

---

Estate No. [        ]  
Court No. [B0    ]  
Vancouver Registry

**IN THE MATTER OF THE PROPOSAL OF  
PUMPTOWN QUARRY INC.**

---

**PROPOSAL**

---

Suite 780- 333 Seymour Street  
Vancouver, British Columbia  
V6B 5A6  
Telephone: (778) 370 0003  
Attn: Gary Powroznik

**IN THE MATTER OF THE PROPOSAL OF  
PUMPTOWN QUARRY INC.**

**PROPOSAL**

**PUMPTOWN QUARRY INC.** (hereinafter referred to as the “**Company**”), submits the following Proposal under the *Bankruptcy and Insolvency Act* (the “*BIA*”) Part III, Division 1, Section 50:

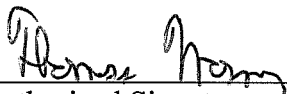
1.     **Definitions.** Defined terms not otherwise defined in the body of this Proposal shall have the meaning set out in Schedule “A” hereto.
2.     THAT payment in priority to all other claims of all claims directed by the BIA to be so paid in the distribution of the property of a bankrupt shall be paid in the following manner:
  - (a)    Preferred Creditors shall be paid in full as set forth in Section 136(1) of the BIA in priority to all claims of Unsecured Creditors.
  - (b)    Employees and former employees shall be paid, immediately after Court Ratification, amounts equal to the amounts that they would be qualified to receive under Section 136(1) if the Company became bankrupt on the Filing Date, as well as wages, salaries, commissions or compensation for services rendered after the Filing Date and before Court Ratification, together with, in the case of traveling salesmen, disbursements properly incurred by those salesmen in and about the Company’s business during the same period.
3.     THAT, notwithstanding anything to the contrary in this Proposal, payment of all Administrative Fees and Expenses shall be made in priority to all Creditors' claims.
4.     THAT claims arising in respect of Post Filing Goods and Services shall be paid in full by the Company in the ordinary course of business in priority to all Creditors' claims.
5.     THAT during the Proposal period, all newly arising obligations of the Company to CRA for source deductions, Goods and Services Tax and other amounts required to be withheld by the Company on behalf of CRA shall be paid in full as they fall due.
6.     THAT, unless the Crown consents, all claims of Her Majesty in right of Canada or of a province coming within Section 60(1.1) of the Act shall be paid in full within six months after Court approval of this Proposal.

7. THAT payment of all amounts to be paid by the Company pursuant to paragraphs 2 – 6 of this Proposal will be paid from the amounts set out in paragraph 8 of this Proposal.
8. THAT, subject to the Levy, and subject to payments of all amounts due and owing pursuant to paragraphs 2 – 6 of this Proposal, the Company will pay the Unsecured Creditors on or before 31 August, 2009 the following amounts in full satisfaction of their claims against the Company:
  - a. 100% of Proven Claims that do not exceed \$500.00
  - b. 9.554% of Proven Claims that exceed \$500.00.
9. THAT no interest shall be charged by Preferred and Unsecured Creditors after the Filing Date.
10. THAT at the First Meeting of Creditors to be held to consider this Proposal the Creditors may appoint one or more, but not exceeding five, Inspectors to advise the Trustee in respect of such matters as may be appropriate, including:
  - (a) To advise the Trustee concerning any dispute which may arise as to the validity of claims of Creditors in this Proposal;
  - (b) To advise the Trustee in respect of such other matters as may be referred to the Inspectors by the Trustee; and
  - (c) To extend the time for any payment or distribution required to be made pursuant to this Proposal.
11. THAT this Proposal may be amended by the Company at any time prior to or at the First Meeting of Creditors provided that any such amendments shall be considered by the Company to be in the best interests of the Creditors. This Proposal may be amended or further amended by the Company after the First Meeting of Creditors:
  - (a) If the amendment is considered by the Trustee and the Inspectors to be non-substantive in nature or in the interest of all of the Creditors, with the approval of the Inspectors only;
  - (b) If the amendment is considered by the Inspectors to be in the interests of all of the Creditors, with the approval of the Inspectors only; or
  - (c) Upon a vote conducted by the Trustee at a further meeting of Creditors and upon approval of the Court.
12. THAT the Trustee and Inspectors shall be exempt from any personal liability in fulfilling their duties or exercising any powers conferred on them hereunder, or generally in carrying out the terms of this Proposal, and each of them shall be liable only for any wilful and wrongful act, default or neglect.

