

Estate Nos. 35-2721716;
35-2721875; and
35-2721896

ONTARIO
SUPERIOR COURT OF JUSTICE

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

**THIRD REPORT OF ALBERT GELMAN INC.
IN ITS CAPACITY AS PROPOSAL TRUSTEE
respecting Motion returnable July 16, 2021**

July 13, 2021

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Albert Gelman Inc.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

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

**THIRD REPORT OF ALBERT GELMAN INC.
IN ITS CAPACITY AS PROPOSAL TRUSTEE
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**ONTARIO
SUPERIOR COURT OF JUSTICE**

**In the Matter of the Notices of Intention to Make a Proposal Proceedings of
Drexler Construction Limited, Folmur Construction (2004) Ltd. and Down Under Pipe and Cable
Locating Ltd. Corporations Incorporated under the Ontario *Business Corporations Act***

**THIRD REPORT OF ALBERT GELMAN INC.
IN ITS CAPACITY AS PROPOSAL TRUSTEE**

(Dated July 13, 2021)

I. INTRODUCTION

1. This third report ("**Third Report**") is filed by Albert Gelman Inc. ("**AGI**") in its capacity as proposal trustee (the "**Proposal Trustee**") in connection with Notices of Intention to Make a Proposal ("**NOI**") filed by Drexler Construction Limited ("**Drexler**"), Folmur Construction (2004) Ltd. ("**Folmur**") and Down Under Pipe and Cable Locating Ltd. ("**Down Under**"; and together with Drexler and Folmur, the "**Companies**") on March 18, 2021 under Section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"). Attached hereto at **Appendix "A"** are copies of the NOI and Certificates of Appointment issued by the Office of the Superintendent of Bankruptcy for each of the Companies.

2. On April 16, 2021, on a motion made by the Companies, the Honourable Justice Gorman granted an order (the "**April 16 Order**") approving, among other things, an administrative consolidation of the Companies proposal proceedings, an extension of the stay of proceedings afforded under the NOI to June 1, 2021 (the "**First Stay Extension**"), the DIP Facility and DIP Charge (both terms defined in the First Report), an administrative charge and the sale of certain Redundant Equipment. A copy of the April 16 Order and related Endorsements are attached hereto as **Appendix "B"**.

3. The Trustee prepared a report dated April 12, 2021 in relation to the April 16, 2021 motion (the "**First Report**"). Attached hereto as **Appendix "C"** is a copy of the First Report, without appendices. The Trustee also prepared a report supplementing its First Report dated April 14, 2021 (the "**Supplementary First Report**"). The purpose of the Supplementary First Report was to provide the Court with information pertaining the revised terms of the DIP Facility. Attached hereto as **Appendix "D"** is a copy of the Supplementary First Report, without appendices.

4. On May 28, 2021, the Honourable Justice M. A. Garson granted an order (the "**May 28 Order**") approving, among other things, an extension of the stay of proceedings afforded under the NOI to July 16, 2021 (the "**Second Stay Extension**"), a change to the April 16 Order with respect to the sale of Drexler's

Redundant Equipment, and the activities and fees of the Proposal Trustee and its legal counsel. A copy of the May 28 Order and related Endorsement are attached hereto as **Appendix “E”**.

5. The Trustee’s report dated May 25, 2021 filed in relation to the May 28, 2021 motion (the “**Second Report**”) is attached hereto as **Appendix “F”**, without appendices.

6. This Third Report has been prepared in response to the Companies’ July 16 Motion (the “**July 16 Motion**”) seeking an Order:

- a. further extending the time for each of the Companies to file a proposal to August 30, 2021 (the “**Third Stay Extension**”); and,
- b. approving this Third Report and the activities and fees of the Proposal Trustee and its legal counsel.

7. Included in their motion materials is the affidavit of Jerome Drexler sworn July 12, 2021 (the “**Drexler July Affidavit**”), in support of the relief being sought. The Proposal Trustee has reviewed the Drexler July Affidavit and has no reason to doubt or otherwise challenge the facts attested to therein.

8. For the reasons explained herein, the Proposal Trustee supports the relief sought by the Companies at their July 16 Motion.

II. PURPOSE OF THIS REPORT

9. The purpose of this Third Report is to:

- a. provide the Court with relevant information pertaining to the Companies and the relief being sought which is not otherwise described in the Drexler July Affidavit;
- b. provide information to the Court regarding the actions and activities of both the Proposal Trustee and the Companies subsequent to the date of the Second Report; and,
- c. provide the Court with the Proposal Trustee’s recommendations in respect of the relief sought by the Companies.

III. SCOPE AND TERMS OF REFERENCE

10. In preparing this Third Report, the Proposal Trustee has relied upon certain unaudited financial information, the Companies’ books and records, discussions with Mr. Anthony Alfred Drexler, a shareholder, officer and director of each of the Companies, discussions with representatives of GreySuits Advisors Inc., the Companies external CFO (the “**CFO**”), discussions with representatives RLB LLP (“**Accountant**”), the Companies’ external accountant and discussions with the Companies’ legal counsel, Goldman Sloan Nash Haber LLP.

11. While the Proposal Trustee has reviewed various documents provided by management and others, such review does not constitute an audit or verification of such information for accuracy, completeness or

compliance with Generally Accepted Accounting Principles (“GAAP”) or International Financial Reporting Standards (“IFRS”) or otherwise. Accordingly, the Proposal Trustee expresses no opinion or other form of assurance pursuant to GAAP or IFRS or otherwise with respect to such information except as expressly stated herein.

12. This Third Report has been prepared for the use of this Court and the Companies’ stakeholders as general information relating to the Companies and to assist the Court in making a determination of whether to approve the relief sought. Accordingly, the reader is cautioned that this Third Report may not be appropriate for any other purpose. The Proposal Trustee will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Third Report contrary to the provisions of this paragraph.

13. Unless otherwise noted, all monetary amounts referenced are in Canadian dollars.

14. Terms not otherwise defined herein shall have the meanings ascribed to them in either the First Report or the Second Report.

IV. ACTIVITIES OF THE COMPANIES

15. Since the date of the filing of the Second Report the Companies have undertaken, among other things, the following activities:

- a. terminated the internal accountant/controller whose function is now fulfilled by the CFO;
- b. continued to work with their Accountant to prepare the necessary financial statements, for the year ended March 31, 2021, and other financial information to distribute to prospective lenders through the Broker and, by the Proposal Trustee, to the Excluded Lender;
- c. continue to have informal discussions with various secured and unsecured creditors in respect of the restructuring proceedings;
- d. continue to attend meetings with the Proposal Trustee to discuss the Companies’ objectives and options in respect of these restructuring proceedings; and,
- e. provided the Proposal Trustee, on an ongoing basis, with financial and other information in order to allow the Proposal Trustee to monitor the Companies’ cash receipts and disbursements.

16. The Companies are requesting an extension of time to file their proposals so that they may, among other things, continue to canvass the market, with the assistance of the Broker, to find additional long-term financing options so as to, *inter alia*, repay the RBC Debt and provide additional working capital to the Companies. As further discussed below, the Proposal Trustee supports the Companies’ request for the Third Stay Extension.

V. ACTIVITIES OF THE PROPOSAL TRUSTEE

17. Since the date of the Second Report the Proposal Trustee has undertaken, among other things, the following activities:

- a. continued to work with both the Broker and Excluded Lender to assist the Companies with their objective of securing long-term financing;
- b. corresponded with RBC's legal counsel to provide updated information in respect of these restructuring proceedings and other matters as requested by RBC's legal counsel;
- c. monitored on a regular basis the Companies' cash receipts and disbursements and compared same to the Revised Cash Flow Forecasts prepared by the Companies' for material variances;
- d. continued to communicate extensively with management of the Companies, their CFO and Accountant, as well as the Companies' legal counsel to discuss, among other things, the following:
 - i. the business, financial affairs and future prospects of the Companies;
 - ii. the options available to the Companies in relation to the NOI proceedings; and,
 - iii. long-term financing options for the Companies';
- e. communicated with several creditors and other stakeholders who contacted the Proposal Trustee directly regarding the status of these restructuring proceedings; and,
- f. maintained a Case Webpage with electronic copies of the Court materials related to these restructuring proceedings, located at www.albertgelman.com/corporate-solutions/other-engagements/#d.

VI. LONG-TERM FINANCING

18. The Companies are seeking long-term financing to repay the RBC Debt, to provide additional working capital to the Companies and to provide capital to fund the development of the Vacant Development Land (once Drexler obtains site plan approval from the municipality, which we understand is in process).

19. The Companies, together with the Proposal Trustee, continue to engage in discussions with the Broker who is actively soliciting lenders to obtain the long-term secured financing. The Companies have worked diligently during these restructuring proceedings to prepare and provide the updated financial and other information requested by the Broker which information is necessary to present to potential lenders.

20. The Proposal Trustee anticipates that the Companies will provide the Broker and Excluded Lender with final versions of financial statements and other financial information on or before July 23, 2021, at which point the Companies expect to receive financing term sheets. The Proposal Trustee will report further to the creditors and/or the Court at a later date in this regard.

VII. SALE OF REDUNDANT ASSETS

21. In accordance with paragraphs 20 and 21 of the April 16 Order (and as augmented by paragraph 3 of the May 28 Order) on May 21, 2021 Drexler entered into the Auction Agreement with Canam to sell the Redundant Equipment.

22. The auction was scheduled for June 28, 2021.

23. Prior to the auction date, Drexler's management advised the Proposal Trustee that they would be adding and removing certain pieces of equipment to/from the auction (which was provided for at paragraph 2(d) of the Auction Agreement) as some substantial items were now needed on current jobs and it would no longer make economic sense for Drexler to rent this equipment to complete these jobs. This caused no issue of compliance with the April 16 and May 28 Orders as the terms are permissive rather than prescriptive as to the Companies' authorization to sell Redundant Equipment outside the ordinary course of business. As a result of the addition/removal of certain equipment from the auction Canam reduced its net minimum guarantee ("**NMG**") from \$560,000 to \$496,000.

24. The Proposal Trustee advised representatives of RBC of the changes to the NMG. Following a discussion between the parties it was agreed that Drexler would pay up to \$64,000 (the difference in the original and revised NMG) directly to RBC in the event that the auction proceeds were less than the original NMG of \$560,000.

25. On July 7, 2021 Canam reported the outcome of the auction to Drexler and the Proposal Trustee. The net proceeds from the auction, after deducting Canam's commission and expenses, was \$453,743.80, which amount was below the NMG. However, in accordance with the Auction Agreement, Canam delivered a bank draft in the amount of \$496,050.00 to Drexler's legal counsel.

26. In accordance with the April 16 Order \$1,724 was paid to CRA in respect of Drexler's outstanding source deduction claim and the balance of \$494,267, plus an additional \$64,000 representing the difference between the original and revised NMG, for a total of \$558,276 will be paid to RBC in due course.

VIII. REVISED CASH FLOW FORECASTS

27. On May 22, 2021 the Companies each filed with the Proposal Trustee a revised statement of projected cash flows prepared on a weekly basis for the period of May 17 to August 29, 2021 (defined in the Second Report as the "Revised Cash Flow Forecasts"). As noted above, the Proposal Trustee has been monitoring the Companies' cash receipts and disbursements on a regular basis and comparing actual results to those which were forecasted. The Trustee's comments with respect to its monitoring activities for the week beginning May 17, 2021 (the start date of the Revised Cash Flow Forecasts) to the week ending July 4, 2021 are set out below.

Drexler

28. The Revised Cash Flow Forecasts projected that Drexler's cash on hand would be \$263,090 as at July 4, 2021, after having utilized \$500,000 of the DIP Loan. As at July 4, 2021 Drexler's actual cash on hand

was \$738,797 without Drexler having utilized any of the DIP Loan. This is a positive variance of approximately \$1 million. Management have advised the Proposal Trustee that this positive variance is largely due to the fact that Drexler's vendors are continuing to extend Drexler creditor during these restructuring proceedings due to their prior long-standing working relationships with Drexler.

Folmur

29. The Revised Cash Flow Forecasts projected that Folmur's cash on hand would be \$562,754 as at July 4, 2021. As at July 4, 2021 Folmur's actual cash on hand was \$777,536. This is a positive variance of approximately \$200,000. Folmur's actual cash receipts and disbursements have been relatively consistent with those projected in the Revised Cash Flow Forecasts.

Down Under

30. Folmur's actual cash receipts and disbursements have been relatively consistent with those projected in the Revised Cash Flow Forecasts.

31. After reviewing the actual cash flow results and comparing them with the projected amounts it is the Proposal Trustee's opinion that the Companies can continue to operate in the ordinary course during the forecast period without any material prejudice to any of the Companies' creditors.

IX. REQUEST FOR EXTENSION

32. The Companies are seeking the Third Stay Extension pursuant to subsection 50.4(9) of the BIA. The Proposal Trustee supports the Third Stay Extension as it is of the opinion that:

- a. the Companies have acted, and are acting, in good faith and with due diligence;
- b. the Companies would likely be able to make a viable Proposal if the extension being applied for were granted; and,
- c. no creditor would be materially prejudiced if the extension being applied for were granted.

X. ACCOUNTS OF THE PROPOSAL TRUSTEE AND ITS COUNSEL

33. In accordance with paragraph 24 of the April 16 Order the fees and disbursements of the Proposal Trustee and its counsel may be approved by the Court and referred to a judge for such purpose.

34. Attached hereto as **Appendix "G"** is the Affidavit of Bryan Gelman regarding the Proposal Trustee's fees to July 9, 2021 accompanied by the supporting time dockets (the "**Second Proposal Trustee Fee Affidavit**").

35. The Proposal Trustee is of the opinion that its fees, as set out in the Second Proposal Trustee Fee Affidavit, are fair and reasonable, justified in the circumstances, and accurately reflect the work done by the Proposal Trustee in connection with these NOI proceedings.

36. Attached hereto as **Appendix "H"** is the Affidavit of Howard Manis regarding the fees and disbursements of Macdonald Sager Manis LLP ("**MSM**"), counsel to the Proposal Trustee, to July 9, 2021 accompanied by the supporting time docket (the "**Second Legal Counsel Fee Affidavit**").

37. It is the Proposal Trustee's opinion that the fees and disbursements of MSM, as set out in the Second Legal Counsel Fee Affidavit are fair and reasonable, justified in the circumstances, and accurately reflect the work done on behalf of the Proposal Trustee (as instructed and authorized by the Proposal Trustee) by MSM in connection with these NOI proceedings.

38. The Proposal Trustee therefore requests and recommends the approval the fees and disbursements set out in both the Second Proposal Trustee Fee Affidavit and the Second Legal Counsel Fee Affidavit (collectively, the "**Fee Affidavits**").

XI. PROPOSAL TRUSTEE'S RECOMMENDATION

39. For the reasons explained herein, the Proposal Trustee respectfully recommends that this Honourable Court make an Order or Orders approving:

- a. the Third Stay Extension;
- b. the actions and activities of the Proposal Trustee as described in this Third Report; and,
- c. the fees and disbursements of the Proposal Trustee and its legal counsel as set out in the Fee Affidavits.

All of which is respectfully submitted this 13th day of July 2021

**ALBERT GELMAN INC., solely in its
capacity as Trustee of re the Notice of
Intention to Make a Proposal of Drexler
Construction Limited, Folmur Construction
(2004) Ltd. and Down Under Pipe and Cable Locating Ltd.
and not its Personal or any other Capacity**



Digitally signed
by Bryan
Gelman

Per:

Bryan Gelman, *CIRP, LIT*

District of:
Division No. -
Court No.
Estate No.


- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

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

Take notice that:

1. I, Drexler Construction Limited, an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. Albert Gelman Inc. of 100 Simcoe Street, Suite 125, Toronto, ON, M5H 3G2, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Rockwood in the Province of Ontario, this 18th day of March 2021.

× 

 Drexler Construction Limited
 Insolvent Person

To be completed by Official Receiver:

 Filing Date

 Official Receiver

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

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

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
1477830 Ontario Inc.		612.96
2602763 Ontario Ltd.	. ..		99,981.23
Alectra Utilities (formerly Enersource Hydro)	55 John St North Hamilton ON L8R 3M8		1,059.31
Altruck International Truck Centres		507.74
Armtec Inc.		557.32
Badger Daylighting LP		21,212.62
Bank of Montreal	5750 Explorer Drive Mississauga ON L4W 0A9	3HTDTAPT1HN657832	56,936.00
Barry Cullen Chev Cadillac Ltd		1,754.10
BGL Contractors Corp.		11,719.23
Bob's Towing		339.00
Bolts Plus Incorporated		460.40
Bomar Landscaping Inc.		73,460.59
Brydges Landscape Architexture Inc.		3,551.31
Canadian Cutting & Coring Ltd.		1,271.25
Canadian Equipment Finance & Leasing Inc.	5-250 Woolwich St. S Breslau ON N0B 1M0	5KKMAXDV5MPMH0867	239,601.00

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

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

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Canadian Linen & Uniform Service		260.50
Capital Paving Inc.		7,346.25
Centreline Sanitation Ltd.		440.70
CG Equipment		2,707.17
Coco Paving Inc.		1,008.53
Compressed Air International Inc.		1,126.24
Construct Connect Canada Inc.		339.00
Cooper Equipment Rentals Ltd.		6,340.43
Corix Water Services Inc.		2,288.52
Cox Construction Ltd.		66,550.26
CRA - Tax - Ontario	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-Sud QC G9P 5H9		45,780.09
Dashwood Industries Ltd.		933.81
Deboers Equipment		403.99
Dettmer Tire & Auto Service		974.85

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

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

List of Creditors with claims of \$250 or more.

