\$92,837
Ending Cash Balance	\$125,851	\$180,706	\$201,322	\$199,918	\$150,050	\$152,017	\$152,555	\$155,371	\$175,091	\$184,509	\$161,257	\$207,190	\$207,190

Signature 
Date Nov 7, 2019

SKYLINE SIGN SERVICE LTD.
CASH FLOW FORECAST
December 2021 - November 2022

Date	December 2021	January 2022	February 2022	March 2022	April 2022	May 2022	June 2022	July 2022	August 2022	September 2022	October 2022	November 2022	TOTAL
Receipts													
Collection of accounts receivables	\$265,995	\$290,469	\$246,889	\$222,208	\$217,763	\$217,763	\$217,763	\$222,208	\$239,050	\$260,564	\$292,613	\$311,857	\$3,005,142
Miscellaneous receipts													
Total Receipts	\$265,995	\$290,469	\$246,889	\$222,208	\$217,763	\$217,763	\$217,763	\$222,208	\$239,050	\$260,564	\$292,613	\$311,857	\$3,005,142
Disbursements													
Payroll - includes source deductions	\$112,516	\$112,516	\$112,516	\$112,516	\$168,774	\$112,516	\$112,516	\$112,516	\$112,516	\$112,516	\$168,774	\$112,516	\$1,462,708
Supplier purchases	\$48,751	\$48,751	\$48,751	\$48,751	\$48,751	\$48,751	\$48,751	\$48,751	\$48,751	\$63,437	\$63,437	\$63,437	\$629,070
Rent	\$10,315	\$10,315	\$10,315	\$10,315	\$10,315	\$10,315	\$10,315	\$10,315	\$10,315	\$10,315	\$10,315	\$11,463	\$124,928
Auto Expenses - fuel/ maint. ETC.	\$9988	\$9988	\$7885	\$7885	\$7885	\$7885	\$7885	\$7885	\$7885	\$9988	\$9988	\$9988	\$105,135
Insurance/ WCB	\$4161	\$4161	\$4161	\$4161	\$4161	\$4161	\$4161	\$4161	\$4161	\$4161	\$4161	\$4161	\$49,931
Equipment lease	\$24,827	\$7757	\$7757	\$7757	\$7757	\$7757	\$7757	\$7757	\$7757	\$7757	\$7757	\$7757	\$110,154
Miscellaneous - safety course/ dues/ subscriptions/ ETC.	\$3570	\$3570	\$3570	\$3570	\$3570	\$3570	\$3570	\$3570	\$3570	\$3570	\$3570	\$3570	\$42,840
Benefits	\$3621	\$3621	\$3621	\$3621	\$3621	\$3621	\$3621	\$3621	\$3621	\$3621	\$3621	\$3621	\$43,452
Opp. costs - office supp./ waste/ janitorial/ website	\$3145	\$3145	\$3145	\$3145	\$3145	\$3145	\$3145	\$3145	\$3145	\$3145	\$3145	\$3145	\$37,740
Utilities	\$2892	\$2892	\$2892	\$2892	\$2892	\$2892	\$2892	\$2892	\$2892	\$2892	\$2892	\$2892	\$34,704
Miscellaneous - empl. good will/ travel/ advert./ ETC.	\$1898	\$1898	\$1898	\$1898	\$1898	\$1898	\$1898	\$1898	\$1898	\$1898	\$1898	\$1898	\$22,776
Professional fees	\$3300	\$1650	\$1650	\$3300	\$1650	\$0	\$1650	\$3300	\$0	\$1650	\$1650	\$0	\$18,852
Bank fees/ processing charges	\$1601	\$1601	\$1601	\$1601	\$1601	\$1601	\$1601	\$1601	\$1601	\$1601	\$1601	\$1601	\$19,212
Total Disbursements	\$230,585	\$211,865	\$209,762	\$211,412	\$266,020	\$208,112	\$209,853	\$211,412	\$208,112	\$226,551	\$282,812	\$226,049	\$2,693,502
Cash Flow for the Period	\$35,410	\$78,604	\$37,127	\$10,796	-\$48,257	\$9651	\$7910	\$10,796	\$30,938	\$34,013	\$9801	\$85,808	\$267,187
Opening Cash Balance	\$438,803	\$474,213	\$552,817	\$589,944	\$600,740	\$552,483	\$562,134	\$570,044	\$580,840	\$611,778	\$645,791	\$655,592	\$438,803
Ending Cash Balance	\$474,213	\$552,817	\$589,944	\$600,740	\$552,483	\$562,134	\$570,044	\$580,840	\$611,778	\$645,791	\$655,592	\$745,400	\$745,400

