

**ONTARIO
SUPERIOR COURT OF JUSTICE**

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

**MOTION RECORD
(approval of financing facilities)
(returnable April 29, 2022)**

April 19, 2022

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

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

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

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

**ONTARIO
SUPERIOR COURT OF JUSTICE**

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

INDEX

Tab	Description	Page
1	Notice of motion returnable April 29, 2022	1
2	Affidavit of Rodney Davis sworn April 19, 2022	7
A	Exhibit "A": Mitsubishi HC Capital Canada, Inc. statement of interest and financing proposition dated March 24, 2022	13
B	Exhibit "B": Reciprocal Opportunities Inc. loan offer dated March 24, 2022	20
C	Exhibit "C": Orders dated November 12, 2021 and February 16, 2022	28
D	Exhibit "D": Canadian Equipment Finance & Leasing term sheet and equipment finance proposal dated August 25, 2021	45
E	Exhibit "E": Order dated September 10, 2021	51
3	Draft Order	64

TAB 1

Notice of motion returnable April 29, 2022

Estate No. 35-2721716

**ONTARIO
SUPERIOR COURT OF JUSTICE**

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

**NOTICE OF MOTION
(approval of financing facilities)
(returnable April 29, 2022)**

Drexler Construction Limited and Folmur Construction (2004) (together, the “**Companies**”) will make a motion to a judge of the Ontario Superior Court of Justice on Friday, April 29, 2022 at 10:00 a.m. or as soon thereafter as the motion can be heard, via videoconference, the details for which will be posted on The Middlesex Law Association website at www.middlaw.on.ca at 4:30 p.m. the day prior to the return date of this motion.

PROPOSED METHOD OF HEARING: orally.

THE MOTION IS FOR: an order authorizing the Companies to enter into financing facilities with (i) Mitsubishi HC Capital Canada, Inc. substantially on the terms contemplated in a statement of interest and financing proposition dated March 24, 2022, and (ii) Reciprocal Opportunities Inc. substantially on the terms contemplated in a loan offer dated March 24, 2022 (together, the “**New Facilities**”).

THE GROUND FOR THE MOTION ARE:

1. The Companies are in the construction industry. Their proposals have been accepted by their creditors and approved by this court in orders respectively dated November 12, 2021 and February 16, 2022.
2. The Companies' pre-filing institutional lender was fully repaid during the restructuring proceeding, including through court-approved debtor-in-possession (DIP) financing. The Companies then sought a new, long-term banking partner to repay the DIP lender and service credit needs going forward. They located a refinancing opportunity with Canadian Equipment Finance & Leasing and entered into to a non-binding term sheet and equipment finance proposal dated August 25, 2021 (the "**CEFL Facility**"). This court approved the CEFL Facility and authorized the Companies to enter into final documentation by order dated September 10, 2021.
3. The non-binding term sheet for the CEFL Facility contemplated chattel and land security. However, it appeared to the Companies and CEFL that it would be simpler and preferable to streamline the CEFL Facility into two distinct facilities, one built around chattel security and the other around land security, including because each is a specialized form of financing with its own applicable market terms and rates.
4. Except for interest and the type of collateral/security contemplated, the New Facilities are either on the same terms or substantially the same terms as the CEFL Facility already approved, or less onerous for the Companies.
5. The total credit limit under the New Facilities is only about \$25,000 more than under the CEFL Facility, and so the approval of the New Facilities is not meant to increase the Companies' borrowing ability to any significant degree.

6. The interest rate under the New Facilities reflects the market-correct rates considering *inter alia* the type of assets involved, the Companies remaining under proposal process, and the applicable credit limits.
7. The New Facilities will be used to fund operations, continue in business and generate cashflow so as to, in turn, perform the proposals and exit creditor protection as a going concern, which is in the interest of all stakeholders.
8. For avoidance of doubt, the relief sought does not include any form of vesting or priority charge, which is not contemplated to be necessary at this time. The relief sought is only the court's authorization of the Companies' entering into final financing and security documentation with respect to the New Facilities. I am advised that any security interests contemplated by the New Facilities will then be created, dealt with and take rank under normal provincial law.

MAIN STATUTORY PROVISIONS

- a. BIA s. 65.13.
- b. Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, rules 2.03 and 3.02.
- c. Such other and further grounds as counsel may advise and the court permit.

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

- a. the affidavit of Rodney Davis sworn April 19, 2022, and
- b. such further and other materials as counsel may advise and the court may permit.

April 18, 2022

GOLDMAN SLOAN NASH & HABER LLP

480 University Avenue, Suite 1600

Toronto, Ontario M5G 1V2

Fax: 416-597-6477

R. Brendan Bissell (LSO #40354V)

Tel: (416) 597-6489

Fax: (416) 597-3370

Email: bissell@gsnh.com

Joël Turgeon (LSO #80984R)

Tel: (416) 597-6486

Email: turgeon@gsnh.com

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

TO: THE SERVICE LIST

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

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceeding commenced in LONDON

NOTICE OF MOTION
(approval of financing facilities)
(returnable April 29, 2022)

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

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

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

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

TAB 2

Affidavit of Rodney Davis sworn April 19, 2022

Estate No. 35-2721716

**ONTARIO
SUPERIOR COURT OF JUSTICE**

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

**AFFIDAVIT OF RODNEY DAVIS
(sworn April 19, 2022)**

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

1. I am a Practice Lead and Partner of GreySuits Advisors Inc. and the Chief Financial Officer of Drexler Construction Ltd. (“**Drexler**”), which is the parent company of Folmur Construction (2004) Ltd. (“**Folmur**” and, together with Drexler, the “**Companies**”). As such I have knowledge of the matters to which I refer. In preparing this affidavit, I consulted with legal, financial and other advisors of the Companies and other members of the Companies’ management. Where this affidavit is on information and belief, I have stated the source of that information and believe it to be true.
2. The affidavit is in support of the Companies’ motion for an order authorizing the Companies to enter into financing facilities with **(i)** Mitsubishi HC Capital Canada, Inc. substantially on the terms contemplated in a statement of interest and financing proposition dated March 24, 2022, of which I attach a copy as **Exhibit “A”** (the “**Mitsubishi Facility**”), and **(ii)** Reciprocal Opportunities Inc. substantially on the terms contemplated in a loan

offer dated March 24, 2022, of which I attach a copy as **Exhibit “B”** (the “**ROI Facility**” and, together with the Mitsubishi Facility, the “**New Facilities**”).