Creditor	Address	Account#	Claim Amount
Emco Distribution Ltd		125,297.14
Enbridge Gas Inc.		4,099.24
Fergus Starter & Alternator		1,869.69
Folmur Construction (2004) Ltd.	. ..		3,738,483.86
Fred R. Prior & Sons Ltd		422.62
Graybar Electric Ltd.		121,897.22
Groeneveld Lubrication Solutions		404.61
Guelph Auto Parts		3,572.72
Guelph Powersweeping		497.20
Highway Sterling Western Star		441.05
Hlb System Solutions		580.10
Hose Technology Ltd.		1,230.04
Hunter Steel Sales		785.35
Hydro One Accts Rec.		1,059.81
Jerome Drexler	. ..		59,185.45

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

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

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Jim's Repair Shop	.		1,071.52
		
John Deere Financial Inc.	3430 Superior Court Oakville ON L6L 0C4	1DW624KZKHD678993	272,742.00
John Deere Financial Inc.	3430 Superior Court Oakville ON L6L 0C4	1FF470GXVHE471498	211,599.00
John Deere Financial Inc.	3430 Superior Court Oakville ON L6L 0C4	1T0310337672 / 1T0310SLJJD337506	107,527.00
Juno Electric	.		29,291.08
		
Krown Body Maintenance	.		652.23
		
Lafarge Construction Material	.		799.82
		
Leslie Sand & Gravel	.		82,969.78
		
Loadstar Trailers Inc.	.		953.60
		
Mann 2018 Limited	.		40,707.33
		
Maple Leaf Industrial Supplies	.		351.67
		
Messer Gasses For Life	.		337.42
		
Miller Mobile Offices	.		1,118.70
		
Miller Thomson LLP	.		540.14
		
Mister Transmission	.		3,978.99
		

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

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

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
MTE Consultants Inc.		462.17
Mulmur Aggregates Inc		21,700.65
Murtech Manufacturing Inc.		840.72
Oosterveld Heating & Air Cond.		1,131.92
Pete Ranger Tire & Regrooving		11,461.03
Peto Maccallum Ltd.		8,366.41
Pipeflo Contracting Corp.		9,040.00
Reyner Electrical Construction Inc.		26,137.37
RLB		38,165.75
Robert Drexler	. ..		20,769.37
Rona Cashway Building Centre		1,255.12
Royal Bank of Canada Ian Aversa	Brookfield Place 181 Bay Street, Suite 1800 Toronto ON M5J 2T9		2,046,082.76
Sandale Utility Products		21,343.53
Spectrum Lab Groups		500.39
Speedy Collision - Guelph		428.16

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

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

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
St Marys Cement Inc.	. ....		30,937.44
Sunbelt Rentals Inc.	. ....		9,564.86
TD Auto Finance (Canada) Inc.	PO BOX 4086, Station A Toronto ON M5W 5K3	1GC4YNE75LF221060	69,506.00
TD Auto Finance (Canada) Inc.	PO Box 4086, Station A Toronto ON M5W 5K3	1GCPYFED0LZ270089	62,892.00
The Bank of Nova Scotia	4715 Tahoe Boulevard Mississauga ON L4W 0B4	1GC1KWEY4JF148859	94,535.00
The Murray Group Ltd	. ....		109,335.43
Treasurer of Ontario (EHT)	. ....		5,014.01
T-Rex Construction	. ....		32,035.50
Tunnel Vision Trenchless Services Inc.	. ....		1,823.82
UPI Inc.	. ....		21,161.82
Waste Management Services	. ....		5,925.99
Wasteco	. ....		4,694.24
Wellington Dufferin Paving	. ....		4,921.35
Wells Fargo Equipment Finance Company	1290 Central Parkway W. Suite 1100 Mississauga ON L5C 4R3	902900-1058	130,928.00
Whitton Construction Ltd	. ....		4,520.00

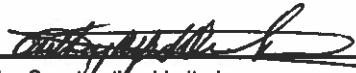
District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

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

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Wm. Green Roofing Ltd.		10,353.98
Workplace Safety & Ins. Board		8,138.76
Total			8,277,964.33

×



 Drexler Construction Limited
 Insolvent Person



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

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

In the Matter of the Notice of Intention to make a proposal of:

Drexler Construction Limited

Insolvent Person

ALBERT GELMAN INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

March 18, 2021

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: March 18, 2021, 17:45

E-File/Dépôt Electronique

Official Receiver

Federal Building - London, 451 Talbot Street, Suite 303, London, Ontario, Canada, N6A5C9, (877)376-9902

Canada

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

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

Take notice that:

1. I, Folmur Construction (2004) Ltd., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. Albert Gelman Inc. of 100 Simcoe Street, Suite 125, Toronto, ON, M5H 3G2, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Toronto in the Province of Ontario, this 18th day of March 2021.

×



Folmur Construction (2004) Ltd.
 Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

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

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
2602763 Ontario Limited	.		335,197.60
		
Anixter Power Solutions Canada Inc.	.		25,248.49
		
Brandt Tractor Ltd	.		1,447.25
		
CG Equipment	.		2,217.63
		
Cooper Equipment Rentals Ltd	.		4,234.60
		
CRA - Tax - Ontario	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-Sud QC G9P 5H9		50,485.58
CRA - Tax - Ontario	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-Sud QC G9P 5H9		137,191.79
Danplas Pipe Systems	.		28,479.50
		
Graybar Electric Ltd.	.		38,916.68
		
John Deere Credit Inc. Ryan Szymusiak	3430 Superior Court Oakville ON L6L 0C4		15,872.32
John Deere Credit Inc. Ryan Szymusiak	3430 Superior Court Oakville ON L6L 0C4		114,170.13
Mann 2018 Limited	.		392.54
		
Ministry of Finance - ON PST, EHT & Other Taxes Mrs. Asta Alberry	Ministry of Revenue 33 King Street West 6th Floor Oshawa ON L1H 8H5		1,233.26

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

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

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Noramco	.		71,807.86
		
RBC Royal Bank	74 WYNDHAM STREET NORTH, 2ND FLOOR Guelph ON N1H 4E6		294,372.52
Royal Bank of Canada Ian Aversa	Brookfield Place, 181 Bay Street, Suite 1800 Toronto ON M5J 2T9		2,046,082.76
Rubberline Products	.		399.96
		
Stop 124 Services Inc.	.		1,427.05
		
Thorton Sand & Gravel (1995) Ltd.	.		5,287.21
		
Tri City Ready Mix Limited	.		4,469.72
		
Trillium Ford Lincoln Ltd	.		1,026.05
		
Underground Conduit Solutions Inc.	.		4,644.30
		
UPI Energy	.		10,257.20
		
Wilson Sand and Gravel Ltd.	.		5,411.68
		
Workplace Safety and Insurance Board Eric Kupka	200 Front St W, 22nd Floor Toronto ON M5V 3J1		9,257.34
Total			3,209,331.02

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Folmur Construction (2004) Ltd.
 Insolvent Person



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

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

In the Matter of the Notice of Intention to make a proposal of:

Folmur Construction (2004) Ltd.

Insolvent Person

ALBERT GELMAN INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

March 18, 2021

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: March 19, 2021, 11:25

E-File/Dépôt Electronique

Official Receiver

Federal Building - London, 451 Talbot Street, Suite 303, London, Ontario, Canada, N6A5C9, (877)376-9902

Canada

District of:
 Division No. -
 Court No.
 Estate No.


- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 Down Under Pipe and Cable Locating Ltd.
 of the City of Rockwood, in the Province of Ontario

Take notice that:

1. I, Down Under Pipe and Cable Locating Ltd., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. Albert Gelman Inc. of 100 Simcoe Street, Suite 125, Toronto, ON, M5H 3G2, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the Town of Rockwood in the Province of Ontario, this 18th day of March 2021.

× 

 Down Under Pipe and Cable Locating Ltd.
 Insolvent Person

To be completed by Official Receiver:

 Filing Date

 Official Receiver


District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 Down Under Pipe and Cable Locating Ltd.
 of the City of Rockwood, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
2602763 Ontario Limited	.		47,058.40
Royal Bank of Canada Ian Aversa	Brookfield Place, 181 Bay Street, Suite 1800 Toronto ON M5J 2T9		2,046,082.76
Total			2,093,141.16

×



 Down Under Pipe and Cable Locating Ltd.
 Insolvent Person



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 08 - Waterloo
Court No. 35-2721896
Estate No. 35-2721896

In the Matter of the Notice of Intention to make a proposal of:

Down Under Pipe and Cable Locating Ltd.

Insolvent Person

ALBERT GELMAN INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

March 18, 2021

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: March 19, 2021, 11:49

E-File/Dépôt Electronique

Official Receiver

Federal Building - London, 451 Talbot Street, Suite 303, London, Ontario, Canada, N6A5C9, (877)376-9902

Canada

Estate No. 35-2721716

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE MADAM	)	FRIDAY, THE 16 TH
)	
JUSTICE GORMAN	)	DAY OF APRIL, 2021

**IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL PROCEEDING OF
DREXLER CONSTRUCTION LIMITED, A
CORPORATION INCORPORATED UNDER THE
ONTARIO *BUSINESS CORPORATIONS ACT***

ORDER

**(procedural consolidation, extension of time to file a proposal,
debtor-in-possession financing approval and charge, administration charge,
sale of redundant equipment, approval of activities, sealing)**

THIS MOTION made by Drexler Construction Limited (“**Drexler**”) for the orders herein was heard this day at 80 Dundas St., London, by teleconference due to COVID-19.

ON READING the affidavit of Jerome Drexler sworn April 12, 2021 (the “**Drexler April Affidavit**”) and the first report dated April 12, 2021 (the “**First Report**”) and the Supplementary Report dated April 14, 2021 (the “**Supplementary Report**”) of Albert Gelman Inc. in its capacity as proposal trustee (in such capacity, the “**Proposal Trustee**”) to the notice of intention to make a proposal (“**NOI**”) proceedings of Drexler, Folmur Construction (2004) Limited (“**Folmur**”), and Down Under Pipe and Cable Locating Limited (“**Down Under**”, and, together with Drexler and Folmur, the “**Companies**”), and upon hearing the submissions of counsel for the Companies and the Proposal Trustee as

well as those other parties present, as indicated in the counsel slip, no other parties being present although duly served as appears from the affidavit of service, filed:

NOTICE AND SERVICE

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

PROCEDURAL CONSOLIDATION

2. **THIS COURT ORDERS** that, without prejudice to the right of any party to seek or oppose substantive consolidation in respect of any or all of the following proceedings:
 - a. the present proceeding,
 - b. the NOI proceeding of Folmur, estate and court file no. 35-2721875, and
 - c. the NOI proceeding of Down Under, estate and court file no. 35-2721896,

(collectively, the “**NOI Proceedings**”)

the NOI Proceedings are hereby procedurally consolidated, and the Proposal Trustee is authorized and directed, save to the extent the Proposal Trustee deems it unnecessary or undesirable, as the case may be, to administer the NOI Proceedings on a consolidated basis for all purposes in carrying out its administrative duties and other responsibilities under the *Bankruptcy and Insolvency Act* (the “**BIA**”), including, without limitation, the following:

- d. sending notices to creditors of one or more of the Companies pursuant to one consolidated notice,
 - e. calling and conducting any meetings of creditors of the Companies pursuant to one combined advertisement and one meeting,
 - f. issuing consolidated reports in respect of the estates of the Companies,
 - g. preparing, filing, advertising and distributing any and all filings and/or notices relating to the administration of the estates of the Companies on a consolidated basis, and
 - h. bringing motions to this Honourable Court on a consolidated basis.
3. **THIS COURT ORDERS** that the single court file number 35-2721716 (the “**Consolidated Court File**”) and the following title of proceeding be assigned to the NOI Proceedings:

“

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

”

4. **THIS COURT ORDERS** that the Companies file a copy of this order in the court file for each of the NOI Proceedings but that any other document required to be filed in any of the NOI Proceedings shall hereafter only be required to be filed in the Consolidated

Court File. For avoidance of doubt, any motion, application or action in respect of the Companies or any of them shall be brought and filed in the Consolidated Court File and if so brought and filed it shall be deemed brought and filed in each of the NOI Proceedings, as appropriate, without prejudice to any rules of civil procedure or otherwise that are applicable. For further avoidance of doubt, this motion and this order are deemed made and granted in each of the NOI Proceedings.

5. **THIS COURT ORDERS** that the procedural consolidation of the NOI Proceedings does not:

- a. affect the separate legal status and structures of any of the Companies,
- b. cause any of the Companies to be liable for any claim for which it otherwise would not be liable, or
- c. affect the Proposal Trustee's or a creditor's right to seek to disallow any claim, including on the basis that such claim is a duplicative claim.

EXTENSION OF TIME TO FILE A PROPOSAL

6. **THIS COURT ORDERS** that, pursuant to Section 50.4(9) of the BIA, the period within which a proposal may be filed on behalf of any or all of the Companies is extended to and including Tuesday, June 1, 2021.

DIP FINANCING AND CHARGE

7. **THIS COURT ORDERS** that the Companies are and each of them is hereby authorized and empowered to obtain and borrow under a credit facility from Corwin

Mortgage Capital Inc. (the “**DIP Lender**”) in order to finance the Companies’ operations, capital expenditures and restructuring, which shall be on the terms and subject to the conditions set forth in the amended term sheet (the “**Term Sheet**”) attached as Appendix “A” to the Supplementary Report, filed.

8. **THIS COURT ORDERS** that the Companies be and hereby are authorized to borrow, under the aforementioned credit facility, (i) up to \$750,000, (ii) a further \$250,000 with the written consent of the Proposal Trustee in consultation with Royal Bank of Canada (“**RBC**”), and (iii) any further amounts with the written consent of RBC or further court order.

9. **THIS COURT ORDERS** that the Companies are authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the “**Definitive Documents**”), as may be reasonably required pursuant to the terms of the Term Sheet, and the Companies are authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Term Sheet and the Definitive Documents as and when the same become due and are to be performed in accordance with their terms, subject to paragraph 21 of this order but notwithstanding any other provision of this order.

10. **THIS COURT ORDERS** that the DIP Lender is granted a charge (the “**DIP Lender’s Charge**”) on the Companies’ interest in and to the real estate properties municipally known as 5274 Wellington Road 27, Rockwood, Ontario (the “**Wellington Property**”) and 183 Catherine Street, Rockwood, Ontario (the “**Catherine Property**”,

and, together with the Wellington Property, the “**Properties**”). The DIP Lender’s Charge shall not secure an obligation that begun to exist before this order is made. The DIP Lender’s Charge shall have the priority set out in paragraph 13 hereof.

11. **THIS COURT ORDERS** that, notwithstanding any other provision of this order:

- a. the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender’s Charge or any of the Definitive Documents, and
- b. the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee-in-bankruptcy, interim receiver, receiver or receiver and/or manager of the Companies or any of them or the Properties.

12. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Companies or any of them under the *Companies’ Creditors Arrangement Act* (Canada), or any proposal filed by the Companies or any of them under the BIA, with respect to any advances made under the Term Sheet or the Definitive Documents.

13. **THIS COURT ORDERS** that the DIP Lender’s Charge shall rank in priority to all security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise encumbering either or both of the Properties (each, an “**Encumbrance**”) in favour of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing being each a “**Person**”), save and except

any Encumbrance in favour of RBC and any Encumbrance ranking in priority to RBC's Encumbrance.

14. **THIS COURT ORDERS** that the filing, registration or perfection of the DIP Lender's Charge shall not be required, and that the DIP Lender's Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the DIP Lender's Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

15. **THIS COURT ORDERS** that the Companies or any of them shall not grant any Encumbrance that ranks in priority to, or *pari passu* with the DIP Lender's Charge, save with the prior written consent of the Proposal Trustee and DIP Lender, or further court order.

16. **THIS COURT ORDERS** that the Term Sheet, the Definitive Documents and the DIP Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the DIP Lender thereunder shall not otherwise be limited or impaired in any way by (i) the pendency of these proceedings and the declarations of insolvency made herein, (ii) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications, (iii) the filing of any assignments for the general benefit of creditors made pursuant to the BIA, (iv) the provisions of any federal or provincial statutes, or (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement

(each, an “**Agreement**”) which binds the Companies, and notwithstanding any provision to the contrary in any Agreement:

- a. neither the creation of the DIP Lender’s Charge nor the execution, delivery, perfection, registration or performance of the Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the Companies or any of them of any Agreement to which it is a party,
- b. the DIP Lender shall have no liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Companies or any of them entering into the Term Sheet the creation of the DIP Lender’s Charge, or the execution, delivery or performance of the Definitive Documents, and
- c. the payments made by the Companies or any of them pursuant to this Order, the Term Sheet or the Definitive Documents, and the granting of the DIP Lender’s Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

17. **THIS COURT ORDERS** that the DIP Lender’s Charge, to the extent it would apply over leases of real property in Canada, shall only be a charge in the interest of the Companies (or any of them) in such real property leases.

ADMINISTRATION CHARGE

18. **THIS COURT ORDERS** that (i) counsel for the Companies, (ii) the Proposal Trustee, and (iii) counsel to the Proposal Trustee be and hereby are granted a charge (the “**Administration Charge**”) on the Companies’ interest in the Properties in connection with any unpaid fees and disbursements up to a maximum amount of \$100,000.

19. **THIS COURT ORDERS** that the Administration Charge shall rank in priority to all Encumbrances in favour of any Person save and except (i) any Encumbrance in favour of RBC and any Encumbrance ranking in priority to RBC’s Encumbrance, and (ii) the DIP Lender’s Charge.

SALE OF REDUNDANT EQUIPMENT

20. **THIS COURT ORDERS** that the Companies be and hereby are authorized to sell the equipment marked in Confidential Exhibit “3” to the Drexler April Affidavit (the “**Redundant Equipment**”) and such further equipment as RBC may agree in writing may be sold, provided that the sale price for each such piece of equipment is no less than the appraised amount for that piece of equipment as set out in Confidential Exhibit “2” to the Drexler April Affidavit, or if not appraised then in an amount that RBC and any other secured creditor with an interest in the equipment may approve, by:

- a. retaining Canam-Appraiz Inc. (“**Canam**”) to sell one or more pieces of the Redundant Equipment, or
- b. by private sale of one or more pieces of the Redundant Equipment.

21. **THIS COURT ORDERS** that with respect to the proceeds of any sale of Redundant Equipment:

- a. if the item sold is subject only to the secured claim of RBC as the first-ranking secured creditor generally, for which the Proposal Trustee has already obtained an independent legal opinion confirming its validity and enforceability, then the proceeds of sale less Canam's costs of disposition as approved by RBC for that item shall be paid to RBC immediately and without further court order in repayment of the Companies' obligations to RBC, up to the amount of the same.
- b. if the item sold is subject to two or more possible secured claims as determined by the Proposal Trustee, then (i) the Proposal Trustee shall obtain an independent legal opinion on the validity, enforceability, and rank of each claim and communicate such opinion to each secured claimant, and (ii) if the affected secured creditors agree on the opinion obtained by the Proposal Trustee, the proceeds of sale less Canam's costs of disposition as approved by the affected secured creditors for that item shall be immediately paid in accordance with that opinion and without further court order in repayment of the Companies' obligations to the applicable secured creditor(s) up to the amount of the same, but if there is no such agreement, then the Companies or the Proposal Trustee shall make a motion to the court for advice and direction on the payment of the net proceeds.

APPROVAL OF PROPOSAL TRUSTEE'S FEES AND ACTIVITIES

22. **THIS COURT ORDERS** that the First Report and the Supplementary Report and the activities described therein be and are hereby approved, provided, however, that only the Proposal Trustee in its personal capacity, and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

SEALING

23. **THIS COURT ORDERS** that Confidential Exhibits "1", "2" and "3" to the Drexler April Affidavit be and hereby are sealed pending the earlier of a court order approving a proposal to creditors in respect of all of the Companies under the BIA, or further court order.

MISCELLANEOUS

24. **THIS COURT ORDERS** that the Companies pay the reasonable accounts, fees and disbursements of the Proposal Trustee, counsel to Proposal Trustee and counsel to the Companies, in each case at their standard rates and charges and as they become due, as part of the costs of these proceedings and post-filing obligations. Counsel to the Companies is authorized to immediately apply such payments in satisfaction of their reasonable accounts, fees and disbursements. In the case of the Proposal Trustee and counsel to the Proposal Trustee, such payments shall constitute advances applicable on account of such reasonable accounts, fees and disbursements as may be approved by this court or through taxation under the BIA.

25. **THIS COURT REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this order and to assist the Companies, the Proposal Trustee and their respective agents in carrying out the terms of this order. All courts, tribunals, regulatory and administrative bodies are respectfully requested to make such orders and to provide such assistance to the Companies and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Companies and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

Kelly A. Gowen

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF DREXLER CONSTRUCTION LIMITED, A
CORPORATION INCORPORATED UNDER THE ONTARIO
BUSINESS CORPORATIONS ACT**

**ONTARIO
SUPERIOR COURT OF JUSTICE
Proceeding commenced in LONDON**

**ORDER
(procedural consolidation, extension of time to file a
proposal, debtor-in-possession financing approval
and charge, administration charge, sale of
redundant equipment, approval of activities, sealing)**

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., Folmur
Construction (2004) Ltd., and Down Under Pipe and
Cable Locating Ltd.

ENDORSEMENT BK-21-02721716; BK-21-02721875; BK-21-02721896

DREXLER CONSTRUCTION LTD. V. GELMAN INC; FOLMUR
CONSTRUCTION LTD. V. GELMAN INC; DOWN UNDER PIPE AND
CABLE v. GELMAN INC.

B. Bissell and J. Turgeon for the Debtors

H. Manis for the Trustee

J. Nemers for RBC (credirot)

Matter unopposed. Order to go in terms of draft order (as provided) signed.

April 16, 2021

Kelly A. Gorman

ENDORSEMENT BK-21-02721716; BK-21-02721875; BK-21-02721896

DREXLER CONSTRUCTION LTD. V. GELMAN INC; FOLMUR
CONSTRUCTION LTD. V. GELMAN INC; DOWN UNDER PIPE AND
CABLE v. GELMAN INC.