Signature 
Date Nov 7, 2019

Schedule A

Assumptions for Revised Projected Cash Flow

December 2019 – December 2022

This cash flow assumes that Skyline Sign Service Ltd. ("Skyline") will continue to operate and run the business.

1. This statement of Projected Cash Flow of Skyline is prepared in accordance with Section 50.4(2) of the Bankruptcy and Insolvency Act and should be read in conjunction with The Trustee's Report on Cash Flow Statement.
2. Skyline currently owns and operates a full-service sign installation and maintenance company in Edmonton, AB.
3. Receipts represent current jobs billed or future jobs expected based on prior year performance.
4. Disbursements are based on estimates of cash funds required to continue operations over the next 3 years.
5. Payroll is based on an average of 18 employees.
6. Remittances to CRA for source deductions and GST will be kept current.
7. Includes payments to secured creditors in accordance with the present arrangements.
8. Free cash flow from operations will be used to fund the Proposal.



Shelly Barabash

Nov 8, 2019

Date

District of ALBERTA
Division No. 01 - Edmonton
Court No. 24-2569362
Estate No. 24-2569362

**PROPOSAL (SECTION 50)
IN THE MATTER OF THE PROPOSAL OF
SKYLINE SIGN SERVICE LTD.**

Skyline Sign Service Ltd., (hereinafter referred to as the "**Debtor**" or "**Skyline**"), being an insolvent corporation, hereby submits the following proposal (the "**Proposal**") to its creditors under the *Bankruptcy and Insolvency Act*, RSA 1985 c. B-3 (the "**Act**"):

1. Purpose and Background of the Proposal

- (a) The purpose of the Proposal is to restructure the financial affairs of Skyline in order to provide its creditors with the best available opportunity to recover the funds owed to them. The proposal will allow creditors of Skyline to achieve a recovery on their claims that is significantly greater than what the creditors could expect if Skyline were to file for bankruptcy.
- (b) Skyline has suffered a cash flow shortage and is in the process of restructuring its management processes to allow it to remain a viable, operating business into the future, and is filing a proposal to avoid filing bankruptcy.
- (c) The Proposal Trustee is The Bowra Group Inc. or its duly appointed successor (the "**Trustee**").
- (d) The Proposal shall be considered approved ("**Proposal Approval**") on the latest date upon which each of the following events has occurred:
 - (i) the approval of the Proposal by Her Majesty the Queen in Right of Canada (the "**Crown**") and a simple majority in number and two-thirds majority in dollar value of the creditors required under the Act has been obtained; and
 - (ii) an order of the Court of Queen's Bench of Alberta has issued approving the Proposal and the appeal period from such Order has expired or, if any appeal is taken from such Order, a final Order dismissing such appeal has been obtained.

2. Proposal Security

- (a) The Debtor has made a payment to Trustee of \$15,000 as a retainer towards the Trustee Fees (defined below) prior to the filing of this Proposal.