3. For avoidance of doubt, the relief sought does not include any form of vesting or priority charge, which is not contemplated to be necessary at this time. The relief sought is only the court’s authorization of the Companies’ entering into final financing and security documentation with respect to the New Facilities. I am advised that any security interests contemplated by the New Facilities will then be created, dealt with and take rank under normal provincial law.
4. I am advised that Albert Gelman Inc., in its capacity as trustee to the Companies’ proposals (in such capacity, the “**Proposal Trustee**”), supports this motion.
5. The Companies are in the construction industry. Their proposals have been accepted by their creditors and approved by this court in orders respectively dated November 12, 2021 and February 16, 2022. I attach copies of those orders as **Exhibit “C”**.
6. The proposals are in good standing and payments are being made by the Companies to the Proposal Trustee on a monthly basis per the proposal terms, as I understand will more fully appear from a Proposal Trustee’s report to be served and filed separately.
7. The Companies’ pre-filing institutional lender was fully repaid during the restructuring proceeding, including through court-approved debtor-in-possession (DIP) financing. The Companies then sought a new, long-term banking partner to repay the DIP lender and service credit needs going forward. They located a refinancing opportunity with Canadian Equipment Finance & Leasing and entered into to a non-binding term sheet and equipment finance proposal dated August 25, 2021, of which I attach a copy as **Exhibit “D”**

(the “**CEFL Facility**”). This court approved the CEFL Facility and authorized the Companies to enter into final documentation by order dated September 10, 2021, of which I attach a copy as **Exhibit “E”**. See paragraphs 11 and 12.

8. The non-binding term sheet for the CEFL Facility contemplated chattel and land security. However, it appeared to the Companies and CEFL that it would be simpler and preferable to streamline the CEFL Facility into two distinct facilities, one built around chattel security and the other around land security, including because each is a specialized form of financing with its own applicable market terms and rates. Indeed, despite best efforts, upon completion of the review contemplated in the CEFL Facility’s non-binding term sheet, CEFL could not commit to the stated interest rate for a global facility. CEFL’s role therefore changed from potential lender to, essentially, broker, and with CEFL’s assistance, the Companies located the New Facilities as their preferred option in the circumstances.
9. Unless noted below, the New Facilities are either on the same terms or substantially the same terms as the CEFL Facility already approved, or less onerous for the Companies.

Term	CEFL Facility	Mitsubishi Facility	ROI Facility
Collateral/Security	<ul style="list-style-type: none"> ➤ Chattel (general security agreement) ➤ Land* (mortgages over 5270 Wellington Road and 183 Catherine Street in Guelph) 	<ul style="list-style-type: none"> ➤ Chattel (general security agreement) ➤ No land security 	<ul style="list-style-type: none"> ➤ Chattel (general security agreement) ➤ Land* (mortgages over 5270 and 5274 Wellington Road in Guelph)
Credit limit	\$3,500,000	\$1,824,625**	\$1,700,000
Interest	4.5-6.25%	BA rate + 8.24% (i.e. 9.11% as of March 24, 2022)	The greater of 10% or prime + 7.05%

** All land stated is owned by the Drexler group of companies.*

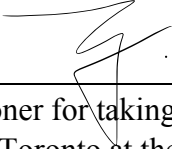
*** Reflects the precise percentage of appraised value contemplated by the Mitsubishi Facility, since obtained.*

10. The total credit limit under the New Facilities is only about \$25,000 more than under the CEFL Facility, and so the approval of the New Facilities is not meant to increase the Companies' borrowing ability to any significant degree.
11. While the New Facilities provide for higher interest rates than the CEFL Facility, the reality is that CEFL, upon completion of the review contemplated in the CEFL Facility's non-binding term sheet, could not commit to the terms initially considered for a global facility. The Companies and I believe that the interest rate under the New Facilities reflects the market-correct rates considering *inter alia* the type of assets involved, the Companies remaining under proposal process, and the applicable credit limits.
12. The intent behind entering into the New Facilities is the same as stated at the time of approval of the CEFL Facility: the New Facilities will be used to fund operations, continue in business and generate cashflow so as to, in turn, perform the proposals and exit creditor protection as a going concern, which is in the interest of all stakeholders.
13. In other words, it is not contemplated that the New Facilities will be used or necessary to fund the proposal directly. Such funding will rather come from operations allowed by the New Facilities. Without the New Facilities, the cashflow on present projects may not allow the Companies to fully self-finance their ability to take on future jobs on a medium or long term basis. This is typical in the construction industry. The nature of larger scale construction work of the type performed by the Companies is that a substantial investment is typically required at the outset of a job for labour and materials, with monetization and

revenues being achieved on completion or later in the project. Relatedly, the timing of receipt of the Companies' accounts receivable is in many cases after expenditures are required. Therefore, it is necessary for the Companies to access credit to enable them to take on jobs and generate returns.


14. I am advised that court approval of the New Facilities is required for the same reasons as court approval of the CEFL Facility was required, i.e. because it involves the granting of security interests over the Companies' assets, which I am advised is possibly a form of disposition outside of the ordinary course of business within the meaning of section 65.13 of the *Bankruptcy and Insolvency Act*. In any event, court approval is sought as a "belt and suspenders" measure.
15. I believe the approval of the New Facilities and the implementation of the same will be a significant landmark in the Companies' return to normal operations, as was part of their restructuring plan all along.

SWORN BEFORE ME via Zoom at the City of Toronto, in the Province of Ontario, this 19th day of April, 2022 in accordance with O. Reg. 431/20, *Administering Oath or Declaration Remotely*



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

Joël Turgeon



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

This is **Exhibit “A”** to the affidavit of Rodney Davis sworn before me via Zoom this 19th day of April, 2022 in accordance with O. Reg. 431/20, *Administering Oath or Declaration Remotely*

A handwritten signature in black ink, consisting of a stylized, cursive 'Z' or 'D' shape with a horizontal line extending to the left and a vertical line extending downwards.

A Commissioner, etc.