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April 16, 2021

Kelly A. Gorman

ENDORSEMENT BK-21-02721716; BK-21-02721875; BK-21-02721896

DREXLER CONSTRUCTION LTD. V. GELMAN INC; FOLMUR
CONSTRUCTION LTD. V. GELMAN INC; DOWN UNDER PIPE AND
CABLE v. GELMAN INC.

B. Bissell and J. Turgeon for the Debtors

H. Manis for the Trustee

J. Nemers for RBC (credirot)

Matter unopposed. Order to go in terms of draft order (as provided) signed.

April 16, 2021

Kelly A. Gorman

Estate / Court File Nos: 35-2721716
35-2721875
35-2721896

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

**In the Matter of the Notice of Intention to Make a Proposal of
Drexler Construction Limited of the township of Rockwood
in the Province of Ontario**

**And In the Matter of the Notice of Intention to Make a Proposal of
Folmur Construction (2004) Ltd. of the township of Rockwood
in the Province of Ontario**

**And In the Matter of the Notice of Intention to Make a Proposal of
Down Under Pipe and Cable Locating Ltd. of the township of Rockwood
in the Province of Ontario**

**FIRST REPORT OF ALBERT GELMAN INC.
IN ITS CAPACITY AS PROPOSAL TRUSTEE**

(Dated April 12, 2021)

I. INTRODUCTION

1. This first report ("**First Report**") is filed by Albert Gelman Inc. ("**AGI**") in its capacity as proposal trustee (the "**Proposal Trustee**") in connection with a Notice of Intention to Make a Proposal ("**NOI**") filed by Drexler Construction Limited ("**Drexler**"), Folmur Construction (2004) Ltd. ("**Folmur**") and Down Under Pipe and Cable Locating Ltd. ("**Down Under**"; and together with Drexler and Folmur, the "**Companies**") on March 19, 2021 under Section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"). Attached hereto at **Appendix "A"** are copies of the NOI and Certificates of Appointment issued by the Office of the Superintendent of Bankruptcy for each of the Companies.

2. The Companies are making a motion to the Court, to be heard jointly, returnable April 16, 2021 (the "**April 16 Motion**") seeking various relief. This First Report has been prepared largely in response to and in support of the Companies' April 16 Motion.

3. On its April 16 Motion, the Companies are seeking, amongst other things, an Order:

- a. administratively consolidating the Companies' proposal proceedings under one title of proceeding;

- b. extending the time for each of the Companies to file a proposal to June 1, 2021 (the “**Stay Extension**”);
- c. approving the DIP Facility and DIP Charge (both terms defined below);
- d. granting a priority charge over the Drexler Premises and Vacant Development Land (both terms defined below) in the amount of \$100,000 to secure the fees and disbursements of counsel to the Companies, the Proposal Trustee and counsel to the Proposal Trustee (the “**Administrative Charge**”);
- e. authorizing the Companies to sell certain redundant equipment; and
- f. sealing the Real Property Appraisal and M&E Appraisal (both terms defined below) pending the earlier of a court order approving a proposal to creditors in respect of all of the Companies under the BIA, or further Order of the Court.

4. The Companies’ have filed with their April 16 Motion the affidavit of Jerome Drexler sworn April 12, 2021 (the “**Drexler Affidavit**”), in support of the relief being sought. The Proposal Trustee has reviewed the Drexler Affidavit and has no reason to doubt or otherwise challenge the facts attested to therein.

5. For the reasons explained herein, the Proposal Trustee supports the relief sought by the Companies at their April 16 Motion.

II. PURPOSE OF THIS REPORT

6. The purpose of this First Report is to:

- a. provide the Court with relevant information pertaining to the Companies which is not otherwise described in the Drexler Affidavit;
- b. provide information to the Court regarding the actions and activities of both the Proposal Trustee and the Companies subsequent to the filing of the NOI’s;
- c. provide the Court with the Proposal Trustee’s recommendations in respect of the relief sought by the Companies.

III. SCOPE AND TERMS OF REFERENCE

7. In preparing this First Report, the Proposal Trustee has relied upon certain unaudited financial information, the Companies’ books and records, discussions with Mr. Anthony Alfred Drexler, a shareholder, officer and director of each of the Companies, discussions with Mr. Peter Farmer, the Companies internal accountant, discussions with representatives RLB LLP, the Companies’ external accountant and discussions with the Companies’ legal counsel, Goldman Sloan Nash Haber LLP.

8. While the Proposal Trustee has reviewed various documents provided by Mr. Anthony Alfred Drexler, Mr. Farmer and others, such review does not constitute an audit or verification of such information for

accuracy, completeness or compliance with Generally Accepted Accounting Principles (“**GAAP**”) or International Financial Reporting Standards (“**IFRS**”) or otherwise. Accordingly, the Proposal Trustee expresses no opinion or other form of assurance pursuant to GAAP or IFRS or otherwise with respect to such information except as expressly stated herein.

9. This First Report has been prepared for the use of this Court and the Companies’ stakeholders as general information relating to the Companies and to assist the Court in making a determination of whether to approve the relief sought. Accordingly, the reader is cautioned that this First Report may not be appropriate for any other purpose. The Proposal Trustee will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this First Report contrary to the provisions of this paragraph.

10. Unless otherwise noted, all monetary amounts referenced are in Canadian dollars.

IV. BACKGROUND INFORMATION

Reason for NOI Filing

11. RBC is the senior secured lender to Drexler. RBC had provided Drexler with a revolving credit facility which had an outstanding balance of approximately \$2.1 million as at March 8, 2021. Both Fomlur and Down Under guaranteed the RBC debt and provided RBC with, among other things, a general security agreement, as security for the guarantee. RBC declared Drexler in default on its loan obligation to RBC in or around March 8, 2021. As a result of the default RBC issued its Notice of Intention to Enforce a Security (the “**NITES**”) in accordance with section 244 of the BIA to Drexler, which are attached as Exhibit’s “D” and “E” to the Drexler Affidavit. The 10-day period set out in the NITES was set to expire on March 18, 2021. In order to stay RBC from enforcement action each of the Companies filed a NOI on March 18, 2021.

12. Further background information with respect to each of the Companies is set out below.

Drexler Construction Limited

13. According to a corporate profile search obtained by the Proposal Trustee on March 17, 2021, Martin Drexler, Kevin Drexler, Jerome Drexler and Anthony Alfred Drexler are each directors of Drexler. Jerome Drexler and Anthony Alfred Drexler are officers of Drexler. Attached hereto as **Appendix “B”** is a copy of the corporate profile search.

14. Drexler is involved in construction and, specifically, excavation, sewer/water works, concrete works and utility installation projects throughout southwestern Ontario. Its clients principally include, among others, residential and commercial builders as well as municipalities. Drexler employs between 50 and 110 employees depending on the season, with more employees employed during the spring, summer and fall months and less so in the winter months. Drexler’s employees are not unionized. Drexler’s head office and yard is located at 5274 Wellington County Rd 27, Rockwood, Ontario (the “**Drexler Premise**”), a property

which is owned by Drexler. Drexler's gross revenues during its fiscal years ended March 31, 2019 and 2020 were approximately \$27 million and \$20 million, respectively.

15. Further background information about Drexler is contained in the Drexler Affidavit. The Drexler Affidavit also includes details about the causes of the Drexler's financial difficulties.

16. The material assets of Drexler consist of the following:

- a. its accounts receivable, including holdbacks receivable, in the aggregate amount of \$2,826,440 as at March 31, 2021;
- b. inventory with a book value of \$806,416 as at March 31, 2021. The inventory consists of residual building materials on hand from the prior construction season which Drexler intends to use on its projects for this coming construction season;
- c. machinery and equipment with a book value, net of accumulated amortization, of \$1,936,220 as at March 31, 2021 (the "**Drexler M&E**"). The Drexler M&E consists of backhoes, blades, loaders, excavators, rollers, graders/tractors, mawlers and other heavy construction equipment;
- d. vehicles with a book value, net of accumulated amortization, of \$650,800 as at March 31, 2021. The vehicles consist of dump trucks, pickup trucks, vans, trailers and other vehicles used by management;
- e. the real property as follow:
 - i. commercial / industrial real property municipally known as 5274 Wellington County Rd 27, Rockwood, Ontario (PIN: 71180-0203 (LT)) (defined above as the "Drexler Premises");
 - ii. vacant development land located at 183 Catherine Street, Rockwood, Ontario (PIN: 71180-0052(LT)) (the "**Vacant Development Land**"); and,
 - iii. residential duplex municipally known as 5278 Wellington County Road 27, Rockwood, Ontario (PIN: 71180-0204 (LT)) (the "**Duplex Property**").

(collectively, the "**Real Property**")
- f. loans due from related companies as follows:
 - i. 970743 Ontario Inc. in the amount of \$117,188;
 - ii. IAD Investments Inc. in the amount of \$316,906;
 - iii. Drexcon III LTD in the amount of \$97,052; and,

- iv. Milldrex Investments Inc. in the amount of \$5,333.

Management has advised the Proposal Trustee that each of the above inter-company loans are collectible.

17. In addition to the above noted assets Drexler's intangible assets include its customer lists, contracts and overall goodwill.

18. The Proposal Trustee engaged TL Smith Appraisals (the "**TL Smith**"), a licensed commercial real estate appraiser, to conduct an appraisal of the Real Property which has an effective dated of March 24, 2021 (the "**Real Property Appraisal**"). For the reasons set out below the Companies are requesting that the Real Property Appraisal be sealed by the Court. The Real Property Appraisal is attached to the Drexler Affidavit as Confidential Exhibit "1".

19. RBC obtained a liquidation appraisal of the Drexler M&E and Folmur M&E (defined below) from Canam-Appraiz Inc. ("**Canam**") with an effective date of March 25, 2021 (the "**M&E Appraisal**"). The M&E Appraisal is attached to the Drexler Affidavit as Confidential Exhibit "2". The Proposal Trustee has not obtained its own appraisal of the machinery and equipment as the Proposal Trustee is comfortable with method used by Canam and, therefore, obtaining a second appraisal would only result in additional unnecessary costs to the Companies. The Proposal Trustee asks that the M&E Appraisal also be sealed for substantially the same reasons as the Real Property Appraisal.

20. In order to reduce its debt load, the Companies will be marketing for sale several pieces of redundant machinery and equipment and are requesting approval to sell several specific pieces of equipment. The Companies plan to either retain Canam to sell such equipment, or to seek to sell pieces of equipment by private sale so long as the sale price is equal to or better than the value contained in the M&E Appraisal. The Proposal Trustee supports the retainer of Canam, as it is a reputable liquidation company. The Proposal Trustee similarly supports approval of private sales of equipment at prices identified by Canam in the M&E Appraisal, as those would represent appropriate value.

21. The Companies propose to use any proceeds of sale to reduce the amounts owing to RBC. The Proposal Trustee supports this approach as one that furthers the substantive restructuring rather than selling capital assets to fund operational needs.

Folmur Construction (2004) Ltd.

22. According to a corporate profile search obtained by the Proposal Trustee on March 18, 2021, Martin Drexler, Kevin Drexler, Jerome Drexler and Anthony Drexler are each directors of Folmur. Kevin Drexler and Anthony Alfred Drexler are officers of Folmur. Attached hereto as **Appendix "C"** is a copy of the corporate profile search.

23. Folmur is principally involved in the construction sector installing electrical works for new residential and commercial construction developments throughout southwestern Ontario. Folmur employs

approximately 25 employees. Folmur's employees are not unionized. Folmur's head office and yard is located at 7000 Wellington Rd 124, Guelph, Ontario (the "**Folmur Premise**"), which it leases from an unrelated party pursuant to a commercial lease agreement dated April 1, 2019. Folmur's gross revenues during its fiscal years ended March 31, 2019 and 2020 were approximately \$6 million in both years.

24. Further background information about Folmur is contained in the Drexler Affidavit. The Drexler Affidavit also includes details about the causes of the Folmur's financial difficulties.

25. The material assets of Folmur consist of the following:

- a. its accounts receivable, including holdbacks receivable, in the aggregate amount of \$1,523,947 as at March 31, 2021;
- b. inventory with a book value of \$222,793 as at March 31, 2021. The inventory consists of construction materials to be used on current jobs for this years construction season;
- c. machinery and equipment with a book value, net of accumulated amortization, of \$373,367 as a March 31, 2021 (the "**Folmur M&E**"). The machinery and equipment consists of excavators, backhoes and other miscellaneous construction equipment;
- d. vehicles with a book value, net of accumulated amortization, of \$180,707 as a March 31, 2021. The vehicles consist of pickup trucks and trailers;
- e. loan receivable due from Drexler in the amount of approximately \$3.8 million;

26. In addition to the above noted assets Folmur's intangible assets include its customer lists, contracts and overall goodwill.

Down Under Pipe and Cable Locating Ltd.

27. According to a corporate profile search obtained by the Proposal Trustee on March 18, 2021, Martin Drexler, Kevin Drexler, Jerome Drexler and Anthony Alfred Drexler are each directors of Down Under. Jerome Drexler and Anthony Alfred Drexler are officers of Down Under. Attached hereto as **Appendix "D"** is a copy of the corporate profile search.

28. Down Under is involved in the construction sector as a locator of gas lines, electrical lines and water lines. Its principal clients are the town of Orangeville and the township of Mapleton. Down Under employees 2 employees who are both not unionized. Down Under's head office and yard is located at the Duplex Property. Down Under's gross revenues during its fiscal years ended March 31, 2019 and 2020 were approximately \$400,000 in both years.

29. Further background information about Down Under is contained in the Drexler Affidavit.

30. The material assets of Down Under consist of the following:

- a. its accounts receivable in the aggregate amount of \$22,516 as at March 31, 2021; and

- b. machinery and equipment with a book value, net of accumulated amortization, of \$81,848 as a March 31, 2021. The machinery and equipment consists of locating equipment.

V. SECURED CREDITORS

Drexler Construction Limited

31. Pursuant to a PPSA search conducted by the Proposal Trustee on March 17, 2021 (with a file currency date of March 16, 2021), the following creditors have registered financing statements against Drexler:

Registration Date	Creditor	Collateral Classification
June 10, 2014	Royal Bank of Canada	Inventory, Equipment, Accounts, Other
May 1, 2017	Bank of Montreal	Equipment, Motor Vehicle
October 16, 2017	John Deere Financial Inc.	Equipment, Other, Motor Vehicle
December 7, 2017	The Bank of Nova Scotia	Equipment, Other, Motor Vehicle
June 5, 2018	John Deere Financial Inc.	Equipment, Other, Motor Vehicle
June 19, 2018	Wells Fargo Equipment Finance Company	Equipment, Motor Vehicle
October 22, 2018	John Deere Financial Inc.	Equipment, Other, Motor Vehicle
January 16, 2020	The Bank of Nova Scotia	Equipment, Other, Motor Vehicle
July 6, 2020	TD Auto Finance (Canada) Inc.	Equipment, Other, Motor Vehicle
July 10, 2020	TD Auto Finance (Canada) Inc.	Equipment, Other, Motor Vehicle
August 14, 2020	Canadian Equipment Finance & Leasing Inc.	Equipment, Motor Vehicle
September 30, 2020	John Deere Financial Inc.	Equipment, Other, Motor Vehicle
May 18, 1984	Royal Bank of Canada	Inventory, Equipment, Book Debts, Other, Motor Vehicle

32. A copy of the PPSA search is attached as Exhibit “J” to the Drexler Affidavit.

Royal Bank of Canada

33. As was noted above, Drexler’s senior secured creditor is RBC who provided Drexler with a term loan, a revolving line of credit and credit card facilities. The Proposal Trustee has been advised by RBC that amount owing to RBC in respect of the revolving line of credit was approximately \$2.1 million as of March 8, 2021 plus accruing interest (the “**RBC Debt**”). Drexler provided a general security agreement in favour of RBC as security for the RBC Debt. Both Folmur and Down Under guaranteed the RBC Debt and, as security for the guarantee, provided general security agreements in favour of RBC.

34. The Proposal Trustee’s has engaged Macdonald Sager Manis LLP (“**MSM**”) to provide an independent legal opinion in respect of the validity and enforceability of RBC’s security in respect of Drexler, Folmur and Down Under (the “**RBC Security Opinion**”). Subject to the standard assumptions and qualifications contained in the opinion, MSM is of the opinion that RBC’s security is valid and enforceable in accordance with its terms against the personal property of Drexler, Folmur and Down Under in Ontario. A copy of the RBC Security Opinion is attached hereto as **Appendix “E”**. RBC’s security is registered first-in-time against each of the Companies.

Other Secured Creditors

35. As set out in the chart above, there are several creditors, other than RBC, who have registered financing statements. These registrations relate to either a specific vehicle or specific piece of equipment and, if it was determined that each of the financing statements were registered and perfected properly, they likely represent purchase-money security interests (“PMSI”) in the specifically identified assets. However, at this time, the Proposal Trustee has not engaged MSM to review each of these registrations to confirm whether a valid PMSI was registered.

Folmur Construction (2004) Ltd.

36. Pursuant to a PPSA search conducted by the Proposal Trustee on April 1, 2021 (with a file currency date of March 31, 2021), the following creditors have registered financing statements against Folmur:

Registration Date	Creditor	Collateral Classification
October 30, 2006	Royal Bank of Canada	Inventory, Equipment, Accounts, Other, Motor Vehicle
May 12, 2016	Royal Bank of Canada	Consumer goods, Other, Motor Vehicle
November 9, 2016	Xerox Canada Ltd.	Equipment, Other
November 15, 2017	Royal Bank of Canada	Consumer goods, Other, Motor Vehicle
December 20, 2017	GM Financial Canada Leasing Ltd.	Consumer goods, Equipment, Other, Motor Vehicle
March 13, 2018	John Deere Financial Inc.	Equipment, Other, Motor Vehicle
October 30, 2018	John Deere Financial Inc.	Equipment, Other, Motor Vehicle
June 3, 2019	John Deere Financial Inc.	Equipment, Other, Motor Vehicle
October 14, 2020	The Bank of Nova Scotia	Equipment, Other, Motor Vehicle
October 27, 2020	Royal Bank of Canada	Consumer goods, Other, Motor Vehicle
November 19, 2020	The Bank of Nova Scotia	Equipment, Other, Motor Vehicle
March 12, 2021	John Deere Financial Inc.	Equipment, Other, Motor Vehicle

37. A copy of the PPSA search is attached as Exhibit “K” to the Drexler Affidavit.

Royal Bank of Canada

38. As noted above, Folmur guaranteed the RBC Debt of Drexler and, as security for the guarantee, provided a general security agreement in favour of RBC. According to the RBC Security Opinion, RBC’s security is valid and enforceable in accordance with its terms against the personal property of Folmur.

Other Secured Creditors

39. As set out in the chart above, there are several creditors, other than RBC, who have registered financing statements. These registrations relate to either a specific vehicle or specific piece of equipment and, if it was determined that each of the financing statements were registered and perfected properly, they likely represent a PMSI in the specifically identified assets. However, at this time, the Proposal Trustee has not engaged MSM to review each of these registrations to confirm whether a valid PMSI was registered.

Down Under Pipe and Cable Locating Ltd.

40. Pursuant to a PPSA search conducted by the Proposal Trustee on March 17, 2021 (with a file currency date of March 16, 2021), the following creditors have registered financing statements against Folmur:

Registration Date	Creditor	Collateral Classification
October 30, 2006	Royal Bank of Canada	Inventory, Equipment, Accounts, Other, Motor Vehicle

41. A copy of the PPSA search is attached as Exhibit “L” to the Drexler Affidavit.

Royal Bank of Canada

42. As noted above, Down Under guaranteed the RBC Debt of Drexler and, as security for the guarantee, provided a general security agreement in favour of RBC. According to the RBC Security Opinion, RBC’s security is valid and enforceable in accordance with its terms against the personal property of Down Under.

