Estate No. 35-2721716

ONTARIO
SUPERIOR COURT OF JUSTICE

IN THE MATTER OF THE PROPOSAL TO CREDITORS PROCEEDINGS OF DREXLER CONSTRUCTION LIMITED AND FOLMUR CONSTRUCTION (2004) LIMITED, CORPORATIONS INCORPORATED UNDER THE ONTARIO *BUSINESS CORPORATIONS ACT*

MOTION RECORD

(approval of amended financing facilities)

(returnable December 16, 2022)

December 7, 2022

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
Toronto, Ontario M5G 1V2
Fax: 416-597-6477

R. Brendan Bissell (LSO# 40354V)
Tel: (416) 597-6489
Fax: (416) 597-3370
Email: **bissell@gsnh.com**

Lawyers for the moving parties and debtor companies, Drexler Construction Limited and Folmur Construction (2004) Limited

Estate No. 35-2721716

ONTARIO
SUPERIOR COURT OF JUSTICE

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL PROCEEDINGS OF DREXLER CONSTRUCTION LIMITED AND FOLMUR CONSTRUCTION (2004) LIMITED, CORPORATIONS INCORPORATED UNDER THE ONTARIO *BUSINESS CORPORATIONS ACT*

INDEX

TAB 1

Notice of motion returnable December 16, 2022

Estate No. 35-2721716

ONTARIO
SUPERIOR COURT OF JUSTICE

IN THE MATTER OF THE PROPOSAL TO CREDITORS PROCEEDINGS OF DREXLER CONSTRUCTION LIMITED AND FOLMUR CONSTRUCTION (2004) LIMITED, CORPORATIONS INCORPORATED UNDER THE ONTARIO *BUSINESS CORPORATIONS ACT*

NOTICE OF MOTION

(approval of amended financing facilities)

(returnable December 16, 2022)

Drexler Construction Limited and Folmur Construction (2004) (together, the "**Companies**") will make a motion to a judge of the Ontario Superior Court of Justice on Friday, December 16, 2022 at 10:00 a.m. or as soon thereafter as the motion can be heard, via videoconference, the details for which will be posted on The Middlesex Law Association website at www.middlaw.on.ca at 4:30 p.m. the day prior to the return date of this motion.

PROPOSED METHOD OF HEARING: orally.

THE MOTION IS FOR: an order authorizing the Companies to enter into financing facilities with Mitsubishi HC Capital Canada, Inc. ("**Mitsubishi**") substantially on the terms contemplated in an agreement to amend the existing facility with Mitsubishi (the "**Amending Agreement**").

THE GROUND FOR THE MOTION ARE:

1. The Companies are in the construction industry and have made proposals pursuant to the *Bankruptcy and Insolvency Act* (the "**BIA**").

2. The Companies' proposals have been accepted by their creditors and approved by this court in orders dated November 12, 2021 and February 16, 2022, respectively.

3. The proposals contemplate payments by the Companies over 24 months into the Fall of 2023, which are in the course of being made.

4. While in BIA proposal proceedings, transactions by the Companies out of the ordinary course require Court approval.

5. Lending facilities for the Companies, including with Mitsubishi in the amount of up to $2.5 million were approved by the Court on April 29, 2022.

6. The Companies wish to amend their lending facility with Mitsubishi to provide for a subordinate mortgage over one of the Companies' real property holdings in exchange for further lending by Mitsubishi of up to $250,000 against the Companies' accounts receivable, which the Amending Agreement will provide.

7. The only meaningful difference in the Amending Agreement as compared to the existing facility is the grant of new security over real property, because the terms of the existing Mitsubishi facility have only permitted the Companies to borrow approximately $1.7 million to date, which means that the further $250,000 of borrowing that is contemplated by the Amended Facility will still be well under the $2.5 million limit previously authorized by the Court.

MAIN STATUTORY PROVISIONS

a. BIA s. 65.13.

b. Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, rules 2.03 and 3.02.

c. Such other and further grounds as counsel may advise and the court permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the application:

a. the affidavit of Rodney Davis sworn December 7, 2022, and

b. such further and other materials as counsel may advise and the court may permit.

December 7, 2022

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
Toronto, Ontario M5G 1V2

R. Brendan Bissell (LSO #40354V)
Tel: (416) 597-6489
Fax: (416) 597-3370
Email: **bissell@gsnh.com**

Lawyers for the moving parties and debtor companies, Drexler Construction Limited and Folmur Construction (2004) Limited

TO: THE SERVICE LIST

Estate No. 35-2721716

IN THE MATTER OF THE PROPOSAL TO CREDITORS PROCEEDINGS OF DREXLER CONSTRUCTION LIMITED AND FOLMUR CONSTRUCTION (2004) LIMITED, CORPORATIONS INCORPORATED UNDER THE ONTARIO *BUSINESS CORPORATIONS ACT*

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced in LONDON

NOTICE OF MOTION
(approval of amended financing facilities)
(returnable December 16, 2022)

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
Toronto (ON) M5G 1V2

R. Brendan Bissell (LSO# 40354V)
Tel: (416) 597-6489
Fax: (416) 597-3370
Email: **bissell@gsnh.com**

Lawyers for the moving parties and debtor companies, Drexler Construction Limited and Folmur Construction (2004) Limited

TAB 2

Affidavit of Rodney Davis sworn December 7, 2022

Estate No. 35-2721716

ONTARIO
SUPERIOR COURT OF JUSTICE

IN THE MATTER OF THE PROPOSAL TO CREDITORS PROCEEDINGS OF DREXLER CONSTRUCTION LIMITED AND FOLMUR CONSTRUCTION (2004) LIMITED, CORPORATIONS INCORPORATED UNDER THE ONTARIO *BUSINESS CORPORATIONS ACT*

AFFIDAVIT OF RODNEY DAVIS
(sworn December 7, 2022)

I, Rodney Davis of the City of Toronto in the Province of Ontario, **MAKE OATH AND SAY**:

1. I am a Practice Lead and Partner of GreySuits Advisors Inc. and the Chief Financial Officer of Drexler Construction Ltd. ("**Drexler**"), which is the parent company of Folmur Construction (2004) Ltd. ("**Folmur**" and, together with Drexler, the "**Companies**"). As such I have knowledge of the matters to which I refer. In preparing this affidavit, I consulted with legal, financial and other advisors of the Companies and other members of the Companies' management. Where this affidavit is on information and belief, I have stated the source of that information and believe it to be true.

2. The affidavit is in support of the Companies' motion for an order authorizing the Companies to enter into an amended financing facility with Mitsubishi HC Capital Canada, Inc. ("**Mitsubishi**") substantially on the terms contemplated in an agreement (the

"**Amending Agreement**") to amend an existing Mitsubishi financing facility. A copy of the Amending Agreement is attached as **Exhibit "A"**.

3. The Amending Agreement refers to a credit facility with Mitsubishi dated April 29, 2022. That was the formal loan agreement for the term sheet with Mitsubishi dated March 24, 2022 that was approved by the Court. A copy of the March 24, 2022 term sheet is attached as **Exhibit "B"**. A copy of the Court's order approving that term sheet is attached as **Exhibit "C"**.. A copy of the April 29, 2022 loan agreement is attached as **Exhibit "D"**.

I. BACKGROUND

4. The Companies are in the construction industry. They made proposals under the *Bankruptcy and Insolvency Act*, which have been accepted by their creditors and approved by this Court in orders respectively dated November 12, 2021 and February 16, 2022. I attach copies of those orders as **Exhibit "E"**. Copies of the Companies' proposals are attached as **Exhibit "F"**.

5. The Companies' proposals contemplate respective payments to creditors through two funds (one for each of them) that will accrue through payments to the proposal trustee by the Companies over 24 months ending by the Fall of 2023. The Companies have been making the required payments under the proposals to date.

II. THE NEED TO AMEND THE MITSUBISHI FACILITY

6. The existing lending facility with Mitsubishi contemplated an upper limit of $2.5 million on borrowing.

7. The Companies have not been able to borrow that amount. This is because the terms of that facility limit how much Mitsubishi would lend based on the appraised value of the

Companies' equipment. That appraisal came in lower than had been anticipated, which meant that the Companies have only been permitted to borrow $1,700,000 to date by the terms of that facility. That limitation is not going to change, because the equipment is not going to increase in value.

8. That diminished borrowing level is negatively affecting the Companies' cash flow. The Companies have large and healthy accounts receivable worth in excess of $3.6 million, but the Companies' business requires the expenditure of working capital to fund construction jobs and then receive net payment later. In the case of some of the construction jobs, the final payments can be considerably later on account of things like holdback requirements. This is normal in the construction industry.

9. Under the existing Mitsubishi facility, the Companies are only permitted to borrow $250,000 against the value of their accounts receivable, which has already been done and forms part of the $1.7 million amount referred to above.

10. In discussions with Mitsubishi, they are prepared to allow the Companies to borrow a further $250,000 against the value of their accounts receivable, but only if Mitsubishi gets a collateral charge in that amount against the properties owned by Drexler at 5270 and 5274 Wellington Road in Rockwood, Ontario.

11. If approved by the Court, the amendment to the Mitsubishi facility would grant that charge and would then permit the Companies to borrow a further $250,000 and thereby increase the borrowing to the order of magnitude of $1.85 million. Due to the restriction imposed by the appraisal of the Companies' equipment, the Companies will not be able to borrow more than that from Mitsubishi, which means that the overall borrowing will remain well

under the $2.5 million limit approved by the creditors in the proposals and by the Court in its April 29, 2022 order.

12. I therefore believe that no creditor of the Companies will be prejudiced if the amendment to the Mitsubishi lending facility is approved. In fact, I believe that the interests of creditors will be aided by allowing the Companies to have greater access to working capital in order to fund their ongoing and profitable operations, which are the source of the payments being made to fund the Companies' proposals.

SWORN BEFORE ME via Zoom at the City of Toronto, in the Province of Ontario, this 7th day of December, 2022 in accordance with O. Reg. 431/20, *Administering Oath or*

Commissioner for taking affidavits
(present at Toronto at the time of swearing)

R. Brendan Bissell

Rodney Davis
(present at Toronto at the time of swearing)

This is **Exhibit "A"** to the affidavit of Rodney Davis sworn before me via Zoom this 7th day of December, 2022 in accordance with O. Reg. 431/20, *Administering Oath or Declaration Remotely*

A Commissioner, etc.

MITSUBISHI HC CAPITAL CANADA

Mitsubishi HC Capital Canada, Inc.
1100 Burloak Drive, Suite 401
Burlington, Ontario L7L 6B2
P > 1 855 840-1298
www.mhccna.com

AMENDING AGREEMENT

(SECURED REVOLVING CREDIT AGREEMENT)

(the "Amending Agreement")

BETWEEN:	Mitsubishi HC Capital Canada, Inc.	("**MHCCA**")
AND:	Drexler Construction Limited and Folmur Construction (2004) Ltd.	(collectively, the "**Borrower**")
AND:	Down Under Pipe and Cable Locating Ltd., Alfred Drexler, Jerome Frederick Drexler, Kevin Thomas Drexler and Martin Donald Drexler	(collectively, the "**Guarantors**")
SUBJECT:	Amendments and supplements to a secured revolving credit agreement dated April 29, 2022 between the Borrower, as borrower, the Guarantors, as guarantors, and MHCCA, as lender	(the "**Agreement**")

WHEREAS the Parties have agreed to amend and supplement certain provisions of the Agreement as hereinafter set forth,

☒ **Modification to the Borrowing Base Limit**

☒ **Additional Security**

NOW, THEREFORE, in consideration of the respective covenants, representations, warranties of each Party contained herein and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged and confirmed by each Party), the Parties hereto covenant, declare and agree as follows:

1. Modification to the Borrowing Base Limit:

Subject to the terms and conditions provided for herein, on and as of the Amendment Effective Date, the Agreement is hereby amended as follows:

a) Section 2.3 of the Agreement is hereby deleted in its entirety and replaced with the following:

"The Borrower shall ensure that the total amount of all Advances outstanding at any given time under the Facility does not exceed the Facility Limit.

The "**Borrowing Base Limit**" is calculated as the aggregate of the following amounts:

(a) eighty (80%) percent of the value, determined by MHCCA in its sole discretion, of the invoiced Eligible Accounts Receivable, after deducting prior ranking claims, provided that the maximum advance in respect of Eligible Accounts Receivable shall not exceed $500,000. Further, if 25% or more of the total invoiced Accounts Receivable from one debtor are past due for 90 days or more, all Accounts Receivable from that specific debtor will be excluded from the Borrowing Base calculation; and

(b) eighty-five (85%) percent of the FLV, as determined by MHCCA in its sole discretion, of the Eligible Equipment, up to a maximum amount of TWO MILLION FIVE HUNDRED THOUSAND DOLLARS ($2,500,000).

The Borrowing Base Limit shall be calculated by MHCCA based on a monthly valuation of the Eligible Accounts Receivable and the latest valuation of the Eligible Equipment. The Borrower shall provide MHCCA with a borrowing base certificate, in a form substantially similar to the form attached hereto as Schedule A and acceptable to MHCCA (the "**Borrowing Base Certificate**"), duly executed by a responsible officer of the Borrower, every month on a day to be determined by the MHCCA and the Borrower.

All prior ranking claims (as described in the Borrowing Base Certificate) will cause an automatic decrease in the Borrowing Base Limit.

The sale of any Eligible Equipment by the Borrower will automatically reduce the Borrowing Base Limit by the amount of such Eligible Equipment's net residual value at the time of the previous Borrowing Base Certificate provided by the Borrower. The addition of new equipment must be based on an evaluation completed by an external firm approved by MHCCA, and to be paid by the Borrower, of the net residual value of such equipment and of such equipment's remaining useful life."

2. Additional Security

The Agreement is hereby amended by adding the following subsection to Section 7.1

(g) a second charge/mortgage of land granted by Drexler Construction Limited and by Folmur Construction (2004) Limited in the amount of $250,000 over the real property municipally known as 5270 and 5274 Wellington Rd 27, Rockwood Ontario and legally described as (i) PT LT 10 CON 4 ERAMOSA PT 2 61R7045; GUELPH-ERAMOSA; s/t EASEMENT IN FAVOUR OF UNION GAS LIMITED OVER PT 2, 61 R7045 AS IN WC94269, being PIN 71180-0203 LT and PT LT 10 CON 4 ERAMOSA PT 1 61R7045; GUELPH-ERAMOSA being PIN 71180 – 0204.

3. Representations and Warranties

a) In order to induce MHCCA to enter into this Amending Agreement, each Loan Party represents and warrants to MHCCA as follows, which representations and warranties shall survive the execution and delivery hereof:

(i) the representations and warranties set forth in the Agreement and any other Loan Document are true and correct in all material respects as of the date hereof as if made on and as of the date hereof except for those representations and warranties which speak specifically to an earlier date;
(ii) all necessary corporate action has been taken to authorize the execution, delivery and performance of this Amending Agreement and the additional Security by such Loan Party and such Loan Party has duly executed and delivered this Amending Agreement;
(iii) this Amending Agreement is a legal, valid and binding obligation of such Loan Party enforceable against such Loan Party by MHCCA in accordance with its terms (except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally and by principles of equity); and
(iv) no default or Event of Default has occurred and is continuing on and as of the date hereof or will occur after giving effect to this Amending Agreement.

4. Conditions Precedent to the Effectiveness of this Amending Agreement

The effectiveness of this Amending Agreement (including the amendments and consents contained herein) shall be conditional upon the following conditions precedent being fulfilled to the satisfaction of MHCCA, or waived by MHCCA, in its sole discretion (the date of such satisfaction (or waiver) is referred to herein as the "**Amendment Effective Date**"):

a) the execution and delivery by each Party of this Amending Agreement and the required additional Security;
(b) MHCCA shall have received confirmation that the blocked account with trigger at Bank of Montreal is operational;
b) MHCCA shall have received, or arrangements satisfaction to MHCCA shall have been made to ensure it will receive, all other fees and expenses due under this Amending Agreement, the Agreement or any other Loan Document, or as otherwise agreed to with the Loan Parties, including, without limitation, all legal and other professional fees incurred by or on behalf of MHCCA as of the date hereof; and
c) MHCCA shall have received such additional evidence, documents or undertakings as MHCCA shall reasonably request and be satisfied as to the taking of all proceedings in connection therewith in compliance with the conditions set forth in this Amending Agreement,

provided that all documents delivered pursuant to this section 3 will be in full force and effect and in each case MHCCA shall be satisfied with the terms thereof in its sole discretion.

The foregoing conditions precedent are inserted for the sole benefit of MHCCA and may be waived in writing by MHCCA, in its sole discretion, in whole or in part and with or without terms and conditions.

5. General Terms, Conditions and Acknowledgements:

a) All capitalized terms not defined herein shall have the meanings assigned to them in the Agreement.

b) The division of this Amending Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Amending Agreement.

c) In this Amending Agreement, unless there is something in the subject matter or context inconsistent therewith: (i) the singular shall include the plural and the plural shall include the singular; (ii) a reference to Party or to the Parties, individually or collectively, shall include the successors and permitted assigns of that Party, individually or collectively, as the case may be; and (iii) words importing a specific gender shall include the other gender, and the rest of the sentence shall be construed as if the necessary grammatical and terminological changes had been made.

d) Except as expressly set forth herein, the amendments contained in this Amending Agreement shall not limit, impair, constitute a waiver of or otherwise affect the rights and remedies of MHCCA under the Agreement or any other Loan Document and shall not (and shall not be deemed to) alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements of any Loan Party contained in the Agreement or any other Loan Document, all of which are ratified and affirmed by each Loan Party in all respects and shall continue in full force and effect. This Amending Agreement shall not constitute a novation of the Agreement or any other Loan Document.

e) From and after the Amendment Effective Date, (i) each reference in the Agreement to "this Agreement", "hereunder", "hereof", "herein", or words of like import, and each reference to the "Agreement" in any Loan Document shall in each case be deemed a reference to the Agreement as amended by this Amending Agreement and (ii) all such references in the Agreement and in each other Loan Document shall be deemed to be references to the Agreement, as modified hereby. This Amending Agreement shall constitute a Loan Document for all purposes of the Agreement and any document or agreement in connection therewith.

f) The Agreement, the Loan Documents and the Security, as changed, altered, amended or modified by this Amending Agreement, shall be and continue in full force and effect and are hereby confirmed and the rights and obligations of all parties thereunder shall not be affected or prejudiced in any manner except as specifically provided for herein or therein. Each Loan Party hereby acknowledges and confirms that the Security (including, without limitation, all guarantees and security interests granted by such Loan Party thereunder) continues in full force and effect and constitute legal, valid and binding obligations of such Loan Party in accordance with its terms. The amendments herein are effective to amend the Agreement as of the Amendment Effective Date as set forth herein and shall not have the effect of waiving compliance with any provision of the Agreement prior to the date hereof nor amending or waiving any representation made prior to the date hereof.

g) This Amending Agreement shall be interpreted and construed in accordance with the laws in force from time to time in the Province of Ontario and the laws of Canada applicable therein. This Amending Agreement shall be deemed to have been executed in the Province of British Columbia and the Parties attorn to the jurisdiction of the courts of the Province of Ontario.

h) This Amending Agreement, the Agreement, the Loan Documents and the Security constitute the entire agreement among the Parties with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and verbal, among the Parties with respect to the subject matter hereof.

i) No modification, variation, amendment or termination by mutual consent of this Amending Agreement, and no waiver of the performance of any of the responsibilities of the Parties shall be effected unless agreed by the Parties in writing.

j) Each of the covenants, provisions, Articles, Sections and other subdivisions hereof is severable from every other covenant, provision, Article, Section and subdivision, and the invalidity or unenforceability of any one or more covenants, provisions, Articles, Sections or subdivisions of this Agreement shall not affect the validity or enforceability of the remaining covenants, provisions, Articles, Sections and subdivisions hereof.

k) The Parties will from time to time on and after the date this Amending Agreement has been executed by the Parties, execute and deliver all such other additional instruments, notices and other documents and shall do all such other acts and things as may reasonably be necessary to assure the carrying out of the intent and purpose of the terms of this Amending Agreement.

l) This Amending Agreement shall be binding on each Loan Party and its heirs, executors, successors and permitted assigns and shall enure to the benefit of MHCCA and its successors and assigns. Nothing herein, express or implied, is intended to confer upon any person, other than the Parties and their respective successors and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Amending Agreement.

m) This Amending Agreement shall be assignable by MHCCA free of any set-off, counter-claim or equities between each Loan Party and MHCCA, and no Loan Party shall assert against an assignee of MHCCA any claim or defence that such Loan Party has against MHCCA. This Amending Agreement may not be assigned by any Loan Party without the prior written consent of MHCCA.

n) Any notice or other written communication required or permitted to be given hereunder shall be delivered in accordance with the Agreement.

o) This Amending Agreement may be executed in counterparts (and by different Parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Amending Agreement by facsimile or other electronic means shall be effective as delivery of an original counterpart of this Amending Agreement. The words “execution”, “signed”, “signature”, and words of like import in this Amending Agreement shall be deemed to include electronic signature or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law.