3. Claims

- (a) A "**Claim**" means any obligations of any kind whatsoever of the Debtor, whether due or not due for payment at the time of filing the Proposal, including contingent or unliquidated claims arising out of any transactions entered into

or any business dealings of any nature or kind whatsoever or any directorships or guarantees entered into by the Debtor prior to the time of the filing of the Proposal and including any debts or liabilities referred to in subsection 178(1) of the Act;

- (b) A **"Crown Priority Claim"** means any Claim of Her Majesty in right of Canada for amounts that could be subject to demand under:
 - (i) Subsection 224(1.2) of the *Income Tax Act*;
 - (ii) Any provision of the *Canada Pension Plan* or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the *Income Tax Act*; and
 - (iii) Any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the *Income Tax Act*;
- (c) A **"Preferred Claim"** means any Claim made pursuant to subsection 136(1) of the Act; and
- (d) A **"Secured Claim"** means any Claim which is secured in favour of the creditor against property of the Debtor and includes the Claims of On Deck Capital Canada, ULC, Travelers Leasing Ltd., and The Bank of Nova Scotia., excluding any Crown Priority Claim.
- (e) An **"Unsecured Claims"** means all Claims, other than Crown Priority Claims, Preferred Claims and Secured Claims
- (f) **"Trustee Fees"** are the fees and disbursements of the Trustee, including fees and disbursements of Trustee's legal counsel, if any

4. **Secured Claims**

- (a) The Debtor is making no proposal with respect to the Secured Claims and the Secured Claims are unaffected by this Proposal.
- (b) It is the intention of the Debtor to pay the Secured Claims in accordance with the present arrangements existing between the Debtor and the holders of such Secured Claims, or as otherwise arranged between the Debtor and the holders of such Secured Claims, or the holders of Secured Claims shall be permitted to realize upon their respective securities.
- (c) Notwithstanding the foregoing, conditional on Proposal Approval, Shelly Barabush and Kevin Barabush have agreed to subordinate their Secured Claims arising from their secured shareholder's loans to all other Claims.

5. **Preferred Claims**

- (a) All Preferred Claims, if any, as accepted by the Trustee, shall be paid in full in cash, without interest or penalty, in priority of the claims of other creditors, to the extent provided for in section 136 of the Act. The Debtor is unaware of any Preferred Claims.

6. **Crown Priority Claims, Unsecured Claims and Trustee Fees**

- (a) The Debtor proposes to pay the Trustee the aggregate amount of all proven Crown Priority Claims, all proven Unsecured Claims and the Trustee Fees within 36 months of Proposal Approval, in twelve equal quarterly payments with the first payment being made to the Trustee within three (3) months of Proposal Approval and subsequent payments every three months thereafter (the **"Proposal Fund"**).
- (b) The total amount of the Proposal Fund will depend on the amount of proven Crown Priority Claims, Unsecured Claims and Trustee Fees.
- (c) The Trustee will deposit all payments made by the Debtor to the Trustee in a trust account to be distributed in accordance with the terms of this Proposal.
- (d) The Trustee shall disburse the Proposal Fund as follows:
 - (i) First, to payment of the Trustee Fees;
 - (ii) Second, to payment of the Crown Priority Claims; and
 - (iii) Third, to payment of the Unsecured Claims.
- (e) The Trustee shall make disbursements from the Proposal Fund at minimum on an annual basis. For greater clarity, the Trustee Fees will be paid in priority to the Crown Priority Claims and the Crown Priority Claims will be paid in priority to the Unsecured Claims.
- (f) Any obligation of the Debtor for legal fees in the preparation of this Proposal shall be paid directly by the Debtor in addition to the obligations of the Debtor in this Proposal.
- (g) Notwithstanding the foregoing, any holder of an Unsecured Claim may choose a cash election, whereby their Unsecured Claim will be settled in full, by payment of 50% of the claim to a maximum of \$5,000 per holder of an Unsecured Claim (the **"Cash Election"**). The Cash Election payments will be made from the first payment made by the Debtor to the Proposal Fund and will be paid in priority to the Trustee Fees and the Crown Priority Claims. The Trustee shall disburse the Cash Election payments within one (1) month of receipt of the first payment of the Debtor to the Proposal Fund.
- (h) All payments made from the Proposal Fund will be net of the 5% levy, to the extent levy is applicable, payable to the Superintendent of Bankruptcy (Canada) pursuant to the Act.
- (i) The Debtor may pay the full amount of Proposal Fund to the Trustee in advance at any time without penalty.
- (j) Upon payment to the Trustee of the Proposal Fund, the Debtor shall have satisfied its obligations with respect to the Trustee Fees and to the holders of the Crown Priority Claims and the Unsecured Claims and the Trustee shall issue a Certificate of Full Performance of Proposal to the Debtor.
- (k) Upon the payment by the Trustee of the final distribution, the Trustee shall have discharged its duties as Trustee and the Trustee shall be entitled to apply for its discharges as Trustee. For greater certainty, the Trustee will not be responsible or

liable for any obligations of the Company 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.