VI. UNSECURED CREDITORS

Drexler Construction Limited

43. Drexler listed approximately \$1 million of arm’s length unsecured claims in its NOI. The material non-arm’s length unsecured creditors include Folmur for approximately \$3.7 million in respect of an inter-company loan and 2602763 Ontario Limited (“**260Co**”), a company owned and operated by Peter Drexler, for approximately \$100,000. Peter Drexler is a former officer and director of Drexler who has since retired.

44. Based on the Proposal Trustee’s review of Drexler’s book and records, Drexler is indebted to the CRA as follows:

- a. arrears HST in the amount of \$133,567 for reporting periods up to February 28, 2021. The March 2021 HST return is not due to be filed until the end of April 2021; and,
- b. the Proposal Trustee is reviewing the books and records provided by Drexler with respect to unpaid source deduction and will report to the Court and/or creditors at a later date with respect to the amounts owing;

Folmur Construction (2004) Ltd.

45. Folmur listed approximately \$400,000 of arm’s length unsecured claims in its NOI. The only material non-arm’s length unsecured creditor is 260Co for approximately \$335,000

46. The Proposal Trustee is reviewing the books and records of Fulmor and will report to the Court and/or creditors at a later date with respect to the amounts owing in respect of HST and unpaid source deductions.

Down Under Pipe and Cable Locating Ltd.

47. Down Under listed only one unsecured creditor in its NOI being 260Co for approximately \$47,000.

48. The Proposal Trustee is reviewing the books and records of Down Under and will report to the Court and/or creditors at a later date with respect to the amounts owing in respect of HST and unpaid source deductions.

49. As of the date of this First Report, the Trustee has not received a proof of claim from the CRA in respect of amounts owing by the Companies to the CRA.

VII. ACTIVITIES OF THE COMPANIES

50. Since the date of the filing of the NOI, the Companies have undertaken, among other things, the following activities:

- a. advised various stakeholders, including management, relevant employees, and important suppliers of these restructuring proceedings;
- b. negotiated with Corwin Mortgage Capital Inc. ("**CMCI**") to obtain debtor-in-possession financing (defined below as the "DIP Facility") during these restructuring proceedings to cover the anticipated short-term shortfall of working capital as set out in its Cash Flow Forecasts (defined below);
- c. continue to canvas the market to obtain longer term financing to payout the RBC;
- d. begun the process to market certain specific reductant pieces of machinery and equipment, the proceeds of which will be used to paydown the RBC Debt;
- e. had informal discussions with various secured and unsecured creditors in respect of the restructuring proceedings;
- f. attended meetings with the Proposal Trustee to discuss its objectives and options in respect of these restructuring proceedings;
- g. prepared its Cash Flow Forecasts (defined below) with the assistance of the Proposal Trustee; and
- h. provided the Proposal Trustee, on an ongoing basis, with financial and other information in order to allow the Proposal Trustee to monitor its cash receipts and disbursements.

51. The Companies are requesting an extension of time to file their proposals so that they may, among other things, continue to canvas the market to find additional longer-term financing in order to payout in full the RBC Debt and the claims of unsecured creditors in the Proposal. As further discussed below, the Proposal Trustee supports the Companies' request for the Stay Extension.

VIII. ACTIVITIES OF THE PROPOSAL TRUSTEE

52. Since the date of the filing of the NOI the Proposal Trustee has undertaken, among other things, the following activities:

- a. on March 23, 2021, the Proposal Trustee mailed to every known creditor a copy of the NOI as required under subsection 50.4(6) of the BIA. A copy of the affidavits of mailing are collectively attached hereto as **Appendix "F"**;

- b. assisted the Companies in their efforts to obtain the DIP Facility;
- c. assisted the Companies in their efforts to obtain longer-term financing by contacting several commercial brokers with an expertise in industrial, commercial and residential development land;
- d. corresponded with RBC's legal counsel;
- e. engaged MSM as its independent legal counsel;
- f. engaged MSM to provide an independent legal opinion with respect to the validity and enforceability of the security of RBC over the Companies;
- g. engaged TL Smith, to prepare the Real Property Appraisal. The Proposal Trustee has provided a copy of the Real Property Appraisal to RBC on a confidential basis as discussed in more details below;
- h. assisted the Companies with the preparation of the Cash Flow Forecast (defined below);
- i. implemented procedures with the Companies' management and employees in order to allow the Proposal Trustee to consistently monitor the receipts and disbursements of the Companies and compare same to the Cash Flow Forecast for variances;
- j. communicated extensively with management of the Companies, the Companies' internal accountant and the Companies' legal counsel to discuss, among other things, the following;
 - i. the business, financial affairs and future prospects of the Companies;
 - ii. the options available to the Companies in relation to the NOI proceedings; and,
 - iii. the DIP Facility.
- k. communicated with several creditors and other stakeholders who contacted the Proposal Trustee directly regarding the status of these restructuring proceedings; and,
- l. established a Case Webpage to post the Court materials related to these restructuring proceedings, located at www.albertgelman.com/corporate-solutions/other-engagements/#d.

IX. CASH FLOW FORECASTS

53. On March 26, 2021 the Companies each filed with the Proposal Trustee a statement of projected cash flows prepared on a weekly basis for the period of March 21 to July 3, 2021 ("**Cash Flow Forecasts**"), along with management's report on the reasonableness of the Cash Flow Forecast, in accordance with subsection 50.4(2) of the BIA. Attached hereto as **Appendix "G"** are copies of the Cash Flow Forecast along with management's and the Proposal Trustee's report thereon.

54. Drexler and Folmur are utilizing the DIP Facility (defined below) in or to fund their short-term working capital requirements. In the seasonal construction industry in Canada it is common for companies involved

in large construction projects to require financing/funding in the spring in order to fund the material and labour costs required to complete these projects throughout the warmer months. The receivables related to these projects would usually not be collected until the later part of the construction season.

55. In the Proposal Trustee's opinion, the Cash Flow Forecasts demonstrate that the Companies can, subject to obtaining the DIP Facility, continue to operate during the forecast period without material prejudice to any of the Companies' creditors. The accuracy of the Cash Flow Forecasts are subject to the assumptions contained within the forecast and set out in the forecast notes.

X. SEALING ORDER

56. The Companies are requesting that the Court grant an order sealing the Real Property Appraisal and the M&E Appraisal on a confidential basis until such time as the proposal proceedings are concluded.

57. In the Proposal Trustee's opinion these appraisals contain sensitive commercial information about the value of the Real Property and the Companies' equipment, the release of which could negatively affect a potential sale process, which may or may not become necessary prior to each of the Companies filing a Proposal.

XI. DEBTOR-IN-POSSESSION FINANCING

58. In order to fund the immediate working capital requirements of the Companies during these restructuring proceedings the Companies require additional funding. Pursuant to the Drexler Affidavit, CMCI has proposed to provide the Companies with a debtor-in-possession facility (the "**DIP Facility**"). The proposed DIP Facility is conditional on this Honourable Court permitting Drexler to register a mortgage on title to both the Drexler Premises and Vacant Development Land in favour of CMCI as described in further detail below (the "**DIP Charge**").

59. The terms of the proposed DIP Facility are set out in a mortgage financing commitment letter dated April 6, 2021 which is attached as Exhibit "N" to the Drexler Affidavit. The material terms of the proposed DIP Facility are outlined below:

- a. permits the Debtor to borrow the aggregate sum of up to a maximum of \$1.5 million in tranches of \$250,000 each;
- b. shall bear interest at a rate of 6.99% percent per annum compounded annually;
- c. includes a lending fee of \$15,000, representing 1% of the maximum available credit;
- d. shall be repayable within one year;
- e. requires that Drexler provide a first place mortgage over the Drexler Premises in favour of CMCI;

- f. requires that Drexler provide a second place mortgage over the Vacant Development Land in favour of CMCI, ranking behind RBC; and,
- g. is subject to the Court approving the DIP Facility and DIP Charge.

60. In the Trustee's opinion, the proposed terms of the DIP Facility are reasonable and appropriate in the circumstances.

61. It is proposed under the DIP Facility that monies are to be advanced to Drexler. The monies required by Folmur to fund their working capital shortfall will be transferred from Drexler to Folmur as a repayment of the intercompany loan owing by Drexler to Folmur. Although this contemplates the repayment of an unsecured debt ranking behind RBC, this transfer does not affect the ability of Drexler, on a liquidation basis, to repay all of its secured and unsecured creditors in full given the appraised value of the Real Property, the appraised value of the machinery and equipment and the current value of Drexler's accounts receivable. As a result, it appears that this will not prejudice any creditor of Drexler.

62. The Proposal Trustee has, in particular, considered the quantum of the DIP Facility. The size of the Companies' revenue, depending on the year, is in the order of magnitude of \$22 to \$33 million per year, which suggests that a possible loan of \$1.5 million is appropriate for that level of activity. The nature of the construction business also supports a loan, because typically there are up-front costs to starting a project, which yields revenue as the project is completed but thereby creates a cash flow deficiency in the interim. Finally, while the Companies and the Proposal Trustee have attempted to project the timing of receipts and expenditures, even a slight variation of later receipts or earlier expenditures, or perhaps even unanticipated expenditures through a new contract that is awarded, may result in the need for working capital through borrowing.

63. The Proposal Trustee has participated in discussions between the Companies and RBC regarding the amounts of borrowing that may be appropriate during the first extension period to June 1, 2021 and understands that a consensual arrangement has been reached in which the Companies will be authorized to borrow \$750,000, will have access to a further \$250,000 with the written consent of the Proposal Trustee in consultation with RBC, and may have access to further amounts above \$1 million on either written consent of RBC or further order of the Court. The Proposal Trustee supports this arrangement as one that will allow the Companies with an amount of possible borrowing that will meet anticipated and possibly unanticipated borrowing needs during the first extension period. The Proposal Trustee in particular notes that the greatest period of borrowing is projected to be in early June, which is after the first extension period, but which could accelerate under a variety of scenarios that would not be material changes in the Companies' financial position.

64. Based on the Proposal Trustee's review of Drexler's assets, as well as its secured and unsecured liabilities, the granting of the DIP Charge in support of the DIP Facility will not affect:

- a. the security position of RBC; or,

b. the ability for unsecured creditors to receive a distribution of their respective claims in full; in the event that Drexler's restructuring proceedings are unsuccessful.

65. The Companies are requesting that this Court make an Order that the DIP Charge, in the form of two mortgages registered on title to the Drexler Property and Vacant Development Land, shall be in priority to the secured claims of all secured creditors of the Companies with respect to these two real properties but subordinated only to the security of RBC or priority payables ranking ahead of it in respect of the Vacant Development Land.

XII. ADMINISTRATIVE CHARGE

66. The Companies are seeking an Order of the Court charging the Drexler Property and Vacant Development Land, jointly and severally, in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise, but subordinate to the interests of RBC and the DIP Lender, pursuant to section 64.2(1) of the BIA in an amount not to exceed \$100,000 to secure the fees and disbursements of the Proposal Trustee, the Proposal Trustee's legal counsel and legal counsel for the Companies (defined above as the Administrative Charge). It is anticipated that the Companies will remit payment to these professionals on a current basis, such that the Administration Charge is only intended to provide a fall-back in the event of any significant difficulty, or to allow for some deferral of fees if funds are not available without putting the restructuring professionals at risk.

67. Administrative charges are common in proceedings such as this and are necessary to secure the fees and disbursements of the professionals involved to enable companies to successfully complete restructuring proceedings.

68. The Proposal Trustee recommends that the Court grant an order approving the Administrative Charge being sought by the Companies.

XIII. REQUEST FOR EXTENSION

69. The Companies are seeking the Stay Extension pursuant to subsection 50.4(9) of the BIA.

70. The Proposal Trustee supports the Stay Extension as it is of the opinion that:

- a. the Companies have acted, and are acting, in good faith and with due diligence;
- b. the Companies would likely be able to make a viable Proposal if the extension being applied for were granted; and,
- c. no creditor would be materially prejudiced if the extension being applied for were granted.

71. The Proposal Trustee is also of the opinion that a Proposal developed by the Companies would likely result in a more orderly and efficient process to distribute funds to the Companies' secured and unsecured creditors than a shut down of the Companies and forced liquidation of the Companies' assets.

XIV. PROPOSAL TRUSTEE'S RECOMMENDATION

72. For the reasons explained herein, the Proposal Trustee respectfully recommends that this Honourable Court make an Order or Orders approving:

- a. the administrative consolidation of the Companies' proposal proceedings under one title of proceeding;
- b. the Stay Extension;
- c. The DIP Facility and DIP Charge;
- d. the Administrative Charge;
- e. sale by the Companies of redundant equipment;
- f. the actions and activities of the Proposal Trustee as described in this First Report; and,
- g. the sealing of the Real Property Appraisal and M&E Appraisal.

All of which is respectfully submitted this 12th day of April 2021

**ALBERT GELMAN INC., solely in its
capacity as Trustee of re the Notice of
Intention to Make a Proposal of Drexler
Construction Limited, Folmur Construction
(2004) Ltd. and Down Under Pipe and Cable Locating Ltd.
and not its Personal or any other Capacity**

Per:

Bryan Gelman, *CIRP, LIT*

APPENDIX "D"

Estate / Court File Nos: 35-2721716
35-2721875
35-2721896

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

**In the Matter of the Notice of Intention to Make a Proposal of
Drexler Construction Limited of the township of Rockwood
in the Province of Ontario**

**And In the Matter of the Notice of Intention to Make a Proposal of
Folmur Construction (2004) Ltd. of the township of Rockwood
in the Province of Ontario**

**And In the Matter of the Notice of Intention to Make a Proposal of
Down Under Pipe and Cable Locating Ltd. of the township of Rockwood
in the Province of Ontario**

**SUPPLEMENTARY REPORT TO THE FIRST REPORT OF ALBERT GELMAN INC.
IN ITS CAPACITY AS PROPOSAL TRUSTEE**

(Dated April 14, 2021)

I. INTRODUCTION

1. This Supplementary Report ("**Supplementary Report**") to the Proposal Trustee's First Report to Court dated April 12, 2021 ("**First Report**") is filed by Albert Gelman Inc. ("**AGI**") in its capacity as proposal trustee (the "**Proposal Trustee**") in connection with a Notice of Intention to Make a Proposal ("**NOI**") filed by Drexler Construction Limited ("**Drexler**"), Folmur Construction (2004) Ltd. ("**Folmur**") and Down Under Pipe and Cable Locating Ltd. ("**Down Under**"; and together with Drexler and Folmur, the "**Companies**") on March 19, 2021 under Section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**").
2. The Companies are making a motion to the Court, to be heard jointly, returnable April 16, 2021 (the "**April 16 Motion**") seeking various relief.

II. SCOPE AND TERMS OF REFERENCE

3. This Supplementary Report has been prepared for the use of this Court and the Companies' stakeholders as general information relating to the Companies and to assist the Court in making a determination of whether to approve the relief sought. Accordingly, the reader is cautioned that this Supplementary Report may not be appropriate for any other purpose. The Proposal Trustee will not assume

responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Supplementary Report contrary to the provisions of this paragraph.

4. Terms not otherwise defined herein shall have the meanings ascribed to them in the First Report.

III. REVISED TERMS OF DIP FACILITY

5. On April 13, 2021, the Proposal Trustee issued its First Report which included, at paragraph 61, details of the manner by which the DIP Facility would be advanced by CMCI to Drexler, and subsequently to Folmur as a repayment of the inter-company unsecured indebtedness owing by Drexler to Folmur.

6. Following the release of the First Report, counsel to RBC contacted the Proposal Trustee to express its concern that the proposed method of funding of Folmur's working capital requirements, by way of a repayment by Drexler of its unsecured indebtedness to Folmur, was preferential in nature.

7. The Proposal Trustee understood RBC's concern and suggested an amendment to the CMCI mortgage financing commitment letter, for which CMCI would add Folmur as a borrower (along with Drexler) and funds would be advanced directly to Drexler and/or Folmur as necessary. In consideration for its loans to Folmur, CMCI would obtain a guarantee from Drexler collaterally secured by the mortgages against the Drexler Premises and the Vacant Development Land that are contemplated in paragraph 59 (e) and (f) of the First Report.

8. Both Drexler and Folmur have consented to the revised CMCI mortgage financing commitment letter dated April 13, 2021 ("**Revised Commitment Letter**") which is attached hereto as **Appendix "A"**.

9. Counsel for RBC has advised that the Revised Commitment Letter addresses the concern that was raised, and that RBC does not oppose the Revised Commitment Letter.

10. In the Trustee's opinion, the revised terms of the DIP Facility set out in the Revised Commitment Letter are reasonable and appropriate in the circumstances and the Proposal Trustee respectfully recommends that this Honourable Court make an Order approving, amongst other things, the DIP Facility and DIP Charge.

All of which is respectfully submitted this 14th day of April, 2021

**ALBERT GELMAN INC., solely in its
capacity as Trustee of *re* the Notice of
Intention to Make a Proposal of Drexler
Construction Limited, Folmur Construction
(2004) Ltd. and Down Under Pipe and Cable Locating Ltd.
and not its Personal or any other Capacity**

Per:

Bryan Gelman, *CIRP, LIT*

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

Estates No. 35-2721716

May 28 / 21 J. Turgeon - for RBC, mostly party
J. Mervin - for proposal, trustee in
Hi. Marjorie file, in

Upon reviewing with ss. 50.4 and 65.13(2) of
accordance with s. 139 (2) of the CTA, and upon
the B14 and s. 139 (2) of the CTA, and upon
being satisfied that subject co's have
acted in good faith and are likely to
make a viable proposal, and no creditor
is likely to be prejudiced, and in support
by RBC, and supported by proposal
Trustee order of ss in accordance
with draft signed by me.

[Handwritten signature]

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceeding commenced in LONDON

ORDER

(extension of time to file a proposal, vesting on sale,
approval of proposal trustee's fees and activities,
sealing)

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

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

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

Lawyers for D
Construction (20
Cable Locating I

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olmur
e and

Estate No. 35-2721716

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE MR.)	FRIDAY, THE 28 th
JUSTICE <i>M. A. GARSON</i>	)	DAY OF MAY, 2021

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

ORDER

**(extension of time to file a proposal, vesting on sale, approval of proposal
trustee's fees and activities, sealing)**

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

ON READING the affidavit of Jerome Drexler sworn May 22, 2021 (the "**Drexler May Affidavit**") and the second report dated May 25, 2021 (the "**Second Report**") of Albert Gelman Inc. in its capacity as proposal trustee (in such capacity, the "**Proposal Trustee**") to the notice of intention to make a proposal ("**NOI**") proceedings of the Companies, and upon hearing the submissions of counsel for the Companies and the Proposal Trustee as well as those other parties present, as indicated in the counsel slip, no

other parties being present although duly served as appears from the affidavit of service, filed:

NOTICE AND SERVICE

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

EXTENSION OF TIME TO FILE A PROPOSAL

2. **THIS COURT ORDERS** that, pursuant to Section 50.4(9) of the *Bankruptcy and Insolvency Act (Canada)* (the “**BIA**”), the period within which a proposal may be filed on behalf of any or all of the Companies is extended to and including Friday, July 16, 2021.