[execution page follows]

In witness whereof, the Parties have executed this Amending Agreement by their proper officers in the City of _______________in the Province of _______________________this ____day of ________________________, 2022.

DREXLER CONSTRUCTION LIMITED

____

Name:

Title:
(I have the authority to bind the corporation)

FOLMUR CONSTRUCTION (2004) LTD.

____

Name:

Title:
(I have the authority to bind the corporation)

MITSUBISHI HC CAPITAL CANADA, INC.

____

Name:

Title:
(I have the authority to bind the corporation)

GUARANTEE: The Guarantors mentioned below acknowledge that they have been notified of the changes and modifications to the Agreement made by this Amending Agreement, that they are satisfied of such changes and modifications, that they are bound by the obligations resulting therefrom, and acknowledge that the guarantees guaranteeing the obligations provided for in the Agreement are in no way modified, terminated or affected by this Amending Agreement, despite the modification to the financed amount and/or to the payments or to the extension of the term initially set for redemption of the payments, which they accept without reservation, where appropriate. In addition, the Guarantors acknowledge that the signature of this Amending Agreement is not required by MHCCA because of their role, title or the performance of specific functions.

DOWN UNDER PIPE AND CABLE LOCATING LTD.

____

Name:

Title:
(I have the authority to bind the corporation)

___________________________________	___________________________________
Witness:	**ANTHONY ALFRED DREXLER**
___________________________________	___________________________________
Witness:	**JEROME FREDERICK DREXLER**
___________________________________	___________________________________
Witness:	**KEVIN THOMAS DREXLER**
___________________________________	___________________________________
Witness:	**MARTIN DONALD DREXLER**

SUBORDINATION AND POSTPONEMENT: The parties mentioned below acknowledge that they have been notified of the changes and modifications to the Agreement made by this Amending Agreement, that they are satisfied of such changes and modifications, that they are bound by the obligations resulting therefrom, and acknowledge that the subordination and / or postponement agreements granted by such parties pursuant to the Agreement are in no way modified by this Amending Agreement, despite the modification to the financed amount and/or to the payments or to the extension of the term initially set for redemption of the payments, which they accept without reserve. In addition, the parties acknowledge that the signature of this Amending Agreement is not required by MHCCA because of their role, title or the performance of specific functions.

FOLMUR CONSTRUCTION (2004) LTD.

____

Name:

Title:
(I have the authority to bind the corporation)

This is **Exhibit "B"** to the affidavit of Rodney Davis sworn before me via Zoom this 7th day of December, 2022 in accordance with O. Reg. 431/20, *Administering Oath or Declaration Remotely*

A Commissioner, etc.

MITSUBISHI HC CAPITAL CANADA

Asset based Lending

Montreal, March 24th, 2022

To the attention of Mr. Anthony Alfred Drexler, Martin Drexler, Kevin Drexler, Jerome Drexler
Drexler Construction Ltd. & Folmur Construction (2004) Ltd.
5274 Wellington Country Road 27, R.R., Rockwood, Ontario. N0B 2K0.

Object: Statement of interest from Mitsubishi HC Capital Canada, Inc. in favour of **Drexler Construction Ltd. & Folmur Construction (2004) Ltd.** and all its subsidiaries and affiliated companies (collectively the «Client»).

Mitsubishi HC Capital Canada, Inc. and its affiliated companies («MHCCA») are happy to submit the following financing proposition. As explained below, this statement of interest contains the general terms and conditions under which MHCCA proposes to provide financing to the Client. This proposal (the «Proposal») does not constitute a binding commitment from MHCCA to proceed with the proposed funding and remains subject to MHCCA's normal credit approval process. The Proposal indicates an interest of MHCCA to proceed with the submitted financing but should not be interpreted as a formal offer. All future communications between our employees and the Client should not be interpreted as a binding commitment from MHCCA to proceed with the financing. It is understood that when the Client signs the Proposal, the latter undertakes to proceed with the implementation of the funding unconditionally.

SOURCE OF FUND		USE OF PROCEEDS	
Asset Based, On Demand, Revolving Line (ABL)	**$2,500,000.00**	Payout - Corwin Mortgage Capital Inc.	**$2,500,000.00**
Real Estate Financing (Land)	**$1,000,000.00**	Working Capital Injection	**$1,000,000.00**
TOTAL	**$3,500,000.00**	TOTAL	**$3,500,000.00**

TYPES OF ASSET-BASED LENDING FACILITY BY MHCCA

CREDIT FACILITY	Asset based, On-Demand, Revolving line (ABL)
Co-Borrower(s):	Drexler Construction Ltd. & Folmur Construction (2004) Ltd.
Guarantor(s):	Down Under Pipe, Cable Locating Ltd., Anthony Alf Drexler, Jerome Drexler, Kevin Drexler, Martin Drexler
Credit Limit:	**CAD $ 2,500,000.00**
Currency:	All draws, advances or payments will be made only in Canadian Dollars. All references to currency or dollar amount in this Proposal unless otherwise specified are Canadian Dollars ("CAD").
Borrowing base calculation:	**80%** advance rate, LESS any priority payables and / or fees, on all Client's accounts receivable, admissible/billed excluding the taxes, with the exception of, in particular: claims that are 90 days past their billing date, accounts in dispute, counter-parties accounts, inter-companies or affiliated company's accounts, cross-aged accounts & holdbacks. Subject to credit approval of accounts receivable and purchase orders. The credit balances and credit notes will be deducted from these advances. Maximum advanced amount on accounts receivable will be **of 250,000.00$.** **85%** advance rate on forced liquidation value (FLV) of equipment selected and approved by MHCCA. Equipment will need to be appraised by an appraiser approved and selected by MHCCA and will be at Client's charge. Appraisal must state forced liquidation value, as well as remaining equipment lifespan. Maximum advanced amount on equipment will be **of 2,500,000$.** Equipment part of the Borrowing Base must have an appraised value exceeding $25,000.00 FLV. Borrowing power to be calculated on a monthly basis.

MITSUBISHI HC CAPITAL CANADA

Asset based Lending

Required documents for borrowing base calculation:	At all times, the Client shall ensure the outstanding balance does not exceed the lesser of the Credit Limit and the borrowing power. Monthly Borrowing power (*) will be calculated using: • A/R and A/P aging report and a priority claims breakdown report • Equipment appraisal at MHCCA's entire satisfaction. Advance on equipment will be depreciated by 1.67%, monthly. • Monthly in-house financials, to be provided at the latest every 20th day of the following month. • All advance or draw is subject to approval by MHCCA's credit department. **Monthly Reporting must be performed by Greysuits Advisors Inc. within 30 business days of the following month.*		
Standby fee:	2.0% annually, payable monthly, on the unutilized portion of the Credit Facility calculated on the daily outstanding balance and the Credit Limit. Standby fee is only triggered if line utilization is below $1,250,000.00		
Implementation fee:	1.5% of the Credit limit	One-time set-up fee	
Term:	12 months following the date of the signature of the final contract.		
Renewal Fee	$5,000.00 – Legal fees at the borrower's costs, if applicable.		
Draw Fee:	$50 (min $20 000)	Repayment fee:	$0
Variable interest rate:	9.11%, as of March 24th, 2022 Interest rate will be calculated as follow: BA rate* + 8.24%, calculated daily online usage, compounded monthly. *BA rate means the rate of interest per annum equal to the average rate applicable to the monthly Canadian Dollar Bankers' Acceptances as displayed and identified as such on the Bloomberg monitor "CDOR01 Index " at approximately 10:30 a.m. eastern time on the first day of the month (or, if such day is not a Business Day, as of 10:30 a.m. eastern time on the immediately preceding Business Day). Provided that if such rate does not appear on the Bloomberg monitor "CDOR01 Index" at such time on such date, the rate for such date will be the rate of interest per annum equal to the average rate applicable to the monthly Canadian Dollar Bankers' Acceptances as displayed and identified as such on the* ***Reuters Screen CDOR page.*** *In no event shall the Canadian BA Rate be less than 0.0%.*		
Monthly Management Fee:	N/A	Payable monthly in advance	
Use of Proceeds:	Advances shall be used to fund working capital needs of the Client. Any additional use must be approved by MHCCA. For absolute clarity, no proceeds / advances of the Credit Facility may be used to repay any debts owed to any related party of the Client or the Guarantor(s), pay or declare dividends, pay management fees or bonuses outside the normal course of business or reduce the share capital in any way, without MHCCA's written consent.		

	GENERAL CONDITIONS AND OBLIGATIONS
Due diligence:	MHCCA, or any other entity designated by it, will identify in a timely manner the professional firms used by MHCCA to finalize the agreements between the parties and the regular management of this file. You must provide them with all the documents and information that they deem necessary or useful for the protection of MHCCA's interests and the preparation of the final agreements. The warranties and conditions set forth herein shall be to the satisfaction of MHCCA. The legal fees and disbursements incurred for the preparation and execution of the conditions required by MHCCA and that are necessary to complete the due diligence are at the Client's expense and may be deducted from the advances. To finalize the credit approval process, the Client must provide MHCCA with the any relevant documentation required for the due diligence process.
Transfer:	The Client agrees that MHCCA may transfer all or part of its rights, title and interest in the Proposal and that the transferee of the Proposal may exercise all the rights conferred to MHCCA as if the transferee was party to the Proposal. Moreover, the Client cannot transfer the Proposal without MHCCA or its transferee's prior written consent.
Deposit and fees:	100% of the implementation fees are payable upon execution of this Proposal. All legal fees be at the client's charge and payable prior to the 1st disbursement.
Exchange rate:	MHCCA will not be held responsible for gains or losses resulting from a variation of the exchange rate. All of the transactions will be calculated in Canadian dollars at the rate of the day, as published by the financial institution designated by MHCCA, in addition to the exchange fees. Moreover, the exchange transaction fees are the exclusive responsibility of the Client. The financing of accounts receivable will only be made in CAD dollars.
Cancellation Fee:	2% of the Credit Limit be charged to terminate the Credit Facility before the end of the Term.
Security:	The borrower must grant MHCCA with the following securities: - Specific rank on equipment as well as all possible additions, improvements, replacements and substitutions relating to equipment and on all the products resulting therefrom (insurance products). - General security agreement on all **Borrowers'** assets which will be of first rank on receivables, stocks and equipment - General security agreement on all the **Corporate Guarantors'** assets which will be behind existing lender(s) on receivables, stocks and equipment - Personal guarantees of Anthony Alfred Drexler, Jerome Drexler, Kevin Drexler, Martin Drexler - Corporate guarantees of Down Under Pipe & Cable Locating Ltd. - Postponement of all related debt
Covenants:	The Client shall, at all times, respect the following financial covenants or will otherwise be recognized as in default in regard to its contractual obligations towards MHCCA: - Fixed Charge Coverage Ratio above 1x. (EBITDA/Fixed Charges) - Tangible Net Worth above $2,900,000.00. - Monthly reporting to be performed by GreySuits Advisors Inc. - The Client shall also provide MHCCA with annual financial statements no later than 120 days after the end of the financial year. *Fixed Charges: Comprised on Interest expenses, Taxes, CPLTD and CP of Capital Leases.* *Tangible Net Worth: Total company equity plus postponed advances, minus intercompany advances made, prepaid expenses, restricted cash, goodwill and intangibles.*

MITSUBISHI HC CAPITAL CANADA

Asset based Lending

Financing and disbursement conditions:	1. Due diligence completed to the satisfaction of MHCCA 2. Postponement of all related party debt 3. Borrowing power to be calculated on a monthly basis and MHCC to obtain a monthly borrowing base certificate, AR and AP list, priority claims breakdown and updated list of equipment 4. Acceptance by the other creditors of the implementation of MHCCA 5. Financial forecast of FY2022 for both Drexler Construction Ltd. & Folmur Construction (2004) Ltd. 6. Priority claims to be paid in full prior to initial disbursement 7. Physical equipment appraisal confirming FLV, OLV & FMV as well as remaining useful lifespan, performed by S. Guy Gauthier Inc. at MHCCA's entire satisfaction. 8. Facility to be managed through a Blocked Account Agreement (with Trigger) at MHCCA's entire satisfaction 9. Assignment of life insurance of all Personal Guarantors to be made in favour of MHCCA 10. Disbursement held in escrow with land financing for $1,000,000.00 until conditions are satisfied 11. Borrower must have a payroll system in place, at MHCCA's entire satisfaction 12. ANY OTHER DOCUMENT DEEMED NECESSARY BY MHCCA'S CREDIT
Protection of financial return	In order to maintain the profitability and financial performance of MHCCA, MHCCA may, in its sole discretion, adjust the rate, fees and the advance rate before disbursement, considering: (1) a change in the cost of MHCCA funds; (2) a change in structure or in terms of what is presented in this proposal; (3) financial market conditions and fluctuations; (4) changes of a legal or fiscal nature related to MHCCA or to the client; (5) any other event which could have an impact on the profitability of MHCCA towards the transaction.
Access to information:	The Client hereby allows any personal information representative, financial institution, debtor, tax authority, employer or any other entity, including any public body, holding information regarding the Client, its directors and its guarantees, in particular financial information or information regarding any covenant or guarantee of the Client, to provide these information to MHCCA in order to verify the accuracy of any information provided or to be provided from time to time to MHCCA and to ensure , at any time, the Client's solvency.
Confidentiality:	The Client and its representatives hereby undertake to keep the terms of this Proposal confidential and to divulge its content only to the persons authorized by prior written consent of MHCCA, including in regard to MHCCA's creditors.
Acceptance:	The Proposal shall be accepted by the Client no later than on **March 31st, 2022** by signing and sending back the enclosed copy, otherwise MHCCA reserves its right to unilaterally cancel or modify this Proposal.

Revocability of this statement of interest:

- This summary of the conditions is not exhaustive. The provisions not expressly contained herein may be subject to future negotiations. Moreover, by executing this agreement, the parties agree to the following:

  i. This document does not constitute, in any case, an obligation from MHCCA to provide or to make provide credit under the conditions hereunder stated or at any other condition. We recommend to the clients to obtain their own opinions with respect to this Proposal from an accountant, a tax specialist, a lawyer or any other professional. MHCCA does not make any commitment regarding the accounting or tax treatment of the current Proposition;

  ii. If MHCCA makes a commitment of this kind, it will do so with a separate written document, signed by it, after a previous satisfactory verification, a thorough examination of the file and multiple approbations;

  iii. This statement of interest cancels and replaces any previous financing Propositions, whether written or oral, between MHCCA, its successors, beneficial owners, subsidiaries or affiliated companies, only regarding the dispositions it contains. All of the other agreements, conventions, deeds of moveable or immoveable hypothec or other guaranties entered into between MHCCA, its successors, beneficial owners, subsidiaries or affiliated companies remain valid as long as they are not cancelled in writing by MHCCA, its successors, beneficial owners, subsidiaries or affiliated companies. MHCCA can, at all times during the consideration of this matter and to its complete satisfaction, renounce to consider the credit application and abandon its credit examination;

  iv. Whether the financing is approved or not and whether the advances are granted or not, the Client undertakes to indemnify MHCCA, its administrators, directors, employees and representatives regarding any reclamation, expense (including legal fees), damages, and obligation that they could have to assume or that could be attributed to them in direct or indirect relation to the existence of this document, the financing project, contestations, or environmental responsibility or because of investigation, litigation or related judicial proceedings ;

  v. MHCCA, the Companies of its group and its administrators, directors, employees or representatives cannot, in any case, be liable for payment of punitive, exemplary or indirect damages that could be attributed to them in connection with this letter, financing project or any other financing.

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We acknowledge that we have been informed of this Proposition, we subscribe to the obligations that we have to incur hereunder including, without limitation, the authorizations relating to the gathering, use and divulgation of information regarding ourselves, and accept all the terms, conditions and obligations of this Proposition.

Deemed signed in Rockwood, this ____________________________, 2022

Drexler Construction Ltd.
By: Anthony Alfred Drexler, Director

Mitsubishi HC Capital Canada, Inc.
By: Kevin Hall, Vice President - Capital Markets

Folmur Construction (2004) Ltd.
By: Anthony Alfred Drexler, Director

By: Anthony Alfred Drexler, Personally

By: Jerome Drexler, Personally

By: Kevin Drexler, Personally

By: Martin Drexler, Personally

This is **Exhibit "C"** to the affidavit of Rodney Davis sworn before me via Zoom this 7th day of December, 2022 in accordance with O. Reg. 431/20, *Administering Oath or Declaration Remotely*
A Commissioner, etc.

Estate No. 35-2721716

ONTARIO

SUPERIOR COURT OF JUSTICE

THE HONOURABLE MADAM	)	FRIDAY, THE 29th
	)	
JUSTICE TRANQUILLI	)	DAY OF APRIL, 2022

IN THE MATTER OF THE PROPOSAL TO CREDITORS PROCEEDINGS OF DREXLER CONSTRUCTION LIMITED AND FOLMUR CONSTRUCTION (2004) LIMITED, CORPORATIONS INCORPORATED UNDER THE ONTARIO *BUSINESS CORPORATIONS ACT*

ORDER
(approval of financing facilities)

THIS MOTION made by Drexler Construction Limited and Folmur Construction (2004) Limited (together, the "**Companies**") for the orders herein was heard this day at 80 Dundas St., London, by videoconference due to COVID-19.

ON READING the affidavit of Rodney Davis sworn April 19, 2022 (the "**Davis Affidavit**") and the fifth report dated April 25, 2022 (the "**Fifth Report**") of Albert Gelman Inc. in its capacity as trustee to the proposal to creditors proceedings of the Companies (in such capacity, the "**Proposal Trustee**"), and upon hearing the submissions of counsel for the Companies and counsel for the Proposal Trustee as well as those other parties present, as may be indicated on the counsel slip, no other parties being present although duly served as more fully appears from the affidavit of service, filed:

I. NOTICE AND SERVICE

1. **THIS COURT ORDERS** that the time and manner for service of the motion record in respect of this motion and the Fifth Report are hereby respectively abridged and validated so that the motion is properly returnable today, and that further service thereof is dispensed with.