MITSUBISHI HC CAPITAL CANADA

Asset based Lending

Montreal, March 24th, 2022

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


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

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

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

TYPES OF ASSET-BASED LENDING FACILITY BY MHCCA

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

 **MITSUBISHI HC CAPITAL CANADA**
Asset based Lending

Required documents for borrowing base calculation:	<p>At all times, the Client shall ensure the outstanding balance does not exceed the lesser of the Credit Limit and the borrowing power. Monthly Borrowing power (*) will be calculated using:</p> <ul style="list-style-type: none"> • A/R and A/P aging report and a priority claims breakdown report • Equipment appraisal at MHCCA's entire satisfaction. Advance on equipment will be depreciated by 1.67%, monthly. • Monthly in-house financials, to be provided at the latest every 20th day of the following month. • All advance or draw is subject to approval by MHCCA's credit department. <p><i>*Monthly Reporting must be performed by Greysuits Advisors Inc. within 30 business days of the following month.</i></p>		
Standby fee:	<p>2.0% annually, payable monthly, on the unutilized portion of the Credit Facility calculated on the daily outstanding balance and the Credit Limit. Standby fee is only triggered if line utilization is below \$1,250,000.00</p>		
Implementation fee:	1.5% of the Credit limit	One-time set-up fee	
Term:	12 months following the date of the signature of the final contract.		
Renewal Fee	\$5,000.00 – Legal fees at the borrower's costs, if applicable.		
Draw Fee:	\$50 (min \$20 000)	Repayment fee:	\$0
Variable interest rate:	<p>9.11%, as of March 24th, 2022</p> <p>Interest rate will be calculated as follow: BA rate* + 8.24%, calculated daily online usage, compounded monthly.</p> <p><i>BA rate means the rate of interest per annum equal to the average rate applicable to the monthly Canadian Dollar Bankers' Acceptances as displayed and identified as such on the Bloomberg monitor "CDOR01 Index " at approximately 10:30 a.m. eastern time on the first day of the month (or, if such day is not a Business Day, as of 10:30 a.m. eastern time on the immediately preceding Business Day). Provided that if such rate does not appear on the Bloomberg monitor "CDOR01 Index" at such time on such date, the rate for such date will be the rate of interest per annum equal to the average rate applicable to the monthly Canadian Dollar Bankers' Acceptances as displayed and identified as such on the Reuters Screen CDOR page.</i></p> <p><i>In no event shall the Canadian BA Rate be less than 0.0%.</i></p>		
Monthly Management Fee:	N/A	Payable monthly in advance	
Use of Proceeds:	<p>Advances shall be used to fund working capital needs of the Client. Any additional use must be approved by MHCCA. For absolute clarity, no proceeds / advances of the Credit Facility may be used to repay any debts owed to any related party of the Client or the Guarantor(s), pay or declare dividends, pay management fees or bonuses outside the normal course of business or reduce the share capital in any way, without MHCCA's written consent.</p>		


MITSUBISHI HC CAPITAL CANADA

Asset based Lending

	GENERAL CONDITIONS AND OBLIGATIONS
Due diligence:	MHCCA, or any other entity designated by it, will identify in a timely manner the professional firms used by MHCCA to finalize the agreements between the parties and the regular management of this file. You must provide them with all the documents and information that they deem necessary or useful for the protection of MHCCA's interests and the preparation of the final agreements. The warranties and conditions set forth herein shall be to the satisfaction of MHCCA. The legal fees and disbursements incurred for the preparation and execution of the conditions required by MHCCA and that are necessary to complete the due diligence are at the Client's expense and may be deducted from the advances. To finalize the credit approval process, the Client must provide MHCCA with the any relevant documentation required for the due diligence process.
Transfer:	The Client agrees that MHCCA may transfer all or part of its rights, title and interest in the Proposal and that the transferee of the Proposal may exercise all the rights conferred to MHCCA as if the transferee was party to the Proposal. Moreover, the Client cannot transfer the Proposal without MHCCA or its transferee's prior written consent.
Deposit and fees:	100% of the implementation fees are payable upon execution of this Proposal. All legal fees be at the client's charge and payable prior to the 1 st disbursement.
Exchange rate:	MHCCA will not be held responsible for gains or losses resulting from a variation of the exchange rate. All of the transactions will be calculated in Canadian dollars at the rate of the day, as published by the financial institution designated by MHCCA, in addition to the exchange fees. Moreover, the exchange transaction fees are the exclusive responsibility of the Client. The financing of accounts receivable will only be made in CAD dollars.
Cancellation Fee:	2% of the Credit Limit be charged to terminate the Credit Facility before the end of the Term.
Security:	The borrower must grant MHCCA with the following securities: <ul style="list-style-type: none"> - Specific rank on equipment as well as all possible additions, improvements, replacements and substitutions relating to equipment and on all the products resulting therefrom (insurance products). - General security agreement on all Borrowers' assets which will be of first rank on receivables, stocks and equipment - General security agreement on all the Corporate Guarantors' assets which will be behind existing lender(s) on receivables, stocks and equipment - Personal guarantees of Anthony Alfred Drexler, Jerome Drexler, Kevin Drexler, Martin Drexler - Corporate guarantees of Down Under Pipe & Cable Locating Ltd. - Postponement of all related debt
Covenants:	The Client shall, at all times, respect the following financial covenants or will otherwise be recognized as in default in regard to its contractual obligations towards MHCCA: <ul style="list-style-type: none"> - Fixed Charge Coverage Ratio above 1x. (EBITDA/Fixed Charges) - Tangible Net Worth above \$2,900,000.00. - Monthly reporting to be performed by GreySuits Advisors Inc. - The Client shall also provide MHCCA with annual financial statements no later than 120 days after the end of the financial year. <p><i>Fixed Charges: Comprised on Interest expenses, Taxes, CPLTD and CP of Capital Leases.</i></p> <p><i>Tangible Net Worth: Total company equity plus postponed advances, minus intercompany advances made, prepaid expenses, restricted cash, goodwill and intangibles.</i></p>

 **MITSUBISHI HC CAPITAL CANADA**

Asset based Lending

<p>Financing and disbursement conditions:</p>	<ol style="list-style-type: none"> 1. Due diligence completed to the satisfaction of MHCCA 2. Postponement of all related party debt 3. Borrowing power to be calculated on a monthly basis and MHCCA to obtain a monthly borrowing base certificate, AR and AP list, priority claims breakdown and updated list of equipment 4. Acceptance by the other creditors of the implementation of MHCCA 5. Financial forecast of FY2022 for both Drexler Construction Ltd. & Folmur Construction (2004) Ltd. 6. Priority claims to be paid in full prior to initial disbursement 7. Physical equipment appraisal confirming FLV, OLV & FMV as well as remaining useful lifespan, performed by S. Guy Gauthier Inc. at MHCCA's entire satisfaction. 8. Facility to be managed through a Blocked Account Agreement (with Trigger) at MHCCA's entire satisfaction 9. Assignment of life insurance of all Personal Guarantors to be made in favour of MHCCA 10. Disbursement held in escrow with land financing for \$1,000,000.00 until conditions are satisfied 11. Borrower must have a payroll system in place, at MHCCA's entire satisfaction 12. ANY OTHER DOCUMENT DEEMED NECESSARY BY MHCCA'S CREDIT
<p>Protection of financial return</p>	<p>In order to maintain the profitability and financial performance of MHCCA, MHCCA may, in its sole discretion, adjust the rate, fees and the advance rate before disbursement, considering:</p> <ol style="list-style-type: none"> (1) a change in the cost of MHCCA funds; (2) a change in structure or in terms of what is presented in this proposal; (3) financial market conditions and fluctuations; (4) changes of a legal or fiscal nature related to MHCCA or to the client; (5) any other event which could have an impact on the profitability of MHCCA towards the transaction.
<p>Access to information:</p>	<p>The Client hereby allows any personal information representative, financial institution, debtor, tax authority, employer or any other entity, including any public body, holding information regarding the Client, its directors and its guarantees, in particular financial information or information regarding any covenant or guarantee of the Client, to provide these information to MHCCA in order to verify the accuracy of any information provided or to be provided from time to time to MHCCA and to ensure , at any time, the Client's solvency.</p>
<p>Confidentiality:</p>	<p>The Client and its representatives hereby undertake to keep the terms of this Proposal confidential and to divulge its content only to the persons authorized by prior written consent of MHCCA, including in regard to MHCCA's creditors.</p>
<p>Acceptance:</p>	<p>The Proposal shall be accepted by the Client no later than on March 31st, 2022 by signing and sending back the enclosed copy, otherwise MHCCA reserves its right to unilaterally cancel or modify this Proposal.</p>