VESTING ON SALE OF REDUNDANT EQUIPMENT

3. **THIS COURT ORDERS** the following with respect to the sale of Redundant Equipment as defined in this court’s order dated April 16, 2021 (the “**April 16 Order**”) and such further equipment as Royal Bank of Canada (“**RBC**”) may agree in writing, for which the Companies were given authorization to sell by auction in the manner and subject to the terms and conditions provided in the April 16 Order:

- a. upon the delivery to a purchaser (the “**Purchaser**”) of any item, part or whole of the Redundant Equipment or such further equipment as RBC may agree in writing (collectively, “**Purchased Assets**”), of a bill of sale in respect of such Purchased Assets from Canam Appraisz Inc. as auctioneer

(the “**Bill of Sale**”), all the right, title and interest of the Companies (or any of them) in and to the applicable Purchased Assets shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (“**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the April 16 Order, and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (collectively, “**Encumbrances**”), and, for greater certainty, this Court orders that upon such delivery of the Bill of Sale, all of the Encumbrances affecting or relating to the applicable Purchased Assets shall be expunged and discharged as against the applicable Purchased Assets;

- b. for the purposes of determining the nature and priority of Claims affecting or relating to Purchased Assets in respect of which a Bill of Sale has been delivered, the proceeds from the sale of those Purchased Assets (less the costs of disposition authorized by paragraph 21 of the April 16 Order) (collectively, the “**Net Proceeds**”) shall stand in the place and stead of those Purchased Assets, and that from and after the delivery of that Bill of Sale all Claims and Encumbrances with respect to those Purchased Assets shall

attach to the Net Proceeds from the sale of those Purchased Assets with the same priority as they had with respect to those Purchased Assets immediately prior to the sale, as if the said Purchased Assets had not been sold and remained in the possession or control of the Companies (or any of them);

- c. notwithstanding (i) the pendency of these proceedings, (ii) any applications for a bankruptcy order now or hereafter issued pursuant to the BIA in respect of the Companies or any of them and any bankruptcy order issued pursuant to any such applications, and (iii) any assignment in bankruptcy made in respect of the Companies or any of them, the vesting of the applicable Purchased Assets in the applicable Purchaser pursuant to this order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Companies or any of them and shall not be void or voidable by creditors of the Companies or any of them, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation; and
- d. other than as provided herein, the April 16 Order is unchanged and remains in full force and effect in accordance with its terms.

APPROVAL OF PROPOSAL TRUSTEE'S FEES AND ACTIVITIES

4. **THIS COURT ORDERS** that the Second Report and the activities described therein be and are hereby approved, provided, however, that only the Proposal Trustee in its personal capacity, and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

5. **THIS COURT ORDERS** that the professional fees and disbursements of the Proposal Trustee and its independent legal counsel, Macdonald Sager Manis LLP, as set out in the Fee Affidavits (term defined in the Second Report), be and are hereby approved (the "**Approved Fees**").

6. **THIS COURT ORDERS** that the Companies are authorized to pay the Approved Fees from the Companies' available funds (and not, for greater certainty, from any of the Net Proceeds).

SEALING

7. **THIS COURT ORDERS** that Confidential Exhibit "1" to the Drexler May Affidavit be and hereby is sealed pending the earlier of a court order approving a proposal to creditors in respect of all of the Companies under the BIA, or further court order.

MISCELLANEOUS

8. **THIS COURT REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this order and to assist the Companies, the Proposal Trustee and their

respective agents in carrying out the terms of this order. All courts, tribunals, regulatory and administrative bodies are respectfully requested to make such orders and to provide such assistance to the Companies and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Companies and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

A handwritten signature in cursive script, appearing to be "R. L. J.", is written over a horizontal line.

Estate No. 35-2721716



**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE MR.	)	FRIDAY, THE 28 th
JUSTICE	)	DAY OF MAY, 2021
<i>M. A. GARSON</i>)	

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

ORDER

**(extension of time to file a proposal, vesting on sale, approval of proposal
trustee's fees and activities, sealing)**

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

ON READING the affidavit of Jerome Drexler sworn May 22, 2021 (the "**Drexler May Affidavit**") and the second report dated May 25, 2021 (the "**Second Report**") of Albert Gelman Inc. in its capacity as proposal trustee (in such capacity, the "**Proposal Trustee**") to the notice of intention to make a proposal ("**NOI**") proceedings of the Companies, and upon hearing the submissions of counsel for the Companies and the Proposal Trustee as well as those other parties present, as indicated in the counsel slip, no

other parties being present although duly served as appears from the affidavit of service, filed:

NOTICE AND SERVICE

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

EXTENSION OF TIME TO FILE A PROPOSAL

2. **THIS COURT ORDERS** that, pursuant to Section 50.4(9) of the *Bankruptcy and Insolvency Act (Canada)* (the “**BIA**”), the period within which a proposal may be filed on behalf of any or all of the Companies is extended to and including Friday, July 16, 2021.

VESTING ON SALE OF REDUNDANT EQUIPMENT

3. **THIS COURT ORDERS** the following with respect to the sale of Redundant Equipment as defined in this court’s order dated April 16, 2021 (the “**April 16 Order**”) and such further equipment as Royal Bank of Canada (“**RBC**”) may agree in writing, for which the Companies were given authorization to sell by auction in the manner and subject to the terms and conditions provided in the April 16 Order:

- a. upon the delivery to a purchaser (the “**Purchaser**”) of any item, part or whole of the Redundant Equipment or such further equipment as RBC may agree in writing (collectively, “**Purchased Assets**”), of a bill of sale in respect of such Purchased Assets from Canam Appraisz Inc. as auctioneer

- 3 -

(the “**Bill of Sale**”), all the right, title and interest of the Companies (or any of them) in and to the applicable Purchased Assets shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (“**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the April 16 Order, and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (collectively, “**Encumbrances**”), and, for greater certainty, this Court orders that upon such delivery of the Bill of Sale, all of the Encumbrances affecting or relating to the applicable Purchased Assets shall be expunged and discharged as against the applicable Purchased Assets;

- b. for the purposes of determining the nature and priority of Claims affecting or relating to Purchased Assets in respect of which a Bill of Sale has been delivered, the proceeds from the sale of those Purchased Assets (less the costs of disposition authorized by paragraph 21 of the April 16 Order) (collectively, the “**Net Proceeds**”) shall stand in the place and stead of those Purchased Assets, and that from and after the delivery of that Bill of Sale all Claims and Encumbrances with respect to those Purchased Assets shall

- 4 -

attach to the Net Proceeds from the sale of those Purchased Assets with the same priority as they had with respect to those Purchased Assets immediately prior to the sale, as if the said Purchased Assets had not been sold and remained in the possession or control of the Companies (or any of them);

- c. notwithstanding (i) the pendency of these proceedings, (ii) any applications for a bankruptcy order now or hereafter issued pursuant to the BIA in respect of the Companies or any of them and any bankruptcy order issued pursuant to any such applications, and (iii) any assignment in bankruptcy made in respect of the Companies or any of them, the vesting of the applicable Purchased Assets in the applicable Purchaser pursuant to this order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Companies or any of them and shall not be void or voidable by creditors of the Companies or any of them, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation; and
- d. other than as provided herein, the April 16 Order is unchanged and remains in full force and effect in accordance with its terms.

APPROVAL OF PROPOSAL TRUSTEE'S FEES AND ACTIVITIES

4. **THIS COURT ORDERS** that the Second Report and the activities described therein be and are hereby approved, provided, however, that only the Proposal Trustee in its personal capacity, and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

5. **THIS COURT ORDERS** that the professional fees and disbursements of the Proposal Trustee and its independent legal counsel, Macdonald Sager Manis LLP, as set out in the Fee Affidavits (term defined in the Second Report), be and are hereby approved (the "Approved Fees").

6. **THIS COURT ORDERS** that the Companies are authorized to pay the Approved Fees from the Companies' available funds (and not, for greater certainty, from any of the Net Proceeds).

SEALING

7. **THIS COURT ORDERS** that Confidential Exhibit "1" to the Drexler May Affidavit be and hereby is sealed pending the earlier of a court order approving a proposal to creditors in respect of all of the Companies under the BIA, or further court order.

MISCELLANEOUS

8. **THIS COURT REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this order and to assist the Companies, the Proposal Trustee and their

respective agents in carrying out the terms of this order. All courts, tribunals, regulatory and administrative bodies are respectfully requested to make such orders and to provide such assistance to the Companies and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Companies and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

A handwritten signature in cursive script, appearing to be "R. L. J.", is written over a horizontal line.

APPENDIX "F"

Estate / Court File Nos: 35-2721716
35-2721875
35-2721896

**ONTARIO
SUPERIOR COURT OF JUSTICE**

**In the Matter of the Notices of Intention to Make a Proposal Proceedings of
Drexler Construction Limited, Folmur Construction (2004) Ltd. and Down Under Pipe and Cable
Locating Ltd. Corporations Incorporated under the Ontario *Business Corporations Act***

**SECOND REPORT OF ALBERT GELMAN INC.
IN ITS CAPACITY AS PROPOSAL TRUSTEE**

(Dated May 25, 2021)

I. INTRODUCTION

1. This second report ("**Second Report**") is filed by Albert Gelman Inc. ("**AGI**") in its capacity as proposal trustee (the "**Proposal Trustee**") in connection with Notices of Intention to Make a Proposal ("**NOI**") filed by Drexler Construction Limited ("**Drexler**"), Folmur Construction (2004) Ltd. ("**Folmur**") and Down Under Pipe and Cable Locating Ltd. ("**Down Under**"; and together with Drexler and Folmur, the "**Companies**") on March 18, 2021 under Section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"). Attached hereto at **Appendix "A"** are copies of the NOI and Certificates of Appointment issued by the Office of the Superintendent of Bankruptcy for each of the Companies.

2. On April 16, 2021 on a motion made by the Companies the Honourable Justice Gorman granted an order (the "**April 16 Order**") approving, among other things, an administrative consolidation of the Companies proposal proceedings, an extension of the stay of proceedings afforded under the NOI to June 1, 2021 (the "**First Stay Extension**"), the DIP Facility and DIP Charge (both terms defined in the First Report), an administrative charge and the sale of certain Redundant Equipment. A copy of the April 16 Order and related Endorsements are attached hereto as **Appendix "B"**.

3. The Trustee prepared a report in respect of the April 16, 2021 motion dated April 12, 2021 (the "**First Report**"). Attached hereto as **Appendix "C"** is a copy of the First Report, without appendices. The Trustee also prepared a report supplementing its First Report dated April 14, 2021 (the "**Supplementary First Report**"). The purpose of the Supplementary First Report was to provide the Court with information pertaining the revised terms of the DIP Facility vis-à-vis how it was to be advanced to the Companies. Attached hereto as **Appendix "D"** is a copy of the Supplementary First Report, without appendices

4. The Companies are making a motion to the Court returnable May 28, 2021 (the "**May 28 Motion**") seeking various relief. This Second Report has been prepared in response to and in support of the Companies' May 28 Motion.

5. On its May 28 Motion, the Companies are seeking, amongst other things, an Order:
 - a. further extending the time for each of the Companies to file a proposal to July 16, 2021 (the “**Second Stay Extension**”); and,
 - b. sealing the unredacted version of the Auction Agreement (defined below) in respect of the Redundant Equipment;
 - c. augmenting the April 16 Order with respect to the auction sales of the Redundant Equipment to provide for vesting-upon-sale orders; and,
 - d. approving the activities and fees of the Proposal Trustee and its counsel.
6. The Companies’ have filed with their May 28 Motion the affidavit of Jerome Drexler sworn May 22, 2021 (the “**Drexler May Affidavit**”), in support of the relief being sought. The Proposal Trustee has reviewed the Drexler May Affidavit and has no reason to doubt or otherwise challenge the facts attested to therein.
7. For the reasons explained herein, the Proposal Trustee supports the relief sought by the Companies at their May 28 Motion.

II. PURPOSE OF THIS REPORT

8. The purpose of this First Report is to:
 - a. provide the Court with relevant information pertaining to the Companies and the relief being sought which is not otherwise described in the Drexler May Affidavit;
 - b. provide information to the Court regarding the actions and activities of both the Proposal Trustee and the Companies subsequent to the date of the First Report; and,
 - c. provide the Court with the Proposal Trustee’s recommendations in respect of the relief sought by the Companies.

III. SCOPE AND TERMS OF REFERENCE

9. In preparing this Second Report, the Proposal Trustee has relied upon certain unaudited financial information, the Companies’ books and records, discussions with Mr. Anthony Alfred Drexler, a shareholder, officer and director of each of the Companies, discussions with Mr. Peter Farmer, the Companies internal accountant, discussions with representatives RLB LLP, the Companies’ external accountant and discussions with the Companies’ legal counsel, Goldman Sloan Nash Haber LLP.
10. While the Proposal Trustee has reviewed various documents provided by Mr. Anthony Alfred Drexler, Mr. Farmer and others, such review does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles (“**GAAP**”) or International Financial Reporting Standards (“**IFRS**”) or otherwise. Accordingly, the Proposal Trustee

expresses no opinion or other form of assurance pursuant to GAAP or IFRS or otherwise with respect to such information except as expressly stated herein.

11. This Second Report has been prepared for the use of this Court and the Companies' stakeholders as general information relating to the Companies and to assist the Court in making a determination of whether to approve the relief sought. Accordingly, the reader is cautioned that this Second Report may not be appropriate for any other purpose. The Proposal Trustee will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Second Report contrary to the provisions of this paragraph.

12. Unless otherwise noted, all monetary amounts referenced are in Canadian dollars.

13. Terms not otherwise defined herein shall have the meanings ascribed to them in the First Report.

IV. ACTIVITIES OF THE COMPANIES

14. Since the date of the filing of the First Report the Companies have undertaken, among other things, the following activities:

- a. retained GreySuits Advisors Inc. to act as its external Chief Financial Officer and advisor to, among other things, oversee the Companies internal accounting processes, prepare short and long-term cash flow forecasting models, assist the Companies with obtaining long-term financing and provide general financial advice;
- b. closed the transaction with Corwin Mortgage Capital Inc. ("**CMCI**") to obtain debtor-in-possession financing (defined in the First Report as the "DIP Facility"). As of the date of this report the Companies have not made any draws on the DIP Facility;
- c. retained a mortgage broker (the "**Broker**") to assist the Companies in obtaining long-term financing. There is one prospective lender who was excluded (the "**Excluded Lender**") from the list of lenders which the Broker could actively solicit due to the fact that the Companies were previously negotiating with the Excluded Lender prior to filing the NOI's and thus prior to retaining the Broker. As described in more detail below, the Companies and the Proposal Trustee are negotiating directly with the Excluded Lender;
- d. entered into an agreement the Canam Apprais Inc. ("**Canam**") dated May 21, 2021 (the "**Auction Agreement**") to auction the Redundant Equipment which process is described in more detail below;
- e. continue to have informal discussions with various secured and unsecured creditors in respect of the restructuring proceedings;
- f. continue to attend meetings with the Proposal Trustee to discuss the Companies' objectives and options in respect of these restructuring proceedings;

- g. prepared its Revised Cash Flow Forecasts (defined below) with the assistance of the Proposal Trustee; and
- h. provided the Proposal Trustee, on an ongoing basis, with financial and other information in order to allow the Proposal Trustee to monitor its cash receipts and disbursements.

15. The Companies are requesting an extension of time to file their proposals so that they may, among other things, continue to canvass the market to find additional long-term financing options so as to, *inter alia*, repay the RBC Debt, repay the DIP Facility and provide additional working capital to the Companies. As further discussed below, the Proposal Trustee supports the Companies' request for the Second Stay Extension.

V. ACTIVITIES OF THE PROPOSAL TRUSTEE

16. Since the date of the First Report the Proposal Trustee has undertaken, among other things, the following activities:

- a. assisted the Companies with retaining the Broker;
- b. engaged in discussion with the Excluded Lender;
- c. assisted the Companies in retaining GreySuits Advisors Inc. to act as an external CFO and advisor;
- d. corresponded with RBC's legal counsel to provide updated information in respect of these restructuring proceedings and other matters as requested by RBC's legal counsel;
- e. assisted the Companies with the preparation of the Revised Cash Flow Forecasts (defined below);
- f. monitored on a regular basis the Companies' cash receipts and disbursements and compared same to the original weekly cash flow projections prepared by the Companies' for material variances;
- g. continued to communicate extensively with management of the Companies, the Companies' internal accountant and the Companies' legal counsel to discuss, among other things, the following:
 - i. the business, financial affairs and future prospects of the Companies;
 - ii. the options available to the Companies in relation to the NOI proceedings; and,
 - iii. long-term financing options for the Companies';
- h. communicated with several creditors and other stakeholders who contacted the Proposal Trustee directly regarding the status of these restructuring proceedings; and,

- i. maintained a Case Webpage with electronic copies of the Court materials related to these restructuring proceedings, located at www.albertgelman.com/corporate-solutions/other-engagements/#d.

VI. LONG-TERM FINANCING

17. As noted above and in the First Report, the Companies are seeking long-term financing to, among other things, repay the RBC Debt, repay the DIP Facility and provide additional working capital to the Companies. Further, it is the intention of Drexler to use a portion of the long-term to fund the development of the Vacant Development Land, once Drexler obtains site plan approval from the municipality.

18. The Companies, together with the Proposal Trustee, have been in discussions with the Broker who is actively soliciting lenders to obtain the long-term secured financing. The Companies have worked diligently during these restructuring proceedings to prepare and provide the updated financial and other information requested by the Broker which information is necessary to present to potential lenders.

19. As of the date of the Second Report the Companies are continuing to provide the requested financial information to various lender and expect to receive several lending proposals shortly. Further, discussions with the Excluded Lender have continued to progress such that the Proposal Trustee expects to receive a lending proposal shortly from the Excluded Lender. The Proposal Trustee will report further to the Court at a later date in this regard.

VII. SALE OF REDUNDANT ASSETS

20. In accordance with paragraphs 20 and 21 of the April 16 Order Drexler has entered into the Auction Agreement with Canam to sell the Redundant Equipment. The auction is expected to take place within 45 days of the date of the Auction Agreement and the auction proceeds will be distributed to the Companies' legal counsel within 10 business days following the completion of the auction in order to ensure that the funds are distributed in accordance with the terms of the April 16, 2021 Order. In order to ensure that the appraised values of the Redundant Equipment are obtained in the auction Canam has provided a net minimum guarantee to Drexler for the appraised values of the Redundant Equipment, less commission of 15% and expenses of \$25,000 plus HST.

21. Due to the fact that Schedule "A" to the Auction Agreement contains the appraised values of the Redundant Equipment the Companies are requesting that the unredacted version of the Auction Agreement be sealed pending further Order of the Court. A redacted version of the Auction Agreement is included as Exhibit "C" to the Drexler May Affidavit. An unredacted version of the Auction Agreement is attached to the Drexler May Affidavit as Confidential Exhibit "1". It is the Trustee's Opinion that that the unredacted Auction Agreement contains information which is commercially sensitive and should not be made available to the general public until the conclusion of efforts to sell the Redundant Equipment.

22. The Companies are seeking that the April 16 Order be augmented such that it would now include 'vesting-upon-sale' provisions with respect to the sale of the Redundant Equipment sold at auction by Canam. This relief, if granted, would provide that each piece of Redundant Equipment sold would vest free and clear of any and all encumbrances in its respective purchaser upon Canam issuing a bill of sale to that purchaser. Otherwise, the April 16 Order would remain in force in accordance with its terms including without limitation as to the assets that had been approved for sale (i.e., Redundant Equipment and those other assets of which RBC authorizes the sale) and the minimum sale prices (i.e., based on sealed appraisals). In the Proposal Trustee's opinion this relief would allow the auction process to operate in a more efficient manner, would not prejudice any party to these restructuring proceeding, would reduce administrative costs and is commercially reasonable in the circumstances. It is a common mechanism in restructurings or receiverships involving auction-type sales. The Proposal Trustee supports the Companies' request for this relief.

