

March 12, 2012

To the Creditors of Tyee Electric Ltd.

Dear Sirs/Mesdames:

Re: In the Matter of the Proposal of Tyee Electric Ltd.

Please find enclosed the following documents for your review:

1. Notice of Proposal to Creditors
2. Certificate of Filing a Proposal
3. Trustee's Report to Creditors on Proposal
4. Proposal
5. Statement of Affairs (Summary) and List of Creditors
6. Voting Letter
7. Proof of Claim, Proxy and Instructions

To be entitled to vote the Trustee must receive your proof of claim prior to the creditors meeting as set out below. You can vote either in person or by sending your proof of claim and voting letter via mail or facsimile 604-605-3359 to the Trustee prior to the meeting date and time. You may also appoint a representative as your proxy to vote at the meeting on your behalf.

Meeting of Creditors

Date and Time: **Wednesday, March 28, 2011 at 11:00 a.m.,**
Place: **2nd Floor Boardroom**
Address: **830 West Pender Street, Vancouver, BC**

Should you have any questions regarding the report or the terms of the Proposal, please contact John McEown or Kevin Owens.

Yours very truly,

Boale, Wood & Company Ltd.

Trustee in the Proposal of
Tyee Electric Ltd.



Per: John McEown, CA, CIRP

District of: British Columbia
Division No: 2
Court No:
Estate No: 11-1588089

FORM 92

Notice of Proposal to Creditors

(Section 51 of the Act)

In the Matter of the proposal of TYEE ELECTRIC LTD.

Take notice that TYEE ELECTRIC LTD. of the city of Parksville in the Province of British Columbia has lodged with us a proposal under the Bankruptcy and Insolvency Act. The Proposal was lodged with the Official Receiver on the 7th day of March, 2012.

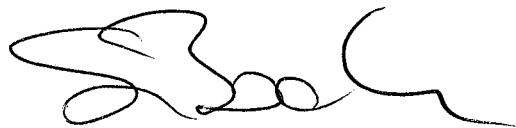
A copy of the proposal, a condensed statement of the debtors assets, and liabilities, and a list of the creditors affected by the proposal and whose claims amount to \$250 or more are enclosed herewith.

A general meeting of the creditors will be held at 2nd Floor Boardroom 230 - 830 West Pender Street, Vancouver, British Columbia V6C 1J8 on the 28th day of March, 2012 at the hour of 11:00 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 Vancouver, British Columbia, this 12th day of March, 2012.



Per: Boale, Wood & Company Ltd.
Trustee



Office of the Superintendent
of Bankruptcy Canada

An Agency of
Industry Canada

Bureau du surintendant
des faillites Canada

Un organisme
d'Industrie Canada

District of British Columbia
Division No. 02 - Victoria
Court No. 11-1588089
Estate No. 11-1588089

In the Matter of the Proposal of:

TYEE ELECTRIC LTD.

Debtor

BOALE, WOOD & COMPANY LTD.

Trustee

| | | | |
|-----------------------|--|-----------|----|
| Date of Proposal: | March 07, 2012 | Security: | \$ |
| Meeting of Creditors: | March 28, 2012, 11:00 2nd Floor Boardroom 230 - 830 WEST PENDER STREET VANCOUVER, British Columbia Canada, | | |
| Chair: | Trustee | | |

CERTIFICATE OF FILING OF A PROPOSAL - Section 62

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

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

The aforementioned trustee is required:

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

Date: March 07, 2012, 18:55

E-File/Dépôt Electronique

Official Receiver

#2000 - 300 W. Georgia St., Vancouver, British Columbia, Canada, V6B6E1, (877)376-9902

Canada

**Estate No. 11-1588089
Victoria Registry**

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

**IN THE MATTER OF THE PROPOSAL OF
TYEE ELECTRIC LTD.**

TRUSTEE'S PRELIMINARY REPORT TO CREDITORS

Tyee Electric Ltd. ("Tyee" or the "Company") filed a Notice of Intention to Make a Proposal ("NOI") to its Creditors on February 6th, 2012 and Boale, Wood & Company Ltd. was named Trustee. On March 7th, 2012 Tyee filed a Proposal to its Creditors. This report has been prepared by Boale, Wood & Company Ltd. in its capacity as Trustee in the Matter of the Proposal of the Company based on information available as at March 9th, 2012.

BACKGROUND

Tyee has been operating an electrical contracting business since its incorporation in 2004. The Company services both the commercial and residential markets with the commercial markets being the Company's primary source of revenue.

The Company operated successfully until the economic downturn in 2008. Believing the economic downturn would be short lived, Tyee chose not to lay off staff and reduce overheads. This resulted in significant operating losses from 2008 to 2010. Recently Tyee has taken steps to restructure the business that include a significant reduction in staff and overhead costs. Although the current operations are profitable, the Company has been unable to pay its obligations as they became due.

Recently one of Tyee's major creditors commenced garnishee proceedings that forced the Company to file for protection under the *Bankruptcy and Insolvency Act*. On February 6th 2012 Tyee filed an NOI.

Since filing the NOI the Company has been negotiated standstill arrangements with its secured creditors and has prepared a proposal to its Creditors that was filed with the Office of the Superintendent of Bankruptcy on March 7th, 2012 (the "Proposal").

In the Matter of the Proposal of
Tyee Electric Ltd.

Trustee's Preliminary Report to Creditors

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Pursuant to the terms of the Proposal the Company will complete its current projects and the net receipts generated from these projects will be paid to the Trustee for distribution to the creditors. The Company also agrees to liquidate the assets of the business and pay the proceeds realized net of liquidation costs to the Trustee for distribution to the creditors.

Based on the Company's projections the net receipts generated will be sufficient to pay the secured creditors in full and provide a small distribution to the unsecured creditors.

SUMMARY OF PROPOSAL

The significant Proposal terms are as follows:

- Secured Creditors of the Company shall be paid in accordance with the present arrangements existing between the Company and the holders of the secured claims, as amended from time to time or as may be arranged in the future between the Company and the holders of the secured claims.

The Company is negotiating standstill arrangements with its secured creditors, Business Development Bank of Canada and TD Canada Trust, that will stay the secured creditors from taking any further action against the company or to realize on their security until August 31, 2012. The Standstill Agreements are expected to be entered into prior to the meeting of creditors.

- The Company is required to pay to the Trustee the net receipts from its current projects and sale of the business assets. The funds will be distributed to the General Creditors as follows:
 - Firstly, in respect of any amounts due Her Majesty the Queen in Right of Canada or a Province of a kind which could be subject to a demand under sub-section 224(1.2) of the *Income Tax Act* or under any substantially similar provision of provincial legislation and that were outstanding at the time of the Filing Date.

The estimated amount owing to Canada Revenue Agency for payroll deductions including interest and penalties is \$70,000.

- Secondly, in respect of the Trustee's proper fees, expenses and legal costs that are estimated to between \$35,000 and \$55,000;

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Tyee Electric Ltd.

Trustee's Preliminary Report to Creditors

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- Thirdly, in respect of the claims of employees as set out in Section 136(1)(d) of the *Bankruptcy and Insolvency Act* ("BIA") which payments shall be made forthwith upon Court Approval of the Proposal.