7. Inspectors

- (a) At the statutory meeting of creditors to be held to consider this Proposal, the creditors may appoint one or more, but not exceeding five, inspectors under the terms of this Proposal whose powers shall be restricted to:
- (b) advising the Trustee in respect of such matters as may be referred to the inspectors by the Trustee;
- (c) advising the Trustee concerning any dispute that may arise as to the validity of claims of preferred and unsecured creditors under this Proposal; and
- (d) exercising all the powers given to inspectors of a bankrupt estate appointed pursuant to the provisions of the Act.

8. Waiver of Default

- (a) Upon acceptance of this Proposal by the creditors, the inspectors, if appointed, may waive any default in the performance of any provision of this Proposal, provided that such default is remedied within 30 days of the date the provision was to have been performed, and further, if no inspectors are appointed, the creditors delegate to the Trustee upon approval of the Proposal the power to act on their behalf and waive any default in the performance of any provision of this Proposal, provided that such default is remedied within 30 days of the date the provision was to have been performed.

Skyline Sign Service Ltd.

Per:



Shelly Barabash

Per:



Kevin Barabash

Skyline Sign Service Ltd. - Proposal

Appendix A

Cash Flow December 2019 – December 2022

SKYLINE SIGN SERVICE LTD.
CASH FLOW FORECAST
December 2019 – November 2020

Date	December 2019	January 2020	February 2020	March 2020	April 2020	May 2020	June 2020	July 2020	August 2020	September 2020	October 2020	November 2020	TOTAL
Receipts													
Collection of accounts receivables	\$221,843	\$242,255	\$205,916	\$185,325	\$181,618	\$181,618	\$181,618	\$185,325	\$199,371	\$217,314	\$244,043	\$260,101	\$2,506,257
Miscellaneous receipts													
Total Receipts	\$221,843	\$242,255	\$205,916	\$185,325	\$181,618	\$181,618	\$181,618	\$185,325	\$199,371	\$217,314	\$244,043	\$260,101	\$2,506,257
Disbursements													
Payroll – includes source deductions	\$92,563	\$92,563	\$92,563	\$92,563	\$136,749	\$92,563	\$92,563	\$92,563	\$92,563	\$103,396	\$155,094	\$103,396	\$1,241,139