VIII. REVISED CASH FLOW FORECASTS

23. On May 22, 2021 the Companies each filed with the Proposal Trustee a revised statement of projected cash flows prepared on a weekly basis for the period of May 17 to August 29, 2021 ("**Revised Cash Flow Forecasts**"), along with management's report on the reasonableness of the Cash Flow Forecast, in accordance with subsection 50.4(2) of the BIA. Attached hereto as **Appendix "E"** are copies of the Revised Cash Flow Forecasts along with management's and the Proposal Trustee's report thereon. The Proposal Trustee's comments in respect of the Revised Cash Flow Forecasts are as follows:

- a. in the original Cash Flow Forecasts (included with the First Report) it was anticipated that by May 22, 2021 Drexler would be required to utilize approximately \$150,000 of the DIP Facility. As of the date of this Second Report, neither Drexler nor Folmur have utilized the DIP Facility as many of their suppliers continue to supply on credit terms, as opposed to requiring cash on delivery;
- b. as set out in the Revised Cash Flow Forecasts it is anticipated that Drexler will utilize approximately \$500,000 of the DIP Facility by mid to late June 2021. This amount of DIP Facility utilization is below the threshold amount as set out in paragraph 8 of the April 16 Order and, therefore, does not require any additional approvals from either the Proposal Trustee or RBC; and,
- c. the original Cash Flow Forecast for Drexler projected that a receivable of \$759,318 owing from 2670362 Ontario Inc. ("**267Co.**"), a Company owned and operated by Kevin Drexler, would be collected, in full, during the week ended May 8, 2021. As of the date of this Second Report approximately \$111,000 has been collected from 267Co. The Revised Cash Flow Forecast for

Drexler indicates that this receivable will now be collected, in full, during the week ended July 18, 2021. The Proposal Trustee has been advised by Kevin Drexler that 267Co. owns real property and that the receivable relates to Drexler having serviced the land. 267Co intends on developing the land, however, at the current time, 267Co. is waiting for approval from the local municipality before it can begin to sell units. Once 267Co. is able to sell condo units it will have sufficient funds to repay the amount owing to Drexler.

24. In the Proposal Trustee's opinion, the Revised Cash Flow Forecasts demonstrate that the Companies can, with the utilization of the DIP Facility, continue to operate in the ordinary course during the forecast period without material prejudice to any of the Companies' creditors.

IX. CANADA REVENUE AGENCY

25. In its First Report the Proposal Trustee advised that it would provide an update to the Court with respect to amounts owing by each of the Companies to the Canada Revenue Agency ("**CRA**").

Drexler Construction Limited

26. According to a proof of claim which was filed by the CRA with the Proposal Trustee dated March 29, 2021 (the "**CRA Drexler Claim**") the arrears of HST owing by Drexler up to and including the period ended January 31, 2021 was \$213,121. The Trustee estimates that once the CRA processes Drexler's February 2021 and stub-period March 2021 HST returns the pre-NOI HST arrears will decrease by \$85,858 to \$127,163.

27. According to the CRA Drexler Claim, the pre-NOI amount owing by Drexler to the CRA with respect to unpaid source deduction is \$1,724.

Folmur Construction (2004) Ltd.

28. According to a proof of claim which was filed by the CRA with the Proposal Trustee dated March 29, 2021 (the "**CRA Folmur Claim**") the arrears HST owing by Folmur up to and including the period ended August 31, 2020 was \$145,061. The Trustee estimates that once the CRA processes Folmur's remaining returns up to the NOI date, the pre-NOI HST arrears will increase by \$134,113 to \$279,174.

29. According to the CRA Folmur Claim, the pre-NOI amount owing by Folmur to the CRA with respect to unpaid source deduction is \$59,591.

Down Under Pipe and Cable Locating Ltd.

30. The Trustee has not yet received a proof of claim from the CRA in respect of Down Under. However, based on the books and records of Down Under it appears that the amounts owing to the CRA in respect of HST and source deduction are nil.

X. REQUEST FOR EXTENSION

31. The Companies are seeking the Second Stay Extension pursuant to subsection 50.4(9) of the BIA.
32. The Proposal Trustee supports the Second Stay Extension as it is of the opinion that:
- a. the Companies have acted, and are acting, in good faith and with due diligence;
 - b. the Companies would likely be able to make a viable Proposal if the extension being applied for were granted; and,
 - c. no creditor would be materially prejudiced if the extension being applied for were granted.
33. The Proposal Trustee is also of the opinion that a Proposal developed by the Companies would likely result in a more orderly and efficient process to distribute funds to the Companies' secured and unsecured creditors than a shut down of the Companies and forced liquidation of the Companies' assets.

XI. ACCOUNTS OF THE PROPOSAL TRUSTEE AND ITS COUNSEL

34. In accordance with paragraph 24 of the April 16 Order the fees and disbursements of the Proposal Trustee and its counsel may be approved by the Court and referred to a judge for such purpose.
35. Attached hereto as **Appendix "F"** is the Affidavit of Bryan Gelman regarding the Proposal Trustee's fees to May 17, 2021 accompanied by the supporting time dockets (the "**Proposal Trustee Fee Affidavit**").
36. The Proposal Trustee is of the opinion that its fees, as set out in the Proposal Trustee Fee Affidavit, are fair and reasonable, justified in the circumstances, and accurately reflect the work done by the Proposal Trustee in connection with these NOI proceedings.
37. Attached hereto as **Appendix "G"** is the Affidavit of Howard Manis regarding the fees and disbursements of Macdonald Sager Manis LLP ("**MSM**"), counsel to the Proposal Trustee, to May 22, 2021 accompanied by the supporting time dockets (the "**Legal Counsel Fee Affidavit**").
38. It is the Proposal Trustee's opinion that the fees and disbursements of MSM, as set out in the Legal Counsel Fee Affidavit are fair and reasonable, justified in the circumstances, and accurately reflect the work done on behalf of the Proposal Trustee (as instructed and authorized by the Proposal Trustee) by MSM in connection with these NOI proceedings.
39. The Proposal Trustee therefore requests and recommends the approval the fees and disbursements set out in both the Proposal Trustee Fee Affidavit and the Legal Counsel Fee Affidavit (collectively, the "**Fee Affidavits**").

XII. PROPOSAL TRUSTEE'S RECOMMENDATION

40. For the reasons explained herein, the Proposal Trustee respectfully recommends that this Honourable Court make an Order or Orders approving:

- a. the actions and activities of the Proposal Trustee as described in this Second Report;
- b. the Second Stay Extension;
- c. sealing of the unredacted version of the Auction Agreement;
- d. the augmentation of the April 16 Order with respect to the auction sales of the Redundant Equipment to provide for vesting-upon-sale orders; and,
- e. the fees and disbursements of the Proposal Trustee and its legal counsel as set out in the Fee Affidavits.

All of which is respectfully submitted this 25th day of May 2021

**ALBERT GELMAN INC., solely in its
capacity as Trustee of *re* the Notice of
Intention to Make a Proposal of Drexler
Construction Limited, Folmur Construction
(2004) Ltd. and Down Under Pipe and Cable Locating Ltd.
and not its Personal or any other Capacity**

Per:

Bryan Gelman, *CIRP, LIT*

APPENDIX "G"

Estate / Court File Nos: 35-2721716
 35-2721875
 35-2721896

ONTARIO
SUPERIOR COURT OF JUSTICE
 (IN BANKRUPTCY AND INSOLVENCY)

**In the Matter of the Notices of Intention to Make a Proposal Proceedings of
 Drexler Construction Limited, Folmur Construction (2004) Ltd. and Down Under Pipe and Cable
 Locating Ltd. Corporations Incorporated under the Ontario *Business Corporations Act***

PROPOSAL TRUSTEE'S AFFIDAVIT OF FEES

I, Bryan Gelman, of the City of Toronto, make oath and say as follows:

1. I am a Licenced Insolvency Trustee and principal of Albert Gelman Inc. ("**Proposal Trustee**"), Trustee of the Notice of Intention to Make a Proposal filed by each of Drexler Construction Limited ("**Drexler**"), Folmur Construction (2004) Ltd. ("**Folmur**") and Down Under Pipe and Cable Locating Ltd. ("**Down Under**") and as such have knowledge of the facts herein deposed to.
2. The Proposal Trustee has prepared invoices in connection with its fees as follows:
 - a. An account issued to Drexler dated July 9, 2021 for the period from May 11 to July 9, 2021 of \$19,424.50, plus HST thereon;
 - b. An account issued to Folmur dated July 9, 2021 for the period from May 11 to July 9, 2021 of \$12,405.00, plus HST thereon;
 - c. An account issued to Down Under dated July 9, 2021 for the period from May 18 to July 9, 2021 of \$6,014.00, plus HST thereon;
3. A summary of the Proposal Trustee's time by staff member is as follows:

Staff member	Position	Hours worked	Hourly rate (\$)	Total (\$)
Bryan Gelman, CIRP, LIT	Principal	30.0	495.00	14,850.00
Tom McElroy, CPA, CA, CBV, CIRP, LIT	Senior Manager	23.2	415.00	9,628.00
Sudhanshu Marwaha, CPA (India)	Associate	43.6	305.00	13,298.00
Ashely Robinson	Estate Administrator	0.3	225.00	67.50
		<u>97.1</u>	<u>389.74</u>	<u>37,843.50</u>

4. The Proposal Trustee's total fees are \$37,843.50, its total hours spent is 97.1 and, therefore, its average hourly rate is calculated to be \$389.74.
5. The Proposal Trustee's accounts, including detailed time dockets, are attached hereto as **Exhibit "A"**.

6. This Affidavit is made in support of a motion to approve the accounts of Albert Gelman Inc. and for no improper purpose.

Sworn or Affirmed before me:

in person; or by video conference

by Bryan Gelman at the city of Toronto in the province of Ontario
on this 13th day of July 2021 in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely

}
}
} _____
Bryan Gelman



Thomas John McElroy, a commissioner, etc.
Province of Ontario, for Albert Gelman Inc.
Expires February 8, 2022

Drexler Construction Limited
 5274 Wellington County Road 27
 Erarosa, ON N0B 2K0

Attention: Mr. Alfred Drexler

Invoice

Invoice Date: Jul 9, 2021

Invoice No: 5250

Billing Through: Jul 9, 2021

File ID: DREXLERCON-P:

Re: Drexler Construction Limited

Professional Fees:

<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
2021-05-11	SMARWAHA	Analysed and forwarded a query received from the creditor for Drexler for Notice of NOI Documents: c	0.30	\$305.00	\$91.50
2021-05-18	TMCELROY	Continue drafting Second Report;	1.20	\$415.00	\$498.00
2021-05-18	BGELMAN	Respond to email from Jeremy Nermers; Call from Mark Hart;	0.20	\$495.00	\$99.00
2021-05-18	SMARWAHA	Analysed the clarification of transaction for transaction for previous weeks and plugged in the master excel worksheet.	0.30	\$305.00	\$91.50
2021-05-19	TMCELROY	Video conference with Rodney Davies, Peter Farmer, Jerome Drexler re cash flow projections; Review of Second Court report with B. Gelman; Review cash flow projection prepared by management; Call with Matthew (GreySuits) re Cash flow projection;	3.00	\$415.00	\$1,245.00
2021-05-19	BGELMAN	Review and approval of April 30, 2021 bank reconciliation; Update call with Rodney re cash flows and next steps; attend zoom call re formulation of cash flow; Review of report to Court with Tom McElroy; Attend call with Brendan Bissell, Sia Mizrahi and Jerome to discuss auction agreement;	1.60	\$495.00	\$792.00
2021-05-19	SMARWAHA	Sent Reminder E-mail to Peter to request documentation for analysis for Week May 9 - 15, 2021.	0.10	\$305.00	\$30.50
2021-05-20	BGELMAN	Call from Rodney re update on cash flow and other HR related issues;	0.20	\$495.00	\$99.00
2021-05-20	SMARWAHA	Analysed the voicemail received from a creditor and forwarded to Tom to be addressed.: Sent Reminder E-mail to Peter to request documentation for analysis for Week May 9 - 15, 2021.	0.20	\$305.00	\$61.00
2021-05-21	BGELMAN	Emails with David M accountant re update on year end financials; Review of auction agreement; review and respond to emails with counsel for Debtor and RBC re auction agreement;	0.30	\$495.00	\$148.50
2021-05-21	TMCELROY	Voicemail exchange with J. Texera (Guelph Hydro); Review of draft form of Order and draft form of Affidavit of Jerome Drexler; Review cash flow projection with B. Gelman and finalize same; Finalize draft version of report;	1.50	\$415.00	\$622.50

Albert Gelman Inc. - 100 Simcoe Street, Ste. 125, Toronto, ON M5H 3G2 - Tel: 416 504 1650 - Fax: 416 504 1655 - albertgelman.com

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 Erarosa, ON N0B 2K0

Attention: Mr. Alfred Drexler

Invoice

Invoice Date: Jul 9, 2021

Invoice No: 5250

Billing Through: Jul 9, 2021

File ID: DREXLERCON-P:

Re: Drexler Construction Limited

2021-05-21	SMARWAHA	Sent Reminder E-mail to Peter to request the documentation for Week May 9-15 for analysis: Performed the cash flow monitoring analysis for Week May 9 - May 15 and performed reconciliation and categorization for number of transactions and plugged and updated the master worksheet for comparison analysis: Listed the transactions to request the clarifications and additional information and sent e-mail to peter to request for clarification for nature of transaction:	1.50	\$305.00	\$457.50
2021-05-22	TMCELROY	Review and finalize cash flow projection with B. Gelman; Prepare forms 29 and 30 in respect of cash flow projection; Continue to draft and finalize report to Court;	2.10	\$415.00	\$871.50
2021-05-22	BGELMAN	Meeting with Tom to review cash flow forecasts; finalize report and changes to same; Review and approval of cash flow, notes to cash flow and other reports for OSB filing;	0.60	\$495.00	\$297.00
2021-05-23	BGELMAN	Email to Jeremy Nermers re cash flows; Finalize report to Court and email to J. Nermers with draft report;	0.20	\$495.00	\$99.00
2021-05-25	TMCELROY	Update Case Website;	0.10	\$415.00	\$41.50
2021-05-25	BGELMAN	Finalize and sign report, affidavit and email to counsel re same;	0.40	\$495.00	\$198.00
2021-05-26	BGELMAN	Call with Brendan re HR and other matters;	0.10	\$495.00	\$49.50
2021-05-26	SMARWAHA	Sent Reminder E-mail to Peter Farmer to request the cash flow monitoring analysis documentation for week May16-22	0.10	\$305.00	\$30.50
2021-05-27	TMCELROY	Voicemail exchange with J. Texera (Guelph Hydro); Email to P. Farmer re Hydro arrears;	0.20	\$415.00	\$83.00
2021-05-27	BGELMAN	Call with Jeremy Nermers to discuss matters prior to court hearing following day; Call with Rodney and Drexler brothers re HR matters;	0.50	\$495.00	\$247.50
2021-05-27	SMARWAHA	Performed the cash flow monitoring analysis for week May 16 - 22 and performed bank reconciliation and plugged the transactions in master worksheet and updated the comparison analysis: Listed transactions to request additional documentation and information and sent e-mail to peter to request the same and request the copy of bank statements: Performed the reconciliation with data sent by peter farmer for account receivables and noticed discrepancies and drafted e-mail and requested the clarification for discrepancy from peter farmer: Sent E-mail to Tom with Copy of bank statements and excel worksheet for Cash flow monitoring analysis as requested.	1.60	\$305.00	\$488.00

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Invoice

Invoice Date: Jul 9, 2021

Invoice No: 5250

Billing Through: Jul 9, 2021

File ID: DREXLERCON-P:

Re: Drexler Construction Limited

<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
2021-05-28	BGELMAN	Update call with Howard Manis re court hearing;	0.10	\$495.00	\$49.50
2021-05-31	BGELMAN	Review of cash flow analysis and monitoring prepared by Sudhanshu Marwaha and outcome of same;	0.40	\$495.00	\$198.00
2021-05-31	TMCELROY	Review and respond to correspondence from I. Valitsky (Coco Group - creditor);	0.20	\$415.00	\$83.00
2021-05-31	SMARWAHA	Performed cash flow monitoring analysis and comparison analysis for week May 23 -29, 2021 and listed the transaction for request for additional clarifications and documentation and sent the request for nature of transactions for identified transactions to Peter.	1.20	\$305.00	\$366.00
2021-06-01	AROBINSON	Efiled order allowing for extension of time to file a proposal	0.10	\$225.00	\$22.50
2021-06-01	TMCELROY	Conference call with J. Nemers, B. Gelman and George (RBC);	0.20	\$415.00	\$83.00
2021-06-01	BGELMAN	Call with George from RBC, Jeremy from Aird & Berlis and Tom McElroy re update on file including financing and DIP usage; return call to Jerome Drexler re HR issues and equipment substitution;	0.70	\$495.00	\$346.50
2021-06-02	TMCELROY	Update Case Website; Review and consider cash flow monitoring worksheet (actual vs. projected) prepared by S. Marwaha;	0.40	\$415.00	\$166.00
2021-06-02	BGELMAN	Call from Sia re changes to auction list; email to Debtor and counsel for RBC re changes; Call from Jeremy Nemers re NMG under auction agreement; call with Jerome and Alf re same; call to Sia Mizrahi to confirm revised NMG; correspondence with Brendan to suggest resolution; Email to all re same;	1.60	\$495.00	\$792.00
2021-06-02	SMARWAHA	Updated the cash flow monitoring analysis worksheet with updated forecast details and plugged the updated forecast worksheet in master worksheet and sent the finalised updated version to Tom for review.	0.90	\$305.00	\$274.50
2021-06-03	BGELMAN	Calls and emails with Rodney David and Jerome Drexler re changes to equipment agreement and impact on RBC; email to Jeremy Nemers re same;	0.80	\$495.00	\$396.00
2021-06-04	BGELMAN	Review of budget to actual cash flow results; Review of emails pertaining to information needed for the year end;	0.50	\$495.00	\$247.50
2021-06-08	SMARWAHA	Performance of cash flow monitoring task and reconciliation of transactions and grouping to plug in the comparison analysis: Identified transactions to request the additional information and documentation and listed the transactions in a request e-mail and sent to Peter Farmer.	1.30	\$305.00	\$396.50

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Drexler Construction Limited
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 Erarosa, ON N0B 2K0

Attention: Mr. Alfred Drexler

Invoice

Invoice Date: Jul 9, 2021

Invoice No: 5250

Billing Through: Jul 9, 2021

File ID: DREXLERCON-P:

Re: Drexler Construction Limited

2021-06-09	BGELMAN	Respond to email from Kaiven from Xerox re lease and next steps; Update call from Rodney re HR matters and banking;	0.40	\$495.00	\$198.00
2021-06-15	BGELMAN	Call from Matt at Greysuits re vendor questions;	0.10	\$495.00	\$49.50
2021-06-15	TMCELROY	Review email from Bell re notice of termination and send email to management re same;	0.20	\$415.00	\$83.00
2021-06-15	SMARWAHA	Sent reminder e-mail to request the documentation and information for cash flow monitoring for period June 6-12.	0.10	\$305.00	\$30.50
2021-06-17	TMCELROY	Review and respond to correspondence from R. Vasey (BGL construction - creditor) re status of hearing to extend time to file proposal;	0.20	\$415.00	\$83.00
2021-06-17	BGELMAN	Call with Rodney Davis and Mark Hart re financing update;	0.50	\$495.00	\$247.50
2021-06-17	SMARWAHA	Drafted the new client form with details for the engagement and sent to Joe for review and saved on LAN: Drafted e-mail to send to the new team in point of contact at the corporation for request of the information and documentation for the task of cash flow monitoring and drafted a sample worksheet and sent for a reference to request the documentation.	0.90	\$305.00	\$274.50
2021-06-18	BGELMAN	Call from Jerome re insurance on equipment being sold;	0.10	\$495.00	\$49.50
2021-06-18	BGELMAN	Review and approval of May bank reconciliation;	0.10	\$495.00	\$49.50
2021-06-21	TMCELROY	Discuss status of take out financing, DIP financing, third report to Court and other matters with B. Gelman; Cursory review of internally prepared draft financial statements;	0.40	\$415.00	\$166.00
2021-06-21	BGELMAN	Review of draft financial statements as at March 31, 2021 and analysis of same;	0.50	\$495.00	\$247.50
2021-06-21	SMARWAHA	Performed the Cash flow monitoring for Week June 7 - 12 and added the listed transactions after grouping in to comparison analysis: Listed the transactions to request for additional information and backup and sent to Varshil via e-mail.	1.20	\$305.00	\$366.00
2021-06-22	TMCELROY	Begin drafting Trustee's Third Report to Court;	2.70	\$415.00	\$1,120.50
2021-06-23	TMCELROY	Discuss content of Third Court Report with B. Gelman;	0.20	\$415.00	\$83.00
2021-06-23	BGELMAN	Conduct file review, including cash flow monitoring review and other matters; attend file review call with Tom McElroy re his drafting of report to court seeking extension of Stay Period;	0.70	\$495.00	\$346.50