II. APPROVAL OF AMENDED LONG-TERM FINANCING FACILITY

2. **THIS COURT ORDERS** that the Companies are and each of them is hereby authorized to enter into financing facilities **(i)** with Mitsubishi HC Capital Canada, Inc. substantially on the terms contemplated in a statement of interest and financing proposition dated March 24, 2022 of which a copy is attached as Exhibit "A" to the Davis Affidavit, and **(ii)** a financing facility with Reciprocal Opportunities Inc. substantially on the terms contemplated in a loan offer dated March 24, 2022 of which a copy is attached as Exhibit "B" to the Davis Affidavit (together, the "**Financing Facilities**").

3. **THIS COURT ORDERS** that the Companies are and each of them is hereby authorized and empowered to execute and deliver such contracts, agreements, mortgages, charges, hypothecs, security documents, guarantees and other definitive documents as may be reasonably required to close and implement the Financing Facilities, and to do all things reasonably necessary or attendant thereto.

III. TERMINATION OF DIP LENDER'S CHARGE

4. **THIS COURT ORDERS** that, upon the payment to Corwin Mortgage Capital Inc. as the DIP Lender to the Companies of all amounts owing by the Companies, as evidenced by a Certificate of the Proposal Trustee in the form attached as **Schedule "A"**, the DIP Lender's Charge granted by paragraphs 10 to 18 of the Order dated April 16, 2021 as amended by paragraphs 5 to 6 of the Order dated September 10, 2021 shall be discharged and terminated.

IV. CONTINUATION AND SUBORDINATION OF ADMINISTRATION CHARGE

5. **THIS COURT ORDERS** that upon the filing of the Proposal Trustee's Certificate the Administration Charge granted by paragraphs 18 and 19 of the Order dated April 16, 2021 shall continue and shall rank in priority to all security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise encumbering any property of the Companies (each an "**Encumbrance**") save and except any Encumbrance contemplated by the Financing Facilities in favour of each of Reciprocal Opportunities Inc. and Mitsubishi HC Capital Canada, Inc. respectively.

V. MISCELLANEOUS

6. **THIS COURT ORDERS** that capitalized terms used in paragraphs 4 and 5 of this order and not otherwise defined herein have the meaning given to them in the orders of this court dated April 16, 2021 and September 10, 2021 made in this court file.

7. **THIS COURT ORDERS** that this order is effective as of its date without the requirement for issuance and entry.

K. Tranquilli J.

Madam Justice K. Tranquilli

London Courthouse
80 Dundas Street
London, ON N6A 6A3

Estate No. 35-2721716

ONTARIO

SUPERIOR COURT OF JUSTICE

IN THE MATTER OF THE PROPOSAL TO CREDITORS PROCEEDINGS OF DREXLER CONSTRUCTION LIMITED AND FOLMUR CONSTRUCTION (2004) LIMITED, CORPORATIONS INCORPORATED UNDER THE ONTARIO *BUSINESS CORPORATIONS ACT*

PROPOSAL TRUSTEE'S DIP REPAYMENT CERTIFICATE

RECITALS

A. Pursuant to Orders of the Ontario Superior Court of Justice (the "**Court**") dated April 16, 2021 and September 10,2021 Corwin Mortgage Capital Inc. (the "**DIP Lender**") was granted a charge (the "**DIP Lender's Charge**") over certain of the property of Drexler Construction Limited and Folmur Construction (2004) Limited. (together the "**Companies**").

B. Pursuant to an Order of the Court dated April 29, 2022 the DIP Lender's Charge is to be discharged and terminated upon the delivery by Albert Gelman Inc. in its capacity as trustee of the proposals of the Companies (the "**Proposal Trustee**") of a certificate certifying that the Companies have paid all amounts owing to the DIP Lender.

THE PROPOSAL TRUSTEE certifies the following:

1. The Companies have paid and the DIP Lender has received all amounts owing that were secured by the DIP Lender's Charge;

2. This Certificate was delivered by the Proposal Trustee at ________ on _______ .

Albert Gelman Inc., in its capacity as trustee of the proposals of Drexler Construction Limited and Folmur Construction (2004) Limited and not in its personal capacity

Per: ______________________________

Name:

Title:

IN THE MATTER OF THE PROPOSAL TO CREDITORS PROCEEDINGS OF DREXLER CONSTRUCTION LIMITED AND FOLMUR CONSTRUCTION (2004) LIMITED, CORPORATIONS INCORPORATED UNDER THE ONTARIO *BUSINESS CORPORATIONS ACT*

Estates No. 35-2721716

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced in LONDON

ORDER

(approval of financing facilities)

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
Toronto (ON) M5G 1V2

R. Brendan Bissell (LSO# 40354V)
Tel: (416) 597-6489
Fax: (416) 597-3370
Email: bissell@gsnh.com

Joël Turgeon (LSO #80984R)
Tel: (416) 597-6486
Email: turgeon@gsnh.com

Lawyers for Drexler Construction Ltd. and Folmur Construction (2004) Ltd.

This is **Exhibit "D"** to the affidavit of Rodney Davis sworn before me via Zoom this 7th day of December, 2022 in accordance with O. Reg. 431/20, *Administering Oath or Declaration Remotely*

A Commissioner, etc.

SECURED REVOLVING CREDIT AGREEMENT
April 29, 2022

BETWEEN:	**DREXLER CONSTRUCTION LIMITED and FOLMUR CONSTRUCTION (2004) LTD.** (collectively, the "**Borrower**"), each a corporation incorporated pursuant to the *Business Corporations Act* (Ontario) and having places of business at 5274 Wellington County Road 27, R.R. #1, Rockwood, Ontario N0B 2K0
AND:	**DOWN UNDER PIPE AND CABLE LOCATING LTD.** (the "**Corporate Guarantor**"), a corporation incorporated pursuant to the Business Corporations Act (Ontario) and having a place of business at 5274 Wellington County Road 27, R.R. #1, Rockwood, Ontario N0B 2K0
AND:	**ANTHONY ALFRED DREXLER, JEROME DREXLER, KEVIN DREXLER and MARTIN DREXLER** (collectively, the "**Individual Guarantors**")
AND:	**MITSUBISHI HC CAPITAL CANADA, INC.** ("**MHCCA**"), a corporation incorporated pursuant to the *Business Corporations Act* (Ontario) and having a place of business at 3390 South Service Rd, Suite 301, Burlington, Ontario, L7N 3J5

WHEREAS the Parties hereto executed a financing proposal dated March 24th, 2022(the "**Proposal**");

AND WHEREAS the Borrower has requested and MHCCA has agreed to establish the Facility in their favour upon the terms and conditions of this Agreement;

AND WHEREAS the Guarantors have agreed, among other things, to guarantee the Facility.

NOW THEREFORE in consideration of the covenants and agreements between the Parties contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. RECITALS AND DEFINITIONS

1.1 The recitals and all schedules attached hereto form an integral part of this Agreement.

1.2 The Borrower acknowledges:

(a) that each of them, jointly and severally, is indebted to MHCCA pursuant to and in accordance with the terms and conditions hereof and any other agreement between it and MHCCA; and

(b) that it will comply with each and every term and undertaking contemplated herein and that it will pay all amounts described herein.

1.3 Unless otherwise provided, all accounting terms are to be interpreted in accordance with GAAP.

1.4 Unless the context requires otherwise, for the purposes hereof the following words and expressions mean the following:

1.4.1 "**Account Receivable**" means any claim and right of either one of the Borrower relating to payment for goods sold, leased or delivered or for services rendered, including, without limitation, any tax credit of the Borrower, purchase order, quote accepted by the Borrower, tax claim or right to an insurance indemnity;

1.4.2 "**Advance**" means any actual or deemed advance or other extension or utilization of credit pursuant to this Agreement;

1.4.3 "**Agreement**" means this loan agreement and all schedules attached hereto, as it may be amended, restated, supplemented or otherwise modified from time to time;

1.4.4 "**Business Day**" means a day, excluding Saturday and Sunday and any statutory holiday, on which most commercial banks are open for business in Toronto, Ontario.

1.4.5 "**Corporate Loan Parties**" means collectively, the Borrower and the Corporate Guarantor, and "**Corporate Loan Party**" means any one of them;

1.4.6 "**EBITDA**" means, for any fiscal period, net income before taxes, plus interest, plus depreciation, less non-operating net gains (plus net losses) such as, without limitation, other income or expenses, or gains or losses on disposal of fixed assets;

1.4.7 "**Eligible Account Receivable**" means an Account Receivable that is due and payable and that fully complies with the conditions, requirements and terms set forth in this Agreement and whose debtor is deemed acceptable at MHCCA's sole discretion, which excludes, but is not limited to, receivables whose billing date is ninety (90) days past due, counterparty accounts, holdbacks, inter-company or affiliate accounts or receivables and any account related to such receivables;

1.4.8 "**Eligible Equipment**" means equipment owned by the Borrower that fully complies with MHCCA's conditions and requirements, including, without limitation, such equipment that is less than TEN (10) years old, and has been selected and approved by MHCCA following an appraisal by an external evaluation firm approved by MHCCA and carried out at the Borrower's expense to determine the equipment's forced liquidation value ("**FLV**"), which FLV must be at least $25,000 to be considered Eligible Equipment, residual net worth and residual life. During the entire term of this Agreement, any new equipment shall not be considered Eligible Equipment until it has been appraised. All equipment will be appraised at the time of its selection and will be subject to an annual depreciation rate of TWENTY (20%) percent;

1.4.9 "**Facility Limit**" means the lesser of: (i) $2,500,000; and (ii) the Borrowing Base Limit;

1.4.10 "**Fixed Charges**" means, for any fiscal period, the sum of taxes paid in a year (income statements), plus the sum of interest (income statements), plus principal payments on long-term debt and on capital leases (income statements) cash flow;

1.4.11 "**GAAP**" means, at any time, those generally accepted accounting principles which are in effect in Canada, from time to time, applied in a consistent manner from period to period;

1.4.12 "**Guarantors**" means, collectively, the Corporate Guarantor and the Individual Guarantors and "**Guarantor**" means any one of them;

1.4.13 "**Indebtedness**" means, at any time, the aggregate at such time of: (i) the principal amounts outstanding of all Advances; (ii) all overdue and unpaid fees, indemnities and expenses; (iii) any other amounts advanced by MHCCA to the Borrower; (iv) any amounts payable by any of the Borrower to MHCCA; and (v) all unpaid interest in respect of any of the foregoing.

1.4.14 "**Loan Documents**" means, collectively, this Agreement, the Security, and all other certificates, instruments and documents delivered from time to time by or on behalf of a Loan Party in connection herewith or therewith;

1.4.15 "**Loan Parties**" means, collectively, the Borrower and the Guarantors;

1.4.16 "**Material Adverse Change**" means any event having a material adverse impact on the business, affairs, activities, assets or capital stock of a Loan Party in the opinion of a reasonable lender;

1.4.17 "**Maturity Date**" means that is the date which is twelve (12) months from the date of this Agreement;

1.4.18 "**Obligations**" means all of the present and future indebtedness, liabilities and obligations of the Loan Parties (or any of them) to MHCCA, direct or indirect, joint or several, absolute or contingent, including without limitation, all present and future indebtedness, liabilities and obligations under this Agreement, any other Loan Document, including, without limiting the generality of the foregoing, all fees, costs, expenses and indemnity obligations hereunder and thereunder;

1.4.19 "**Parties**" means, collectively, the Loan Parties and MHCCA, and "Party" means any one of them; and

1.4.20 "**Permitted Encumbrances**" means, as at any particular time, any of the following encumbrances on the property of the Borrower:

(a) reservations, limitations, provisos and conditions expressed in any original grant from the Crown;

(b) liens for taxes, assessments, governmental charges and other statutory liens or security interests which (i) are not at such date due or delinquent, or (ii) relate to claims the validity of which is being contested at the time by the Borrower in good faith by appropriate proceedings;

(c) the lien of any judgment rendered, or claim filed, which is being contested at the time by the Borrower in good faith by appropriate proceedings;

(d) undetermined or inchoate liens or security interests incidental to operations arising in the ordinary course of business which relate to obligations (i) not due or delinquent and which have not at such time been filed pursuant to law and no other statutory proceedings have been taken to enforce the same, or (ii) being contested at the time by the Borrower in good faith by appropriate proceedings;

(e) easements, rights-of-way, servitudes, zoning restrictions, leases, or other similar rights or restrictions in property (including, without limitation, rights-of-way and servitudes for railways, sewers, drains, pipelines, gas and water mains, electric light, power, telephone, telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other persons and other minor defects, encumbrances and restrictions which either alone or in the aggregate do not materially detract from the value of such property or materially impair its use by the Borrower;

(f) security interests or other interests given when required by the Borrower to any public utility, municipality, governmental or other public authority in the ordinary course of the business of the Borrower, which either alone or in the aggregate do not materially detract from the value of the property affected thereby or materially impair its use by the Borrower;

(g) security interests in favour of MHCCA pursuant to the Security; and

(h) all other encumbrances as are specifically disclosed in writing to MHCCA and for which MHCCA agrees to accept such encumbrances as Permitted Encumbrances for the purposes of the Agreement and the Security.

1.4.21 **"Prior Indebtedness"** means all amounts owing by the Borrower to Corwin Mortgage Capital Inc. in connection with the current operating line together with all accrued and unpaid interest thereon, any prepayment penalties and all costs owing thereunder, in amounts sufficient to fully repay such obligations in full and terminate those facilities.

1.4.22 **"Tangible Net Worth"** means total company equity plus postponed advances, minus intercompany advances made, prepaid expenses, restricted cash, goodwill and intangibles.

2. FINANCING

2.1 Demand Revolving Credit Facility

Subject to the terms and conditions hereof, MHCCA agrees to make available to the Borrower a demand revolving credit facility, available up to an amount not exceeding the Facility Limit (the "**Facility**").

2.2 Use of Funds and Revolving Financing

(a) The Facility shall only be used to pay out the Prior Indebtedness, for general working capital and general corporate purposes (excluding, for greater certainty, repayment of debts owed to any related or affiliated party, payment of dividends or other distributions, management fees or bonuses), and to refinance the Prior Indebtedness.

(b) The Borrower may borrow, repay and reborrow Advances from time to time with the aggregate principal amount not to exceed the Facility Limit subject to the drawdown conditions for the Facility as more particularly described below.

2.3 Borrowing Base Limit

The Borrower shall ensure that the total amount of all Advances outstanding at any given time under the Facility does not exceed the Facility Limit.

The "**Borrowing Base Limit**" is calculated as the aggregate of the following amounts:

(a) eighty (80%) percent of the value, determined by MHCCA in its sole discretion, of the invoiced Eligible Accounts Receivable, after deducting prior ranking claims, provided that the maximum advance in respect of Eligible Accounts Receivable shall not exceed $250,000. Further, if 25% or more of the total invoiced Accounts Receivable from one debtor are past due for 90 days or more, all Accounts Receivable from that specific debtor will be excluded from the Borrowing Base calculation; and

(b) eighty-five (85%) percent of the FLV, as determined by MHCCA in its sole discretion, of the Eligible Equipment, up to a maximum amount of TWO MILLION FIVE HUNDRED THOUSAND DOLLARS ($2,500,000).

The Borrowing Base Limit shall be calculated by MHCCA based on a monthly valuation of the Eligible Accounts Receivable and the latest valuation of the Eligible Equipment. The Borrower shall provide MHCCA with a borrowing base certificate, in a form substantially similar to the form attached hereto as Schedule A and acceptable to MHCCA (the "**Borrowing Base Certificate**"), duly executed by a responsible officer of the Borrower, every month on a day to be determined by the MHCCA and the Borrower.

All prior ranking claims (as described in the Borrowing Base Certificate) will cause an automatic decrease in the Borrowing Base Limit.

The sale of any Eligible Equipment by the Borrower will automatically reduce the Borrowing Base Limit by the amount of such Eligible Equipment's net residual value at the time of the previous Borrowing Base Certificate provided by the Borrower. The addition of new equipment must be based on an evaluation completed by an external firm approved by MHCCA, and to be paid by the Borrower, of the net residual value of such equipment and of such equipment's remaining useful life.

2.4 Advance Request

The Borrower shall make any Advance request in writing, each in a minimum amount of TWNETY THOUSAND ($20, 000.00) DOLLARS, which Advance shall be issued by

MHCCA within two (2) Business Days following such written request by the Borrower. Each Advance is subject to written confirmation from MHCCA that all conditions precedent required under this Agreement have been met, including, without limitation, compliance with Section 2.3. The initial advance shall be in an amount sufficient to repay the Prior Indebtedness and the remaining balance of the set-up fee referred to in section 3.1 below.

2.5 Maturity Date

The Facility shall be available to the Borrower until the Maturity Date. Notwithstanding the immediately preceding sentence, the Borrower acknowledges that MHCCA may, at any time prior to the Maturity Date, demand repayment in full of the Indebtedness, which amount shall forthwith be repaid by the Borrower upon such demand. The Borrower may request, at any time prior to the Maturity Date, that the Facility be renewed for an additional twelve month period (a "**Renewal Term**"), which request shall be granted in MHCCA's sole discretion. In the event that MHCCA grants a renewal, the Borrower shall pay a renewal fee of $5,000 plus any additional legal costs incurred by MHCCA in connection with the renewal, which renewal fee may be deducted from the first advance during the Renewal Term.

3. **FEES AND INTEREST**

3.1 Set-up Fee

The Borrower shall pay a set up fee in the amount of THIRTY-SEVEN THOUSAND FIVE HUNDRED ($37,500) DOLLARS, which fee was fully earned and due and payable at the time the Proposal was executed. MHCCA acknowledges receipt of set up fee in full.

3.2 Interest Rate

The Advances shall bear interest at a variable annual rate equal to the BA Rate (as defined below) + 8.24%, for all withdrawals, calculated daily, compounded and calculated monthly. For the purposes hereof, the BA Rate means, each day, the annual interest rate equal to and identified by MHCCA as the average discount rate (rounded up if necessary to the nearest 0.01%) for one-month bankers' acceptances in Canadian dollars as posted on the Bloomberg "CDOR01 Index" at approximately 10:30 AM EST on the first (1^{st}) day of the month or, if that day is not a Business Day, the preceding day (the "**BA Rate**"); provided that: (i) if such a rate is not shown on the Bloomberg screen as provided, the BA Rate shall be, each day, the annual interest rate determined by HCC as being equal to the one-month Canadian bankers' acceptance rate as posted on the Reuters Screen CDOR page; and (ii) if the rate as determined as aforesaid shall ever be less than 0.5%, such rate shall be deemed to be 0.50% for the purposes of this Agreement.

3.3 Calculation and Payment of Interest

3.3.1 Interest shall be calculated daily, not in advance, based on a 365-day year (or 366-day year, in the case of a leap year), compounded and charged monthly, until expiry, and payable both before and after default, demand, maturity and judgment. For the purposes of the *Interest Act* (Canada), if the interest is determined or expressed on the basis of a period of less than a 365-day year, the equivalent annual rate is the rate so determined or expressed divided by the number of days in that period and multiplied by the actual number of days in that calendar year.