The Company is current with respect to its obligations to employees.

- Fourthly, in respect of any other preferred claims as set out in Section 136 of the BIA.

The Trustee is not aware of any obligations the Company has to creditors that are preferred pursuant to Section 136 of the BIA.

- Finally, the balance will be distributed to the General Creditors on a pro rata basis.
- Upon completion of the Proposal and satisfaction of the claims of Creditors in the manner described in the Proposal, the Company and its Directors are released and forever discharged from their obligations to the creditors and Sheila Mary Roberts is released from any personal guarantees she has with the Creditors.

FINANCIAL POSITION

The Company has prepared cash flow projections for the period March 1st to August 31st, 2012 for the Trustee. The projections indicate net cash inflows of between \$275,000 and \$375,000 for the projects that are currently in progress.

According to management, the net cash flows could be even higher if there are extras requested by the general contractor.

The Company is confident that the net funds generated will be sufficient to pay the secured creditors in full and provide a distribution to the unsecured creditors as well.

ASSETS

The following is a summary of the assets declared by Tyee on its Statement of Affairs.

Cash

The Company has cash in its bank account at March 1, 2012 of \$167.

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Tyee Electric Ltd.

Trustee's Preliminary Report to Creditors

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Inventory

The Company's inventory of electrical supplies and fixtures has been independently valued at \$22,500 on a liquidation basis by Mr. Kavanagh, a qualified appraiser.

Accounts Receivable

The Company's accounts receivable are valued at \$327,043 on the Statement of Affairs. The Company has valued the receivables based on the book value of these receivables of \$412,853 less an allowance of \$85,810 for uncollectible accounts.

The accounts receivables consist of progress draws of \$306,000 for projects not yet completed and receivables on completed projects of \$107,004.

Based on the Trustee's experience, in a bankruptcy the general contractor will hold back all funds owed until the project is successfully completed. Any funds owed will likely be used by the general contractor to arrange for another contractor to take over and complete the project. Accordingly, the Trustee estimates a nil recovery from the progress draw receivables in a bankruptcy.

The estimated recovery from receivables for completed jobs is between \$50,000 and \$65,000.

Office Furniture and Fixtures

The office furniture and fixtures have been valued at \$2,000 on the Statement of Affairs.

The value represents the liquidation value that is based on an independent appraisal prepared by Mr. Kavanagh, a qualified appraiser.

Equipment and Tools

The equipment and tools have been valued at \$12,200 on the Statement of Affairs.

The value represents the liquidation value that is based on an independent appraisal prepared by Mr. Kavanagh, a qualified appraiser.

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Tyee Electric Ltd.

Trustee's Preliminary Report to Creditors

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Vehicle

The Company owns a 2011 Ford F150 pickup truck and a 2007 GMC Express passenger van that have been valued at \$26,500 and \$12,200 respectively on the Statement of Affairs.

The value represents the liquidation value that is based on an independent appraisal prepared by Mr. Kavanagh, a qualified appraiser.

Both vehicles are financed and are estimated to generate less than \$5,000 after payment of the vehicle financiers.

DEEMED TRUST CLAIMS & SECURED CREDITORS

Canada Revenue Agency ("CRA")

At the date of filing the NOI the Company had unremitted payroll deductions including interest and penalties totalling approximately \$70,000. CRA's claim for the unremitted payroll deductions plus any outstanding interest and penalties in a Proposal must be paid in full within 6 months of the Court approval of the Proposal.

In a bankruptcy, CRA has a deemed trust claim in the amount of approximately \$55,000 for unremitted employee tax withholdings and the employee portion of Canada Pension Plan and Employment Insurance premiums that ranks in priority to all other creditors, including secured creditors except for secured creditors with prescribed security interests. CRA's deemed trust claim does not include the unremitted employee's portion of Canada Pension Plan, Employment Insurance premiums and interest and penalties which rank as unsecured claims in a bankruptcy.

Business Development Bank of Canada ("BDC")

The BDC is owed \$70,830 pursuant to a line of credit facility. BDC holds a General Security Agreement as security over all of the property of the Company which agreement was registered on April 27th, 2010 in the Personal Property Registry. The security of BDC ranks behind the security of the TD.

BDC has agreed to not take any further action against the company or to realize on their security until August 31, 2012.

In the Matter of the Proposal of
Tyee Electric Ltd.

Trustee's Preliminary Report to Creditors

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TD Canada Trust ("TD")

TD Canada Trust is owed \$75,000 pursuant to a line of credit facility. TD holds a General Security Agreement as security over all of the property of the Company which agreement was registered on February 24th, 2006 in the Personal Property Registry. The security of the TD ranks in priority to the security of BDC.

The standstill arrangement being negotiated with the TD requires the bank to agree to not take any further action against the company or to realize on their security until August 31, 2012. The TD is requesting monthly payments of \$10,000 commencing on May 15, 2012.

General Motors Acceptance Corp. ("GMAC")

GMAC is owed approximately \$7,800 pursuant to a financing agreement. GMAC has registered security in the Personal Property Registry in respect of a 2007 GMC Express passenger van.

Ford Credit ("Ford")

Ford is owed approximately \$28,000 pursuant to a financing/lease agreement. GMAC has registered security in the Personal Property Registry in respect of a 2011 Ford F150 crew cab pickup truck.

EMPLOYEES

Pursuant to the provisions of the Bankruptcy and Insolvency Act, employees have a secured claim over the current assets of the employer company to a limit of \$2,000 for each employee for outstanding wages and vacation pay due for the 6 month period preceding the date of bankruptcy. The claim ranks in priority to all other secured claims against the current assets with the exception of the claim by CRA for source deductions.

At the date of filing the Proposal the employee wages were current, accordingly, there are no amounts owed to employees.

UNSECURED CREDITORS

The Company's indebtedness to unsecured creditors as indicated on the Statement of affairs totals \$935,350.

In the Matter of the Proposal of
Tyee Electric Ltd.

Trustee's Preliminary Report to Creditors

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CONDUCT OF THE DEBTOR

The Trustee has reviewed the books and records of the Company and has not found any evidence of the debtor being a party to any preferential payments, settlements or reviewable transactions.

ESTIMATED REALIZATION - BANKRUPTCY VS. PROPOSAL

The Trustee has prepared a schedule comparing a bankruptcy to the Proposal which is attached hereto as Schedule A. In a bankruptcy scenario, the Trustee estimates there will be no distribution to the unsecured creditors.

In the Proposal, the Trustee estimates the distribution to the unsecured creditors to be between 4% and 18% of their claim amount.

TRUSTEE RECOMMENDATION

The Trustee recommends that the creditors accept this Proposal for the following reasons:

- Should this Proposal not be accepted the Company will be bankrupt and there will be no opportunity for the unsecured creditors to recover any funds;
- By approving the Proposal the unsecured creditors are expected to recover between 4% and 18% of their claim amount; and
- By approving the Proposal, the Company will be able continue operations until the current projects are completed. This will benefit both the Company and the Creditors that have chosen to continuing to do business with the Company.

DATED AT the City of Vancouver, this 9th day of March, 2012.