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Re: Drexler Construction Limited

2021-06-23	SMARWAHA	Sent Reminder E-mail to Varshil to request documentation and clarification of nature of transaction for listed transactions; Sent E-mail to Tom regarding the update on the cash flow monitoring task and the change of team at Corporation's end; Performed the Cash flow monitoring for Week June 13 - 20 and added the listed transactions after grouping in to comparison analysis; Listed the transactions to request for additional information and backup and sent to Varshil via e-mail.	1.70	\$305.00	\$518.50
2021-06-24	BGELMAN	respond to Jeremy Nermers email; return call to Jerome;	0.30	\$495.00	\$148.50
2021-06-24	SMARWAHA	Performed reconciliation of previous week with the copy of bank statements and assessed the pending transactions for clarification of nature of transactions and listed the pending transactions and sent to Varshil for clarifications and backup.	0.90	\$305.00	\$274.50
2021-06-28	BGELMAN	Review of draft report to Court; Attend call with Rodney Davis and Varshil (From GreySuits CFO) and Sudhanshu re monitoring processes;	0.90	\$495.00	\$445.50
2021-06-28	SMARWAHA	Sent reminder e-mail to varshil to update regarding our request for confirmation of nature of transactions from cash flow monitoring analysis; Attended Zoom meeting with Bryan, Varshil, Rodney Davis to discuss the cash flow monitoring process and the role and update on file; Forwarded e-mail to Tom M. for query received from a customer for Drexler regarding the outstanding works contract.	0.80	\$305.00	\$244.00
2021-06-29	TMCELROY	Review and respond to correspondence from A. Fritz (Drexler customer) re NOI filing; Email to Joel re court hearing to approve further extension;	0.40	\$415.00	\$166.00
2021-06-29	SMARWAHA	Sent reminder e-mail to Varshil to update regarding our request for confirmation of nature of transactions from cash flow monitoring analysis; Updated the cash flow monitoring analysis with the clarifications received from Varshil for pending identified transactions and sent email to varshil to request documentation and information for cash flow monitoring analysis for week June 20 - 26.	0.70	\$305.00	\$213.50
2021-06-30	BGELMAN	Update call with Howard Manis re financing, report to Court and upcoming motion for extension; Respond to request from auditor Asad Alvi and call with him with summary of history of RBC demands for payment, NOI filing and other information for audit report; Review of monitoring report from Sudhanshu Marwaha;	1.40	\$495.00	\$693.00

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 5274 Wellington County Road 27
 Erarosa, ON N0B 2K0

Attention: Mr. Alfred Drexler

Invoice

Invoice Date: Jul 9, 2021

Invoice No: 5250

Billing Through: Jul 9, 2021

File ID: DREXLERCON-P:

Re: Drexler Construction Limited

2021-06-30	SMARWAHA	Performance of cash flow monitoring task analysis and comparison analysis for the week of June 20 - 26 and finalized the worksheet with transactions grouped into the analysis.	1.20	\$305.00	\$366.00
2021-07-02	SMARWAHA	Sent reminder e-mail to Varshil Patel to request the clarification of nature of transactions for the identified pending transaction for cash flow monitoring analysis.	0.10	\$305.00	\$30.50
2021-07-05	BGELMAN	Call from Brent Keenan re update on financing; call with Sia Mizrahi re outcome of auction and timing of payment; email update to Drexler management re auction;	0.80	\$495.00	\$396.00
2021-07-05	TMCELROY	Review and respond to correspondence from I. Valitsky (Creditor - Coco Group);	0.20	\$415.00	\$83.00
2021-07-05	SMARWAHA	Updated the cash flow monitoring worksheet for the confirmation received for the identified transaction and updated the comparison analysis.	0.70	\$305.00	\$213.50
2021-07-06	BGELMAN	Emails with Jeremy Nermers re auction of equipment;	0.20	\$495.00	\$99.00
2021-07-06	SMARWAHA	Sent E-mail updated to Tom regarding the cash flow monitoring task update and the files.	0.30	\$305.00	\$91.50
2021-07-07	BGELMAN	Review of auction schedule; Review of pipeline and other information provided by CFO;	0.50	\$495.00	\$247.50
2021-07-07	SMARWAHA	Updation of cash flow monitoring worksheet with confirmation received from Matt D. regarding the nature of identified transaction and sent e-mail for confirmation of categorization in excel analysis.	0.40	\$305.00	\$122.00
2021-07-08	BGELMAN	Review and respond to emails re payment of CRA claim for source deductions and RBC from auction proceeds; emails re upcoming motion for stay extension;	0.40	\$495.00	\$198.00
2021-07-08	SMARWAHA	Sent Reminder E-mail regarding documentation and information for cash flow monitoring task for week July 5 - 10.	0.20	\$305.00	\$61.00
2021-07-09	BGELMAN	Continue to draft Proposal Trustee's Third Report to Court on extension application;	2.00	\$495.00	\$990.00
2021-07-09	SMARWAHA	Performed cash flow monitoring analysis for week July 4 - July 10 and add up the transactions in the comparison analysis and finalized the monitoring worksheet and sent to Tom for review and comments.	1.20	\$305.00	\$366.00

Total Fees: \$19,424.50

HST: \$2,525.19

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Re: Drexler Construction Limited

Summary by Staff:

	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Ashley Robinson (Estate Administrator)	0.10	\$225.00	\$22.50
Bryan A. Gelman (Principal, CIRP LIT)	17.10	\$495.00	\$8,464.50
Sudhanshu Marwaha (Associate)	17.90	\$305.00	\$5,459.50
Tom McElroy (Mgr, CPA, CA, CBV, CIRP, LIT)	13.20	\$415.00	\$5,478.00

Disbursements:

Taxable Disbursements

PHOTOCOPIES:	\$0.50
POSTAGE:	\$2.82

Total Disbursements: \$3.32

HST: \$0.44

Amount Due This Invoice: \$21,953.45

Invoice Summary:

TOTAL FEES AND DISBURSEMENTS:	\$19,427.82
TOTAL HST:	\$2,525.63
TOTAL AMOUNT DUE:	\$21,953.45

Payment of this account is due on receipt
 HST Registration # 83741 9514 RT0001

Folmur Construction (2004) Limited
 7000 Wellington Rd. 124
 Guelph, ON N1H 6J4

Attention: Mr. Alfred Drexler

Invoice

Invoice Date: Jul 9, 2021

Invoice No: 5249

Billing Through: Jul 9, 2021

File ID: FOLMURCON-P:

Re: Proposal of Folmur Construction (2004) Limited

Professional Fees:

<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
2021-05-11	SMARWAHA	Sent E-mail to Peter to request the pending backups and information from previous analysis and requested documentation for analysis of past week.	0.30	\$305.00	\$91.50
2021-05-18	TMCELROY	Continue drafting Second Report;	1.20	\$415.00	\$498.00
2021-05-18	SMARWAHA	Analysed the clarification of transaction for transaction for previous weeks and plugged in the master excel worksheet.	0.30	\$305.00	\$91.50
2021-05-19	BGELMAN	Review and approval of April 30, 2021 bank reconciliation; Update call with Rodney re cash flows and next steps; attend zoom call re formulation of cash flow; Review of report to Court with Tom McElroy;	0.90	\$495.00	\$445.50
2021-05-19	SMARWAHA	Sent Reminder E-mail to Peter to request documentation for analysis for Week May 9 - 15, 2021.	0.10	\$305.00	\$30.50
2021-05-20	TMCELROY	Review revised cash flow projection prepared by management;	0.50	\$415.00	\$207.50
2021-05-20	BGELMAN	Review of cash flow forecast and call with Tom to discuss;	0.50	\$495.00	\$247.50
2021-05-20	SMARWAHA	Sent Reminder E-mail to Peter to request documentation for analysis for Week May 9 - 15, 2021.	0.10	\$305.00	\$30.50
2021-05-21	TMCELROY	Call with Matthew D. to discuss cash flow projection; Review cash flow projection with B. Gelman and finalize same;	1.50	\$415.00	\$622.50
2021-05-21	SMARWAHA	Sent Reminder E-mail to Peter to request the documentation for Week May 9-15 for analysis: Performed the cash flow monitoring analysis for Week May 9 - May 15 and performed reconciliation and plugged and updated the master worksheet for comparison analysis: Listed the transactions to request the clarifications and additional information and sent e-mail to peter to request for clarification for nature of transaction	1.30	\$305.00	\$396.50
2021-05-22	TMCELROY	Review and finalize cash flow projection with B. Gelman; Prepare forms 29 and 30 in respect of cash flow projection; Continue to draft and finalize report to Court;	2.10	\$415.00	\$871.50
2021-05-22	BGELMAN	Meeting with Tom to review cash flow forecasts; finalize report and changes to same; Review and approval of cash flow, notes to cash flow and other reports for OSB filing;	0.60	\$495.00	\$297.00
2021-05-23	BGELMAN	Email to Jeremy Nermers re cash flows; Finalize report to Court and email to J. Nermers with draft report;	0.20	\$495.00	\$99.00
2021-05-25	TMCELROY	Update Case Website;	0.10	\$415.00	\$41.50

Albert Gelman Inc. - 100 Simcoe Street, Ste. 125, Toronto, ON M5H 3G2 - Tel: 416 504 1650 - Fax: 416 504 1655 - albertgelman.com

Folmur Construction (2004) Limited
 7000 Wellington Rd. 124
 Guelph, ON N1H 6J4

Attention: Mr. Alfred Drexler

Invoice

Invoice Date: Jul 9, 2021

Invoice No: 5249

Billing Through: Jul 9, 2021

File ID: FOLMURCON-P:

Re: Proposal of Folmur Construction (2004) Limited

Professional Fees:

<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
2021-05-25	BGELMAN	Finalize and sign report, affidavit and email to counsel re same; Call with Jerome re ongoing business, financing and other HR related matters; Update call with Rodney re same;	0.90	\$495.00	\$445.50
2021-05-26	SMARWAHA	Sent Reminder E-mail to Peter Farmer to request the cash flow monitoring analysis documentation for week May16-22	0.10	\$305.00	\$30.50
2021-05-27	SMARWAHA	Performed the cash flow monitoring analysis for week May 16 - 22 and performed bank reconciliation and plugged the transactions in master worksheet and updated the comparison analysis: Listed transactions to request additional documentation and information and sent e-mail to peter to request the same and request the copy of bank statements; Performed the reconciliation with data sent by peter farmer for account receivables and noticed discrepancies and drafted e-mail and requested the clarification for discrepancy from peter farmer; Sent E-mail to Tom with Copy of bank statements and excel worksheet for Cash flow monitoring analysis as requested.	1.50	\$305.00	\$457.50
2021-05-31	BGELMAN	Review of cash flow analysis and monitoring prepared by Sudhanshu Marwaha and outcome of same;	0.40	\$495.00	\$198.00
2021-05-31	SMARWAHA	Performed cash flow monitoring analysis and comparison analysis for week May 23 -29, 2021 and listed the transaction for request for additional clarifications and documentation and sent the request for nature of transactions for identified transactions to Peter.	1.20	\$305.00	\$366.00
2021-06-01	AROBINSON	Efiled order allowing for an extension to file a proposal	0.10	\$225.00	\$22.50
2021-06-01	TMCELROY	Conference call with J. Nemers, B. Gelman and George (RBC);	0.20	\$415.00	\$83.00
2021-06-01	BGELMAN	Call with George from RBC, Jeremy from Aird & Berlis and Tom McElroy re update on file including financing and DIP usage;	0.30	\$495.00	\$148.50
2021-06-02	TMCELROY	Update Case Website; Review and consider cash flow monitoring worksheet (actual vs. projected) prepared by S. Marwaha;	0.40	\$415.00	\$166.00
2021-06-02	SMARWAHA	Updated the cash flow monitoring analysis worksheet with updated forecast details and plugged the updated forecast worksheet in master worksheet and sent the finalised updated version to Tom for review.	0.90	\$305.00	\$274.50
2021-06-04	BGELMAN	Review of budget to actual cash flow results;	0.30	\$495.00	\$148.50

Albert Gelman Inc. - 100 Simcoe Street, Ste. 125, Toronto, ON M5H 3G2 - Tel: 416 504 1650 - Fax: 416 504 1655 - albertgelman.com

Folmur Construction (2004) Limited
 7000 Wellington Rd. 124
 Guelph, ON N1H 6J4

Attention: Mr. Alfred Drexler

Invoice

Invoice Date: Jul 9, 2021

Invoice No: 5249

Billing Through: Jul 9, 2021

File ID: FOLMURCON-P:

Re: Proposal of Folmur Construction (2004) Limited

2021-06-08	SMARWAHA	Performance of cash flow monitoring task and reconciliation of transactions and grouping to plug in the comparison analysis: Identified transactions to request the additional information and documentation and listed the transactions in a request e-mail and sent to Peter Farmer.	1.30	\$305.00	\$396.50
2021-06-15	SMARWAHA	Sent reminder e-mail to request the documentation and information for cash flow monitoring for period June 6-12.	0.10	\$305.00	\$30.50
2021-06-17	SMARWAHA	Drafted the new client form with details for the engagement and sent to Joe for review and saved on LAN : Drafted e-mail to send to the new team in point of contact at the corporation for request of the information and documentation for the task of cash flow monitoring and drafted a sample worksheet and sent for a reference to request the documentation.	0.90	\$305.00	\$274.50
2021-06-18	BGELMAN	Review and approval of May 2021 bank reconciliation;	0.10	\$495.00	\$49.50
2021-06-22	TMCELROY	Begin drafting Trustee's Third Report to Court;	2.30	\$415.00	\$954.50
2021-06-23	TMCELROY	Discuss content of Third Court Report with B. Gelman;	0.20	\$415.00	\$83.00
2021-06-23	BGELMAN	Conduct file review, including cash flow monitoring review and other matters; attend file review call with Tom McElroy re his drafting of report to court seeking extension of Stay Period;	0.70	\$495.00	\$346.50
2021-06-23	SMARWAHA	Sent E-mail to Tom regarding the update on the cash flow monitoring task and the change of team at Corporation's end.: Sent Reminder e-mail to varshil to request for documentation and information for cash flow monitoring task for June 6-12 and June 13-19	0.40	\$305.00	\$122.00
2021-06-24	SMARWAHA	Performed the Cash flow monitoring for Week June 13 - 20 and added the listed transactions after grouping in to comparison analysis: Listed the transactions to request for additional information and backup and sent to Varshil via e-mail.: Performed reconciliation of previous week with the copy of bank statements and assessed the pending transactions for clarification of nature of transactions and listed the pending transactions and sent to Varshil for clarifications and backup.	2.90	\$305.00	\$884.50
2021-06-28	BGELMAN	Review of draft report to Court;	0.40	\$495.00	\$198.00
2021-06-29	SMARWAHA	Updated the cash flow monitoring analysis with the clarifications received from Varshil for pending identified transactions and sent email to varshil to request documentation and information for cash flow monitoring analysis for week June 20 - 26: Finalised the cash flow monitoring analysis and sent to Tom for review	0.80	\$305.00	\$244.00

Albert Gelman Inc. - 100 Simcoe Street, Ste. 125, Toronto, ON M5H 3G2 - Tel: 416 504 1650 - Fax: 416 504 1655 - albertgelman.com

Folmur Construction (2004) Limited
7000 Wellington Rd. 124
Guelph, ON N1H 6J4

Attention: Mr. Alfred Drexler

Invoice

Invoice Date: Jul 9, 2021

Invoice No: 5249

Billing Through: Jul 9, 2021

File ID: FOLMURCON-P:

Re: Proposal of Folmur Construction (2004) Limited

Professional Fees:

<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
2021-06-30	BGELMAN	Update call with Howard Manis re financing, report to Court and upcoming motion for extension; Review of monitoring report from Sudhanshu Marwaha;	0.60	\$495.00	\$297.00
2021-06-30	SMARWAHA	Performance of cash flow monitoring task analysis and comparison analysis for the week of June 20 - 26 and finalized the worksheet with transactions grouped into the analysis: Identified the transactions to request the clarification and sent e-mail request to Varshil Patel with listing of identified transaction to confirm the nature of transaction.	1.20	\$305.00	\$366.00
2021-07-02	SMARWAHA	Sent reminder e-mail to Varshil Patel to request the clarification of nature of transactions for the identified pending transaction for cash flow monitoring analysis.	0.10	\$305.00	\$30.50
2021-07-05	SMARWAHA	Updated the cash flow monitoring worksheet for the confirmation received for the identified transaction and updated the comparison analysis.	0.70	\$305.00	\$213.50
2021-07-07	BGELMAN	Review of internal statements and other information provided by CFO;	0.30	\$495.00	\$148.50
2021-07-08	BGELMAN	Call from Brendan Drexler re update;	0.20	\$495.00	\$99.00
2021-07-09	BGELMAN	Continue to draft Proposal Trustee's Third Report to Court on extension application;	2.00	\$495.00	\$990.00
2021-07-09	SMARWAHA	Performed cash flow monitoring analysis for week July 4 - July 10 and add up the transactions in the comparison analysis and finalized the monitoring worksheet and sent to Tom for review and comments.	1.20	\$305.00	\$366.00
Total Fees:					\$12,405.00
HST:					\$1,612.65

Summary by Staff:

	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Ashley Robinson (Estate Administrator)	0.10	\$225.00	\$22.50
Bryan A. Gelman (Principal, CIRP LIT)	8.40	\$495.00	\$4,158.00
Sudhanshu Marwaha (Associate)	15.40	\$305.00	\$4,697.00
Tom McElroy (Mgr, CPA, CA, CBV, CIRP, LIT)	8.50	\$415.00	\$3,527.50

Disbursements:

Taxable Disbursements

PHOTOCOPIES: \$15.00

Albert Gelman Inc. - 100 Simcoe Street, Ste. 125, Toronto, ON M5H 3G2 - Tel: 416 504 1650 - Fax: 416 504 1655 - albertgelman.com

Folmur Construction (2004) Limited
 7000 Wellington Rd. 124
 Guelph, ON N1H 6J4

Attention: Mr. Alfred Drexler

Invoice

Invoice Date: Jul 9, 2021

Invoice No: 5249

Billing Through: Jul 9, 2021

File ID: FOLMURCON-P:

Re: Proposal of Folmur Construction (2004) Limited

Disbursements:

POSTAGE: \$4.50

Total Disbursements: \$19.50

HST: \$2.54

Amount Due This Invoice: \$14,039.69

Invoice Summary:

TOTAL FEES AND DISBURSEMENTS:	\$12,424.50
TOTAL HST:	\$1,615.19
TOTAL AMOUNT DUE:	\$14,039.69

Payment of this account is due on receipt
 HST Registration # 83741 9514 RT0001

Albert Gelman Inc. - 100 Simcoe Street, Ste. 125, Toronto, ON M5H 3G2 - Tel: 416 504 1650 - Fax: 416 504 1655 - albertgelman.com

Down Under Pipe and Cable Locating Ltd.
5270 Wellington 27
Rockwood, ON N0B 2K0

Attention: Mr. Alfred Drexler

Invoice

Invoice Date: Jul 9, 2021

Invoice No: 5251

Billing Through: Jul 9, 2021

File ID: DOWNUNDER-P:

Re: Proposal of Down Under Pipe and Cable Locating Ltd.