3.3.2 Interest shall be paid on the first (1st) Business Day of each month commencing the first Business Day of the month immediately following the month of the first Advance.

3.4 Interest on Arrears

3.4.1 To the maximum extent permitted by applicable law, the Borrower shall pay interest on all overdue amounts owing by such Borrower hereunder (including any overdue interest payments) from the date each such amount is due until the date each such amount is paid in full. Such interest shall be calculated daily, compounded monthly and payable on demand of MHHCA at a rate per annum equal to the BA Rate plus fifteen (15%) percent.

4. REPAYMENT AND EARLY REPAYMENT

4.1 Repayment

The Facility shall be repayable on demand.

4.2 Mandatory Prepayments

Without limiting MHCCA's right to terminate the Facility and demand payment at any time, the Borrower shall also prepay the Advances owing under the Facility as follows:

(a) if the amount of outstanding Advances under the Facility exceeds the Borrowing Base Limit at any time, the Borrower shall immediately repay such excess upon notice thereof by MHCCA;

(b) any sale or issuance of debt, shares or any other form of equity by the Borrower;

(c) any sale or disposition of assets by the Borrower;

(d) insurance and condemnation proceeds received by the Borrower,

with exceptions to be determined in the sole discretion of MHCCA.

4.3 Voluntary Prepayments

Subject to Section 14 hereof, the Borrower may at any time repay Advances under the Facility without prejudice to its right to reborrow, but subject at all times to the Facility Limit.

5. PAYMENTS

5.1 Repayment of Advances

MHCCA is hereby irrevocably and unconditionally authorised and directed by the Borrower to sweep the blocked account indicated in Schedule B hereof, on a daily basis and to set-off and apply any credit balance in the blocked account to repay any balance outstanding under the Facility as it sees fit, with any remaining funds then being deposited to the Borrower's general account.

6. CONDITIONS PRECEDENT TO THE ISSUANCE OF ADVANCES

6.1 Conditions Precedent to any Advance

6.1.1 The obligation of MHCCA to make any Advance (including, without limitation, the initial Advance hereunder) is subject to and conditional upon the satisfaction of the following conditions precedent, each to the entire satisfaction of MHCCA:

(a) MHCCA shall have completed its due diligence, including, without limitation, a final on-site audit by its employees;

(b) MHCCA shall have received, in form and substance satisfactory to it, all of the following:

(i) this Agreement duly executed by each Loan Party;

(ii) an officer's certificate for each Corporate Loan Party, which shall include, among other things: (A) certified copies of its articles, by-laws, any unanimous shareholder agreement, and any other constating documents; (B) an incumbency certificate for its signing officers; (C) a certified copy of a director resolution and shareholder resolution, if applicable, authorizing the borrowing of the Facility and the execution and delivery of the Loan Documents;

(iii) a Certificate of Good Standing for each Corporate Loan Party issued by the applicable administrative body;

(iv) the Security described in Section 7;

(v) a payout letter and undertaking to discharge all security in respect of the Prior Indebtedness from Corwin Mortgage Capital Inc.;

(vi) confirmation of completion of all security registrations with respect to the Loan Documents as advised by MHCCA's counsel and in accordance with this Agreement, and receipt of any search reports or other evidence relating to such registrations (along with any necessary executed and registerable postponements from any prior encumbrances);

(vii) certificates of compliance from the Canada Revenue Agency;

(viii) a list of all equipment (including serial numbered goods owned by the Borrower); including, without limitation, the list of equipment owned by the Borrower attached hereto as Schedule C, and a list of all Accounts Receivable of the Borrower;

(ix) a certificate of insurance in connection with each Corporate Loan Party's insurance policies listing MHCCA as first loss payee and mortgagee on inventory and equipment and as an additional insured on all general liability policies;

(x) an assignment of all life insurance policies payables on the lives of any of the Individual Guarantors;

(xi) a financial forecast for the 2022 fiscal year of each of the Borrowers, prepared in accordance GAAP;

(xii) evidence satisfactory to MHCCA that the Borrower has established a payroll system for the management of its employees;

(xiii) an appraisal satisfactory to HCC of the value of the Eligible Equipment of the Borrower;

(xiv) a monthly appraisal satisfactory to MHCCA of the value of the Accounts Receivable of the Borrower;

(xv) a list of the Borrower's assets subject to consignment agreements or conditional sales agreements;

(xvi) receipt by MHCCA of a Borrowing Base Certificate from the Borrower prior to the first Advance and on a monthly basis thereafter;

(xvii) confirmation that the other lenders, creditors and secured parties of each Corporate Loan Party have consented to the financing in this Agreement; and

(xviii) confirmations to the complete satisfaction of MHCCA that no arrears on deductions at source and other prior claims are due which may cause a reduction of the Borrowing Base Limit of an equivalent amount.

(c) confirmation that any proceeds of the sale of any property, real or personal, tangible or intangible, of the Borrower shall be directed and assigned to MHCCA and such amount shall be held by MHCCA until such time as HCC is able to assess the effect of such sale on the assets of the Borrower, the security interests of MHCCA and the Borrowing Base Limit;

(d) MHCCA shall have received payment of all fees and expenses payable to MHCCA in connection with the Facility and this Agreement, including without limitation payment of the fees and disbursements of MHCCA's legal counsel;

(e) MHCCA shall have received all information necessary to comply with legal and internal requirements in respect of money laundering legislation and "know your customer" requirements;

(f) no default or Event of Default hereunder has occurred and is continuing, or would occur as a result of making any Advance under the Facility;

(g) all representations and warranties under this Agreement shall be true and correct in all material respects;

(h) confirmation of no Material Adverse Change with respect to the Loan Parties;

(i) confirmation that none of the Loan Parties has granted any guarantees or security to a creditor without the prior written consent of MHCCA; and

(j) MHCCA shall have been provided with such other documents as MHCCA may reasonably request.

6.2 Waiver of Conditions Precedent

The conditions precedent contemplated by this section 6 are for the sole benefit of MHCCA. MHCCA may waive the conditions precedent in whole or in part with or without conditions, without prejudice to its right to require the fulfilment of such conditions and provided that any such waiver by MHCCA must be confirmed in writing to be enforceable against it.

7. **SECURITY**

7.1 Security Required

The following security, in form and substance satisfactory to MHCCA, is or shall be provided, as applicable, from time to time to secure all Obligations of the Loan Parties to MHCCA, and shall be registered in first position (unless otherwise indicated) (collectively, the "**Security**"):

(a) a general security agreement from each Borrower and from the Corporate Guarantor granting a security interest in favour of MHCCA over all present and after-acquired personal property and constituting a first charge over the inventory, equipment and accounts receivable of the Borrower, subject to Permitted Encumbrances;

(b) an unlimited guarantee from each Guarantor, each guaranteeing the Obligations of the Borrower to MHCCA;

(c) a blocked account agreement in connection with each of the Borrower's deposit accounts held with any financial institution, including, without limitation, the accounts referenced in Schedule B, which agreement shall grant MHCCA immediate control of such accounts;

(d) an assignment, subordination and postponement agreement in connection with all shareholder and related party loans; and

(e) a subordination, postponement and/or priority agreement with any third party creditors and secured parties of the Borrower; and

(f) such other security as MHCCA may reasonably request.

7.2 Documentation and Security

7.2.1 The Security shall be valid and enforceable at all times and, where applicable, be enforceable against third parties and confer on MHCCA good and valid priority of rank as required by this Agreement and the other Loan Documents.

7.2.2 The Loan Documents shall be prepared by MHCCA's legal advisers in accordance with MHCCA's requirements and standards.

8. REPRESENTATIONS AND WARRANTIES

8.1 Each Corporate Loan Party represents and warrants to MHCCA as follows, all of which shall be deemed to be repeated on each Advance so long as any Obligations are outstanding:

(a) each Corporate Loan Party is a valid and subsisting corporation, in good standing under the laws of the jurisdiction of its organization and duly qualified to carry on business in each other jurisdiction where it carries on business;

(b) each Corporate Loan Party has all necessary corporate power and authority and all permits and licenses to carry on its business, to own, lease, manage and administer its properties and assets, and to execute, deliver and perform its obligations under the Loan Documents to which it is a party;

(c) the Loan Documents to which each Corporate Loan Party is a party have been duly authorized, executed and delivered by it and constitute its legal, valid and binding obligations, enforceable against it in accordance with their respective terms, subject to applicable bankruptcy and insolvency laws, the rights of creditors generally and rules of equity of general application;

(d) the execution and delivery of the Loan Documents to which each Corporate Loan Party is a party will not conflict with, contravene or result in a breach of any of its constating documents, any material licenses or permits or any material contract or other agreement to which it is a party or by which it or its properties are bound, except to the extent that any such conflict, contravention or breach would not reasonably be expected to result in a Material Adverse Change and will not result in or require the creation or imposition of any security interest upon any of its assets (other than the security interests created by the Security);

(e) each Corporate Loan Party, as applicable, has good and valid right, title and interest in and to all of the material contracts and is in compliance in all material respects with terms of such material contracts;

(f) the Borrower has good and valid title to all its properties, subject only to Permitted Encumbrances;

(g) each Corporate Loan Party and its properties and each subsidiary and its properties, are in compliance with all applicable laws including, without limitation, applicable environmental, health and safety laws and regulations, except to the extent that any such non-compliance would not reasonably be expected to result in a Material Adverse Change, and no Corporate Loan Party nor any subsidiary have received notice of any material non-compliance with any applicable laws or regulations and in respect of which the Corporate Loan Parties, or any of them, have not advised MHCCA;

(h) other than as disclosed in Schedule D hereof, no actions, suits or other proceedings before any court, governmental authority or before any private dispute and resolving body, are, to the knowledge of each Corporate Loan Party after due inquiry, pending or threatened which, based on a reasonable assessment of its outcome, could, if determined adversely against any Corporate Loan Party or any of its subsidiaries, result in a Material Adverse Change, nor are there any orders, judgments, writs, injunctions, decrees or determinations of any court, governmental authority or private dispute resolving bodies which would have any of the foregoing effects;

(i) each Corporate Loan Party has filed all remittances and tax returns required to be made by it, all due taxes have been paid, and there are no tax arrears outstanding;

(j) each Corporate Loan Party maintains insurance with reputable insurance companies in such amounts and covering such risks as is usually carried by prudent owners engaged in similar businesses and in the case of each Corporate Loan Party, operating similar properties as each Corporate Loan Party;

(k) the financial statements and financial information delivered to MHCCA are complete in all material respects and, to the knowledge of each Corporate Loan Party, after reasonable inquiry, fairly present its financial position, and each of them, as of the date referred to therein, and have been prepared in accordance with GAAP;

(l) other than as disclosed in Schedule D hereof, there exists no default or Event of Default under this Agreement and no default has occurred under any other agreement by a Corporate Loan Party;

(m) all factual information furnished by or on behalf of any Loan Party in writing for purposes of or in connection with this Agreement or any transaction contemplated by this Agreement is true and accurate in every material respect as of the date delivered or specified in connection with that information, and that information is not incomplete by the omission of any material fact necessary to make it not misleading;

(n) other than as disclosed in Schedule D hereof, no event has occurred which constitutes, or which, with notice, lapse of time, or both, would constitute, a breach of any provision of any Loan Document (subject to any cure periods therein) or any default or Event of Default hereunder; and

(o) there is no fact that has not disclosed to MHCCA in writing which would reasonably be expected to result in a Material Adverse Change.

9. REPORTS AND FINANCIAL INFORMATION

9.1 Accounting Books and Records

Each Corporate Loan Party shall keep adequate books and other accounting records in accordance with GAAP.

9.2 Review of Financial Information by MHCCA

9.2.1 The Borrower shall provide MHCCA, within 120 days of its fiscal year end, Review Engagement financial statements.

9.2.2 The Borrower shall provide MHCCA, prior to the 20th day of each month end, management prepared monthly financial statements for the previous month.

9.2.3 The Borrower shall provide MHCCA monthly Accounts Receivable and Accounts Payable reports, with a breakdown of prior ranking claims, all in format satisfactory to MHCCA.

9.2.4 MHCCA shall receive, prior to the 20th day of each month end, a monthly report from GreySuits Advisors Inc., in form and substance reasonably satisfactory to MHCCA.

9.2.5 At MHCCA's request, the Borrower shall provide MHCCA with any other financial information it may reasonably request, including, without limitation, its financial statements, reports or other financial information.

9.2.6. At MHCCA's request, the Individual Guarantors shall provide MHCCA with a personal balance sheet.

9.3 Financial Covenants

The Borrower covenants and agrees with MHCCA that, during the term of this Agreement, it shall observe and maintain the following financial covenant at all times in accordance with GAAP and conditions normally applicable to transactions of this nature:

(a) ensure that its Fixed Charge Coverage Ratio shall be greater than 1:1, calculated as follows:

$$\frac{\text{EBITDA less dividends paid}}{\text{total amount of Fixed Charges}}$$

(b) Tangible Net Worth above $2,900,000

10. RESTRICTIVE COVENANTS

During the term of this Agreement, each Corporate Loan Party covenants and agrees that it shall not, without MHCCA's prior written consent:

(a) change its name, merge, consolidate, reorganize, amalgamate or acquire any other corporation or all or substantially all of the assets of any other corporation; provided, however, that each Corporate Loan Party shall be permitted to carry out corporate reorganizations for tax and/or succession planning purposes, provided its shareholders, directly or indirectly, continue to retain at all times all issued and outstanding shares of such Corporate Loan Party;

(b) terminate or otherwise remove GreySuits Advisors Inc. from the position of CFO of Drexler Construction Limited;

(c) sell, lease, assign, transfer, convey or otherwise dispose of, or permit any subsidiary to sell, lease, assign, transfer, convey or otherwise dispose of, any material properties or assets, other than in the ordinary course of business;

(d) substantially change the nature of its operations or business or cease to carry on business as currently being carried on by it as of the date of this Agreement;

(e) take proceedings with a view to its corporate dissolution or liquidation;

(f) create, incur, assume or suffer to exist any mortgage, lien, security interest or other encumbrance of any nature upon or with respect to its assets or undertakings, now owned or hereafter acquired, except for Permitted Encumbrances;

(g) create, incur, assume or suffer to exist any other indebtedness for borrowed money (except indebtedness resulting from Permitted Encumbrances), other than capital leases and purchase money security interests, in each case incidental to the ordinary course of business and for the purpose of carrying on same;

(h) make any loans or advances (including, without limitation, to its officers, directors, shareholders or related person) or invest in any individual, person, firm, joint venture, partnership, company or corporation (whether arms-length or not) whether by way of loan, acquisition of shares, acquisition of debt obligations;

(i) guarantee or act as surety, agree to indemnify the debts of, or provide financial assistance to, any other person, other than in favour of MHCCA;

(j) declare or pay dividends or make any other capital distributions to any shareholder, or repay any portion of principal and/or interest owing to any shareholder or any other related party;

(k) incorporate, form or acquire any subsidiary which will have material assets, the materiality of such assets to be determined by MHCCA, unless MHCCA has provided its prior written consent, such subsidiary to execute and deliver to MHCCA such security and other documentation as MHCCA may require from time to time;

(l) hold bank accounts other than those listed in Schedule B;

(m) cancel or terminate any material contracts;

(n) incorporate, form or acquire any wholly-owned subsidiary which will have material assets, the materiality of such assets to be determined by MHCCA;

(o) make any additional management remuneration or bonuses, other than normalized salaries;

(p) enter into any sales and leaseback transactions; or

(q) appoint any external consultant or controller.

11. **ENVIRONMENTAL UNDERTAKINGS:**

Each Corporate Loan Party:

a) declares that all the locations where it carries on its business comply with environmental requirements and agrees that all locations where it will carry on business in the future will comply with such requirements;

b) shall notify MHCCA forthwith in the event it fails to comply with environmental requirements relating to its assets, activities or those of any neighbouring property.

In addition, it shall forward to MHCCA forthwith any notice, order or fine it may receive or be ordered to pay with respect to the environmental requirements;

c) shall, in the event it fails to comply with environmental requirements, perform the necessary work to render its business and assets compliant, within a timeframe acceptable to MHCCA;

d) agrees to indemnify MHCCA for any damage MHCCA may suffer or any liability it may incur due to the failure to comply with environmental requirements; and

e) upon request by MHCCA and on its terms, shall provide, at its expense, all information regarding its situation.

The provisions, undertakings and indemnification contemplated herein shall continue to have full effect notwithstanding the termination of any Security contemplated by section 7 hereof.

12. PERFORMANCE UNDERTAKINGS

12.1.1 Positive Covenants

During the term of this Agreement, each Corporate Loan Party covenants and agrees that it shall:

a) pay or cause to be paid when due all principal, interest, fees and other amounts payable by it under the Loan Documents on the dates and times specified herein and therein;

b) observe and comply with all terms and conditions of the Loan Documents, and any other agreements entered into with MHCCA from time to time;

c) maintain its corporate existence, organization and status in good standing in each jurisdiction in which it holds property or assets and continues to carry on the business and operations currently being carried on by it at the date hereof;

d) use the proceeds of the Facility solely for the purposes contemplated herein;

e) carry on its business diligently and continuously in the normal course of its business;

f) at all times give representatives of MHCCA or its mandataries, legal counsel and consultants the right to visit and access its establishments, examine their accounting books and other records and take extracts or make photocopies thereof;

g) maintain at all times the insurance required under section 13 hereof;

h) promptly notify MHCCA of the occurrence of (i) any event or circumstance (including any material litigation or similar proceedings commenced or threatened against it, and any sale of assets, guarantees or debt from other lenders) which could reasonably be expected to result in a Material Adverse Change, or (ii) any default or Event of Default under this Agreement, the other Loan Documents or otherwise, together with a detailed statement specifying the nature thereof and the steps being taken or proposed to be taken by it to cure such default or Event of Default;

i) maintain the licences, permits, trade-marks, authorizations and patents required to carry on its business;

j) notify MHCCA forthwith of the acquisition of any real property used to carry on its business or store its equipment;

k) duly file on a timely basis all tax returns required to be filed by it and duly and punctually pay all property, business, goods and services, income, capital and/or profits, taxes and other governmental charges levied or assessed against it or its property and assets, other than such taxes and charges which are not at the time due and delinquent or the validity of which is being contested in good faith at the time by the Loan Parties or any subsidiary and such contestation effectively postpones the enforcement of any rights thereunder, as the case may be, and in respect of which the Loan Parties or any subsidiary, acting reasonably has set aside on its books reserves considered by it to be adequate therefore

l) comply with all applicable laws, regulations and directives including, without limitation, those relating to the environment, whether for protection, preservation, clean-up or otherwise, and obtain and maintain in full force and effect, all necessary permits, licenses, approvals, consents, filings, registrations, exemptions, notarizations, required remittances and other authorizations and requirements under applicable law, in connection therewith necessary or desirable for the ownership of its property and to conduct its business

m) provide MHCCA with prompt written notice of any regulatory requirements of any governmental authority relating to the environment (including charges, orders, citations, demands or complaints), resulting from environmental incidents associated with any Corporate Loan Party in excess of $5,000 in any one year;

n) maintain good and valid legal and beneficial title to all of its properties and assets, and maintain title to all of its properties, free and clear of all security interests, except for the security interests constituted by the Loan Documents and by Permitted Encumbrances;

o) comply with the terms of material agreements to which it is a party;

p) maintain and operate its properties, equipment and other assets in a good and workmanlike manner in accordance with sound industry practice, and permit MHCCA or its agents to enter on and inspect such of its assets and properties as MHCCA may reasonably request on reasonable notice during normal business hours;

q) provide to MHCCA, as soon as reasonably possible, any information and document MHCCA may reasonably request from time to time;

r) remain responsible at all times for all miscellaneous costs related to the inventory and equipment intended for resale including, but without limitation: maintenance, insurance, registration and all other expenses relating to the purchase and use of the equipment and inventory; and

s) deposit the proceeds from the sale of any and all personal property in the deposit accounts with the financial institutions authorized by MHCCA and as described in Schedule B hereof.