Supplier purchases	\$44,250	\$44,250	\$44,250	\$44,250	\$44,250	\$44,250	\$44,250	\$44,250	\$44,250	\$57,540	\$57,540	\$57,540	\$570,870
Rent	\$8940	\$8940	\$8940	\$8940	\$8940	\$8940	\$8940	\$8940	\$8940	\$8940	\$8940	\$8940	\$107,280
Auto Expenses - fuel/ maint. ETC.	\$8950	\$8950	\$6850	\$6850	\$6850	\$6850	\$6850	\$6850	\$6850	\$8950	\$8950	\$8950	\$92,700
On-Deck	\$6650	\$6650	\$6650	\$6650	\$6650	\$4430	\$4430	\$4430	\$4430	\$4430	\$4430	\$4430	\$74,260
Insurance/ WCB	\$3443	\$3443	\$3443	\$3443	\$3443	\$3443	\$3443	\$3443	\$3443	\$3674	\$3674	\$3674	\$42,009
Equipment lease	\$4007	\$4007	\$4007	\$4007	\$4007	\$4007	\$4007	\$4007	\$4007	\$4007	\$4007	\$4007	\$48,084
Miscellaneous – safety course/ dues/ subscriptions/ ETC.	\$3366	\$3366	\$3366	\$3366	\$3366	\$3366	\$3366	\$3366	\$3366	\$3366	\$3366	\$3366	\$40,393
Benefits	\$3259	\$3259	\$3259	\$3259	\$3259	\$3259	\$3259	\$3259	\$3259	\$3621	\$3621	\$3621	\$40,194
Opp. costs - office supp/ waste/ janitorial/ website	\$2937	\$2937	\$2937	\$2937	\$2937	\$2937	\$2937	\$2937	\$2937	\$2937	\$2937	\$2937	\$35,255
Utilities	\$2550	\$2550	\$2550	\$2550	\$2550	\$2550	\$2550	\$2550	\$2550	\$2550	\$2550	\$2550	\$30,600
Miscellaneous - empl. good will/ travel/ advert./ ETC.	\$1721	\$1721	\$1721	\$1721	\$1721	\$1721	\$1721	\$1721	\$1721	\$1721	\$1721	\$1721	\$20,654
Professional fees	\$2858	\$1429	\$1429	\$2858	\$1429	\$0	\$1429	\$2858	\$0	\$1429	\$1429	\$0	\$17,148
Bank fees/ processing charges	\$1335	\$1335	\$1335	\$1335	\$1335	\$1335	\$1335	\$1335	\$1335	\$1335	\$1335	\$1335	\$16,030
Total Disbursements	\$188,829	\$187,400	\$185,300	\$186,729	\$231,486	\$179,651	\$181,080	\$182,509	\$179,651	\$207,696	\$267,295	\$214,168	\$2,391,994
Cash Flow for the Period	\$33,014	\$54,855	\$20,616	-\$1404	-\$49,868	\$1967	\$538	\$2816	\$19,720	\$9418	-\$23,252	\$45,933	\$114,353
Opening Cash Balance	\$92,337	\$125,851	\$180,706	\$201,322	\$199,918	\$150,050	\$152,017	\$152,555	\$155,371	\$175,091	\$184,509	\$161,257	\$92,837
Ending Cash Balance	\$125,851	\$180,706	\$201,322	\$199,918	\$150,050	\$152,017	\$152,555	\$155,371	\$175,091	\$184,509	\$161,257	\$207,190	\$207,190