Boale, Wood & Company Ltd.

Trustee in the Proposal of
Tyee Electric Ltd.

Per: John McEown, CA, CIRP



**In The Matter of the Proposal of
TYEE ELECTRIC LTD.**

Statement of Estimated Realization

| | Proposal | | Bankruptcy |
|--|-------------------|-------------------|-------------------|
| | High | Low | |
| Estimated Receipts | | | |
| Net Receipts from Projects/Receivables | \$ 375,000 | \$ 275,000 | \$ 60,000 |
| Cash | - | - | 167 |
| Inventory | 25,000 | 20,000 | 22,500 |
| Office Furniture & Fixtures | 2,500 | 1,500 | 2,000 |
| Equipment & Tools | 15,000 | 10,000 | 12,000 |
| Vehicles | 39,000 | 35,000 | 36,000 |
| | <u>456,500</u> | <u>341,500</u> | <u>132,667</u> |
| Estimated Disbursements | | | |
| Trustee's Fees | 35,000 | 50,000 | 50,000 |
| Trustee's Disbursements | 5,000 | 5,000 | 5,000 |
| | <u>40,000</u> | <u>55,000</u> | <u>55,000</u> |
| Available for Distribution | <u>416,500</u> | <u>286,500</u> | <u>77,667</u> |
| Estimated Distribution | | | |
| Secured Creditors | | | |
| Canada Revenue - Payroll Obligations | 70,000 | 70,000 | 43,418 |
| Vehicle Financiers | 34,249 | 34,249 | 34,249 |
| TD Canada Trust | 75,000 | 75,000 | - |
| Business Development Corporation | 70,830 | 70,830 | - |
| | <u>250,079</u> | <u>250,079</u> | <u>77,667</u> |
| Preferred Creditors | - | - | - |
| Available for Unsecured Creditors | <u>166,421</u> | <u>36,421</u> | <u>-</u> |
| Estimated Unsecured Claims (see note) | <u>\$ 935,350</u> | <u>\$ 935,350</u> | <u>\$ 935,350</u> |
| % Dividend | <u>17.8%</u> | <u>3.9%</u> | <u>0.0%</u> |

Note: The unsecured claims are based on amounts shown on the Statement of Affairs.

COURT FILE NO. _____
ESTATE NO. 11-1588089
VANCOUVER REGISTRY

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

**IN THE MATTER OF THE PROPOSAL OF
TYEE ELECTRIC LTD., INSOLVENT PERSON**

***PROPOSAL
OF
TYEE ELECTRIC LTD., INSOLVENT PERSON***

DATED FOR REFERENCE MARCH 5th, 2012

**MADE PURSUANT TO PART III DIVISION 1 OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED**

ARTICLE I

DEFINITIONS & INTERPRETATION

1.1 DEFINITIONS

In this Proposal, including the attached schedules:

"Approval Order" means the court order made in the Bankruptcy Proceeding approving the Proposal and directing the implementation of the Proposal;

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

"Business Day" means a date other than a Saturday, Sunday or statutory holiday in British Columbia;

"Classes" means, collectively, all classes of creditors affected by this Proposal.

"CRA" means Her Majesty the Queen in right of the Dominion of Canada as represented by the Minister of National Finance.

"CRA Class I" means the class of claims of CRA, in respect of all amounts owing to it as employer remittances, enhanced garnishment amounts owing and any other assessments in respect of same up to the date of the Notice of Intention to Make a Proposal.

"Company" means Tyee Electric Ltd.

"Completion of the Proposal" means the date upon which all of the following conditions have been met:

- (a) the Proposal is approved at the Meeting of Creditors by the requisite majority of the Class;
- (b) the Proposal is approved by the Court; and
- (c) the Company has satisfied its obligations pursuant to the Proposal.

"Court" means the Supreme Court of British Columbia.

"Creditor or Creditors" means a person or persons having a Provable Claim, and includes the creditors, collectively, in CRA Class 1 and General Creditors.

"Disallowed Claimant" means a person filing a Proof of Claim with the Trustee which is disallowed in whole or in part by the Company until either:

- (a) the time period for disputing the Company's disallowance established in the Proposal expires without the Claimant having filed a motion to Court seeking to appeal the said disallowance, in which case the Claimant shall not have a Proven Claim; or

- (b) a motion has been filed by the Claimant with the Court (on notice to the Company) disputing the Company's disallowance and either:
 - (i) the Court has upheld the Company's disallowance, in which case the Claimant shall not have a Proven Claim; or
 - (ii) The Court has varied in whole or in part the Company's disallowance, in which case the amount established by the Court will become a Proven Claim;

"Filing Date" means February 6, 2012 being the date when the Notice of Intention to File a Proposal was filed.

"General Creditors" means all of the Company's creditors other than those with claims falling within the CRA Class I. For greater clarity, General Creditors includes CRA with respect to its claims, if any, in respect of Goods and Services Taxes and the Province of British Columbia Social Services Taxes, and assessments for same up to the date of the Notice of Intention to Make a Proposal.

"Insolvency Proceeding" means the proceeding commenced by the Company under the BIA under Estate No. 11-1588089, and any proceedings commenced in relation to that estate in the Vancouver Registry of the Court.

"Meeting of Creditors" means the meeting of the General Creditors to be held pursuant to Section 51(1) of the BIA for the purpose of considering, and if thought fit, voting to approve the Proposal, as same may be amended at any such Meeting, and agreeing to the compromise and arrangement constituted thereby, and any adjournment thereof;

"Post-Filing Creditors" means any creditor having a Post-Filing Creditor Claim;

"Post-Filing Creditor Claims" means any debt, obligation, enforceable right, duty or liability, contingent or otherwise, known or unknown, (including any claim whether contingent or accrued on behalf of Her Majesty the Queen in right of the Dominion of Canada or any Province or any municipality), owed by the Company incurred after the Filing Date, or any cause of action against the Company or his assets and property arising after the Filing Date;

"Preferred Creditors" means all creditors entitled to priority over the General Creditors pursuant to section 136 of the BIA;

"Proof of Claim" means the prescribed form of document required under the BIA to evidence the Provable Claim of a Creditor under Part III of the BIA;

"Proposal" means this Proposal among the Company and the General Creditors, as from time to time amended, modified or supplemented as permitted by the terms of this Proposal;

"Provable Claim" means any debt, obligation, enforceable right, duty or liability, contingent or otherwise, known or unknown, (including any claim whether contingent or accrued on behalf of Her Majesty the Queen in right of the Dominion of Canada or any Province or any municipality), owed by the Company existing as at the Filing Date, or any cause of action against the Company

or his assets and property existing as at the Filing Date or, in the case of claims under executory contracts, arising subsequent to the Filing Date;

"Proven Claim" means a Provable Claim that has been filed with the Trustee in accordance with the Proposal and has either been accepted by the Company or has been allowed by the Court, in whole or in part;

"Released Claim" means any and all manner of actions, causes of actions, suits, contracts, claims, demands, debts, dues, sums of money, accounts, proceedings, rights, liabilities, obligations, expenses, compensation and damages of any kind whatsoever, whether at law, in equity or under statutory authority, including any such claims relating to any transfer, conveyance or disposition of any property by the Company done or made prior to the Filing Date, and including without limitation, any right or entitlement pursuant to sections 91 through 101 of the BIA, whether known or unknown, suspected or unsuspected;

"Trustee" means Boale, Wood & Company Ltd., appointed as Trustee of the Proposal in the Insolvency Proceeding; and

"Secured Creditor" means those creditors holding perfected security interests against the Company or holding a mortgage, charge, or encumbrance with respect to the assets or property of the Company, but who have not elected to file a proof of claim as an unsecured creditor under section 50.1(3) of the BIA, and specifically includes TD Canada Trust and Business Development Corporation.