12.1.2 Access to information

Each Loan Party hereby authorizes any personal information agent, financial institution, creditor, tax authority, employer or any other person, including any public body, holding information about such Loan Party, its officers and guarantors, as applicable, including financial information or information relating to any undertaking or guaranty of such Loan Party, to provide such information to MHCCA in order to verify the accuracy of any information provided or that will be provided to MHCCA from time to time and to ensure such Loan Party is solvent at all times. All costs incurred by MHCCA in obtaining such information, including appraisals of real estate, inventory and other assets, shall be paid exclusively by the Loan Parties.

12.1.3 Priority

Following the execution of this Agreement, each Loan Party agrees that, in the event additional financing is needed, MHCCA shall have first priority, including a right of first refusal, pre-emptive right and exclusivity with respect to such financing, to arrange such financing and, in the case of MHCCA's refusal, any charge or security which may be created to secure any such additional financing by a third party shall be of a subsequent rank and subordinate to the Security.

13. **INSURANCE**

13.1 Coverage

Each Corporate Loan Party shall ensure that liability insurance and insurance on all its property (including insurance for loss or damage attributable to fire and other risks including, without limitation, environmental risk against which businesses of the same type and comparable in size generally insure) is taken out and maintained, and that MHCCA is named as mortgagee and first loss payee on all inventory and equipment and as additional insured on all general liability policies, to the complete satisfaction of MHCCA.

13.2 Payment of premiums

Each Corporate Loan Party shall pay all premiums and other amounts necessary to maintain each insurance policy in effect and authorizes MHCCA to make such payment on its behalf, any such payment constituting an Advance hereunder.

13.3 Prejudice

Each Corporate Loan Party shall not do or omit to do, authorize or permit to be done or not to be done any thing which might prejudice the validity and/or coverage of any insurance policy.

13.4 Release of information

Each Corporate Loan Party shall deliver to MHCCA promptly:

a) sufficient evidence as to the existence and maintenance of the insurance required under this section;

b) a copy of any notice of termination or amendment of an insurance policy; and

c) such other details as MHCCA may reasonably require and request from time to time.

13.5 Amendment

Each Corporate Loan Party shall not amend, cancel, terminate or make any material change to any insurance policy without the prior written consent of MHCCA, unless such Corporate Loan Party replaces such policy with another policy having similar terms and conditions within thirty (30) days of the termination or cancellation of such policy

13.6 Full Disclosure

Before taking out an insurance policy, each Corporate Loan Party must declare to the insurer all facts that are relevant to the insurer's risk.

14. ADDITIONAL TERMS AND CONDITIONS

14.1 Fees

The Borrower agrees to pay the following costs within two (2) days of receipt of a statement thereof sent by MHCCA on the first (1st) Business Day of each month for the previous month. MHCCA reserves the right to deduct such costs from the Borrowing Base Limit and transfer the payment thereof:

(a) Standby fee:

If at any time the utilization of the Facility is below ONE MILLION TWO HUNDRED FIFTY THOUSAND ($1,250,000) DOLLARS, the Borrower agree to pay a monthly standby fee equal to TWO percent (2.00%) annually on any unused portion of the Facility based on the difference between the daily outstanding amount owning under the Facility and the maximum amount of the Facility.

(b) Draw Fee:

The Borrower agrees to pay a draw fee of FIFTY ($50.00) DOLLARS for each Advance.

The Borrower acknowledges and agrees that MHCCA may draw such fees upon FIVE (5) days prior notice, in accordance with section 16.18 hereof.

14.2 Credit Limit

The excess use of the Facility, including any amount advanced in excess of the Borrowing Base Limit, will result in the Borrower's obligation to pay an indemnity equal to the BA Rate plus fifteen percent (15%), calculated daily, compounded and charged monthly, it being understood that such indemnity shall only be calculated on the portion of the amounts advanced exceeding the Borrowing Base Limit.

14.3 Currency

All Advances as well as any withdrawal or repayment shall be made in Canadian dollars only. Any reference to dollars herein refers to Canadian dollars unless indicated otherwise.

14.4 Exchange rate

MHCCA shall not be liable for any gain or loss resulting from the fluctuation of the exchange rate. Any transaction or exchange fee shall be paid exclusively by the Borrower.

14.5 Costs, Fees and Disbursements

All legal and other out of pocket costs, fees and expenses of MHCCA incurred in connection with the due diligence, preparation, negotiation, documentation, registration and enforcement of the Loan Documents shall be for the account of the Borrower. The Borrower agrees to pay all such costs, fees and expenses and other direct out of pocket costs upon and by virtue of acceptance of this Agreement by the Borrower. If the Borrower fails to pay any such costs, fees and expenses, MHCCA reserves the right to either deduct from an Advance any such outstanding costs, fees and expenses or to add any such costs, fees and expenses to the Indebtedness as an Advance.

14.6 Assignment

MHCCA may assign all its right, title and interest in this Agreement and any such assignee may exercise all the rights conferred on MHCCA as if such assignee was originally a party hereof. None of the Loan Parties may assign its rights hereunder without the prior written consent of MHCCA or any of its assignees.

14.7 Repayment by Maturity Date

14.7.1 As indicated in section 2.5 hereof, the Facility is available to the Borrower until the Maturity Date, unless such Maturity Date is renewed in accordance with Section 2.5.

14.7.2 In the event the Borrower contravenes this section 14.7 and repays the Facility before the initial Maturity Date, or before the expiry of any Renewal Term, an amount equal to TWO percent (2.00%) of the Facility Limit shall be payable by the Borrower to MHCCA. This section 14.7 shall not have the effect of limiting MHCCA’s recourses in the event of the Borrower’s default or modify MHCCA’s ability to demand payment under the Facility.

15. DEFAULT

15.1 Events of Default

Notwithstanding anything expressed or implied to the contrary, all Obligations of the Borrower to MHCCA under this Agreement are deemed to be repayable ON DEMAND and such Obligations may be demanded by MHCCA at any time in MHCCA's sole and exclusive discretion. In addition to being of a demand nature, the full amount of the Obligations of the Borrower, together with accrued interest and any other charges then owing by the Borrower to MHCCA, shall, at the option of MHCCA, forthwith be accelerated and be due and payable, and upon being declared to be due and payable, the Security shall immediately become enforceable and MHCCA may proceed to realize and enforce the same upon the occurrence and during the continuance of any of the following events or circumstances (which events or circumstances are herein referred to as the "**Events of Default**"):

a) if the Borrower fails to make a payment on demand or when it is due and payable or to pay any interest, fees or expenses or any other amount payable under the Loan Documents;

b) if the Borrower defaults in paying when due any part of its indebtedness or other liability to MHCCA due under this Agreement (other than as provided in (a) above) or the other Loan Documents and such default is not remedied within five (5) days of such default;

c) if any Loan Party fails to fulfil any of its obligations under, or defaults in the observance or performance of, any Loan Document and such default is not remedied within ten (10) days following receipt of written notice to such effect;

d) if any Loan Party defaults in the observance or performance of any agreement, including any provision relating to the indebtedness or liability of a Loan Party to any creditor other than MHCCA;

e) if the Borrower grants any new guarantee or security to a creditor without the prior written consent of MHCCA;

f) if any Loan Party becomes insolvent, goes bankrupt or is liquidated, makes an assignment of its property for the benefit of its creditors or files a proposal in bankruptcy or a notice of intention to file such a proposal;

g) if, for any reason whatsoever, any Corporate Loan Party ceases to carry on all or a substantial part of its business, changes the nature of its operations or if a Material Adverse Change occurs in its financial condition;

h) if any proceeding is filed relating to any Corporate Loan Party and/or its operations involving any dissolution, liquidation, reorganisation, composition, arrangement or debt adjustment;

i) if a Loan Party shall generally not pay its debt as such debt becomes due, or shall admit in writing its inability to pay any debts generally, or shall make a general assignment for the benefit of its creditors; or any proceeding shall be instituted by or against a Loan Party seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors (as applicable), or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 30 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official, for it or for any substantial part of its property) shall occur; or a Loan Party shall take any corporate action to authorize or to consent to any of the actions set forth above in this paragraph (h);

j) if the Borrower is in default under any other agreement, contract or written instrument with MHCCA or any other creditor, including any supplier, holding rights or any security interest over any assets, whether or not any such default is tolerated by any such creditor, and such default is not remedied within five (5) days following receipt of written notice to such effect;

k) if any representation or warranty made herein or in a document or certificate given to MHCCA for the purpose of this Agreement is incorrect, erroneous or inaccurate; and

l) if any Loan Party fails to notify MHCCA of any event which could constitute a default hereunder.

15.2 <u>MHCCA's Rights and Recourses</u>

Without limiting any other right of MHCCA under this Agreement or the other Loan Documents, including, without limitation, the right of MHCCA to demand payment of the Obligations at any time, upon the occurrence of an Event of Default:

a) MHCCA may declare all monetary obligations of the Borrower which are not yet due to be payable and claim from any Loan Party, without further notice or demand, immediate payment of the Indebtedness, including all costs incurred by MHCCA for the collection and protection of its claim, and the performance of any other obligation of the Borrower;

b) the Borrower shall lose all its rights and privileges hereunder including, without limitation, the right to receive additional Advances, and the Borrower acknowledges that it shall not have the benefit of the term;

c) MHCCA may charge the Loan Parties reasonable analysis, administration and monitoring fees, and charge for the account of the Loan Parties any reasonable amount incurred by MHCCA for services rendered (including the fees of legal counsel, accounting advisers and any other professional whose services may be required or deemed necessary) relating to the realization, sale, transfer, delivery or any payments to be made relating to the enforcement of any of the Security. MHCCA may also retain any such costs, amounts, fees and disbursements from the proceeds of realization of the Security;

d) any amount collected or received by MHCCA, including the balance of any proceeds of realization of the Security, shall be applied to any part of the Indebtedness in such order and in such manner as MHCCA may determine, with any balance remitted to the Borrower; and

e) any expense incurred and amount paid by MHCCA to realize, maintain or preserve any of the Security granted by the Borrower to MHCCA hereunder or by law shall bear interest at the BA Rate plus twenty percent (20%), subject to applicable law.

15.3 Waiver, Omission and Recourses Cumulative

15.3.1 MHCCA may grant additional time, take or waive security, agree to set-offs, grant acknowledgements of cancellation and deal with the Borrower as it sees fit without affecting the Borrower's liability or prejudice to MHCCA's right under the Security.

15.3.2 Any failure by MHCCA to notify any Loan Party of any Event of Default hereunder or to take advantage of its rights hereunder shall not be construed as a waiver by MHCCA of its right to exercise its recourses upon an Event of Default or to exercise any other right.

15.3.3 MHCCA's acceptance, following a default by the Borrower, of an amount due to it or MHCCA's exercise of any right or recourse shall not prevent MHCCA from exercising any other right or recourse, MHCCA's rights and recourses being cumulative and not alternative and in addition to and not in substitution of any other right or recourse by MHCCA, whether due to any agreement or otherwise prescribed by law.

16. MISCELLANEOUS

16.1 Information Deemed Accurate

All documents and information (including, without limitation, any financial information and financial statements) provided to MHCCA by any Loan Party, whether or not bearing the signature of a representative of a Loan Party, shall be deemed to be accurate and MHCCA may consider such documents and information as such without further formality. All documents provided to MHCCA by any Loan Party shall either by original copies or true copies of the originals in such Loan Party's possession. These presumptions shall apply to any written or electronic document. Each Loan Party agrees to implement efficient information control systems in accordance with GAAP. Any computerized accounting management system and system for the production of financial statements and financial information in general must be kept up to date by such Loan Party in order to ensure the integrity of the information generated by this system.

16.2 Non-Business Days

If the date for a payment of principal or interest contemplated herein is not a Business Day, such payment shall be made on the next following Business Day.

16.3 Invalidity of any Provision Hereof

Any determination by a court that any provision hereof is void or unenforceable shall not affect the remaining provisions hereof or the validity or enforceability thereof.

16.4 Successors and Assigns

This Agreement shall be binding upon and enure to the benefit of each Loan Party and its successors, beneficiaries, executors and permitted assigns, as well as MHCCA and its successors and assigns.

16.5 Joint and Several Liability

The Obligations owing to MHCCA by each Loan Party under this Agreement and the other Loan Documents shall be jointly and severally binding on each Loan Party. MHCCA, without exonerating in whole or in part any Loan Party, may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any or all existing securities up to, may abstain from taking securities from or from perfecting, registering, renewing or realizing upon securities of, or may accept compositions from and may otherwise deal with any Loan Party and all other persons and securities as MHCCA may see fit without affecting the liability of any Loan Party under this Agreement or the other Loan Documents. Without in any manner limiting the generality of the foregoing, each Loan Party agrees that MHCCA may, from time to time, consent to any action or non-action of any Loan Party which, in the absence of such consent, violates any provision of the Loan Documents, with or without consideration on such terms and conditions as may be acceptable to MHCCA, without in any manner affecting or impairing the liability of any Loan Party. MHCCA shall be entitled to receive payment from or performance by any Loan Party of the Obligations without first being obligated to exhaust its recourse against the other Loan Parties or any other person or the securities it may hold.

16.6 Final Agreement and Interpretation

Once accepted and signed by the Parties, this Agreement shall constitute the final agreement between the Parties relating to the subject matter hereof, unless subsequently amended in writing by the Parties, and shall supersede any prior oral or written agreement between the Parties with respect to the subject matter hereof, including without limitation, the Proposal.

16.7 Amendment

Any amendment of this Agreement or any waiver of any rights hereunder shall not take effect unless it is explicit and set forth in a written instrument signed by the Parties.

16.8 Other Documents

The Borrower shall do such acts and execute such documents as MHCCA deems necessary or advisable to give full effect to the terms, conditions, covenants and guarantees herein.

16.9 Counterparts

This Agreement may be signed in any number of counterparts, each of which shall be deemed to constitute an original and all of which such counterparts shall constitute one and the same document.

16.10 Notice

16.10.1 Unless otherwise indicated, any notice sent by a Party in connection with this Agreement shall be in writing and sent by registered mail or fax to the applicable addresses indicated in the recitals.

16.10.2 Notice shall be deemed to have been received by the addressee when it is delivered, if it is delivered, or on the fifth (5th) Business Day following its mailing, or if it is sent by registered mail, or, if transmitted by facsimile, on the Business Day following the day of transmission.

16.10.3 In the event postal or facsimile services are disrupted by a strike, slowdown, superior force or other cause, the party giving the notice shall use an uninterrupted method of delivery or shall cause the notice to be delivered in such a manner as to ensure that the notice can be received by the addressee.

16.11 Interpretation

When the context so requires, any word in the singular shall include the plural and *vice versa*, and any word in the masculine gender shall also include the feminine.

16.12 Confidentiality

Each Loan Party agrees to keep the terms of this Agreement confidential. The Loan Parties shall only disclose the contents hereof with the prior written consent of MHCCA.

16.13 Language

The parties hereby confirm their express wish that this Agreement and all documents and agreements directly or indirectly related thereto, be drawn up in the English language. *Les parties reconnaissent leur volonté expresse que la présente convention de crédit rotatif ainsi que tous les documents qui s'y rattachent directement ou indirectement, soient rédigés en langue anglaise.*

16.15 Increased Costs, Taxes etc.

The Borrower shall reimburse any costs MHCCA incurs in performing its obligations under this Agreement, including, without limitation, resulting from any change in law, any reserve or special deposit requirement or any tax or capital requirement or any change in the compliance of MHCCA therewith, that has the effect of increasing the cost of funding to MHCCA or reducing the effective return on its capital. All loan repayments shall be made free and clear of any present and future taxes, withholdings or any other deductions.

16.16 Governing Law

This Agreement shall be governed and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. Each of the signatories to this Agreement irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario for all matters arising out of or in connection with this Agreement and acknowledges further that nothing in this section shall affect the right of MHCCA to bring any action or proceeding in regard to this Agreement or the other Loan Documents in the courts of jurisdictions other than Ontario.

16.17 Evidence of Indebtedness

The Borrower acknowledges that the actual recording of the amount of any Advance or repayment thereof under the Facility, and interest, fees and other amounts due in connection with the Facility, by MHCCA shall constitute *prima facie* evidence of the Borrower's indebtedness and liability from time to time under this Agreement; provided that the obligation of the Borrower or the Guarantors to pay or repay any amounts in accordance with the terms and conditions of this Agreement shall not be effected by the failure of MHCCA to make such recording.

MHCCA may, but shall not be obliged to, request the Borrower execute and deliver from time to time such promissory notes as may be required in order to evidence its Obligations in connection with the Facility.

16.18 Business pre-authorized debit agreement (PAD)

The Borrower authorizes their financial institution to debit all amounts owed to MHCCA pursuant to the Agreement and waives Payments Canada's requirement of pre-notification with regards to a change in amount to a PAD. The Borrower acknowledges that the present authorization will be submitted to their financial institution. The Borrower must advise MHCCA in writing of any change to its bank account. The Borrower has provided a void cheque or provided their banking information. Should the Borrower refuse to enroll in PAD payments, an amount of TWENTY-FIVE dollars ($25) before taxes will be added to each payment. The Borrower may cancel the PAD Agreement by giving MHCCA THIRTY (30) days' prior written notice. The Borrower may obtain a sample cancellation form or further information on their right to cancel a PAD Agreement at their financial institution or by visiting www.cdnpay.ca. The Borrower has certain recourse rights if any PAD does not comply with this PAD agreement. For example, the Borrower has the right to receive reimbursement for any PAD that is not authorized or is not compatible with the Agreement. To obtain more information on Borrower's recourse rights in case of non-compliant PAD, it is possible to communicate with their financial institution or visit www.cdnpay.ca. This PAD agreement only applies to payment method between the parties and neither the PAD agreement, nor its cancellation affects the Borrowers 's obligations pursuant to the Agreement.

[execution page follows]

IN WITNESS WHEREOF, THE PARTIES HAVE SIGNED THIS AGREEMENT ON THE DATE AND AT THE PLACE FIRST HEREINABOVE MENTIONED.

MITSUBISHI HC CAPITAL CANADA, INC.

Per: ______________________________

DREXLER CONSTRUCTION LIMITED

DocuSigned by:

Per: ______________________________

90A5BAF07B2342F...

Name : Anthony Alfred Drexler

Title : President

FOLMUR CONSTRUCTION (2004) LTD.

DocuSigned by:

Per: ______________________________

90A5BAF07B2342F...

Name : Anthony Alfred Drexler

Title : President

DOWN UNDER PIPE AND CABLE LOCATING LTD.

DocuSigned by:

Per: ______________________________

90A5BAF07B2342F...

Name : Anthony Alfred Drexler

Title : President

DocuSigned by:

____

90A5BAF07B2342F...

ANTHONY ALFRED DREXLER, personally

DocuSigned by:

____

7FA1E4D1413A498...

MARTIN DREXLER, personally

DocuSigned by:

1E00E275631D4EE...