Signature 
Date Nov 7, 2019

**SKYLINE SIGN SERVICE LTD.
CASH FLOW FORECAST
December 2020 - November 2021**

Date	December 2020	January 2021	February 2021	March 2021	April 2021	May 2021	June 2021	July 2021	August 2021	September 2021	October 2021	November 2021	TOTAL
Receipts													
Collection of accounts receivables	\$242,918	\$265,269	\$225,478	\$202,930	\$198,871	\$198,871	\$198,871	\$202,930	\$218,311	\$237,968	\$287,227	\$284,801	\$2,745,009
Miscellaneous receipts													
Total Receipts	\$242,918	\$265,269	\$225,478	\$202,930	\$198,871	\$198,871	\$198,871	\$202,930	\$218,311	\$237,968	\$287,227	\$284,801	\$2,745,009
Disbursements													
Payroll - includes source deductions	\$103,396	\$103,396	\$103,396	\$103,396	\$155,094	\$103,396	\$103,396	\$103,396	\$103,396	\$112,516	\$168,774	\$112,516	\$1,376,066
Supplier purchases	\$46,462	\$46,462	\$46,462	\$46,462	\$46,462	\$46,462	\$46,462	\$46,462	\$46,462	\$60,417	\$60,417	\$60,417	\$599,409
Rent	\$8940	\$8940	\$8940	\$8940	\$8940	\$8940	\$8940	\$8940	\$8940	\$8940	\$8940	\$10,315	\$108,655
Auto Expenses - fuel/ maint. ETC.	\$9397	\$9397	\$7192	\$7192	\$7192	\$7192	\$7192	\$7192	\$7192	\$9397	\$9397	\$9397	\$97,329
On Deck	\$4430	\$4430	\$4430	\$4430	\$4430	\$4430							\$26,580
Insurance/ WCB	\$3674	\$3674	\$3674	\$3674	\$3674	\$3674	\$3674	\$3674	\$3674	\$4161	\$4161	\$4161	\$45,549
Equipment lease	\$11,107	\$3207	\$3207	\$3207	\$3207	\$3207	\$3207	\$3207	\$3207	\$3207	\$3207	\$3207	\$46,384
Miscellaneous - safety course/ dues/ subscriptions/ ETC.	\$3466	\$3466	\$3466	\$3466	\$3466	\$3466	\$3466	\$3466	\$3466	\$3466	\$3466	\$3466	\$41,592
Benefits	\$3621	\$3621	\$3621	\$3621	\$3621	\$3621	\$3621	\$3621	\$3621	\$3621	\$3621	\$3621	\$43,452
Opp. costs - office supp./ waste/ janitorial/ website	\$3054	\$3054	\$3054	\$3054	\$3054	\$3054	\$3054	\$3054	\$3054	\$3054	\$3054	\$3054	\$36,648
Utilities	\$2754	\$2754	\$2754	\$2754	\$2754	\$2754	\$2754	\$2754	\$2754	\$2754	\$2754	\$2754	\$33,048
Miscellaneous - empl. good will/ travel/ advert./ ETC.	\$1807	\$1807	\$1807	\$1807	\$1807	\$1807	\$1807	\$1807	\$1807	\$1807	\$1807	\$1807	\$21,684
Professional fees	\$3143	\$1571	\$1571	\$3143	\$1571	\$0	\$1571	\$3143	\$0	\$1571	\$1571	\$0	\$18,852
Bank fees/ processing charges	\$1462	\$1462	\$1462	\$1462	\$1462	\$1462	\$1462	\$1462	\$1462	\$1462	\$1462	\$1462	\$17,654
Total Disbursements	\$206,713	\$197,241	\$195,036	\$196,608	\$246,734	\$193,465	\$180,606	\$192,178	\$189,035	\$216,373	\$272,631	\$216,177	\$2,512,797
Cash flow for the Period	\$36,205	\$68,028	\$30,442	\$6322	-\$47,863	\$5406	\$8265	\$10,752	\$29,276	\$21,585	-\$5404	\$68,624	\$231,638
Opening Cash Balance	\$207,190	\$243,395	\$311,423	\$341,885	\$348,187	\$300,324	\$305,730	\$313,925	\$324,677	\$353,953	\$375,583	\$370,179	\$207,190
Ending Cash Balance	\$243,395	\$311,423	\$341,885	\$348,187	\$300,324	\$305,730	\$313,925	\$324,677	\$353,953	\$375,583	\$370,179	\$438,803	\$438,803