Revocability of this statement of interest:

- This summary of the conditions is not exhaustive. The provisions not expressly contained herein may be subject to future negotiations. Moreover, by executing this agreement, the parties agree to the following:
 - i. This document does not constitute, in any case, an obligation from MHCCA to provide or to make provide credit under the conditions hereunder stated or at any other condition. We recommend to the clients to obtain their own opinions with respect to this Proposal from an accountant, a tax specialist, a lawyer or any other professional. MHCCA does not make any commitment regarding the accounting or tax treatment of the current Proposition;
 - ii. If MHCCA makes a commitment of this kind, it will do so with a separate written document, signed by it, after a previous satisfactory verification, a thorough examination of the file and multiple approbations;
 - iii. This statement of interest cancels and replaces any previous financing Propositions, whether written or oral, between MHCCA, its successors, beneficial owners, subsidiaries or affiliated companies, only regarding the dispositions it contains. All of the other agreements, conventions, deeds of moveable or immovable hypothec or other guaranties entered into between MHCCA, its successors, beneficial owners, subsidiaries or affiliated companies remain valid as long as they are not cancelled in writing by MHCCA, its successors, beneficial owners, subsidiaries or affiliated companies. MHCCA can, at all times during the consideration of this matter and to its complete satisfaction, renounce to consider the credit application and abandon its credit examination;
 - iv. Whether the financing is approved or not and whether the advances are granted or not, the Client undertakes to indemnify MHCCA, its administrators, directors, employees and representatives regarding any reclamation, expense (including legal fees), damages, and obligation that they could have to assume or that could be attributed to them in direct or indirect relation to the existence of this document, the financing project, contestations, or environmental responsibility or because of investigation, litigation or related judicial proceedings ;
 - v. MHCCA, the Companies of its group and its administrators, directors, employees or representatives cannot, in any case, be liable for payment of punitive, exemplary or indirect damages that could be attributed to them in connection with this letter, financing project or any other financing.


Rest of the page intentionally left blank

 **MITSUBISHI HC CAPITAL CANADA**

Asset based Lending

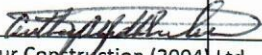
We acknowledge that we have been informed of this Proposition, we subscribe to the obligations that we have to incur hereunder including, without limitation, the authorizations relating to the gathering, use and divulgation of information regarding ourselves, and accept all the terms, conditions and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

Deemed signed in Rockwood, this _____, 2022



Drexler Construction Ltd.
By: Anthony Alfred Drexler, Director

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




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




By: Anthony Alfred Drexler, Personally



By: Jerome Drexler, Personally

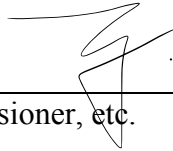


By: Kevin Drexler, Personally



By: Martin Drexler, Personally

This is **Exhibit “B”** to the affidavit of Rodney Davis sworn before me via Zoom this 19th day of April, 2022 in accordance with O. Reg. 431/20, *Administering Oath or Declaration Remotely*

A handwritten signature in black ink, appearing to be the initials 'JD', is written over the signature line.

A Commissioner, etc.

March 24, 2022

Drexler Construction Limited
5270 Wellington Road 27
Guelph, ON

Dear Mr. Drexler,

Re: Financing for repayment of an existing loan and to provide working capital, to be secured on 5274 Wellington Road 27, Guelph ON & 5270 Wellington Road 27, Guelph ON

The undersigned Lender hereby offers to you the following loan, for the purposes named herein subject to the following terms and conditions:

TERMS AND CONDITIONS:

Borrower: Drexler Construction Limited (the "Borrower").

Guarantors: Folmur Construction (2004) Ltd., Alfred Drexler, Jerome Drexler, Kevin Drexler & Martin Drexler (the "Guarantors") all jointly and severally for the entire Loan plus interest and expenses.

Loan Amount: One-Million-Seven-Hundred-Thousand (\$1,700,000) Dollars

Property Address: 5274 Wellington Road 27, Guelph ON (the "Head Office") a 27 acre property with 3 buildings totalling 16,000 sq. ft
5270 Wellington Road 27, Guelph ON (the "Duplex") A side by side semi-detached with 2 residential units.
(Collectively known as the "Property")

Purpose: For the refinance of existing debts and to provide working capital to the Borrower.

Term: Eighteen (18) Months. The balance of the principal and interest is due and payable eighteen months from the Interest Adjustment Date.

Date of Advance: The later of (1) 15 business days after this commitment has been signed and returned, and (2) when all conditions have been met and the Lender has completed his due diligence. The projected date of Advance will be April 14, 2022.

Interest Rate: The greater of Ten (10%) Percent or Prime plus Seven and Five-Hundredths (7.05%) Percent per annum compounded and calculated monthly. Interest accrues from the date that the funds are transferred to our solicitors' trust account. Prime means the prime lending rate of interest as announced by the Royal Bank of Canada

Wrap Up Period: Commencing on the second day of the final month of the Term, or the Extension if renewed pursuant to the Extension provision contained herein by the lender, shall be the beginning of the Wrap Up Period, and the loan balance will begin to bear interest at Fifteen (15%) Percent per annum compounded and calculated monthly thereafter.

Payment & Amortization Interest only due monthly on the second day of each month commencing on the second day of the month after the Date of Advance.