1.2 HEADINGS

The division of the Proposal into Sections and the insertion of headings are for convenience only and do not form part of the Proposal and will not be used to interpret, define, or limit the scope, extent, or intent of the Proposal.

1.3 SECTION, SCHEDULE AND ARTICLE REFERENCE

Unless otherwise specified, references in the Proposal to "Sections", "Schedules" and "Articles" are to sections, schedules and articles of the Proposal.

1.4 STATUTORY REFERENCE

Unless otherwise specified, each reference to a statute is deemed to be a reference to that statute and to the regulations made under that statute, as amended or re-enacted from time to time.

1.5 NUMBER AND GENDER

Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.6 CURRENCY

All references to amounts of money mean lawful currency of the Dominion of Canada unless otherwise expressly indicated.

ARTICLE II

PURPOSE AND EFFECT OF THE PROPOSAL

2.1 PURPOSE OF THE PROPOSAL

The purpose of the Proposal is to permit the Company to settle payment of his liabilities existing as at the Filing Date and to compromise the indebtedness owed to Creditors of the Company on a fair and equitable basis.

2.2 TRUSTEE UNDER THE PROPOSAL

Subject to the provisions of the BIA the Trustee shall act as the administrator for all purposes connected with the Proposal including management of the claims process, administration of the Meeting and any adjournments thereto and distribution of dividends to Creditors.

ARTICLE III

CREDITOR CLASS AND PAYMENTS

3.1 CLASSES OF CREDITORS

The Proposal shall consist of two classes Creditors, as follows:

- (a) CRA Class I; and
- (b) General Creditors

Each of which shall be entitled to consider and vote on the Proposal.

3.2 SECURED CREDITORS

Upon the either of the rejection of this Proposal by the Creditors, the Completion of the Proposal, or an annulment of the Proposal, the present arrangements existing between the Company and the Secured Creditors, as amended from time to time, or as may be arranged in the future between the Company and the Secured Creditors will continue unaffected.

3.3 PROPOSAL FUNDS

The following funds (collectively, the "Proposal Funds") shall be distributed by the Trustee for the benefit of the Creditors:

- (a) Net receipts of ongoing operations and projects; and
- (b) Net receipts of liquidated vehicles, equipment and inventory of the business.

3.4 PREFERRED PAYMENTS IN PRIORITY TO ALL CREDITORS UNDER THE PROPOSAL

The Trustee shall make the following preferred payments from the amounts paid to the Trustee before making any distribution to the Creditors:

- (a) Provision for payment of all proper fees, expenses and legal costs (the "Trustee's Fees") of the Trustee, of and incidental to the proceedings arising in the Bankruptcy Proceeding together with such fees of the Trustee incidental to and arising from the preparation of the Proposal shall be paid in full in priority to the claims of all General Creditors. All payments of the Trustee's fees are subject to taxation.
- (a) That payment of the claims of employees as set out in Section 136(1)(d) of the Bankruptcy and Insolvency Act, if any, shall be paid forthwith after the Approval Order.
- (b) All other preferred claims are to be paid in priority to all claims of General Creditors pursuant to sections 60(1) and 136 of the BIA.

3.5 PAYMENTS TO CRA IN RESPECT OF CRA CLASS I

From the Proposal Funds, the Trustee shall make dividend payments to CRA sufficient to satisfy in full its Proven Claim for any amounts due Her Majesty the Queen in Right of Canada as employer remittances, enhanced garnishment amounts owing and any other assessments in respect of same that were outstanding at the time of the Filing Date.

3.6 PAYMENTS TO GENERAL CREDITORS

The obligations of the Company to the General Creditors shall be satisfied by way of the Proposal Funds. All monies payable to the Trustee shall be used firstly, to pay the priority amounts outlined in Article 3.4, secondly, to distribute pay to CRA in respect of CRA Class I, as outlined in Article 3.5, and thirdly to the General Creditors on a *pro rata* basis calculated by the amount of their respective Proven Claims. Once such distribution has been completed, the Company shall be deemed to have fully performed this Proposal and the Company shall not be required to make any further payment to the Trustee.

Interim dividends to the General Creditors will be paid as and when the Trustee in its sole discretion determines is appropriate.

3.7 PAYMENT OF SUPERINTENDENTS LEVY

A Superintendent levy shall be deducted from and paid on all dividends made by the Trustee to the Creditors as set out above.

3.8 OTHER OBLIGATIONS OF THE COMPANY UNDER THE PROPOSAL

The Company agrees and undertakes to not acquire any new debt required to be repaid over a period of greater than 30 days while the Proposal is in effect;

3.9 PAYMENTS TO POST-FILING CREDITORS

The Company shall pay Post-Filing Creditors in the ordinary course of business, or in accordance with present arrangements existing between the Company and the Post-Filing Creditor, as amended from time to time or as may be arranged in the future between the Company and the Post-Filing Creditor.

3.10 RELEASE

Upon the Completion of the Proposal and the satisfaction of the claims of Creditors in the manner described in the Proposal:

- (a) the Company shall be released and forever discharged from all claims, liabilities and obligations owed to the Creditors, other than the Secured Creditors as set out herein. Without limiting the generality of the foregoing but for greater certainty, such release and discharge includes all claims, liabilities and obligations owed by the Company to the CRA and General Creditors;
- (b) each of the Creditors, excluding the Secured Creditors, shall remise, release and forever discharge the directors of the Company, and all of his, her or their executors, administrators and assigns of and from Released Claims and whether against the directors of the Company, persons or property, including legal fees and disbursements, which each has ever had, now has or may have in the future against directors of the Company where the directors are by law liable in their capacity as directors, and all such Released Claims shall be deemed to be fully satisfied by the terms of this Proposal and shall not be enforceable against the directors of the Company in law or in equity;
- (c) each of the Creditors, including the Secured Creditors, shall remise, release and forever discharge Sheila Mary Roberts (formerly Sheila Mary Cardno) and her executors, administrators and assigns of and from any and all obligations under and pursuant to any personal guarantees and will acknowledge and confirm that any and all such personal guarantees are terminated and of no further force or effect;
- (d) Neither the Trustee nor the Creditors shall have the right or be entitled to take or commence any proceedings relating in whole or in part to the Company, the Company's assets, or any transfer, conveyance or disposition of any property by the Company done or made prior to the Filing Date, including without limitation, any right or entitlement pursuant to sections 91 through 101 of the BIA.