JEROME DREXLER, personally

DocuSigned by:

2BD8C017818843C...

KEVIN DREXLER, personally

SCHEDULE "A"

BORROWING BASE CERTIFICATE

DREXLER CONSTRUCTION LIMITED and FOLMUR CONSTRUCTION (2004) INC.
(the « **Borrower** »)
5274 Wellington County Road 27, R.R. #1
Rockwood, Ontario N0B 2K0

To : **MITSUBISHI HC CAPITAL CANADA, INC.** (the « **Lender** »)
3390 South Service Road, Suite 301
Burlington (Ontario) L7N 3J5
abl@mhccna.com.ca

The documents attached to the present letter represents the integrality of the Borrowers' Accounts Receivable as of ________________ (the « **Accounts Receivable** ») and the integrality of the Borrowers' Equipment as of __________________ (the « **Equipment** »). The Borrowers calculate that according to the requirements and restrictions of the Secured Revolving Credit Agreement entered as of ________________ between the Lender and the Borrowers, the Borrowing Base Limit, as of the date hereof, is the following:

<u>ACCOUNTS RECEIVABLE</u>

Total of Accounts Receivable (attached list)	____________
Deductions :	
- Accounts due from affiliated companies	____________
- Holdbacks, contra-accounts or right of set-off	____________
- The total balance of all accounts having more than 25% of their amount over 90 days	____________
- Amounts owed over 90 days for commercial accounts and over 120 days for governmental or municipal accounts	____________
Any other accounts where provisions were taken or where amounts are in dispute	____________
Total of eligible Accounts Receivable:	=___________
Advance rate on eligible Accounts Receivable:	**x80%**
Marginable eligible Accounts Receivable (to a maxium of $250,000):	=__________ (A)

<u>PRIOR RANKING CLAIMS</u> (including, but not limited to:)

Employee source deductions such as E.I., CPP, Income Tax	____________
Sales Tax	____________
Workers Compensation Board	____________
Wages, Commissions, Vacation Pay	____________
Unpaid Pension Plan Contributions	____________
Overdue Rent and Potential Claims from third parties	____________
Other prior ranking claims	____________
Total potential prior ranking claims:	=__________ (B)
TOTAL ACCOUNTS RECEIVABLE BORROWING POWER	=____________ (A – B = C)

<u>COMMENTS ON PRIOR RANKING CLAIMS OR DEDUCTIONS</u>

<u>EQUIPMENT</u>

Total of FLV of Equipment (attached list)	____________
Deductions :	
- FLV of any Equipment with FLV <$25,000	____________
Total of eligible Equipment:	=___________
Advance rate on eligible Equipment:	**x85%**
Marginable eligible Accounts Receivable:	=__________ (D)
Equipment Facility Limit	= $2,500,000 (E)
TOTAL EQUIPMENT BORROWING POWER (*the lesser of D and E*)	=__________ (F)

Borrowing Base Limit according to the Secured Revolving Credit Agreement:	**$2,500,000** (G)
TOTAL BORROWING POWER (the lesser of (C+F) & G)	**=**_________________

The Borrowers represent and warrant that the information provided in this document and on the accompanying reports is complete and accurate in all respects. In addition, the Borrowers certify that all amounts due to prior creditors, including government agencies, have been paid and that the amounts specified above as prior ranking claims are the current amounts due. The Borrower understands that the calculation submitted above may be validated and adjusted at the discretion of the Lender and does not necessarily constitute the final borrowing authority of the Borrowers for the current period.

DREXLER CONSTRUCTION LIMITED

Per :_____________________________

FOLMUR CONSTRUCTION (2004) INC.

Per: _____________________________

SCHEDULE "B"

DEPOSIT ACCOUNTS OF THE BORROWER

NTD: One account shall be blocked and a second account will be an operating account with Borrower access.

SCHEDULE "C"

EQUIPMENT LIST

Quantity	Year	Make	Description	Model	Serial Number
1	2018	John Deere	Hydraulic Excavator	470G LC	1FF470GXVHE471498
1	2018	Gomaco	Gutter	GT-3600	902900-1058
1	2016	John Deere	Hydraulic Excavator	350G LC FF	1FF350GXVFD811088
1	2017	International	Tri/A Dump	HX620 6X4	3HTDTAPT1HN657832
1	2017	John Deere	Wheel Loader	624K-II	1DW624KZKHD678993
1	2015	John Deere	Hydraulic Excavator	135GLC	1FF135GXLEE400702
1	2018	John Deere	Backhoe	410L	1T0410LXPJD337623 with reversible snow plow s/n: CMD1310060
1	2015	Western Star	Tri/A Day Cab Heavy Haul	W4900SB	5KJNALD63FPGE9554
1	2018	John Deere	Backhoe	310SL	1T0310SLJJD337506
1	2018	John Deere	Backhoe	310SL	1T0310SLAJD337672
1	2010	John Deere	Hydraulic Excavator	450DLC	1FF450DXVA0913998
1	2011	John Deere	Hydraulic Excavator	135D	1FF135DXKA0302483
1	2010	John Deere	Wheel Loader	544KXDW	1DW544KZTA0630166
1	2012	John Deere	Crawler Tractor	650J XLT	1T0650JXCBD214726
1	2012	Freightliner	T/A Dump	M2 106	1FVHCYBS3CHBK3814
1	2012	Freightliner	T/A Dump	M2 106	1FVHCYBS6CDBE0349
1	1990	Komatsu	Hydraulic Excavator	PC650-3	10887
1	2011	John Deere	Hydraulic Excavator	85D	1FF085DXHBG016437
1	2006	John Deere	Hydraulic Excavator	200CLC	FF200CX507632
1	2005	John Deere	Hydraulic Excavator	225LC RTS	FF225CX500473
1	2010	John Deere	Hydraulic Excavator	75D	1FF075DXV90014169
1	2015	John Deere	Backhoe	310SL HL	1T0310HLLFF284508
1	2017	Chevrolet	Pickup Truck	Silverado High Country	3GCUKTEC1HG425184
1	2018	Chevrolet	Pickup Truck	Silverado LTZ 2500 HD Z71 Off Road	1GC1KWEY4JF148859
1	2019	Ford	Pickup Truck	E450 Cutaway	1FDWE4F61KDC38266
1	2015	Chevrolet	Pickup Truck	Tahoe LTZ	1GNSKCKC3FR664526
1	2013	John Deere	Loader Backhoe	310S KT	1T0310SKVDD242507
1	2010	John Deere	Backhoe	410J	1T0410JXPA0182582 with hydraulic breaker s/n: 3227210603
1	2009	John Deere	Loader Backhoe	310SJ	T0310SJ177533

1	2015	John Deere	Loader Backhoe	310L	1T0310LXAFF283416
1	2015	John Deere	Loader Backhoe	310L	1T0310LXLFF283403
1	2018	John Deere	Loader Backhoe	310SL	1T0310SLLJD338127
1	2016	John Deere	Loader Backhoe	310SL	1T0310SLPGD299927
1	2018	John Deere	Hydraulic Excavator	245GFFF	1FF245GXPHF800489

SCHEDULE "D"

The Borrower is under protection under the Bankruptcy and Insolvency Act and in the process of completing a proposal accepted by the creditors and approved by the courts.

This is **Exhibit "E"** to the affidavit of Rodney Davis sworn before me via Zoom this 7th day of December, 2022 in accordance with O. Reg. 431/20, *Administering Oath or Declaration Remotely*

A Commissioner, etc.

Court File/Estate No. 35-2721716

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE MR.	)	FRIDAY, THE 12TH DAY
	)	
JUSTICE R. Raikes	)	OF NOVEMBER, 2021

IN THE MATTER OF THE PROPOSAL OF DREXLER CONSTRUCTION LIMITED OF THE TOWN OF ROCKWOOD IN THE PROVINCE OF ONTARIO

ORDER APPROVING PROPOSAL

UPON THE APPLICATION of Albert Gelman Inc., Licensed Insolvency Trustee (the "Trustee") in the Amended Proposal of Drexler Construction Limited, filed October 22, 2021;

AND UPON reading the Report of the Trustee on Proposal dated October 26, 2021 (the "Report");

AND UPON hearing submissions of counsel for the Trustee, no one else attending although duly served with the Report, and the Court being satisfied that the required majority of creditors duly accepted the Amended Proposal dated October 22, 2021 in terms contained in the paper writing marked Schedule "A" and annexed hereto,

AND BEING SATISFIED THAT the said terms are reasonable and calculated to benefit the general body of creditors;

AND THAT no offences or facts have been proved to justify the Court in withholding its approval;

1. THIS COURT ORDERS THAT the Amended Proposal dated October 22, 2021 be and hereby is approved.

R Rai

SCHEDULE "A"

District of Ontario
Division No.: 08 - Waterloo
Estate No.: 35-2721716
Court No.: 35-2721716

ONTARIO
SUPERIOR COURT OF JUSTICE
(In Bankruptcy and Insolvency)

In the matter of the proposal of
Drexler Construction Limited
of the Town of Rockwood, in the Province of Ontario

AMENDED PROPOSAL

(Dated October 22, 2021)

Drexler Construction Limited, the above named Debtor, hereby submits the following Proposal under Part III of the *Bankruptcy and Insolvency Act,* R.S.C. (1985), c.B-3, as amended (the "**BIA**").

1. DEFINITIONS

In this Proposal, the following terms have the meaning herein set out:

(a) **Claim.** Any right of any person against the Debtor in connection with any indebtedness, liability or obligation of the Debtor of any kind which was in existence at the NOI Date, whether or not reduced to judgement, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, by guarantee, surety or otherwise, and whether or not such a right is executory in nature, including, without limitation, any claim referred to in this Proposal in respect of the termination or disclaimer by the Debtor of a lease, any product warranty liability and the right or ability of any person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause of action or chose in action, whether existing at present or commenced in the future based in whole or in part on facts which existed prior the NOI Date;

(b) **Debtor.** Drexler Construction Limited;

(c) **Final Approval.** Approval of the Proposal by the Creditors and the Court and any appeal period with respect to the Court Approval having expired;

(d) **NOI Date.** Date of the filing of the Notice of Intention to Make a Proposal with the Official Receiver being March 18, 2021;

(e) **Ordinary Creditors.** Unsecured Creditors, excluding the Preferred Creditors;

(f) **Preferred Creditors.** Creditors with proven claims for which the BIA prescribes payment in priority to claims of Ordinary Creditors;

(g) **Proposal.** This Proposal, as it may be amended from time to time;

(h) **Proposal Date.** Date of the filing of the Proposal with the Official Receiver;

(i) **Proven Claim.** Any claim which was the subject of a proof of claim in accordance with the BIA, filed with the Trustee and considered admissible by it;

(j) **Real Property.** Collectively the following:

i. 5270 Wellington Rd 27, Township of Guelph/Eramosa (Commercial),
ii. 5270 Wellington Rd 27, Township of Guelph/Eramosa (Residential),
iii. 183 Catherine St, Township of Guelph/Eramosa (Development Land)

(k) **Secured Creditors.** Those creditors with a security interest in the assets of the Debtor;

(l) **Trustee.** Albert Gelman Inc., as Trustee to the Proposal of the Debtor;

(m) **Trustee's Fees and Disbursements**. The Trustee's Fees and Disbursements are comprised of all fees and out of pocket disbursements, including legal fees, of Albert Gelman Inc. incidental to the Proposal. The Trustee's fees shall be billed on a time and hourly rate basis and shall include HST. The Trustee shall be at liberty to withdraw and pay its fees and disbursements from the Proposal Fund, from time to time. The Trustee's hourly billing rates for its professional and administrative staff are subject to change without notice.

(n) **Unsecured Creditors.** Collectively, the Preferred Creditors, the Ordinary Creditors;

2. DEBTS OWED TO THE CROWN

(a) Proven claims of Her Majesty in right of Canada or a province of all amounts of a kind that could be subject to a demand under subsection 224(1.2) of the Income Tax Act or under any substantially similar provision of provincial legislation that were outstanding on the NOI Date shall be paid in full within six (6) months of Court approval of this Proposal unless Her Majesty in Right of Canada or a province consents to some other arrangement. The amount payable pursuant to this section of the Proposal will be paid directly by the Debtor to the CRA. The Trustee will not be responsible to monitor payment of this provision of the Proposal.

3. SECURED CREDITORS

(a) This Proposal is not made to Secured Creditors. Payment of the claims of Secured Creditors shall be made in the usual manner or as may be agreed between the Debtor and the Secured Creditors.

4. PREFERRED CREDITORS

(a) Proven Claims of Preferred Creditors, without interest, shall be paid in full in priority to all Unsecured Creditors;

(b) Claims of employees and former employees of amounts equal to the amounts that they would be qualified to receive under paragraph 136(1)(*d*) of the BIA as well as wages, salaries, commissions or compensation for services rendered after the NOI Date and before Final Approval of this Proposal, together with, in the case of travelling salesmen, disbursements properly incurred by those salesmen in and about the Debtor's business during the same period shall be paid by the Debtor immediately after Final Approval of this Proposal.

5. UNSECURED CREDITORS

(a) The Debtor shall remit to the Trustee the total sum of $1,481,994.24 (the "**Proposal Fund**"), to be remitted in 24 consecutive monthly payments of $61,749.76 each commencing in the month following Final Approval.

(b) The Trustee shall distribute the Proposal Fund in the following order:

i. Proven Claims of Preferred Creditors;
ii. To Ordinary Creditors with Proven Claims under the Proposal on a *pro rata pari passu* basis, less the required levy payable to the Office of the Superintendent of Bankruptcy.

(c) Creditors shall accept these payments as full, final and complete satisfaction of their claims.

(d) The Debtor shall have the right to prepay the balance due under the Proposal prior to the expiration of the scheduled payment terms.

6. TRUSTEE'S FEES AND DISBURSEMENTS

(a) In addition to the Proposal Fund, the Debtor has agreed to fund the Trustee's Fees and Disbursements. The funds paid by the Debtor to fund the Trustee's Fees and Disbursements are in addition to the Proposal Fund. The Debtor shall fund the entirety of the Trustee's Fees and Disbursements before the Trustee issues a certificate of full completion.

7. REAL PROPERTY

(a) The Debtor owns the Real Property, which is comprised of three parcels of land:

i. commercial the land and building which it operates from;
ii. a residential dwelling located adjacent to the commercial land and building; and,
iii. a parcel of undeveloped residential development land.

(b) Subsequent to the filing of the NOI, the Debtor applied to the Court and obtained an order authorizing it to proceed with mortgage financing, secured against the Real Property, through its lender Corwin Mortgage Capital Inc. for \$1.5 million (**"Corwin Facility"**). The Corwin Facility was needed to fund the Debtor's operating cash flow and ultimately used to payout debts owing to RBC, totaling approximately \$1.4 million, secured against the Debtor's assets.

(c) As of the date of the filing of the Proposal, the RBC has been paid out in full and the Debtor will be applying to the Court on September 10, 2021 seeking an increase in the Corwin Facility to \$2.5 million. The additional funds are needed to replace the working capital used by the Debtor to payout RBC.

(d) The Debtor is in the process of finalizing long-term financing through Canadian Equipment Finance & Leasing Inc. (**"CEFL"**) in the amount of \$3.5 million, in order to payout the Corwin Facility and provide sufficient working capital. This transaction will be subject to Court approval and is expected to close in October 2021.

8. GENERAL PROVISIONS

(a) The Trustee is acting in its capacity as trustee under this Proposal and shall not be responsible or liable for any obligations of the Debtor. The Trustee shall have the powers granted to it by the Proposal, by the BIA, and by any order of the Court. The Trustee will be exempt from all personal liability in fulfilling any duties or exercising any powers conferred upon it by the Proposal or generally in carrying out the terms of this Proposal unless such acts have been carried out in bad faith and constitute a wilful or wrongful act or default. Sections 91 to 101 of the BIA (with the exception of Section 97(3)) shall not apply in connection with this Proposal or any dealing by the Debtor prior to the NOI Date, and the Trustee shall have no responsibility, liability or authority whatsoever in connection therewith. The Trustee shall not monitor or in any way manage the Debtor's business or financial affairs.

(b) The Trustee under this Proposal is acting solely as Trustee and not in its personal capacity and shall not be responsible or liable for any obligations of the Debtor.

(c) All monies payable under the terms of this Proposal, unless otherwise stated herein, shall be paid over to the Trustee who shall make all payments in accordance with the terms of this Proposal.

(d) The Creditors, at the meeting of creditors to consider this Proposal, may appoint up to five Inspectors who will have, in addition to any powers of Inspectors under the BIA, the power to:

i. receive any notice of default in the performance of the Proposal and waive any such default;
ii. advise the Trustee in respect of such matters as may be referred to the inspectors by the Trustee; and,
iii. extend the time for any payment due under this Proposal provided that any such extension does not lengthen the total term of the Proposal.

(e) Upon the issuance of the Certificate of Full Performance by the Trustee to the Debtor, the Directors shall be released and discharged by all Creditors from all Claims, which any Preferred Creditors or Ordinary Creditors may have or have been entitled to assert against any of the directors for which they would be, by law, liable in their capacity as directors for the payment of such claims which arose prior to the NOI Date, provided that nothing herein shall release or discharge any of the directors from Claims that:

i. Relate to contractual right of one or more of the Ordinary Creditors arising from contract with one or more of the directors; or
ii. Are based on allegations of misrepresentation made by the directors to the Ordinary Creditors or of wrongful or oppressive conduct by the directors.

(f) All proper claims against the Debtor arising with respect to goods supplied, services rendered, or other consideration given or provided after the NOI Date, up to the date of approval of this Proposal by the Superior Court of Justice in Bankruptcy, and not otherwise dealt with pursuant to this Proposal, shall be paid in full by the Debtor in the ordinary course, in priority to the claims of all other Creditors.

(g) The provisions of this Proposal will be binding on the creditors with Claims and the Debtor, and their respective heirs, executors, administrators, successors and assigns, upon issuance of the Final Approval.

(h) The following creditor(s) have agreed not to file a Claim in this Proposal and will not participate in distributions to Unsecured Creditors under this Proposal:

- Folmur Construction (2004) Ltd.
- 2602763 Ontario Ltd.
- Drexcon III Ltd.

(i) Any notices or communication to be made or given in this Proposal shall be in writing and shall refer to this Proposal and may, subject as hereinafter provided, be made or given by personal delivery, by prepaid mail or by e-mail.

i. if addressed to the Debtor use the following address:

Goldman, Sloan, Nash and Haber LLP, counsel to the Debtor
480 University Ave Suite 1600
Toronto, Ontario M5G 1V2
Attention: Brendan Bissell
E-mail: bissell@gsnh.com

ii. if addressed to the Trustee use the following address:

Albert Gelman Inc.
100 Simcoe St. Suite 125
Toronto, Ontario M5H 3G2
Attention: Bryan Gelman
E-mail: bgelman@albertgelman.com

(j) For purposes of this Proposal, Claims denominated in a currency other than Canadian funds will be converted to Canadian Dollars at the closing spot rate of exchange of the Bank of Canada on the NOI Date.

Dated at Toronto, Ontario, this 22nd day of October, 2021,

Drexler Construction Limited

Per: ______________________
Alfred Drexler

I have the authority to bind the corporation.