Signature _____

Date Nov 1, 2019

SKYLINE SIGN SERVICE LTD.
CASH FLOW FORECAST
December 2021 - November 2022

Date	December 2021	January 2022	February 2022	March 2022	April 2022	May 2022	June 2022	July 2022	August 2022	September 2022	October 2022	November 2022	TOTAL
Receipts													
Collection of accounts receivables	\$265,995	\$290,469	\$246,889	\$222,208	\$217,763	\$217,763	\$217,763	\$222,208	\$239,050	\$260,564	\$292,613	\$311,857	\$3,005,142
Miscellaneous receipts													
Total Receipts	\$265,995	\$290,469	\$246,889	\$222,208	\$217,763	\$217,763	\$217,763	\$222,208	\$239,050	\$260,564	\$292,613	\$311,857	\$3,005,142
Disbursements													
Payroll - includes source deductions	\$112,516	\$112,516	\$112,516	\$112,516	\$168,774	\$112,516	\$112,516	\$112,516	\$112,516	\$112,516	\$168,774	\$112,516	\$1,462,708
Supplier purchases	\$48,751	\$48,751	\$48,751	\$48,751	\$48,751	\$48,751	\$48,751	\$48,751	\$48,751	\$63,437	\$63,437	\$63,437	\$629,070
Rent	\$10,315	\$10,315	\$10,315	\$10,315	\$10,315	\$10,315	\$10,315	\$10,315	\$10,315	\$10,315	\$10,315	\$11,463	\$124,928
Auto Expenses - fuel/ maint. ETC.	\$9988	\$9988	\$7885	\$7885	\$7885	\$7885	\$7885	\$7885	\$7885	\$9988	\$9988	\$9988	\$105,135
Insurance/ WCB	\$4161	\$4161	\$4161	\$4161	\$4161	\$4161	\$4161	\$4161	\$4161	\$4161	\$4161	\$4161	\$49,931
Equipment lease	\$24,827	\$7757	\$7757	\$7757	\$7757	\$7757	\$7757	\$7757	\$7757	\$7757	\$7757	\$7757	\$110,154
Miscellaneous - safety course/ dues/ subscriptions/ ETC.	\$3570	\$3570	\$3570	\$3570	\$3570	\$3570	\$3570	\$3570	\$3570	\$3570	\$3570	\$3570	\$42,840
Benefits	\$3621	\$3621	\$3621	\$3621	\$3621	\$3621	\$3621	\$3621	\$3621	\$3621	\$3621	\$3621	\$43,452
Opp. costs - office supp./ waste/ janitorial/ website	\$3145	\$3145	\$3145	\$3145	\$3145	\$3145	\$3145	\$3145	\$3145	\$3145	\$3145	\$3145	\$37,740
Utilities	\$2892	\$2892	\$2892	\$2892	\$2892	\$2892	\$2892	\$2892	\$2892	\$2892	\$2892	\$2892	\$34,704
Miscellaneous - empl. good will/ travel/ advert./ ETC.	\$1898	\$1898	\$1898	\$1898	\$1898	\$1898	\$1898	\$1898	\$1898	\$1898	\$1898	\$1898	\$22,776
Professional fees	\$3300	\$1650	\$1650	\$3300	\$1650	\$0	\$1650	\$3300	\$0	\$1650	\$1650	\$0	\$18,852
Bank fees/ processing charges	\$1601	\$1601	\$1601	\$1601	\$1601	\$1601	\$1601	\$1601	\$1601	\$1601	\$1601	\$1601	\$19,212
Total Disbursements	\$230,585	\$211,865	\$209,762	\$211,412	\$266,020	\$208,112	\$209,853	\$211,412	\$208,112	\$226,551	\$282,812	\$226,049	\$2,693,502
Cash Flow for the Period	\$35,410	\$78,604	\$37,127	\$10,796	-\$48,257	\$9651	\$7910	\$10,796	\$30,938	\$34,013	\$9801	\$85,808	\$267,187
Opening Cash Balance	\$438,803	\$474,213	\$552,817	\$589,944	\$600,740	\$552,483	\$562,134	\$570,044	\$580,840	\$611,778	\$645,791	\$655,592	\$438,803
Ending Cash Balance	\$474,213	\$552,817	\$589,944	\$600,740	\$552,483	\$562,134	\$570,044	\$580,840	\$611,778	\$645,791	\$655,592	\$745,400	\$745,400

Signature



Date



District of: Alberta
 Division No. 01 - Edmonton
 Court No. 24-2569362
 Estate No. 24-2569362

☒ Original

☐ Amended

— Form 78 —

Statement of Affairs (Business Proposal) made by an entity
 (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
 SKYLINE SIGN SERVICE LTD.
 of the City of EDMONTON, in the Province of Alberta