ARTICLE IV

DELIVERY OF PROOFS OF CLAIM

4.1 FILING PROOFS OF CLAIM

The General Creditors shall file a Proof of Claim with the Trustee by either:

- (a) delivering the Proofs of Claim for review by the Trustee and the Company by faxing the completed Proof of Claim to the Trustee (Attention: John D. McEown) at Facsimile No. (604) 605-3359 or mailing the Proof of Claim to the address of the Trustee set out in Article 10.2 below; or
- (b) depositing the Proof of Claim with the Trustee prior to the commencement of the Meeting of Creditors.

4.2 FAILURE TO FILE PROOFS OF CLAIM PRIOR TO MEETING

If a Creditor fails to either:

- (c) deliver a Proof of Claim, to be received by the Trustee prior to 5:00 p.m. of the day before the date for the Meeting of Creditors; or
- (d) deposit a Proof of Claim with the Trustee or his nominee on or before the time for commencement of the Meeting of Creditors;

that Creditor shall have no right to vote in respect of the Proposal.

The failure by a Creditor to file a Proof of Claim by the deadline in this paragraph shall not disentitle such Creditor from receiving any future dividends to be issued under the Proposal.

4.3 DISPUTED PROOFS OF CLAIM

In the event that the Company disputes any Proof of Claim as to entitlement to participate in the General Creditor class or as to amount of the Provable Claim set out in the Proof of Claim the Trustee may:

- (a) disallow the Proof of Claim;
- (b) allow the Proof of Claim as presented for the purposes of voting at the Meeting but disallow the Proof of Claim for distribution purposes; or
- (c) allow the Proof of Claim for voting and distribution purposes in such amount as it determines appropriate.

If the Trustee disallows a Proof of Claim for any reason or allows the Proof of Claim for an amount less than that set out in the Proof of Claim, the General Creditor shall be deemed to accept the determination of the Company unless the General Creditor shall have filed with the Court a motion to value its Provable Claim within thirty (30) days of the date that the disallowance notice is forwarded to the General Creditor by the Trustee.

ARTICLE V

MEETING OF THE CREDITORS

5.1 INSPECTORS

At the Meeting held to consider this Proposal the General Creditors may appoint one or more but not exceeding three Inspectors under this Proposal whose duties will be restricted to the following:

- (a) to advise the Trustee in connection with its actions under the Proposal or any amendment thereto as the Trustee may, from time to time, request;
- (b) to advise the Trustee concerning any dispute which may arise as to the validity of claims of General Creditors under the Proposal;
- (c) to advise the Trustee in respect of such other matters as may be referred to the Inspectors by the Trustee; and
- (d) if in the opinion of a majority of the Inspectors, it is in the interests of the General Creditors that the time for payment by the Company of any amounts due under the Proposal should be extended or delayed, the Inspectors will be entitled, without further reference or notice to the General Creditors, to extend or delay the time for payment of those amounts.

The Trustee, and the Inspectors, should any be appointed, shall be exempt from all personal liability in fulfilling any duties or exercising any powers conferred upon them by the Proposal or generally in carrying out of the terms of the Proposal by wrongful act, default or neglect.

Upon fulfillment of the Company's obligations as provided in Article III, the Proposal shall be fulfilled and the General Creditors shall have no further claims against the Company, his assets or property.

5.2 MEETING

The Meeting of Creditors shall be conducted in accordance with Division 1 – General Scheme for Proposals of the BIA.

5.3 VOTING

Except as provided in Article 5.4, for the purposes of voting as a member of the General Creditors, each General Creditor shall have one vote for the purposes of determining a majority in number and each General Creditor shall be entitled to one vote for each \$1.00 of its Provable Claim as allowed by the Company.

5.4 PROXIES AND VOTING LETTERS

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

5.5 ADJOURNMENT OF MEETING

The Chair of the Meeting of Creditors may in his or her discretion adjourn the Meeting upon such terms as are considered appropriate by the Chair upon notice to those persons present at the Meeting for the purposes of considering amendments to the Proposal contemplated in Article VI.

ARTICLE VI

AMENDMENTS AND MODIFICATIONS

6.1 AMENDMENT OF PROPOSAL

The Company reserves the right, with the consent of the Trustee, to amend the Proposal at any time and re-submit it to the General Creditors, and in particular, the Proposal may be amended by the Company at the Meeting of Creditors, as adjourned from time to time.

6.2 MODIFICATION OF PROPOSAL

After the Meeting, the Proposal may be modified by the Court on application of the Company or the Trustee and upon notice to those determined by The Company to be directly affected by the proposed modification, whether a General Creditor or not. On such application, the Proposal may be modified as may be reasonably necessary to ensure the successful reorganization of the Company in accordance with the purposes of the Proposal.

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

- (a) if the amendment is considered by the Trustee and the Inspectors to be non-substantive in nature, with the approval of the Trustee and the majority of the Inspectors;
- (b) upon a vote conducted by the Trustee at a further meeting of Creditors and upon Court Approval; and
- (c) by the Court at any time on application of the Company or the Trustee and upon notice to those determined by the Company to be directly affected by the proposed modification, whether a Creditor or not.

6.3 WAIVERS

Any provision of the Proposal may be waived, with the consent of the Trustee, by a Creditor or the Class.

ARTICLE VII**APPLICATION FOR FINAL ORDER****7.1 APPLICATION FOR FINAL ORDER**

Upon the conclusion of the Meeting of Creditors, and if the Proposal has been approved by the General Creditor Class by the requisite percentage in relation both to numbers of Creditors and dollar amounts of Provable Claims of Creditors, the Company will forthwith apply to the Court for the Approval Order.

7.2 CONTINUATION OF THE STAY OF PROCEEDINGS

The stay of proceedings provided for in Section 69.1(1) of the BIA will be continued in full force and effect during the term of the Proposal, save as is expressly provided herein.

7.3 COMPROMISE OF INDEBTEDNESS

Until such time as this Proposal is approved by the Court and payment to the Creditors as contemplated, there will be no compromise of indebtedness by the Creditors.

ARTICLE VIII**APPROVAL PROCEDURE****8.1 PRECONDITIONS TO IMPLEMENTATION**

The implementation of the Proposal is expressly subject to all of the following conditions precedent:

- (a) approval by the requisite majority of the General Class;
- (b) approval of the Proposal by the Court; and
- (c) such other Orders by the Court as may be required in order to complete implementation of the Proposal.

8.2 EFFECTIVENESS

The Proposal will become effective upon the Approval Order being granted, and the Proposal will apply to and be binding upon all General Creditors, both domestic and foreign irrespective of the jurisdiction in which such Creditors reside or the Provable Claims arise.

ARTICLE IX**CLAIMANTS****9.1 VALIDITY OF CLAIMS**

If the Proposal is not approved by the requisite majority of the General Creditors voting at the Meeting of Creditors, and the sole reason for that non-approval is the vote of a Disallowed Claimant or Disallowed Claimants, the Company will apply to the Court, at the earliest convenient date for all parties, to determine the validity of the amount alleged due by such Disallowed Claimant or Disallowed Claimants.