13. THAT any claims against the directors of the Company by its Creditors, where such claims arose before the Filing Date and relate to the obligations of the Company where the directors of the Company are by law liable in their capacity as directors for the payment of such obligations, shall be satisfied in full and discharged upon payment by the Company in full of all amounts payable to Preferred Creditors and Unsecured Creditors hereunder.
14. THAT the Trustee, the Company or the Inspectors may apply to the Court for directions from time to time.
15. THAT the secured indebtedness of the Company to RIC and the claims and security interest of RIC shall be unaffected by this Proposal. For greater certainty, this Proposal shall not compromise or otherwise affect the interests of RIC and the security held by RIC shall continue to be valid and unaffected by this Proposal.
16. THAT the claims of Related Party Creditors shall not be affected or otherwise compromised by this Proposal and will be paid outside the terms of this Proposal.

**DATED** at Vancouver, this 10<sup>th</sup> day of June, 2009.

**Pumptown Quarry Inc.**

By:   
Authorized Signatory

## **SCHEDULE "A"**

### **Definitions**

"Administrative Fees and Expenses" means the Trustee's proper fees and expenses, including legal fees and disbursements (if any) incurred by the Trustee, and any legal fees and disbursements incurred by the Company, on or incidental to the appointment of the Trustee, the negotiations in connection with the preparation of this Proposal and any subsequent proposals and any proceedings relating to, arising out of, or under this Proposal including the preparation and implementation of any Proposal and any subsequent Proposals, including bankruptcy proceedings and including advice to the Company;

"Company" means Pumptown Quarry Inc. the insolvent debtor;

"Court" means the Supreme Court of British Columbia;

"Court Ratification" means (a) the approval of the Proposal by Order of the Court having received the report of the Trustee and other relevant information from the Company or any interested Creditor, and (b) the expiry of all appeal periods in relation to such Order of the Court;

"CRA" means Canada Revenue Agency

"Creditors" means the Preferred Creditors, Unsecured Creditors and Secured Creditors of the Company.

"Filing Date" means June 10, 2009, the date this Proposal was filed by the Company with the Office of the Superintendent of Bankruptcy;

"First Meeting of Creditors" means the meeting of Creditors at which the Proposal, including any amendments thereto, will be tabled and voted upon;

"Levy" means the levy payable to the Superintendent of Bankruptcy pursuant to Section 147 of the BIA;

"Post Filing Goods and Services" means in respect of this Proposal the goods supplied or services rendered to the Company, with the approval of the Company, after the Filing Date;

"Preferred Creditors" means those persons with claims that are provable and proved under the BIA and which are required by Section 136 of the BIA to be paid in priority to claims of Unsecured Creditors;

"Proven Claim" means the proven claim of a Secured Creditor, Preferred Creditor or Unsecured Creditor;

“Related Party Creditors” means those related persons with claims that are provable under the BIA in respect of debts and liabilities present or future to which the Company was subject at the Filing Date including for certainty all claims of Pan Pacific Aggregates Ltd. and Pan Pacific Equipment Ltd.;

“RIC” means Realty Investment Corporation;

“Secured Creditors” means those persons, with secured claims in respect of debts and liabilities present or future to which the Company was subject at the Filing Date or to which the Company may become subject by reason of any obligations incurred before the Filing Date;

“Trustee” means G. Powroznik Group Inc. or its duly appointed successor or successors appointed under or in connection with the carrying out of this Proposal;

“Trustee’s proper fees” means the time charges incurred, at normal hourly rates, by the Trustee or its duly appointed successor or successors appointed under or in connection with the carrying out of this Proposal; and

“Unsecured Creditors” means those persons with claims that are provable or proved in respect of debts and liabilities present or future to which the Company was subject at the Filing Date or to which the Company may become subject by reason of any obligations incurred before the Filing Date, including for certainty all claims that would be treated as unsecured claims of the Company in a bankruptcy of the Company, except for those claims:

- (a) that are by Secured Creditors, including for certainty all claims of RIC,
- (b) that have been finally and conclusively disallowed or found by the Court not to be provable claims;
- (c) that are by Preferred Creditors;
- (d) that are by Related Party Creditors, or
- (e) that are for Administrative Fees and Expenses