District of Ontario
Division No.: 08 - Waterloo
Estate No.: 35-2721716
Court No.: 35-2721716

ONTARIO
SUPERIOR COURT OF JUSTICE
(In Bankruptcy and Insolvency)

In the matter of the proposal of
Drexler Construction Limited
of the Town of Rockwood, in the Province of Ontario

CREDITOR ACKNOWLEDGEMENT

Pursuant to the Debtor's Proposal, the following creditors hereby confirm that they will not file a Claim in this Proposal and will not participate in any distributions to Unsecured Creditors under this Proposal.

Folmur Construction (2004) Ltd.

Per: ______________________
Anthony Alfred Drexler

I have authority to bind the corporation.

2602763 Ontario Ltd.

Per: ______________________
Peter Drexler

I have authority to bind the corporation

Drexcon III Ltd.

Per: ______________________
Jerome Drexler

I have authority to bind the corporation.

IN THE MATTER OF THE PROPOSAL OF DREXLER CONSTRUCTION LIMITED OF THE TOWN OF ROCKWOOD, IN THE PROVINCE OF ONTARIO

Court File No. 35-2721716

ONTARIO
SUPERIOR COURT OF JUSTICE

ORDER APPROVING PROPOSAL

MACDONALD SAGER MANIS LLP
Barristers & Solicitors and Trade-Mark Agents
150 York Street, Suite 800
Toronto, Ontario M5H 3S5

Howard F. Manis
LSUC# 34366V

Tel: 416-364-5289
Fax: 416-364-1453
Email: hmanis@msmlaw.ca

Lawyer for Albert Gelman Inc.,
Licensed Insolvency Trustee

Court File/Estate No. 35-2721875

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE ~~M~~ DEPUTY REGISTRAR	)	WEDNESDAY ~~FRIDAY~~, THE 16TH ~~14TH~~ DAY
R. STEVENS	)	
~~JUSTICE~~	)	OF FEBRUARY ~~JANUARY~~, 2022

IN THE MATTER OF THE PROPOSAL
OF FOLMUR CONSTRUCTION (2004) LTD.
OF THE TOWN OF ROCKWOOD
IN THE PROVINCE OF ONTARIO

ORDER APPROVING PROPOSAL

UPON THE APPLICATION of Albert Gelman Inc., Licensed Insolvency Trustee (the "Trustee") in the Amended Proposal of Folmur Construction (2004) Limited, filed January 5, 2022;

AND UPON reading the Report of the Trustee on Proposal dated January 5, 2022 (the "Report");

AND UPON hearing submissions of counsel for the Trustee, no one else attending although duly served with the Report, and the Court being satisfied that the required majority of creditors duly accepted the Amended Proposal dated January 5, 2022 in terms contained in the paper writing marked Schedule "A" and annexed hereto,

AND BEING SATISFIED THAT the said terms are reasonable and calculated to benefit the general body of creditors;

AND THAT no offences or facts have been proved to justify the Court in withholding its approval;

1. THIS COURT ORDERS THAT the Amended Proposal dated January 5, 2022 be and hereby is approved.

Deputy Registrar in Bankruptcy

DEPUTY REGISTRAR R. STEVENS

Schedule"A"

District of Ontario
Division No.: 08 - Waterloo
Estate No.: 35-2721875
Court No.: 35-2721875

ONTARIO
SUPERIOR COURT OF JUSTICE
(*In Bankruptcy and Insolvency*)

In the matter of the proposal of
Folmur Construction (2004) Limited
of the Township of Rockwood, in the Province of Ontario

AMENDED PROPOSAL

(Dated January 5, 2022)

Folmur Construction (2004) Ltd., the above named Debtor, hereby submits the following Proposal under Part III of the *Bankruptcy and Insolvency Act,* R.S.C. (1985), c.B-3, as amended (the "**BIA**").

1. DEFINITIONS

In this Proposal, the following terms have the meaning herein set out:

(a) **Claim.** Any right of any person against the Debtor in connection with any indebtedness, liability or obligation of the Debtor of any kind which was in existence at the NOI Date, whether or not reduced to judgement, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, by guarantee, surety or otherwise, and whether or not such a right is executory in nature, including, without limitation, any claim referred to in this Proposal in respect of the termination or disclaimer by the Debtor of a lease, any product warranty liability and the right or ability of any person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause of action or chose in action, whether existing at present or commenced in the future based in whole or in part on facts which existed prior the NOI Date;

(b) **Debtor.** Folmur Construction (2004) Ltd.;

(c) **Final Approval.** Approval of the Proposal by the Creditors and the Court and any appeal period with respect to the Court Approval having expired;

(d) **NOI Date.** Date of the filing of the Notice of Intention to Make a Proposal with the Official Receiver being March 18, 2021;

(e) **Ordinary Creditors.** Unsecured Creditors, excluding the Preferred Creditors;

(f) **Preferred Creditors.** Creditors with proven claims for which the BIA prescribes payment in priority to claims of Ordinary Creditors;

(g) **Proposal.** This Proposal, as it may be amended from time to time;

(h) **Proposal Date.** Date of the filing of the Proposal with the Official Receiver;

(i) **Proven Claim.** Any claim which was the subject of a proof of claim in accordance with the BIA, filed with the Trustee and considered admissible by it;

(j) **Secured Creditors.** Those creditors with a security interest in the assets of the Debtor;

(k) **Trustee.** Albert Gelman Inc., as Trustee to the Proposal of the Debtor;

(l) **Trustee's Fees and Disbursements.** The Trustee's Fees and Disbursements are comprised of all fees and out of pocket disbursements, including legal fees, of Albert Gelman Inc. incidental to the Proposal. The Trustee's fees shall be billed on a time and hourly rate basis and shall include HST. The Trustee shall be at liberty to withdraw and pay its fees and disbursements from the Proposal Fund, from time to time. The Trustee's hourly billing rates for its professional and administrative staff are subject to change without notice.

(m) **Unsecured Creditors.** Collectively, the Preferred Creditors, the Ordinary Creditors;

2. **DEBTS OWED TO THE CROWN**

(a) Proven claims of Her Majesty in right of Canada or a province of all amounts of a kind that could be subject to a demand under subsection 224(1.2) of the Income Tax Act or under any substantially similar provision of provincial legislation that were outstanding on the NOI Date shall be paid in full within six (6) months of Court approval of this Proposal unless Her Majesty in Right of Canada or a province consents to some other arrangement. The amount payable pursuant to this section of the Proposal will be paid directly by the Debtor to the CRA. The Trustee will not be responsible to monitor payment of this provision of the Proposal.

3. **SECURED CREDITORS**

(a) This Proposal is not made to Secured Creditors. Payment of the claims of Secured Creditors shall be made in the usual manner or as may be agreed between the Debtor and the Secured Creditors.

4. **PREFERRED CREDITORS**

(a) Proven Claims of Preferred Creditors, without interest, shall be paid in full in priority to all Unsecured Creditors;

(b) Claims of employees and former employees of amounts equal to the amounts that they would be qualified to receive under paragraph 136(1)(*d*) of the BIA as well as wages, salaries, commissions or compensation for services rendered after the NOI Date and before Final Approval of this Proposal, together with, in the case of travelling salesmen, disbursements properly incurred by those salesmen in and about the Debtor's business during the same period shall be paid by the Debtor immediately after Final Approval of this Proposal.

5. **UNSECURED CREDITORS**

(a) The Debtor shall remit to the Trustee the total sum of $550,683.43 (the "**Proposal Fund**"), to be remitted in 24 consecutive monthly payments of $22,945.15 each commencing in the month following Final Approval.

(b) The Trustee shall distribute the Proposal Fund in the following order:

i. Proven Claims of Preferred Creditors;
ii. To Ordinary Creditors with Proven Claims under the Proposal on a *pro rata pari passu* basis, less the required levy payable to the Office of the Superintendent of Bankruptcy.

(c) Creditors shall accept these payments as full, final and complete satisfaction of their claims.

(d) The Debtor shall have the right to prepay the balance due under the Proposal prior to the expiration of the scheduled payment terms.

6. **TRUSTEE'S FEES AND DISBURSEMENTS**

(a) In addition to the Proposal Fund, the Debtor has agreed to fund the Trustee's Fees and Disbursements. The funds paid by the Debtor to fund the Trustee's Fees and Disbursements are in addition to the Proposal Fund. The Debtor shall fund the entirety of the Trustee's Fees and Disbursements before the Trustee issues a certificate of full completion.

7. **GENERAL PROVISIONS**

(a) The Trustee is acting in its capacity as trustee under this Proposal and shall not be responsible or liable for any obligations of the Debtor. The Trustee shall have the powers granted to it by the Proposal, by the BIA, and by any order of the Court. The Trustee will be exempt from all personal liability in fulfilling any duties or exercising any powers conferred upon it by the Proposal or generally in carrying out the terms of this Proposal unless such acts have been carried out in bad faith and constitute a wilful or wrongful act or default. Sections 91 to 101 of the BIA (with the exception of Section 97(3)) shall not apply in connection with this Proposal or any dealing by the Debtor prior to the NOI Date, and the Trustee shall have no responsibility, liability or authority whatsoever in connection therewith. The Trustee shall not monitor or in any way manage the Debtor's business or financial affairs.

(b) The Trustee under this Proposal is acting solely as Trustee and not in its personal capacity and shall not be responsible or liable for any obligations of the Debtor.

(c) All monies payable under the terms of this Proposal, unless otherwise stated herein, shall be paid over to the Trustee who shall make all payments in accordance with the terms of this Proposal.

(d) The Creditors, at the meeting of creditors to consider this Proposal, may appoint up to five Inspectors who will have, in addition to any powers of Inspectors under the BIA, the power to:

  i. receive any notice of default in the performance of the Proposal and waive any such default;
  ii. advise the Trustee in respect of such matters as may be referred to the inspectors by the Trustee; and,
  iii. extend the time for any payment due under this Proposal provided that any such extension does not lengthen the total term of the Proposal.

(e) Upon the issuance of the Certificate of Full Performance by the Trustee to the Debtor, the Directors shall be released and discharged by all Creditors from all Claims, which any Preferred Creditors or Ordinary Creditors may have or have been entitled to assert against any of the directors for which they would be, by law, liable in their capacity as directors for the payment of such claims which arose prior to the NOI Date, provided that nothing herein shall release or discharge any of the directors from Claims that:

  i. Relate to contractual right of one or more of the Ordinary Creditors arising from contract with one or more of the directors; or
  ii. Are based on allegations of misrepresentation made by the directors to the Ordinary Creditors or of wrongful or oppressive conduct by the directors.

(f) All proper claims against the Debtor arising with respect to goods supplied, services rendered, or other consideration given or provided after the NOI Date, up to the date of approval of this Proposal by the Superior Court of Justice in Bankruptcy, and not otherwise dealt with pursuant to this Proposal, shall be paid in full by the Debtor in the ordinary course, in priority to the claims of all other Creditors.

(g) The provisions of this Proposal will be binding on the creditors with Claims and the Debtor, and their respective heirs, executors, administrators, successors and assigns, upon issuance of the Final Approval.

(h) The following creditor(s) have agreed not to file a Claim in this Proposal and will not participate in distributions to Unsecured Creditors under this Proposal:

- 2602763 Ontario Ltd.

(i) Any notices or communication to be made or given in this Proposal shall be in writing and shall refer to this Proposal and may, subject as hereinafter provided, be made or given by personal delivery, by prepaid mail or by e-mail.

i. if addressed to the Debtor use the following address:

Goldman, Sloan, Nash and Haber LLP, counsel to the Debtor
480 University Ave Suite 1600
Toronto, Ontario M5G 1V2
Attention: Brendan Bissell
E-mail: bissell@gsnh.com

ii. if addressed to the Trustee use the following address:

Albert Gelman Inc.
100 Simcoe St. Suite 125
Toronto, Ontario M5H 3G2
Attention: Bryan Gelman
E-mail: bgelman@albertgelman.com

(j) For purposes of this Proposal, Claims denominated in a currency other than Canadian funds will be converted to Canadian Dollars at the closing spot rate of exchange of the Bank of Canada on the NOI Date.

Dated at Toronto, Ontario, this 5th day of January, 2022,

Folmur Construction (2004) Ltd.

Per: ______________________
Alfred Drexler

I have the authority to bind the corporation.

IN THE MATTER OF PROPOSAL OF FOLMUR CONSTRUCTION (2004) LIMITED OF THE TOWN OF ROCKWOOD, IN THE PROVINCE OF ONTARIO

Court File No./Estate No.
35-2721875;

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

(LONDON)

REPORT OF THE TRUSTEE ON PROPOSAL

HOWARD MANIS PROFESSIONAL CORPORATION
operating as Manis Law
2300 Yonge Street, Suite 1600
Toronto, Ontario M4P 1E4

Howard Manis (LSO# 34366V)
Tel: (416) 364-5289
Email: hmanis@manislaw.ca

Lawyers for the Licensed Insolvency Trustee,
Albert Gelman Inc.

This is **Exhibit "F"** to the affidavit of Rodney Davis sworn before me via Zoom this 7th day of December, 2022 in accordance with O. Reg. 431/20, *Administering Oath or Declaration Remotely*

A Commissioner, etc.

District of Ontario
Division No.: 08 - Waterloo
Estate No.: 35-2721716
Court No.: 35-2721716

ONTARIO
SUPERIOR COURT OF JUSTICE
(In Bankruptcy and Insolvency)

In the matter of the proposal of
Drexler Construction Limited
of the Town of Rockwood, in the Province of Ontario

AMENDED PROPOSAL

(Dated October 22, 2021)

Drexler Construction Limited, the above named Debtor, hereby submits the following Proposal under Part III of the *Bankruptcy and Insolvency Act,* R.S.C. (1985), c.B-3, as amended (the "**BIA**").

1. DEFINITIONS

In this Proposal, the following terms have the meaning herein set out:

(a) **Claim.** Any right of any person against the Debtor in connection with any indebtedness, liability or obligation of the Debtor of any kind which was in existence at the NOI Date, whether or not reduced to judgement, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, by guarantee, surety or otherwise, and whether or not such a right is executory in nature, including, without limitation, any claim referred to in this Proposal in respect of the termination or disclaimer by the Debtor of a lease, any product warranty liability and the right or ability of any person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause of action or chose in action, whether existing at present or commenced in the future based in whole or in part on facts which existed prior the NOI Date;

(b) **Debtor.** Drexler Construction Limited;

(c) **Final Approval.** Approval of the Proposal by the Creditors and the Court and any appeal period with respect to the Court Approval having expired;

(d) **NOI Date.** Date of the filing of the Notice of Intention to Make a Proposal with the Official Receiver being March 18, 2021;

(e) **Ordinary Creditors.** Unsecured Creditors, excluding the Preferred Creditors;

(f) **Preferred Creditors.** Creditors with proven claims for which the BIA prescribes payment in priority to claims of Ordinary Creditors;

(g) **Proposal.** This Proposal, as it may be amended from time to time;

(h) **Proposal Date.** Date of the filing of the Proposal with the Official Receiver;

(i) **Proven Claim.** Any claim which was the subject of a proof of claim in accordance with the BIA, filed with the Trustee and considered admissible by it;

(j) **Real Property.** Collectively the following:

i. 5270 Wellington Rd 27, Township of Guelph/Eramosa (Commercial),
ii. 5270 Wellington Rd 27, Township of Guelph/Eramosa (Residential),
iii. 183 Catherine St, Township of Guelph/Eramosa (Development Land)

(k) **Secured Creditors.** Those creditors with a security interest in the assets of the Debtor;

(l) **Trustee.** Albert Gelman Inc., as Trustee to the Proposal of the Debtor;

(m) **Trustee's Fees and Disbursements**. The Trustee's Fees and Disbursements are comprised of all fees and out of pocket disbursements, including legal fees, of Albert Gelman Inc. incidental to the Proposal. The Trustee's fees shall be billed on a time and hourly rate basis and shall include HST. The Trustee shall be at liberty to withdraw and pay its fees and disbursements from the Proposal Fund, from time to time. The Trustee's hourly billing rates for its professional and administrative staff are subject to change without notice.

(n) **Unsecured Creditors.** Collectively, the Preferred Creditors, the Ordinary Creditors;

2. DEBTS OWED TO THE CROWN

(a) Proven claims of Her Majesty in right of Canada or a province of all amounts of a kind that could be subject to a demand under subsection 224(1.2) of the Income Tax Act or under any substantially similar provision of provincial legislation that were outstanding on the NOI Date shall be paid in full within six (6) months of Court approval of this Proposal unless Her Majesty in Right of Canada or a province consents to some other arrangement. The amount payable pursuant to this section of the Proposal will be paid directly by the Debtor to the CRA. The Trustee will not be responsible to monitor payment of this provision of the Proposal.

3. **SECURED CREDITORS**

(a) This Proposal is not made to Secured Creditors. Payment of the claims of Secured Creditors shall be made in the usual manner or as may be agreed between the Debtor and the Secured Creditors.

4. **PREFERRED CREDITORS**

(a) Proven Claims of Preferred Creditors, without interest, shall be paid in full in priority to all Unsecured Creditors;

(b) Claims of employees and former employees of amounts equal to the amounts that they would be qualified to receive under paragraph 136(1)(*d*) of the BIA as well as wages, salaries, commissions or compensation for services rendered after the NOI Date and before Final Approval of this Proposal, together with, in the case of travelling salesmen, disbursements properly incurred by those salesmen in and about the Debtor's business during the same period shall be paid by the Debtor immediately after Final Approval of this Proposal.

5. **UNSECURED CREDITORS**

(a) The Debtor shall remit to the Trustee the total sum of $1,481,994.24 (the "**Proposal Fund**"), to be remitted in 24 consecutive monthly payments of $61,749.76 each commencing in the month following Final Approval.

(b) The Trustee shall distribute the Proposal Fund in the following order:

   i. Proven Claims of Preferred Creditors;
   ii. To Ordinary Creditors with Proven Claims under the Proposal on a *pro rata pari passu* basis, less the required levy payable to the Office of the Superintendent of Bankruptcy.

(c) Creditors shall accept these payments as full, final and complete satisfaction of their claims.

(d) The Debtor shall have the right to prepay the balance due under the Proposal prior to the expiration of the scheduled payment terms.

6. **TRUSTEE'S FEES AND DISBURSEMENTS**

(a) In addition to the Proposal Fund, the Debtor has agreed to fund the Trustee's Fees and Disbursements. The funds paid by the Debtor to fund the Trustee's Fees and Disbursements are in addition to the Proposal Fund. The Debtor shall fund the entirety of the Trustee's Fees and Disbursements before the Trustee issues a certificate of full completion.

7. REAL PROPERTY

(a) The Debtor owns the Real Property, which is comprised of three parcels of land:

i. commercial the land and building which it operates from;
ii. a residential dwelling located adjacent to the commercial land and building; and,
iii. a parcel of undeveloped residential development land.

(b) Subsequent to the filing of the NOI, the Debtor applied to the Court and obtained an order authorizing it to proceed with mortgage financing, secured against the Real Property, through its lender Corwin Mortgage Capital Inc. for \$1.5 million ("**Corwin Facility**"). The Corwin Facility was needed to fund the Debtor's operating cash flow and ultimately used to payout debts owing to RBC, totaling approximately \$1.4 million, secured against the Debtor's assets.

(c) As of the date of the filing of the Proposal, the RBC has been paid out in full and the Debtor will be applying to the Court on September 10, 2021 seeking an increase in the Corwin Facility to \$2.5 million. The additional funds are needed to replace the working capital used by the Debtor to payout RBC.