9.2 STATUS QUO

Until such time as the amount which is alleged to be owed by the Company to a Disallowed Claimant who has voted against the Proposal and whose vote, either alone or in conjunction with other Disallowed Claimants, has governed the General Class is finally determined:

- (a) the Company will maintain the status quo;
- (b) the effect of the Proposal and all steps to be taken hereunder will continue with respect to all other Creditors pending the determination of the issues between the Company and the Disallowed Claimants; and
- (c) The Company will defer any application for the Approval Order until the dispute has been resolved by the Court.

ARTICLE X**GENERAL****10.1 FURTHER ACTIONS**

The Company will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Proposal to give effect to the transactions contemplated hereby.

10.2 NOTICES

All notices, Proofs of Claim, and payments required or permitted or desired to be made to the Trustee pursuant to the Proposal shall be in writing and shall be delivered personally or by facsimile or mail by regular or registered or certified mail, return receipt requested, at the following address:

Boale, Wood & Company Ltd.
Trustee under the Proposal of Tyee Electric Ltd.

1140 - 800 West Pender Street
Vancouver, BC V6C 2V6

Attention: John D. McEown

Telephone: (604) 604-3335

Facsimile: (604) 605-3359

All notices required or permitted or desired to be made to the Company pursuant to the Proposal shall be in writing and shall be delivered personally or by facsimile or mail by regular or registered or certified mail, return receipt requested, at the following address:

Lawson Lundell LLP
1600 Cathedral Place
925 West Georgia Street
Vancouver, BC V6C 3L2

Attention: Heather M. B. Ferris

Telephone: (604) 631-9145

Facsimile: (604) 694-2957

And if to a General Creditor, at its address set forth in the last Proof of Claim deposited with the Company.

10.3 SUCCESSORS AND ASSIGNS

The Proposal is binding upon the Company, the General Creditors, the Disallowed Claimants and their respective heirs, executors, administrators, successors and assigns.

DATED at the City of Vancouver, Province of British Columbia this 5th day of March, 2012.

TYEE ELECTRIC LTD.

Per: 

Authorized Signatory

District of: British Columbia
Division No: 2
Court No:
Estate No: 11-1588089

FORM 78

Statement of Affairs (Proposal made by an Entity)

(Subsections 50(2) and 62(1) of the Act)

In the Matter of the proposal of TYEE ELECTRIC LTD.

☒ Original

☐ Amended

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 7th day of March, 2012. When completed, this Form and the applicable attached lists will constitute your Statement of Affairs and must be verified by oath or solemn declaration.

| LIABILITIES (As stated and estimated by debtor) | |
|--|-----------------------|
| 1. Unsecured creditors as per list "A" | \$935,350.37 |
| 2. Secured creditors as per list "B" | \$251,579.00 |
| 3. Preferred creditors as per list "C" | \$0.00 |
| 4. Contingent, trust claims or other liabilities as per list "D" | \$0.00 |
| estimated to be reclaimable for | \$0.00 |
| Total Liabilities | \$1,186,929.37 |
| Surplus | \$0.00 |

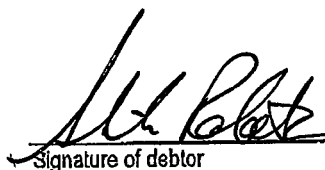
I, Sheila M. Roberts, of TYEE ELECTRIC LTD. of the City of Parksville in the Province of British Columbia, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge a full, true and complete statement of my affairs on the 7th day of March, 2012 and fully 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
PARKSVILLE in
the Province of British Columbia,
on this 7th day of March, 2012



Commissioner of Oaths
for the Province of

Christopher C. Rivers
Barrister and Solicitor
145 Hirst Ave. E., PO Box 1867
Parksville BC, V9P 2H6


Signature of debtor

| ASSETS (As stated and estimated by debtor) | |
|---|---------------------|
| 1. Inventory | \$22,500.00 |
| 2. Trade fixtures, etc | \$0.00 |
| 3. Accounts receivable and other receivables, as per List "E" | |
| Good | \$327,043.00 |
| Doubtful | \$0.00 |
| Bad | \$85,809.74 |
| Estimated to produce | \$327,043.00 |
| 4. Bills of exchange, promissory note, etc., as per List "F" | \$0.00 |
| 5. Deposits in Financial Institutions | \$0.00 |
| 6. Cash | \$167.00 |
| 7. Livestock | \$0.00 |
| 8. Machinery, equipment and plant | \$12,200.00 |
| 9. Real property or immovable as per List "G" | \$0.00 |
| 10. Furniture | \$2,000.00 |
| 11. RRSPs, RRIFs, Life insurance, etc. | \$0.00 |
| 12. Securities (Shares, Bonds, Debentures, etc.) | \$0.00 |
| 13. Interests under wills | \$0.00 |
| 14. Vehicles | \$38,700.00 |
| 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 | \$402,610.00 |
| Deficiency | \$784,319.37 |

Creditor List

Boale, Wood & Company Ltd.

Date of Report: 12/03/2012

TYEE ELECTRIC LTD., OSB 11-1588089 File 11-1588089

VANCOUVER

Claim Status:

Generated By: Kevin Owens

| T | Creditor's Name and Address | Ref No | 170 Report | Material Change | Amended Payments | Meeting Requested | Amount Declared | Amount Filed | Amount Admitted | CS |
|------------------------------|---|----------------------|--------------------------|--------------------------|--------------------------|--------------------------|---------------------|-----------------|--------------------|----|
| S | BUSINESS DEVELOPMENT BANK OF CANADA Main Floor - 505 Burrard Street, Vancouver, British Columbia, V7X 1V3, Canada | 058594-02, 058594-01 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$70,830.00 | \$0.00 | \$0.00 | N |
| S | CANADA REVENUE AGENCY - BFTSO - Payroll Regional Intake Centre for Insolvency PO Box 11575, Station Main, Surrey, British Columbia, V3T 0E5, Canada | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$70,000.00 | \$0.00 | \$0.00 | N |
| S | FORD CREDIT CANADA 17187 - 114 Avenue, Edmonton, Alberta, T5J 2N5, Canada | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$28,000.00 | \$0.00 | \$0.00 | N |
| S | GENERAL MOTORS ACCEPTANCE CORP. P.O. Box 5300 Station D, Etobicoke, Ontario, M9A 6T4, Canada | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$7,749.00 | \$0.00 | \$0.00 | N |
| S | TD CANADA TRUST Attn: Credit Administration Services 4720 Tahoe Blvd., 3rd Floor, Mississauga, Ontario, L4W 5P2, Canada | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$75,000.00 | \$0.00 | \$0.00 | N |
| Sub Total for Secured | | | | | | | \$251,579.00 | \$0.00 | \$0.00 | |
| U | BARTLE AND GIBSON 14 - 4128 Mostar Road, Nanaimo, British Columbia, VET 6C9, Canada | Tyee Electric | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$18,488.05 | \$0.00 | \$0.00 | N |
| U | BCCA EMPLOYEE BENEFIT TRUST Suite 120 - 4401 Still Creek Drive, Burnaby, British Columbia, V5C 6G9, Canada | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$3,144.10 | \$0.00 | \$0.00 | N |
| U | CANADA REVENUE AGENCY - BFTSO - Corporate Tax Regional Intake Centre for Insolvency PO Box 11575, Station Main, Surrey, British Columbia, V3T 0E5, Canada | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$1.00 | \$0.00 | \$0.00 | N |
| U | CANADA REVENUE AGENCY - BFTSO - HST Regional Intake Centre for Insolvency PO Box 11575, Station Main, Surrey, British Columbia, V3T 0E5, Canada | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$130,000.00 | \$0.00 | \$0.00 | N |
| U | COLL-LIGHT INDUSTRIES 6109 Everest Way, Duncan, British Columbia, V9L 5N5, Canada | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$98,666.39 | \$0.00 | \$0.00 | N |
| U | DON SIMPSON 868 Juniper Rd., Parksville, British Columbia, V9P 1S7, Canada | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$4,500.00 | \$0.00 | \$0.00 | N |
| U | ERIC VANDELOOT #300 - 2083 Alma Street, Vancouver, British Columbia, V6R 4N6, Canada | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$21,194.25 | \$0.00 | \$0.00 | N |
| U | FASTENAL CANADA 860 Trillum Drive, Kitchener, Ontario, N2R 1K4, Canada | Client # BCNAN0603 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$212.69 | \$0.00 | \$0.00 | N |
| U | GESCAN 1420 Derwent Way, Delta, British Columbia, V3M 6H9, Canada | 910671 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$145,555.31 | \$0.00 | \$0.00 | N |
| U | GUILLEVIN INTERNATIONAL P.O. Box 2102, Vancouver, British Columbia, V6B 3T2, Canada | 65-05670 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$234,606.84 | \$0.00 | \$0.00 | N |
| U | HOME DEPOT CREDIT SERVICES P.O. Box 4610 Station "A", Toronto, Ontario, M5W 4Z6, Canada | 6035 2946 5095 4931 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$971.77 | \$0.00 | \$0.00 | N |
| U | MEDICAL SERVICES PLAN OF BC Ministry of Provincial Revenue PO Box 9401, Stn Prov. Govt., Victoria, British Columbia, V8W 9V1, Canada | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$1.00 | \$0.00 | \$0.00 | N |
| U | NEDCO P.O. Box 2018, Vancouver, British Columbia, V6B 3R4, Canada | #32533 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$78,018.08 | \$0.00 | \$0.00 | N |
| U | NEMETZ & ASSOCIATES LTD. 2009 West 4th Ave, Vancouver, British Columbia, V6J 1N3, Canada | Acct #T143 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$4,312.00 | \$0.00 | \$0.00 | N |
| U | OCEANSIDE CHEVROLET Box 627, 512 Island Hwy., Parksville, British Columbia, V9P 2G7, Canada | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$1,210.36 | \$0.00 | \$0.00 | N |
| U | PETRO CANADA PRODUCTS LTD. c/o Citi Cards Canada Inc. 5900 Hurontario Street, Mississauga, Ontario, L5R 0B8, Canada | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$4,063.94 | \$0.00 | \$0.00 | N |
| U | QUALICUM BAY CUSTOM CARPENTRY 3880 Charlton Dr., Qualicum Beach, British Columbia, V9K 1Z3, Canada | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$302.40 | \$0.00 | \$0.00 | N |
| U | RB ENGINEERING LTD. #4 - 4488 Wellington Road, Nanaimo, British Columbia, V9T 2H3, Canada | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$672.00 | \$0.00 | \$0.00 | N |
| U | RIBA HOLDINGS 5096 Wilkinson Road, Port Alberni, British Columbia, V9Y 7B1, Canada | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$1,097.60 | \$0.00 | \$0.00 | N |
| U | SHAW CABLE SYSTEMS LTD. 900 - 1067 West Cordova Street, Vancouver, British Columbia, V6C 3T5, Canada | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$235.25 | \$0.00 | \$0.00 | N |
| U | SHAW ELECTRICAL SERVICES LTD. 2229A McCullough Rd, Nanaimo, British Columbia, V9S 4M7, Canada | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$730.80 | \$0.00 | \$0.00 | N |
| U | STAPLES CITI COMMERCE SOLUTIONS 5900 HURONTARIO STREET, Mississauga, Ontario, L5R 0B8, Canada | #6035 2874 3535 8915 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$2,853.16 | \$0.00 | \$0.00 | N |

Creditor List

Boale, Wood & Company Ltd.

Date of Report: 12/03/2012

TYEE ELECTRIC LTD., OSB 11-1588089 File 11-1588089

VANCOUVER

Claim Status:

Generated By: Kevin Owens

| T | Creditor's Name and Address | Ref No | 170 Report | Material Change | Amended Payments | Meeting Requested | Amount Declared | Amount Filed | Amount Admitted | CS |
|--------------------------------|---|--------|--------------------------|--------------------------|--------------------------|--------------------------|-----------------------|-----------------|--------------------|----|
| U | TELUS COMMUNICATIONS INC. Attn: Settlement Desk 4th Floor - 4519 Canada Way, Burnaby, British Columbia, V5G 4S4, Canada | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$11.47 | \$0.00 | \$0.00 | N |
| U | TORBRAM ELECTRIC SUPPLY 1940 Island Diesel Way, Nanaimo, British Columbia, V9T 6A6, Canada | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$4,464.39 | \$0.00 | \$0.00 | N |
| U | TROY SPRINKLER LTD. 1042 2nd Ave East, Owen Sound, Ontario, N4K 2H7, Canada | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$3,109.12 | \$0.00 | \$0.00 | N |
| U | UNITED RENTALS CANADA, INC. c/o V7406 P.O. Box 7406 Stn. Terminal, Vancouver, British Columbia, V6B 4E2, Canada | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$448.00 | \$0.00 | \$0.00 | N |
| U | UNITY BUSINESS SYSTEMS LTD. #7-4131 Mostar Road, Nanaimo, British Columbia, VET 6A6, Canada | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$554.40 | \$0.00 | \$0.00 | N |
| U | UNIVERSITY SPORTS PUBLICATION 1063 King St W, Suite #193, Hamilton, Ontario, L8S 4S3, Canada | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$595.00 | \$0.00 | \$0.00 | N |
| U | WELLINGTON FOUNDRY 1084 Herring Gull Way, Parksville, British Columbia, V9P 1R2, Canada | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$588.00 | \$0.00 | \$0.00 | N |
| U | WENDY ATTRIDGE 250 Island Highway East PO Box 277, Parksville, British Columbia, V9P 2G4, Canada | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$39,000.00 | \$0.00 | \$0.00 | N |
| U | WOODFORD CAPITAL 33, 51514 Range Road 261, Spruce Grove, Alberta, T7Y 1B3, Canada | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$133,743.00 | \$0.00 | \$0.00 | N |
| U | WORK SAFE BC Attn: COLLECTIONS 6951 Westminster Highway, Richmond, British Columbia, V7C 1C6, Canada | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | \$2,000.00 | \$0.00 | \$0.00 | N |
| Sub Total for Unsecured | | | | | | | \$935,350.37 | \$0.00 | \$0.00 | |
| Grand Total | | | | | | | \$1,186,929.37 | \$0.00 | \$0.00 | |

District of: British Columbia
Division No: 2
Court No:
Estate No: 11-1588089

FORM 37

Voting Letter (Division I Proposal)

(Paragraphs 51(1)(f) of the Act)

In the Matter of the proposal of TYEE ELECTRIC LTD.