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 8th day of November 2019. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)		ASSETS (as stated and estimated by the officer)	
1. Unsecured creditors as per list "A"	134,792.96	1. Inventory	20,000.00
Balance of secured claims as per list "B"	0.00	2. Trade fixtures, etc.	0.00
Total unsecured creditors	134,792.96	3. Accounts receivable and other receivables, as per list "E"	
2. Secured creditors as per list "B"	101,407.13	Good	228,315.14
3. Preferred creditors as per list "C"	231,801.40	Doubtful	0.00
4. Contingent, trust claims or other liabilities as per list "D"	0.00	Bad	0.00
estimated to be reclaimable for		Estimated to produce	228,315.14
Total liabilities	468,001.49	4. Bills of exchange, promissory note, etc., as per list "F" ...	0.00
Surplus	NIL	5. Deposits in financial institutions	37,411.20
		6. Cash	0.00
		7. Livestock	0.00
		8. Machinery, equipment and plant	70,000.00
		9. Real property or immovable as per list "G"	0.00
		10. Furniture	5,000.00
		11. RRSPs, RRIFs, life insurance, etc.	0.00
		12. Securities (shares, bonds, debentures, etc.)	0.00
		13. Interests under wills	0.00
		14. Vehicles	75,000.00
		15. Other property, as per list "H"	0.00
		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	435,726.34
		Deficiency	32,275.15

I, SHELLY BARABASH, of the City of EDMONTON in the Province of Alberta, 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 my affairs on the 8th day of November 2019 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)
 before me at the City of EDMONTON in the Province of Alberta, on this 8th day of November 2019.



KRISTIN PATRICIA GRAY
 A Commissioner for Oaths
 in and for Alberta
 My Commission expires March 20, 2021
 Appointee No. 0752459


 SHELLY BARABASH

District of: Alberta
Division No. 01 - Edmonton
Court No. 24-2569362
Estate No. 24-2569362

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
SKYLINE SIGN SERVICE LTD.
of the City of EDMONTON, in the Province of Alberta

All notices or correspondence regarding this claim must be forwarded to the following address:

In the matter of the proposal of SKYLINE SIGN SERVICE LTD. of the City of EDMONTON in the Province of Alberta and the claim of
_____, creditor.

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

1. That I am a creditor of the above named debtor (or I am _____ (position/title) of _____,
creditor).

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 9th day of October 2019, 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. (The attached statement of account or affidavit must specify the vouchers or other evidence in
support of the claim.)

4. (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 claim a right to a priority under section 136 of the Act.

☐ Regarding the amount of \$ _____, I do not claim a right to a priority.

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

☐ B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ _____

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

☐ D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ _____

That I hereby 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 hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ _____,
- ☐ That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ _____,
- ☐ F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ _____
- ☐ That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ _____,
- ☐ That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ _____,
- ☐ G. CLAIM AGAINST DIRECTOR \$ _____

(To be completed when a proposal provides for the compromise of claims against directors.)

That I hereby make a claim under subsection 50(13) of the Act, 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 \$ _____

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

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

6. That the following are the payments that I have received from, and the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) 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.)

7. (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.

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

Witness

Creditor

Phone Number: _____

Fax Number : _____

E-mail Address : _____

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS: 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 a proof of security, by the secured creditor.

Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

District of: Alberta
Division No. 01 - Edmonton
Court No. 24-2569362
Estate No. 24-2569362

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
SKYLINE SIGN SERVICE LTD.
of the City of EDMONTON, in the Province of Alberta

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:

The Bowra Group Inc. - Licensed Insolvency Trustee
TD Tower, Suite 1411 - 10088 102 Avenue
EDMONTON AB T5J 2Z1
Phone: (780) 809-1224 Fax: (780) 705-1946
E-mail: claims@bowragroup.com

District of: Alberta
Division No. 01 - Edmonton
Court No. 24-2569362
Estate No. 24-2569362

FORM 37

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

In the matter of the proposal of
SKYLINE SIGN SERVICE LTD.
of the City of EDMONTON, in the Province of Alberta

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
SKYLINE SIGN SERVICE LTD., 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:
The Bowra Group Inc. - Licensed Insolvency Trustee
Per:

Kristin Gray - Licensed Insolvency Trustee
TD Tower, Suite 1411 - 10088 102 Avenue
EDMONTON AB T5J 2Z1
Phone: (780) 809-1224 Fax: (780) 705-1946
E-mail: claims@bowragroup.com