(d) The Debtor is in the process of finalizing long-term financing through Canadian Equipment Finance & Leasing Inc. ("**CEFL**") in the amount of \$3.5 million, in order to payout the Corwin Facility and provide sufficient working capital. This transaction will be subject to Court approval and is expected to close in October 2021.

8. GENERAL PROVISIONS

(a) The Trustee is acting in its capacity as trustee under this Proposal and shall not be responsible or liable for any obligations of the Debtor. The Trustee shall have the powers granted to it by the Proposal, by the BIA, and by any order of the Court. The Trustee will be exempt from all personal liability in fulfilling any duties or exercising any powers conferred upon it by the Proposal or generally in carrying out the terms of this Proposal unless such acts have been carried out in bad faith and constitute a wilful or wrongful act or default. Sections 91 to 101 of the BIA (with the exception of Section 97(3)) shall not apply in connection with this Proposal or any dealing by the Debtor prior to the NOI Date, and the Trustee shall have no responsibility, liability or authority whatsoever in connection therewith. The Trustee shall not monitor or in any way manage the Debtor's business or financial affairs.

(b) The Trustee under this Proposal is acting solely as Trustee and not in its personal capacity and shall not be responsible or liable for any obligations of the Debtor.

(c) All monies payable under the terms of this Proposal, unless otherwise stated herein, shall be paid over to the Trustee who shall make all payments in accordance with the terms of this Proposal.

(d) The Creditors, at the meeting of creditors to consider this Proposal, may appoint up to five Inspectors who will have, in addition to any powers of Inspectors under the BIA, the power to:

i. receive any notice of default in the performance of the Proposal and waive any such default;
ii. advise the Trustee in respect of such matters as may be referred to the inspectors by the Trustee; and,
iii. extend the time for any payment due under this Proposal provided that any such extension does not lengthen the total term of the Proposal.

(e) Upon the issuance of the Certificate of Full Performance by the Trustee to the Debtor, the Directors shall be released and discharged by all Creditors from all Claims, which any Preferred Creditors or Ordinary Creditors may have or have been entitled to assert against any of the directors for which they would be, by law, liable in their capacity as directors for the payment of such claims which arose prior to the NOI Date, provided that nothing herein shall release or discharge any of the directors from Claims that:

i. Relate to contractual right of one or more of the Ordinary Creditors arising from contract with one or more of the directors; or
ii. Are based on allegations of misrepresentation made by the directors to the Ordinary Creditors or of wrongful or oppressive conduct by the directors.

(f) All proper claims against the Debtor arising with respect to goods supplied, services rendered, or other consideration given or provided after the NOI Date, up to the date of approval of this Proposal by the Superior Court of Justice in Bankruptcy, and not otherwise dealt with pursuant to this Proposal, shall be paid in full by the Debtor in the ordinary course, in priority to the claims of all other Creditors.

(g) The provisions of this Proposal will be binding on the creditors with Claims and the Debtor, and their respective heirs, executors, administrators, successors and assigns, upon issuance of the Final Approval.

(h) The following creditor(s) have agreed not to file a Claim in this Proposal and will not participate in distributions to Unsecured Creditors under this Proposal:

- Folmur Construction (2004) Ltd.
- 2602763 Ontario Ltd.
- Drexcon III Ltd.

(i) Any notices or communication to be made or given in this Proposal shall be in writing and shall refer to this Proposal and may, subject as hereinafter provided, be made or given by personal delivery, by prepaid mail or by e-mail.

i. if addressed to the Debtor use the following address:

Goldman, Sloan, Nash and Haber LLP, counsel to the Debtor
480 University Ave Suite 1600
Toronto, Ontario M5G 1V2
Attention: Brendan Bissell
E-mail: bissell@gsnh.com

ii. if addressed to the Trustee use the following address:

Albert Gelman Inc.
100 Simcoe St. Suite 125
Toronto, Ontario M5H 3G2
Attention: Bryan Gelman
E-mail: bgelman@albertgelman.com

(j) For purposes of this Proposal, Claims denominated in a currency other than Canadian funds will be converted to Canadian Dollars at the closing spot rate of exchange of the Bank of Canada on the NOI Date.

Dated at Toronto, Ontario, this 22nd day of October, 2021,

Drexler Construction Limited

Per: ______________________
Alfred Drexler

I have the authority to bind the corporation.

District of Ontario
Division No.: 08 - Waterloo
Estate No.: 35-2721716
Court No.: 35-2721716

ONTARIO
SUPERIOR COURT OF JUSTICE
(In Bankruptcy and Insolvency)

In the matter of the proposal of
Drexler Construction Limited
of the Town of Rockwood, in the Province of Ontario

CREDITOR ACKNOWLEDGEMENT

Pursuant to the Debtor's Proposal, the following creditors hereby confirm that they will not file a Claim in this Proposal and will not participate in any distributions to Unsecured Creditors under this Proposal.

Folmur Construction (2004) Ltd.

Per: ____________________
Anthony Alfred Drexler

I have authority to bind the corporation.

2602763 Ontario Ltd.

Per: ____________________
Peter Drexler

I have authority to bind the corporation

Drexcon III Ltd.

Per: ____________________
Jerome Drexler

I have authority to bind the corporation.

District of Ontario
Division No.: 08 - Waterloo
Estate No.: 35-2721875
Court No.: 35-2721875

ONTARIO
SUPERIOR COURT OF JUSTICE
(*In Bankruptcy and Insolvency*)

In the matter of the proposal of
Folmur Construction (2004) Limited
of the Township of Rockwood, in the Province of Ontario

AMENDED PROPOSAL

(Dated January 5, 2022)

Folmur Construction (2004) Ltd., the above named Debtor, hereby submits the following Proposal under Part III of the *Bankruptcy and Insolvency Act,* R.S.C. (1985), c.B-3, as amended (the "**BIA**").

1. DEFINITIONS

In this Proposal, the following terms have the meaning herein set out:

(a) **Claim.** Any right of any person against the Debtor in connection with any indebtedness, liability or obligation of the Debtor of any kind which was in existence at the NOI Date, whether or not reduced to judgement, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, by guarantee, surety or otherwise, and whether or not such a right is executory in nature, including, without limitation, any claim referred to in this Proposal in respect of the termination or disclaimer by the Debtor of a lease, any product warranty liability and the right or ability of any person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause of action or chose in action, whether existing at present or commenced in the future based in whole or in part on facts which existed prior the NOI Date;

(b) **Debtor.** Folmur Construction (2004) Ltd.;

(c) **Final Approval.** Approval of the Proposal by the Creditors and the Court and any appeal period with respect to the Court Approval having expired;

(d) **NOI Date.** Date of the filing of the Notice of Intention to Make a Proposal with the Official Receiver being March 18, 2021;

(e) **Ordinary Creditors.** Unsecured Creditors, excluding the Preferred Creditors;

(f) **Preferred Creditors.** Creditors with proven claims for which the BIA prescribes payment in priority to claims of Ordinary Creditors;

(g) **Proposal.** This Proposal, as it may be amended from time to time;

(h) **Proposal Date.** Date of the filing of the Proposal with the Official Receiver;

(i) **Proven Claim.** Any claim which was the subject of a proof of claim in accordance with the BIA, filed with the Trustee and considered admissible by it;

(j) **Secured Creditors.** Those creditors with a security interest in the assets of the Debtor;

(k) **Trustee.** Albert Gelman Inc., as Trustee to the Proposal of the Debtor;

(l) **Trustee's Fees and Disbursements.** The Trustee's Fees and Disbursements are comprised of all fees and out of pocket disbursements, including legal fees, of Albert Gelman Inc. incidental to the Proposal. The Trustee's fees shall be billed on a time and hourly rate basis and shall include HST. The Trustee shall be at liberty to withdraw and pay its fees and disbursements from the Proposal Fund, from time to time. The Trustee's hourly billing rates for its professional and administrative staff are subject to change without notice.

(m) **Unsecured Creditors.** Collectively, the Preferred Creditors, the Ordinary Creditors;

2. **DEBTS OWED TO THE CROWN**

(a) Proven claims of Her Majesty in right of Canada or a province of all amounts of a kind that could be subject to a demand under subsection 224(1.2) of the Income Tax Act or under any substantially similar provision of provincial legislation that were outstanding on the NOI Date shall be paid in full within six (6) months of Court approval of this Proposal unless Her Majesty in Right of Canada or a province consents to some other arrangement. The amount payable pursuant to this section of the Proposal will be paid directly by the Debtor to the CRA. The Trustee will not be responsible to monitor payment of this provision of the Proposal.

3. **SECURED CREDITORS**

(a) This Proposal is not made to Secured Creditors. Payment of the claims of Secured Creditors shall be made in the usual manner or as may be agreed between the Debtor and the Secured Creditors.

4. **PREFERRED CREDITORS**

(a) Proven Claims of Preferred Creditors, without interest, shall be paid in full in priority to all Unsecured Creditors;

(b) Claims of employees and former employees of amounts equal to the amounts that they would be qualified to receive under paragraph 136(1)(*d*) of the BIA as well as wages, salaries, commissions or compensation for services rendered after the NOI Date and before Final Approval of this Proposal, together with, in the case of travelling salesmen, disbursements properly incurred by those salesmen in and about the Debtor's business during the same period shall be paid by the Debtor immediately after Final Approval of this Proposal.

5. **UNSECURED CREDITORS**

(a) The Debtor shall remit to the Trustee the total sum of $550,683.43 (the "**Proposal Fund**"), to be remitted in 24 consecutive monthly payments of $22,945.15 each commencing in the month following Final Approval.

(b) The Trustee shall distribute the Proposal Fund in the following order:

i. Proven Claims of Preferred Creditors;
ii. To Ordinary Creditors with Proven Claims under the Proposal on a *pro rata pari passu* basis, less the required levy payable to the Office of the Superintendent of Bankruptcy.

(c) Creditors shall accept these payments as full, final and complete satisfaction of their claims.

(d) The Debtor shall have the right to prepay the balance due under the Proposal prior to the expiration of the scheduled payment terms.

6. **TRUSTEE'S FEES AND DISBURSEMENTS**

(a) In addition to the Proposal Fund, the Debtor has agreed to fund the Trustee's Fees and Disbursements. The funds paid by the Debtor to fund the Trustee's Fees and Disbursements are in addition to the Proposal Fund. The Debtor shall fund the entirety of the Trustee's Fees and Disbursements before the Trustee issues a certificate of full completion.

7. **GENERAL PROVISIONS**

(a) The Trustee is acting in its capacity as trustee under this Proposal and shall not be responsible or liable for any obligations of the Debtor. The Trustee shall have the powers granted to it by the Proposal, by the BIA, and by any order of the Court. The Trustee will be exempt from all personal liability in fulfilling any duties or exercising any powers conferred upon it by the Proposal or generally in carrying out the terms of this Proposal unless such acts have been carried out in bad faith and constitute a wilful or wrongful act or default. Sections 91 to 101 of the BIA (with the exception of Section 97(3)) shall not apply in connection with this Proposal or any dealing by the Debtor prior to the NOI Date, and the Trustee shall have no responsibility, liability or authority whatsoever in connection therewith. The Trustee shall not monitor or in any way manage the Debtor's business or financial affairs.

(b) The Trustee under this Proposal is acting solely as Trustee and not in its personal capacity and shall not be responsible or liable for any obligations of the Debtor.

(c) All monies payable under the terms of this Proposal, unless otherwise stated herein, shall be paid over to the Trustee who shall make all payments in accordance with the terms of this Proposal.

(d) The Creditors, at the meeting of creditors to consider this Proposal, may appoint up to five Inspectors who will have, in addition to any powers of Inspectors under the BIA, the power to:

   i. receive any notice of default in the performance of the Proposal and waive any such default;
   ii. advise the Trustee in respect of such matters as may be referred to the inspectors by the Trustee; and,
   iii. extend the time for any payment due under this Proposal provided that any such extension does not lengthen the total term of the Proposal.

(e) Upon the issuance of the Certificate of Full Performance by the Trustee to the Debtor, the Directors shall be released and discharged by all Creditors from all Claims, which any Preferred Creditors or Ordinary Creditors may have or have been entitled to assert against any of the directors for which they would be, by law, liable in their capacity as directors for the payment of such claims which arose prior to the NOI Date, provided that nothing herein shall release or discharge any of the directors from Claims that:

   i. Relate to contractual right of one or more of the Ordinary Creditors arising from contract with one or more of the directors; or
   ii. Are based on allegations of misrepresentation made by the directors to the Ordinary Creditors or of wrongful or oppressive conduct by the directors.

(f) All proper claims against the Debtor arising with respect to goods supplied, services rendered, or other consideration given or provided after the NOI Date, up to the date of approval of this Proposal by the Superior Court of Justice in Bankruptcy, and not otherwise dealt with pursuant to this Proposal, shall be paid in full by the Debtor in the ordinary course, in priority to the claims of all other Creditors.

(g) The provisions of this Proposal will be binding on the creditors with Claims and the Debtor, and their respective heirs, executors, administrators, successors and assigns, upon issuance of the Final Approval.

(h) The following creditor(s) have agreed not to file a Claim in this Proposal and will not participate in distributions to Unsecured Creditors under this Proposal:

- 2602763 Ontario Ltd.

(i) Any notices or communication to be made or given in this Proposal shall be in writing and shall refer to this Proposal and may, subject as hereinafter provided, be made or given by personal delivery, by prepaid mail or by e-mail.

i. if addressed to the Debtor use the following address:

Goldman, Sloan, Nash and Haber LLP, counsel to the Debtor
480 University Ave Suite 1600
Toronto, Ontario M5G 1V2
Attention: Brendan Bissell
E-mail: bissell@gsnh.com

ii. if addressed to the Trustee use the following address:

Albert Gelman Inc.
100 Simcoe St. Suite 125
Toronto, Ontario M5H 3G2
Attention: Bryan Gelman
E-mail: bgelman@albertgelman.com

(j) For purposes of this Proposal, Claims denominated in a currency other than Canadian funds will be converted to Canadian Dollars at the closing spot rate of exchange of the Bank of Canada on the NOI Date.

Dated at Toronto, Ontario, this 5th day of January, 2022,

Folmur Construction (2004) Ltd.

Per: ____________________
Alfred Drexler

I have the authority to bind the corporation.

District of Ontario
Division No.: 08 - Waterloo
Estate No.: 35-2721875
Court No.: 35-2721875

ONTARIO
SUPERIOR COURT OF JUSTICE
(*In Bankruptcy and Insolvency*)

In the matter of the proposal of
Folmur Construction (2004) Limited
of the Township of Rockwood, in the Province of Ontario

CREDITOR ACKNOWLEDGEMENT

Pursuant to the Debtor's Proposal, the following creditors hereby confirm that they will not file a Claim in this Proposal and will not participate in any distributions to Unsecured Creditors under this Proposal.

2602763 Ontario Ltd.

Per: ____________________
Alfred Drexler

I have authority to bind the corporation.

IN THE MATTER OF THE PROPOSAL TO CREDITORS PROCEEDINGS OF DREXLER CONSTRUCTION LIMITED AND FOLMUR CONSTRUCTION (2004) LIMITED, CORPORATIONS INCORPORATED UNDER THE ONTARIO *BUSINESS CORPORATIONS ACT*

Estate No. 35-2721716

ONTARIO
SUPERIOR COURT OF JUSTICE

AFFIDAVIT OF RODNEY DAVIS
(sworn December 7, 2022)

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
Toronto ON M5G 1V6

R. Brendan Bissell (LSO# 40354V)
Tel: (416) 597-6489
Fax: (416) 597-3370
Email: **bissell@gsnh.com**

Lawyers for the moving parties and debtor companies, Drexler Construction Limited and Folmur Construction (2004) Limited

TAB 3
Draft Order

Estate No. 35-2721716

ONTARIO

SUPERIOR COURT OF JUSTICE

THE HONOURABLE •	)	FRIDAY, THE 16th
	)	
JUSTICE •	)	DAY OF DECEMBER, 2022

IN THE MATTER OF THE PROPOSAL TO CREDITORS PROCEEDINGS OF DREXLER CONSTRUCTION LIMITED AND FOLMUR CONSTRUCTION (2004) LIMITED, CORPORATIONS INCORPORATED UNDER THE ONTARIO *BUSINESS CORPORATIONS ACT*

ORDER
(approval of amended financing facilities)

THIS MOTION made by Drexler Construction Limited and Folmur Construction (2004) Limited (together, the "**Companies**") for the orders herein was heard this day at 80 Dundas St., London, by videoconference.

ON READING the affidavit of Rodney Davis sworn December 7, 2022 (the "**Davis Affidavit**") and the sixth report dated December •, 2022 (the "**Sixth Report**") of Albert Gelman Inc. in its capacity as trustee of the Companies' proposals (in such capacity, the "**Proposal Trustee**"), and upon hearing the submissions of counsel for the Companies and counsel for the Proposal Trustee as well as those other parties present, as may be indicated on the counsel slip, no other parties being present although duly served as more fully appears from the affidavit of service, filed:

I. NOTICE AND SERVICE

1. **THIS COURT ORDERS** that the time and manner for service of the motion record in respect of this motion and the Sixth Report are hereby respectively abridged and validated so that the motion is properly returnable today, and that further service thereof is dispensed with.

II. APPROVAL OF AMENDED LONG-TERM FINANCING FACILITY

2. **THIS COURT ORDERS** that the Companies are and each of them is hereby authorized to enter into amended financing facilities with Mitsubishi HC Capital Canada, Inc. substantially on the terms contemplated in an amending as attached as Exhibit "A" to the Davis Affidavit (the **"Amended Financing Facility**").

3. **THIS COURT ORDERS** that the Companies are and each of them is hereby authorized and empowered to execute and deliver such contracts, agreements, mortgages, charges, hypothecs, security documents, guarantees and other definitive documents as may be reasonably required to close and implement the Amended Financing Facility, and to do all things reasonably necessary or attendant thereto.

4. **THIS COURT ORDERS** that this order is effective as of its date without the requirement for issuance and entry.

____

IN THE MATTER OF THE PROPOSAL TO CREDITORS PROCEEDINGS OF DREXLER CONSTRUCTION LIMITED AND FOLMUR CONSTRUCTION (2004) LIMITED, CORPORATIONS INCORPORATED UNDER THE ONTARIO *BUSINESS CORPORATIONS ACT*

Estates No. 35-2721716

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced in LONDON

ORDER

(approval of amended financing facilities)

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
Toronto (ON) M5G 1V2

R. Brendan Bissell (LSO# 40354V)
Tel: (416) 597-6489
Fax: (416) 597-3370
Email: **bissell@gsnh.com**

wLawyers for Drexler Construction Ltd. and Folmur Construction (2004) Ltd.

IN THE MATTER OF THE PROPOSAL TO CREDITORS PROCEEDINGS OF DREXLER CONSTRUCTION LIMITED AND FOLMUR CONSTRUCTION (2004) LIMITED, CORPORATIONS INCORPORATED UNDER THE ONTARIO *BUSINESS CORPORATIONS ACT*

Estate No. 35-2721716

ONTARIO
SUPERIOR COURT OF JUSTICE

MOTION RECORD
(approval of amended financing facilities)
(returnable December 16, 2022)

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
Toronto (ON) M5G 1V2

R. Brendan Bissell (LSO# 40354V)
Tel: (416) 597-6489
Fax: (416) 597-3370
Email: **bissell@gsnh.com**

Lawyers for the moving parties and debtor companies, Drexler Construction Limited and Folmur Construction (2004) Limited