I, _____, creditor (or I, _____, representative of _____, creditor), of _____ (name of town or city), a creditor in the above matter for the sum of \$_____, hereby request the trustee acting with respect to the proposal of TYEE ELECTRIC LTD., to record my vote _____ (for or against) the acceptance of the proposal as made on the 7th day of March, 2012.

Dated at _____, this _____ day of _____.

Witness

Individual Creditor

Name of Corporate Creditor

Witness

Per:
Name and Title of Signing Officer



TRUSTEE IN BANKRUPTCY
#1140 – 800 West Pender Street
Vancouver, BC V6C 2V6

Tel: (604) 605-3335
Fax: (604) 605-3359
www.boalewood.ca

FORM 31
Proof of Claim

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

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

In the Matter of the Bankruptcy (or Proposal, or Receivership) of _____
(Name of debtor) of _____ (city and province)
and the claim of _____, creditor.

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

1. That I am a creditor of the above-named debtor (or that I am _____
(state position or title) of _____ (name of creditor or representative of the creditor)).
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 bankruptcy (or the date of the receivership, or in the case of a proposal, the date of the notice of intention or of the proposal, if no notice of intention was filed), namely the _____ day of _____, 2012, 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 a securities firm customer as 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.)

Form 31 - Continued

() 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 (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of section 4 of the Act, and have (or has) (or have not or has not) dealt with the debtor in a non-arm's-length manner.
6. That the following are the payments that I have received from, 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 subsection 2(1) of the Act: *(Provide details of payments, credits and transfers at undervalue.)*

(Applicable only in the case of the bankruptcy of an individual.)

- () 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 _____, 2012.

Creditor

Witness

Phone Number: _____

Fax Number: _____

Email 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.

NOTE: If a copy of this Form is sent electronically by means such as email, the name and contact information of the sender, prescribed in Form 1.1, must be added at the end of the document.

INSTRUCTIONS: Instructions on how to complete the proof of claim form can be found at www.boalewood.ca under the forms tab.

**FORM 36
GENERAL PROXY**

(Where A Creditor is a Corporation, the Proxy Must be Completed and Signed in the Corporate Name)

IN THE MATTER OF THE BANKRUPTCY / PROPOSAL / RECEIVERSHIP OF:

(Name of Debtor)

WE, _____, of the City of _____ in the Province of _____
(Name of Corporation)

_____, a creditor in the above matter, hereby appoint

_____ of the _____
(Name of Proxy) (City & Province)

to be our general proxy in the above matter except as to the receipt of dividends with / without power to appoint another general proxy in our place.

Dated at the City of _____, in the Province of _____ this _____ day of _____, 2012.

(Corporate Name)

(Signature of Witness)

(Address)

(Signature of Proxy Grantor)



TRUSTEE IN BANKRUPTCY
#1140 – 800 West Pender Street
Vancouver, BC V6C 2V6
www.boalewood.ca

Tel: (604) 605-3335
Fax: (604) 605-3359

INSTRUCTIONS FOR COMPLETEING PROOFS OF CLAIM

This checklist is provided to assist you in preparing a proof of claim form, and where required, proxy form in a complete and accurate manner. Please specifically check each requirement. **CLAIMS NOT COMPLETED CORRECTLY IN EVERY RESPECT WILL BE RETURNED.**

GENERAL

- * The signature of a witness is required.
- * The claim must be signed personally by the **individual** completing this declaration.
- * Give the complete address where all notices or correspondence is to be forwarded.
- * The amount on the Statement of Account must correspond to the amount on the proof of claim.

PARAGRAPH (1)

- * The creditor must state full and complete legal name of company or firm.
- * If the individual completing the proof of claim is not the creditor himself, he must state his position or title.

PARAGRAPH (3)

- * **A detailed statement of account must be attached.** If the claim is for a guarantee, a copy of the guarantee must be attached.
- * The Schedule A or Statement of Account must be complete and detailed and must show the date, the number and the amount of all the invoices or charges, together with the date, the number and the amount of all credits or payments. A statement of account is **not** complete if it begins with an amount brought forward.

PARAGRAPH (4)

- * An unsecured creditor must strike out sub-paragraphs B, C, D and E.
- * A preferred creditor (as allowed by section 136 of the *Bankruptcy and Insolvency Act*) must strike out sub-paragraphs B, C, D and E and must complete sub-paragraph A by checking the appropriate description.
- * A secured creditor must strike out sub-paragraphs A, B, D and E and must complete sub-paragraph C and provide a certified true copy of the security instrument as registered.
- * A farmer, fisherman or aquaculturist must strike out sub-paragraphs A, B, C and E. A claim by a farmer, fisherman or aquaculturist must attach a copy of the sales agreement and delivery documents.

PARAGRAPH (5)

- * All claimants must indicate if he or she is related or not to the debtor, as defined in Section 4 of the *Bankruptcy and Insolvency Act*, by striking out "AM" or "AM NOT".

PARAGRAPH (6)

- * All claimants must attach a detailed list of all payments or credits received or granted, as follows:
 - (a) within the three (3) months preceding the bankruptcy or the proposal, in the case where the claimant and the debtor are not related.
 - (b) within the twelve (12) months preceding the bankruptcy or the proposal, in the case where the claimant and the debtor are related.

Excerpt from the *Bankruptcy and Insolvency Act*

**PREFERRED CLAIMS
SECTION 136 (CONDENSED)**

ORDER OF DISTRIBUTION (Subject to secured creditors)

- (1) The cost of administration of the estate.
 - (a) The expenses and fees of the Trustee
 - (b) Legal costs of the estate
- (2) Wages, salaries and commissions for services rendered in the six months preceding the bankruptcy, to a maximum of \$2,000 per person, together with expenses of a traveling salesman incurred in this same period to a maximum of \$1,000.
- (3) Municipal taxes assessed within two years preceding the bankruptcy which do not constitute a charge on real property, restricted to the value of the bankrupt's interest in the property.
- (4) The Landlord for arrears of rent for a period of three months preceding the bankruptcy, and accelerated rent for a period not exceeding three months subsequent to the bankruptcy, if provision is made in the lease. The Landlord's preferred claim is limited to the proceeds from the sale of the assets on the premises under lease at the date of the bankruptcy and any payments made by the Trustee on account of accelerated rent shall be credited by the Landlord against the amount payable by the Trustee for occupation rent.
- (5) One solicitor's bill of costs, including sheriff's fees and land registration fees, shall be payable to the creditor who has first attached by way of garnishment or lodged with the sheriff an attachment, execution or other process against the property of the Bankrupt.
- (6) Claims resulting from injuries to employees of the Bankrupt to which the provision of Workers' Compensation Act do not apply, but only to the extent of monies received from persons or companies guaranteeing the Bankrupt against damages resulting from such injuries, such as liability insurance policies.

A creditor whose rights are restricted by this Section is entitled to rank as an unsecured creditor for any balance of his claim.