Interest Adjustment Date:	The 2nd day of the month following the Date of Advance.
Interest Reserve:	One-Hundred-Seventy-Thousand (\$170,000) Dollars will be deducted from the Advance and will be placed in the Trust Account to pay interest on the Loan for the twelve months of the Loan based upon an interest rate of 10%. If the interest rate increases or the Loan is not repaid prior to the depletion of the interest reserve, the borrower will be required to make monthly payments. Any unutilized portion of the Interest Reserve will be returned to the Borrower upon final discharge of the Loan.
Trust Account:	The Trust Account will be the Lender's trust account, and the funds will be invested in a one-year GIC with the Royal Bank which is cashable after 30 days. The interest earned will be for the benefit of the Borrower.
Lender's Commitment Fee:	Forty-Thousand-Three-Hundred-Seventy-Five (\$40,375) Dollars upfront fee earned by the Lender upon the Borrower's execution of this Commitment Letter. The Commitment Fee is non-refundable. The portion of the Good Faith Deposit, as defined herein, not used to pay transaction expenses incurred by the Lender, if any, shall be applied as a credit toward the Commitment Fee at the time of the Loan advance. The Lender shall deduct the unpaid balance of the Commitment Fee from the proceeds of the Advance.
Good Faith Deposit:	<p>The Lender requires a \$10,000 good faith deposit (the "Good Faith Deposit") upon execution of this commitment. The Good Faith Deposit will be used for expenses that may be incurred by the Lender prior to the advance of the Loan, with the remaining balance, if any, to be credited towards the Lender's Fee at the time of the advance of the Loan.</p> <p>The Borrower acknowledges that the Good Faith Deposit is a reasonable estimate of the Lender's cost incurred in sourcing, investigating, underwriting and preparing the Loan and holding monies available to fund the Loan and that the same may be retained by the Lender as liquidated damages should the Loan not be funded as a result of non-performance by the Borrower.</p>
Prepayment:	The Loan may be repaid during the first six months of the term upon seven days written notice and upon payment of accrued interest and costs plus three months bonus interest plus a \$500 Administration Fee. The Loan may be repaid after six months of the term and prior to nine months of the term upon seven days written notice and upon payment of accrued interest and costs plus one months bonus interest plus a \$500 Administration Fee. Otherwise, the Loan may be repaid at any time during the last nine months of the term upon seven days written notice and upon payment of accrued interest and costs a \$500 Administration Fee.
Extension:	Where the Loan is not paid in full by the end of the Term, the Lender in its sole discretion may agree upon an extension for repayment of the Loan. Any extensions will be in four-month increments. For each extension that is granted, an extension fee of One-Third (0.33%) Percent of the loan amount will be payable.
Overholding Fee:	If the Loan is not repaid in full, renewed or extended by the end of the Term, in addition to any other rates, fees and costs to be paid pursuant to this Commitment, the Borrower shall pay to the Lender an over holding fee, calculated daily, not in advance, commencing on the first day after payment of the Loan was due but not paid. The fee is calculated by multiplying 200 basis points by the Loan Amount and dividing the sum by 365.

Security:

The Borrower, prior to the Advance of Funds, will deliver the following security documents to the Lender, in a form satisfactory to the Lender and his solicitor:

- First charge on the Property for the Loan Amount plus interest and costs.
- First assignment of rental income from the Property.
- First assignment of insurance on the Property.
- A General Security Agreement charge registered under the PPSA covering all assets of the Borrower.
- A General Security Agreement charge registered under the PPSA for all current and future acquired personal property required for the proper operation of the building on the Property.
- The unconditional guarantees from all of the Guarantors for the full Loan Amount plus interest and expenses.

Funding Conditions:

No funds will be advanced before or during the Term, until the Lender has received and approved, or waived the following, all on terms and in a form satisfactory to the Lender and its solicitor in its absolute discretion, all at the cost of the Borrower:

- Review of Satisfactory appraisal for the Head Office performed by an approved AACI appraiser, with an effective date that is no greater than 12 months old. The appraisal must show a value for the Property of not less than \$2,400,000. The evidence supporting this appraised value must be satisfactory to the Lender in its sole discretion.
- Review of Satisfactory appraisal for the Property performed by an approved AACI appraiser, with an effective date that is no greater than 12 months old. The appraisal must show a value for the Property of not less than \$860,000. The evidence supporting this appraised value must be satisfactory to the Lender in its sole discretion.
- Letters of transmittal for the appraisals.
- Satisfactory site inspection of the Property.
- Confirmation of satisfactory zoning for the Property.
- Satisfactory Environmental Review for the Property.
- All levies, development charges, local improvement charges, property taxes and other such charges affecting all properties for which security is being taken for this Loan must be paid to date.
- A satisfactory survey for the Property or title insurance satisfactory to the Lender.
- Satisfactory review of the most recent financial statements of the Borrower as well as the internal financial statements for the month ended December 31, 2021.
- Satisfactory review of the projected financials of the Borrower and Corporate guarantor, and confirmation of contracts currently awarded.
- The Order of Justice Raiken dated November 12, 2021 in Superior Court proceeding – 35-2721716 (the “Order”) continues in force unamended, and the borrower is not in default of the Order.
- If deemed applicable, court approval for the proposed Loan.
- Satisfactory review of the personal balance sheets of all of the Guarantors.
- Satisfactory review of leases for the Property and receipt of estoppels certificates for all tenants.
- Confirmation that the Borrower is current with all regulatory filings, including HST/GST
- An opinion from the Borrower’s solicitor, which will include among other things, confirmation of the shareholdings of the Borrower.
- An opinion from the solicitors for the Guarantors indicating the validity and enforceability of their guarantees provided.
- Satisfactory review of insurance coverage on all assets taken as security for this Loan.

**General Terms &
Conditions:**

- i. **Right To Assign:** The Commitment and Security or any interest therein may be assigned or syndicated by the Lender, in whole or in part, without the consent of the Borrower or Guarantor. The Borrower and the Guarantor consent to the disclosure by the Lender to any such prospective assignee or participant of all information and documents regarding the Loan, the Project, the Borrower, and the Guarantor within the possession or control of the Lender. The Lender will provide 14 days notice of any assignment.
- ii. **Reporting Requirements:** The Borrower will provide the Lender with financial and other supporting information as the Lender may request from time to time. Such information will include but not be limited to Financial Statements, net worth statements, sales reports and costs to complete information. The information will be provided in a timely manner.
- iii. **Property Taxes:** The Lender reserves the right to collect one-twelfth of the estimated annual real estate taxes for any property held as security for the Loan, with the regular monthly payments. The Borrower will provide evidence to the Lender that all property tax instalments are paid on time within 24 hours of their due date. If evidence is not provided within said 24 hours, a fee of \$500 must be paid for any faxed or emailed request for same. Non-payment of any property tax instalment will be considered an event of default by the Borrower and the default provisions of the mortgage will apply.
- iv. **No Financing:** Except as may now or hereafter be specifically permitted by the Lender in writing, the Borrower shall not create, assume or purport or attempt to create or assume any grant, mortgage, charge or other security on the Property, Collateral or on any other assets now or at any time hereafter mortgaged, charged or assigned specifically to or in favour of the Chargee or any part thereof, ranking subordinate to this Charge.
- v. **No Assignment:** The Borrower may not assign the Commitment or the Loan.
- vi. **Standard Mortgage:** The Borrower agrees to sign the Lender's standard mortgage charge.
- vii. **Consent:** The Borrower will execute the attached Consent, Authorization and Direction.
- viii. **Marketing:** ROI may also refer to this Loan in its advertising at any time after the Advance.
- ix. **Consent to Disclosure:** You grant your consent (such grant to remain in force as long as the Loan is outstanding) to any governmental body or authority or other person having information relating to Harmonized Sales Tax ("HST") or to any other amount required to be paid by you, where the failure to pay such other amount could give rise to a claim ranking or capable of ranking in priority to the Security, to release such information to us at any time upon our request. You agree to provide signed third party authorizations in support of the foregoing at any time upon our request, prior to or after disbursement of the Loan.
- x. **Due on Sale:** In the event that any property taken as security for this Loan is sold, or that any of the shares of the Borrower or any corporate Guarantor are sold or transferred for any reason, the Loan together with a \$500 Administration Fee plus any accrued interest, costs and prepayment penalties plus Minimum Interest will become due and payable at the option of the Lender.