Professional Fees:

<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
2021-05-18	TMCELROY	Call with A. Chen (CRA) re status of HST accounts and source deduction account;	0.20	\$415.00	\$83.00
2021-05-19	BGELMAN	Review and approval of April 30, 2021 bank reconciliation;	0.10	\$495.00	\$49.50
2021-05-19	TMCELROY	Update cash flow model and send to Peter Farmer to complete;	0.30	\$415.00	\$124.50
2021-05-22	TMCELROY	Review and finalize cash flow projection with B. Gelman; Prepare forms 29 and 30 in respect of cash flow projection; Continue to draft and finalize report to Court;	0.50	\$415.00	\$207.50
2021-05-22	BGELMAN	Meeting with Tom to review cash flow forecasts; finalize report and changes to same; Review and approval of cash flow, notes to cash flow and other reports for OSB filing;	0.40	\$495.00	\$198.00
2021-05-23	BGELMAN	Email to Jeremy Nermers re cash flows; Finalize report to Court and email to J. Nermers with draft report;	0.10	\$495.00	\$49.50
2021-05-25	BGELMAN	Finalize and sign report, affidavit and email to counsel re same; Call with Jerome re ongoing business, financing and other HR related matters; Update call with Rodney re same;	0.70	\$495.00	\$346.50
2021-06-01	AROBINSON	Efiled order allowing for an extension of time to file a proposal	0.10	\$225.00	\$22.50
2021-06-17	SMARWAHA	Drafted the new client form with details for the engagement and sent to Joe for review and saved on LAN.	0.50	\$305.00	\$152.50
2021-06-18	BGELMAN	Review and approval of May 2021 Bank Reconciliation;	0.10	\$495.00	\$49.50
2021-06-22	TMCELROY	Begin drafting Trustee's Third Report to Court;	0.40	\$415.00	\$166.00
2021-06-23	TMCELROY	Discuss content of Third Court Report with B. Gelman;	0.10	\$415.00	\$41.50
2021-06-23	BGELMAN	Conduct file review, including cash flow monitoring review and other matters; attend file review call with Tom McElroy re his drafting of report to court seeking extension of Stay Period;	0.70	\$495.00	\$346.50
2021-06-28	BGELMAN	Review of draft report to Court;	0.20	\$495.00	\$99.00
2021-06-30	SMARWAHA	Provided update and clarification regarding the cash flow monitoring task for the file to Bryan	0.20	\$305.00	\$61.00
2021-07-02	SMARWAHA	Sent E-mail to Varshil to request for documentation and information for cash flow monitoring analysis for period March 21, 2021 till June 27, 2021.	0.20	\$305.00	\$61.00

Albert Gelman Inc. - 100 Simcoe Street, Ste. 125, Toronto, ON M5H 3G2 - Tel: 416 504 1650 - Fax: 416 504 1655 - albertgelman.com

Down Under Pipe and Cable Locating Ltd.
 5270 Wellington 27
 Rockwood, ON N0B 2K0

Attention: Mr. Alfred Drexler

Invoice

Invoice Date: Jul 9, 2021

Invoice No: 5251

Billing Through: Jul 9, 2021

File ID: DOWNUNDER-P:

Re: Proposal of Down Under Pipe and Cable Locating Ltd.

Professional Fees:

<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
2021-07-05	SMARWAHA	Performed Cash Flow monitoring analysis for period March 21, 2021 till June 27, 2021 and setup of the worksheet and the related forecasts and comparison analysis .	4.00	\$305.00	\$1,220.00
2021-07-06	SMARWAHA	Performed Cash flow monitoring analysis and comparison analysis for period March 21, 2021 till June 27, 2021 and listed identified transactions for clarification of nature of transaction	3.80	\$305.00	\$1,159.00
2021-07-07	BGELMAN	Review of internal statements and other information provided by CFO;	0.20	\$495.00	\$99.00
2021-07-07	SMARWAHA	Sent E-mail to Varshil Patel for Confirmation of nature of transaction for identified transaction for the cash flow monitoring task.	0.20	\$305.00	\$61.00
2021-07-08	SMARWAHA	Updated the cash flow monitoring analysis and comparison analysis for the information received for confirmation of nature of transaction for identified transaction.	0.40	\$305.00	\$122.00
2021-07-09	BGELMAN	Continue to draft Proposal Trustee's Third Report to Court on extension application;	2.00	\$495.00	\$990.00
2021-07-09	SMARWAHA	Performed cash flow monitoring analysis for week July 4 - July 10 and add up the transactions in the comparison analysis and finalized the monitoring worksheet and sent to Tom for review and comments.	1.00	\$305.00	\$305.00
Total Fees:					\$6,014.00
HST:					\$781.82

Summary by Staff:

	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Ashley Robinson (Estate Administrator)	0.10	\$225.00	\$22.50
Bryan A. Gelman (Principal, CIRP LIT)	4.50	\$495.00	\$2,227.50
Sudhanshu Marwaha (Associate)	10.30	\$305.00	\$3,141.50
Tom McElroy (Mgr, CPA, CA, CBV, CIRP, LIT)	1.50	\$415.00	\$622.50

Amount Due This Invoice: \$6,795.82

Albert Gelman Inc. - 100 Simcoe Street, Ste. 125, Toronto, ON M5H 3G2 - Tel: 416 504 1650 - Fax: 416 504 1655 - albertgelman.com

Down Under Pipe and Cable Locating Ltd.
5270 Wellington 27
Rockwood, ON N0B 2K0

Attention: Mr. Alfred Drexler

Invoice

Invoice Date: Jul 9, 2021

Invoice No: 5251

Billing Through: Jul 9, 2021

File ID: DOWNUNDER-P:

Re: Proposal of Down Under Pipe and Cable Locating Ltd.

Invoice Summary:

TOTAL FEES AND DISBURSEMENTS:	\$6,014.00
TOTAL HST:	\$781.82
TOTAL AMOUNT DUE:	\$6,795.82

Payment of this account is due on receipt
HST Registration # 83741 9514 RT0001

Albert Gelman Inc. - 100 Simcoe Street, Ste. 125, Toronto, ON M5H 3G2 - Tel: 416 504 1650 - Fax: 416 504 1655 - albertgelman.com

APPENDIX "H"

Court File Nos: 35-2721716
35-2721875
35-2721896

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

**In the Matter of the Notice of Intention to Make a Proposal of
Drexler Construction Limited of the township of Rockwood
in the Province of Ontario**

**And In the Matter of the Notice of Intention to Make a Proposal of
Folmur Construction (2004) Ltd. of the township of Rockwood
in the Province of Ontario**

**And In the Matter of the Notice of Intention to Make a Proposal of
Down Under Pipe and Cable Locating Ltd. of the township of Rockwood
in the Province of Ontario**

AFFIDAVIT OF HOWARD MANIS

I, **HOWARD MANIS**, of the City of Toronto, in the Province of Ontario, **MAKE**

OATH AND SAY AS FOLLOWS:

1. I am a Partner at the law firm of Macdonald Sager Manis LLP (“MSM”) and as such have knowledge of the matters to which I hereinafter depose.
2. On March 18, 2021, Albert Gelman Inc. (“AGI”) was named a proposal trustee (the “**Proposal Trustee**”) in connection with a Notice of Intention to Make a Proposal (“NOI”) filed by Drexler Construction Limited (“**Drexler**”), Folmur Construction (2004) Ltd. (“**Folmur**”) and Down Under Pipe and Cable Locating Ltd. (“**Down Under**”; and together with Drexler and Folmur, the “**Companies**”) under Section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”).
3. As stated in my Affidavit sworn May 25, 2021, Macdonald Sager Manis LLP (“MSM”) was retained as counsel for the Proposal Trustee.

4. In its capacity as counsel to the Proposal Trustee, MSM has provided legal services in connection with the proposal proceedings of the Companies in connection with the administration of the proposals and as directed by the Proposal Trustee.
5. MSM's fees were incurred for providing the services to the Proposal Trustee.
6. The following is a summary of the lawyers whose services were provided, including the total fees and hours incurred in relation to the within action to and including July 9, 2021:

<u>Name</u>	<u>Year of Call</u>	<u>Position</u>	<u>Hours</u>	<u>Rate</u>	<u>Fees</u>
Howard F. Manis	1993	Partner	12.9	\$550.00	\$7,095.00

7. I believe that the hours spent on this matter and the disbursements incurred by MSM are reasonable and appropriate in the circumstances. Attached hereto as Exhibit "A" to this Affidavit is the detailed summary of services to and including July 9, 2021.
8. MSM requests that the Court approve its account to the Proposal Trustee in this matter for the services rendered and recorded in the total sum of \$8,017.35 inclusive of fees, disbursements and HST.
9. Given the Order of the Honourable Madam Justice Gorman dated April 16, 2021, the Proposals of the Companies have been administratively consolidated and MSM's fees will be allocated as suggested by the Proposal Trustee as follows:

Drexler 45%

Folmur 45%

Down Under 10%

10. I make this affidavit in connection with the approval of the fees, disbursements and HST of MSM and for no other or improper purpose.

Sworn or Affirmed before me:

in person; or by video conference

by Howard Manis at the City of Toronto in the Province of Ontario, before me on July 12, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

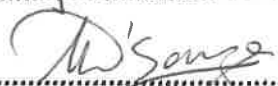


A Commissioner for taking Affidavits etc.
Marianne D'Souza



Howard Manis

Albert Gelman Inc.
100 Simcoe Street
Suite 125
Toronto, Ontario M5H 3G2

This is Exhibit "A" referred to in the
affidavit of HOWARD MANIS
sworn before me, this 12th
day of July 2021

A COMMISSIONER FOR TAKING AFFIDAVITS

Jul 12, 2021

Attention: Bryan Gelman

File #: 210705

Inv #: Sample

M. D'SOUZA

RE: Drexler Construction Limited (Proposal of)

DATE	DESCRIPTION	HOURS	AMOUNT	LAWYER
May-25-21	Reviewed draft Second Report to Court from client; E-mail to and from Mr. Nemers and client regarding Canada Revenue Agency indebtedness and sale of assets through the auction; E-mail to and from Mr. Nemers, client and Mr. Mizrahi regarding ownership of the equipment being sold; Reviewed final report from client with exhibits; Arranged for service and filing of the Report of the Proposal; Trustee in support of the Motion for an extension of time to file the Proposals;	2.00	1,100.00	HFM
May-26-21	E-mail to and from Mr. Langley and client regarding paving equipment;	0.20	110.00	HFM
May-28-21	Telephone call with client; Attend motion to extend time to file Proposals and other related relief; Reviewed issued Order and Endorsement from Mr. Turgeon;	2.00	1,100.00	HFM
May-31-21	E-mail to and from Mr. Nemars, Mr. Bissell and Mr. Aversa regarding request for RBC to confirm mortgages being in good standing; E-mail to the Service List regarding issuance of the Order; E-mail from Mr. Turgeon to London Court Office;	0.50	275.00	HFM
Jun-01-21	Telephone call with client and Mr. Mizrahi regarding auction sale;	0.20	110.00	HFM
Jun-02-21	E-mail to and from client and counsel regarding removal of equipment from the auction and replacing those with other process thereby reducing the net minimum guarantee of Canam Appraisal; Telephone call with client; Reviewed revised Auction Agreement from Mr. Mizrahi; Telephone call with Mr. Nemers;	1.40	770.00	HFM
Jun-03-21	E-mail to and from Mr. Bissell, Mr. Gelman and Mr. Davis regarding payment to RBC; Telephone call with Mr. Nemers; Telephone call with client;	0.80	440.00	HFM

Jun-07-21	E-mail to and from Mr. Nemers and counsel regarding year end audits and corporate financial statements; Telephone call with client;	0.40	220.00	HFM
Jun-08-21	E-mail to and from Mr. Bissell and Mr. Nemers;	0.20	110.00	HFM
Jun-09-21	E-mail from Mr. Nemers regarding professional fees of RBC; Telephone call with client;	0.40	220.00	HFM
Jun-18-21	E-mail to and from counsel and Mr. Nemers regarding signing officers on the bank accounts;	0.20	110.00	HFM
Jun-24-21	E-mail to and from Mr. Nemers, Mr. Averse, Mr. Bissell and Mr. Gelman regarding update on the debtors' activities towards restructuring; Telephone call with client; Telephone call with Mr. Nemers;	0.70	385.00	HFM
Jun-25-21	E-mail to and from client regarding extension of time to file Proposal; Telephone call with client regarding motion to Court; E-mail to and from Mr. Bissell and Mr. Nemers regarding RBC signatories;	0.50	275.00	HFM
Jun-28-21	E-mail to and from Mr. Bissell and Mr. Nemers; Telephone call with client;	0.40	220.00	HFM
Jun-30-21	Telephone call with client regarding extension of time to file Proposals;	0.30	165.00	HFM
Jul-07-21	E-mail to and from Mr. Nemers, client and Mr. Bissell regarding auction results and proceeds; Telephone call with client;	0.40	220.00	HFM
Jul-09-21	Email to/from client, Mr. Bissell and Mr. Nemers re auction sale proceeds and payment to RBC;	0.30	165.00	HFM
	Review of the draft Third Trustee's Report to Court; Telephone conference with client;	1.00	550.00	HFM
	Review of the draft Affidavit and Order for the extension of time to file the Proposal from Mr. Turgeon;	1.00	550.00	HFM
	Totals	12.90	\$7,095.00	
	HST on Fees		\$922.35	

FEE SUMMARY:

Lawyer	Hours	Effective Rate	Amount
Howard F. Manis	12.90	\$550.00	\$7,095.00

Fee Amount:	\$ _____	Check if this is a final bill:	<input type="checkbox"/>
Fee Write Up/Down:	\$ _____	Reason for Write-off:	_____
Disb Write Up/Down:	\$ _____	Reason for Write-off:	_____
Lawyer Signature:	_____	Template/Format:	_____

Total Fees, Disbursements & HST	\$8,017.35
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Previous Balance	\$20,418.93
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Previous Payments	\$20,418.93
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Balance Due Now	\$8,017.35
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Total Tax:	\$922.35	AMOUNT QUOTED:	\$0.00
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HST #:	14030 5616 RT 0001
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* tax-exempt

**In the Matter of the Notice of Intention to Make a Proposal of Drexler Construction Limited of the township of Rockwood
in the Province of Ontario**

**In the Matter of the Notice of Intention to Make a Proposal of Folmur Construction (2004) Ltd. of the township of Rockwood
in the Province of Ontario**

**In the Matter of the Notice of Intention to Make a Proposal of Down Under Pipe and Cable Locating Ltd. of the township of
Rockwood, in the Province of Ontario**

Court File Nos: 35-2721716
35-2721875
35-2721896

**ONTARIO
SUPERIOR COURT OF JUSTICE**

AFFIDAVIT OF HOWARD MANIS

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Lawyers for the Proposal Trustee,
Albert Gelman Inc.

TAB 2
Service list as of May 22, 2021

**ONTARIO
SUPERIOR COURT OF JUSTICE**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL PROCEEDINGS OF DREXLER CONSTRUCTION
LIMITED, A CORPORATION INCORPORATED UNDER THE
ONTARIO *BUSINESS CORPORATIONS ACT***

**SERVICE LIST
(as at May 22, 2021)**

<p>GOLDMAN SLOAN NASH & HABER LLP</p> <p>480 University Avenue, Suite 1600 Toronto ON M5G 1V2 Fax: 416 597 3370</p> <p>R. Brendan Bissell (LSO# 40354V) Tel: 416 597 6489 Email: bissell@gsnh.com</p> <p>Joël Turgeon (LSO #80984R) Tel: 416 597 6486 Email: turgeon@gsnh.com</p> <p>Lawyers for the moving parties and debtor companies, Drexler Construction Limited, Folmur Construction (2004) Limited, and Down Under Pipe and Cable Locating Limited</p>	<p>ALBERT GELMAN INC.</p> <p>100 Simcoe Street, Suite 125 Toronto ON M5H 3G2 Fax: 416 504 1655</p> <p>Bryan Gelman Tel: 416 504 1650 ext. 115 Email: bgelman@albertgelman.com</p> <p>Tom McElroy Tel: 416 504 1650 ext. 117 Email: tmcelroy@albertgelman.com</p> <p>Proposal Trustee</p>
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<p>ZURICH CANADA</p> <p>100 King Street West, Suite 5500 P.O Box 290 Toronto ON M5X 1C9 Fax: 416 586 6821 / 1 800 319 3219</p> <p>Brent McAllister Tel: 416 586 2880 Email: brent.mcallister@zurich.com</p>	<p>AIRD & BERLIS LLP</p> <p>181 Bay Street, Suite 1800 Toronto ON M5J 2T9 Fax: 416 863 1515</p> <p>Ian Aversa Tel: 416 865 3082 Email: iaversa@airdberlis.com</p> <p>Jeremy Nemers Tel: 416 865 7724 Email: jnemers@airdberlis.com</p> <p>Lawyers for Royal Bank of Canada</p>
<p>ATTORNEY GENERAL OF CANADA</p> <p>Department of Justice Canada Ontario Regional Office, Tax Law Section 120 Adelaide Street West, Suite 400 Toronto ON M5H 1P9</p> <p>Diane Winters Tel: 647.256.7459 Email: diane.winters@justice.gc.ca</p> <p>Rakhee Bhandari Tel: 416.952.8563 Email: Rakhee.bhandari@justice.gc.ca</p>	<p>MINISTRY OF FINANCE (ONTARIO)</p> <p>Legal Services Branch 777 Bay Street, 11th Floor Toronto ON M5G 2C8</p> <p>Kevin O'Hara Tel: 416.327.8463 Email: kevin.ohara@ontario.ca</p>
<p>MASTERS INSURANCE (HAMILTON) LTD.</p> <p>McMaster Innovation Park 175 Longwood Road South, Suite 209A Hamilton ON L8P 0A1 Fax: 905 577 9154</p> <p>Doug Corby Tel: 905 577 1180 Email: dcorby@mastersinsurance.com</p>	

<p>JOHN DEERE FINANCIAL INC.</p> <p>3430 Superior Court Oakville ON L6L 0C4</p> <p>295 Hunter Road, PO Box 1000 Grimsby ON L3M 4H5</p> <p>PPSA registrant</p>	<p>CANADIAN EQUIPMENT FINANCE & LEASING INC.</p> <p>250 Woolwich Street South, Suite 5 Breslau ON N0B 1M0</p> <p>Brent Keenan Tel: 519 648 3898 Email: brent.keenan@cefl.ca</p> <p>PPSA registrant</p>
<p>HARRISON PENZA LLP</p> <p>450 Talbot St. (map) London ON N6A 5J6 Fax: 519 667 3362</p> <p>Michael Cassone Tel: 519 661 6765 Email: mcassone@harrisonpensa.com</p> <p>Lawyers for TD Auto Finance (Canada) Inc.</p>	<p>THE BANK OF NOVA SCOTIA</p> <p>10 Wright Boulevard Stratford ON N5A 7X9</p> <p>4715 Tahoe Boulevard Mississauga ON L4W 0B4</p> <p>PPSA Registrant</p>
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<p>CORWIN MORTGAGE CAPITAL INC.</p> <p>330 Wilson Avenue, Suite 300 Toronto ON M3H 1T2</p> <p>Kyle Fenwick Tel: 416 543 1298 Email: kyle@corwincapital.ca</p> <p>Debtor-in-possession lender</p>	<p>MACDONALD SAGER MANIS LLP 150 York Street, Suite 800 Toronto ON M5H 3S5 Fax: 416 364 1453</p> <p>Howard Manis Tel: 416 364 5289 Email: hmanis@msmlaw.ca</p> <p>Lawyers for the Proposal Trustee</p>

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

Court File Nos./Estate Nos. 35-2721716;
35-2721875; and
35-2721896

ONTARIO
SUPERIOR COURT OF JUSTICE

(LONDON)

**THIRD REPORT OF ALBERT GELMAN INC.
IN ITS CAPACITY AS PROPOSAL TRUSTEE**

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Albert Gelman Inc.