Default: If, in the Lender's sole discretion, there has been a material deterioration in the financial position of the Borrower during the term of the loan, then the loan and all accrued interest, including any prepayment penalties will immediately become due at the option of the Lender.

Legal and Documentation: All title and other legal matters must be satisfactory to the Lender's solicitors. All legal fees and disbursements of the Lender's solicitors, after acceptance of this commitment, will be on account of the Borrower whether or not the transaction is completed. The Lender's solicitor will be Waterous Holden Amey Hitchon. A \$7,000 deposit towards legal fees must be paid with your acceptance of this commitment. Legal Fees are estimated to be \$14,000 plus disbursements and HST.

Loan Closing: Notwithstanding the satisfaction of all loan conditions, and/or any other event or circumstance of any kind, the Lender shall not be required to close the Loan and may terminate this Commitment at any time if it determines, in its sole and subjective discretion, that there has occurred any event or circumstance, including without limitation, any change in Property, credit or other financial market conditions, applicable laws or an environmental condition, circumstance or event affecting or relating to the Property is disclosed to or identified by the Lender, which, in the opinion of the Lender, in its sole and subjective discretion, either has or could be expected to have a material and adverse effect on the ownership or value of the property or the Loan or the Lender's ability to sell or syndicate the Loan.

Mortgage Brokerage Issues: **The Borrower is using the services of its own mortgage broker or alternatively its own lawyer and the Lender is acting on behalf of itself and is not acting as a mortgage broker for the Borrower.**

Your acceptance and payment of the \$10,000 Lender's Good Faith Deposit as well as the \$7,000 legal retainer must be received on or before 4:00 p.m. on the 25th day of March, 2022, otherwise this commitment will be null and void. Upon receipt of the signed Commitment and deposits, the Lender will pursue approval with its funding committee. If ROI is unsuccessful in approving the loan, the Good Faith Deposit less any costs will be refunded and you will be released from any obligation to pay remaining fees.

Yours sincerely,
Reciprocal Opportunities Incorporated
Per:



Darren Neziol, President
I have authority to bind the corporation.

ACCEPTANCE

Drexler Construction Limited hereby accepts the terms and conditions of the above-mentioned commitment and Folmur (2004) Construction Ltd., Alfred Drexler, Jerome Drexler, Kevin Drexler & Martin Drexler hereby agrees to guarantee the charge and to be responsible for all fees and disbursements payable pursuant to the provisions of this commitment. We have reviewed this document with either our mortgage broker or lawyer prior to signing it. We understand that the Lender is a Registered Mortgage Broker acting on behalf of itself and is not advising us, but rather we are obtaining our own advice.

If we are not using our own mortgage broker, we have obtained advice from our lawyer, _____ regarding this transaction prior to signing this document.


Dated this _____ day of March, 2022

Borrower


Per: Drexler Construction Limited

Guarantor


Per: Folmur Construction (2004) Ltd.



Alfred Drexler, President
I have authority to bind the corporation.



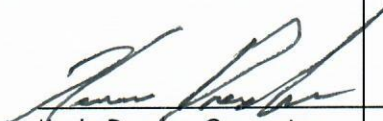
Alfred Drexler, President
I have authority to bind the corporation.



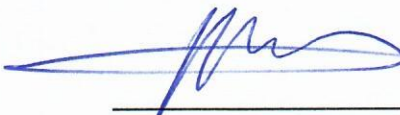
Alfred Drexler, Guarantor



Jerome Drexler, Guarantor



Kevin Drexler, Guarantor



Martin Drexler, Guarantor

Solicitor Information acting on Borrower's behalf:

Solicitor & Firm: _____

Phone Number: _____

Email: _____

Consent, Authorization and Direction

RE: _____ 5274 Wellington Road 27, Guelph ON & 5270 Wellington Road 27, Guelph ON _

TO WHOM IT MAY CONCERN:

The undersigned hereby consents and directs you to release any and all information, reports, studies, orders, accounts, including, without limitation, compliance by the undersigned with all legislation and regulations (the "Information"), to ***Reciprocal Opportunities Incorporated*** and its solicitors, ***Waterous Holden Amey Hitchon LLP***.

The undersigned further authorizes and directs its consultants or any governmental authority, including, without limitation, the Municipality and to meet with and disclose to ***Reciprocal Opportunities Incorporated*** and its solicitors, ***Waterous Holden Amey Hitchon, LLP***, all the Information they have, and provide copies of all written material in any file relating to the undersigned.

This Consent, Authorization and Direction shall constitute your good and valid authority to act as aforesaid.

Dated this _____ day of March, 2022.

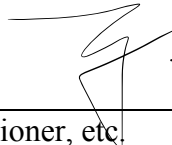
Per: Drexler Construction Limited

Per: Folmur Construction (2004) Ltd.

Alfred Drexler, President
I have authority to bind the corporation.

Alfred Drexler, President
I have authority to bind the corporation.

This is **Exhibit “C”** to the affidavit of Rodney Davis sworn before me via Zoom this 19th day of April, 2022 in accordance with O. Reg. 431/20, *Administering Oath or Declaration Remotely*

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke at the top.

A Commissioner, etc.

Court File/Estate No. 35-2721716

**ONTARIO
SUPERIOR COURT OF JUSTICE**

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

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

ORDER APPROVING PROPOSAL

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

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

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

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

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

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

R. Raikes

SCHEDULE "A"

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

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

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

AMENDED PROPOSAL

(Dated October 22, 2021)

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

1. DEFINITIONS

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

- (a) **Claim.** Any right of any person against the Debtor in connection with any indebtedness, liability or obligation of the Debtor of any kind which was in existence at the NOI Date, whether or not reduced to judgement, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, by guarantee, surety or otherwise, and whether or not such a right is executory in nature, including, without limitation, any claim referred to in this Proposal in respect of the termination or disclaimer by the Debtor of a lease, any product warranty liability and the right or ability of any person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause of action or chose in action, whether existing at present or commenced in the future based in whole or in part on facts which existed prior the NOI Date;
- (b) **Debtor.** Drexler Construction Limited;
- (c) **Final Approval.** Approval of the Proposal by the Creditors and the Court and any appeal period with respect to the Court Approval having expired;
- (d) **NOI Date.** Date of the filing of the Notice of Intention to Make a Proposal with the Official Receiver being March 18, 2021;

- (e) **Ordinary Creditors.** Unsecured Creditors, excluding the Preferred Creditors;
- (f) **Preferred Creditors.** Creditors with proven claims for which the BIA prescribes payment in priority to claims of Ordinary Creditors;
- (g) **Proposal.** This Proposal, as it may be amended from time to time;
- (h) **Proposal Date.** Date of the filing of the Proposal with the Official Receiver;
- (i) **Proven Claim.** Any claim which was the subject of a proof of claim in accordance with the BIA, filed with the Trustee and considered admissible by it;
- (j) **Real Property.** Collectively the following:
 - i. 5270 Wellington Rd 27, Township of Guelph/Eramosa (Commercial),
 - ii. 5270 Wellington Rd 27, Township of Guelph/Eramosa (Residential),
 - iii. 183 Catherine St, Township of Guelph/Eramosa (Development Land)
- (k) **Secured Creditors.** Those creditors with a security interest in the assets of the Debtor;
- (l) **Trustee.** Albert Gelman Inc., as Trustee to the Proposal of the Debtor;
- (m) **Trustee's Fees and Disbursements.** The Trustee's Fees and Disbursements are comprised of all fees and out of pocket disbursements, including legal fees, of Albert Gelman Inc. incidental to the Proposal. The Trustee's fees shall be billed on a time and hourly rate basis and shall include HST. The Trustee shall be at liberty to withdraw and pay its fees and disbursements from the Proposal Fund, from time to time. The Trustee's hourly billing rates for its professional and administrative staff are subject to change without notice.
- (n) **Unsecured Creditors.** Collectively, the Preferred Creditors, the Ordinary Creditors;

2. DEBTS OWED TO THE CROWN

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

3. SECURED CREDITORS

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

4. PREFERRED CREDITORS

- (a) Proven Claims of Preferred Creditors, without interest, shall be paid in full in priority to all Unsecured Creditors;
- (b) Claims of employees and former employees of amounts equal to the amounts that they would be qualified to receive under paragraph 136(1)(d) of the BIA as well as wages, salaries, commissions or compensation for services rendered after the NOI Date and before Final Approval of this Proposal, together with, in the case of travelling salesmen, disbursements properly incurred by those salesmen in and about the Debtor's business during the same period shall be paid by the Debtor immediately after Final Approval of this Proposal.

5. UNSECURED CREDITORS

- (a) The Debtor shall remit to the Trustee the total sum of \$1,481,994.24 (the "Proposal Fund"), to be remitted in 24 consecutive monthly payments of \$61,749.76 each commencing in the month following Final Approval.
- (b) The Trustee shall distribute the Proposal Fund in the following order:
 - i. Proven Claims of Preferred Creditors;
 - ii. To Ordinary Creditors with Proven Claims under the Proposal on a *pro rata pari passu* basis, less the required levy payable to the Office of the Superintendent of Bankruptcy.
- (c) Creditors shall accept these payments as full, final and complete satisfaction of their claims.
- (d) The Debtor shall have the right to prepay the balance due under the Proposal prior to the expiration of the scheduled payment terms.

6. TRUSTEE'S FEES AND DISBURSEMENTS

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

7. REAL PROPERTY

- (a) The Debtor owns the Real Property, which is comprised of three parcels of land:
 - i. commercial the land and building which it operates from;
 - ii. a residential dwelling located adjacent to the commercial land and building; and,
 - iii. a parcel of undeveloped residential development land.
- (b) Subsequent to the filing of the NOI, the Debtor applied to the Court and obtained an order authorizing it to proceed with mortgage financing, secured against the Real Property, through its lender Corwin Mortgage Capital Inc. for \$1.5 million ("Corwin Facility"). The Corwin Facility was needed to fund the Debtor's operating cash flow and ultimately used to payout debts owing to RBC, totaling approximately \$1.4 million, secured against the Debtor's assets.
- (c) As of the date of the filing of the Proposal, the RBC has been paid out in full and the Debtor will be applying to the Court on September 10, 2021 seeking an increase in the Corwin Facility to \$2.5 million. The additional funds are needed to replace the working capital used by the Debtor to payout RBC.
- (d) The Debtor is in the process of finalizing long-term financing through Canadian Equipment Finance & Leasing Inc. ("CEFL") in the amount of \$3.5 million, in order to payout the Corwin Facility and provide sufficient working capital. This transaction will be subject to Court approval and is expected to close in October 2021.

8. GENERAL PROVISIONS

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

- (c) All monies payable under the terms of this Proposal, unless otherwise stated herein, shall be paid over to the Trustee who shall make all payments in accordance with the terms of this Proposal.
- (d) The Creditors, at the meeting of creditors to consider this Proposal, may appoint up to five Inspectors who will have, in addition to any powers of Inspectors under the BIA, the power to:
- i. receive any notice of default in the performance of the Proposal and waive any such default;
 - ii. advise the Trustee in respect of such matters as may be referred to the inspectors by the Trustee; and,
 - iii. extend the time for any payment due under this Proposal provided that any such extension does not lengthen the total term of the Proposal.
- (e) Upon the issuance of the Certificate of Full Performance by the Trustee to the Debtor, the Directors shall be released and discharged by all Creditors from all Claims, which any Preferred Creditors or Ordinary Creditors may have or have been entitled to assert against any of the directors for which they would be, by law, liable in their capacity as directors for the payment of such claims which arose prior to the NOI Date, provided that nothing herein shall release or discharge any of the directors from Claims that:
- i. Relate to contractual right of one or more of the Ordinary Creditors arising from contract with one or more of the directors; or
 - ii. Are based on allegations of misrepresentation made by the directors to the Ordinary Creditors or of wrongful or oppressive conduct by the directors.
- (f) All proper claims against the Debtor arising with respect to goods supplied, services rendered, or other consideration given or provided after the NOI Date, up to the date of approval of this Proposal by the Superior Court of Justice in Bankruptcy, and not otherwise dealt with pursuant to this Proposal, shall be paid in full by the Debtor in the ordinary course, in priority to the claims of all other Creditors.
- (g) The provisions of this Proposal will be binding on the creditors with Claims and the Debtor, and their respective heirs, executors, administrators, successors and assigns, upon issuance of the Final Approval.
- (h) The following creditor(s) have agreed not to file a Claim in this Proposal and will not participate in distributions to Unsecured Creditors under this Proposal:
- Folmur Construction (2004) Ltd.
 - 2602763 Ontario Ltd.
 - Drexcon III Ltd.

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

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

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


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

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

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

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

Drexler Construction Limited

Per: 
Alfred Drexler

I have the authority to bind the corporation.

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

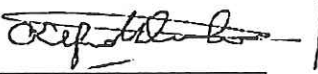
**ONTARIO
SUPERIOR COURT OF JUSTICE
(In Bankruptcy and Insolvency)**

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

CREDITOR ACKNOWLEDGEMENT

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

Folmur Construction (2004) Ltd.

Per: 
Anthony Alfred Drexler

I have authority to bind the corporation.

2602763 Ontario Ltd.

Per: 
Peter Drexler

I have authority to bind the corporation

Drexcon III Ltd.

Per: 
Jerome Drexler

I have authority to bind the corporation.

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

Court File No. 35-2721716

ONTARIO
SUPERIOR COURT OF JUSTICE

ORDER APPROVING PROPOSAL

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

Howard F. Manis
LSUC# 34366V

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

Lawyer for Albert Gelman Inc.,
Licensed Insolvency Trustee



Court File/Estate No. 35-2721875

**ONTARIO
SUPERIOR COURT OF JUSTICE**

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

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

ORDER APPROVING PROPOSAL

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

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

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

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

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

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



Deputy Registrar in Bankruptcy

DEPUTY REGISTRAR R. STEVENS

Schedule "A"

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

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

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

AMENDED PROPOSAL

(Dated January 5, 2022)

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

1. DEFINITIONS

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

- (a) **Claim.** Any right of any person against the Debtor in connection with any indebtedness, liability or obligation of the Debtor of any kind which was in existence at the NOI Date, whether or not reduced to judgement, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, by guarantee, surety or otherwise, and whether or not such a right is executory in nature, including, without limitation, any claim referred to in this Proposal in respect of the termination or disclaimer by the Debtor of a lease, any product warranty liability and the right or ability of any person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause of action or chose in action, whether existing at present or commenced in the future based in whole or in part on facts which existed prior the NOI Date;
- (b) **Debtor.** Folmur Construction (2004) Ltd.;
- (c) **Final Approval.** Approval of the Proposal by the Creditors and the Court and any appeal period with respect to the Court Approval having expired;
- (d) **NOI Date.** Date of the filing of the Notice of Intention to Make a Proposal with the Official Receiver being March 18, 2021;

- (e) **Ordinary Creditors.** Unsecured Creditors, excluding the Preferred Creditors;
- (f) **Preferred Creditors.** Creditors with proven claims for which the BIA prescribes payment in priority to claims of Ordinary Creditors;
- (g) **Proposal.** This Proposal, as it may be amended from time to time;
- (h) **Proposal Date.** Date of the filing of the Proposal with the Official Receiver;
- (i) **Proven Claim.** Any claim which was the subject of a proof of claim in accordance with the BIA, filed with the Trustee and considered admissible by it;
- (j) **Secured Creditors.** Those creditors with a security interest in the assets of the Debtor;
- (k) **Trustee.** Albert Gelman Inc., as Trustee to the Proposal of the Debtor;
- (l) **Trustee's Fees and Disbursements.** The Trustee's Fees and Disbursements are comprised of all fees and out of pocket disbursements, including legal fees, of Albert Gelman Inc. incidental to the Proposal. The Trustee's fees shall be billed on a time and hourly rate basis and shall include HST. The Trustee shall be at liberty to withdraw and pay its fees and disbursements from the Proposal Fund, from time to time. The Trustee's hourly billing rates for its professional and administrative staff are subject to change without notice.
- (m) **Unsecured Creditors.** Collectively, the Preferred Creditors, the Ordinary Creditors;

2. DEBTS OWED TO THE CROWN

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

3. SECURED CREDITORS

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

4. PREFERRED CREDITORS

- (a) Proven Claims of Preferred Creditors, without interest, shall be paid in full in priority to all Unsecured Creditors;
- (b) Claims of employees and former employees of amounts equal to the amounts that they would be qualified to receive under paragraph 136(1)(d) of the BIA as well as wages, salaries, commissions or compensation for services rendered after the NOI Date and before Final Approval of this Proposal, together with, in the case of travelling salesmen, disbursements properly incurred by those salesmen in and about the Debtor's business during the same period shall be paid by the Debtor immediately after Final Approval of this Proposal.

5. UNSECURED CREDITORS

- (a) The Debtor shall remit to the Trustee the total sum of \$550,683.43 (the "**Proposal Fund**"), to be remitted in 24 consecutive monthly payments of \$22,945.15 each commencing in the month following Final Approval.
- (b) The Trustee shall distribute the Proposal Fund in the following order:
 - i. Proven Claims of Preferred Creditors;
 - ii. To Ordinary Creditors with Proven Claims under the Proposal on a *pro rata pari passu* basis, less the required levy payable to the Office of the Superintendent of Bankruptcy.
- (c) Creditors shall accept these payments as full, final and complete satisfaction of their claims.
- (d) The Debtor shall have the right to prepay the balance due under the Proposal prior to the expiration of the scheduled payment terms.

6. TRUSTEE'S FEES AND DISBURSEMENTS

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

7. GENERAL PROVISIONS

- (a) The Trustee is acting in its capacity as trustee under this Proposal and shall not be responsible or liable for any obligations of the Debtor. The Trustee shall have the powers granted to it by the Proposal, by the BIA, and by any order of the Court. The Trustee will be exempt from all personal liability in fulfilling any duties or exercising any powers conferred upon it by the Proposal or generally in carrying out the terms of this Proposal unless such acts have been

carried out in bad faith and constitute a wilful or wrongful act or default. Sections 91 to 101 of the BIA (with the exception of Section 97(3)) shall not apply in connection with this Proposal or any dealing by the Debtor prior to the NOI Date, and the Trustee shall have no responsibility, liability or authority whatsoever in connection therewith. The Trustee shall not monitor or in any way manage the Debtor's business or financial affairs.

- (b) The Trustee under this Proposal is acting solely as Trustee and not in its personal capacity and shall not be responsible or liable for any obligations of the Debtor.
- (c) All monies payable under the terms of this Proposal, unless otherwise stated herein, shall be paid over to the Trustee who shall make all payments in accordance with the terms of this Proposal.
- (d) The Creditors, at the meeting of creditors to consider this Proposal, may appoint up to five Inspectors who will have, in addition to any powers of Inspectors under the BIA, the power to:
 - i. receive any notice of default in the performance of the Proposal and waive any such default;
 - ii. advise the Trustee in respect of such matters as may be referred to the inspectors by the Trustee; and,
 - iii. extend the time for any payment due under this Proposal provided that any such extension does not lengthen the total term of the Proposal.
- (e) Upon the issuance of the Certificate of Full Performance by the Trustee to the Debtor, the Directors shall be released and discharged by all Creditors from all Claims, which any Preferred Creditors or Ordinary Creditors may have or have been entitled to assert against any of the directors for which they would be, by law, liable in their capacity as directors for the payment of such claims which arose prior to the NOI Date, provided that nothing herein shall release or discharge any of the directors from Claims that:
 - i. Relate to contractual right of one or more of the Ordinary Creditors arising from contract with one or more of the directors; or
 - ii. Are based on allegations of misrepresentation made by the directors to the Ordinary Creditors or of wrongful or oppressive conduct by the directors.
- (f) All proper claims against the Debtor arising with respect to goods supplied, services rendered, or other consideration given or provided after the NOI Date, up to the date of approval of this Proposal by the Superior Court of Justice in Bankruptcy, and not otherwise dealt with pursuant to this Proposal, shall be paid in full by the Debtor in the ordinary course, in priority to the claims of all other Creditors.

- (g) The provisions of this Proposal will be binding on the creditors with Claims and the Debtor, and their respective heirs, executors, administrators, successors and assigns, upon issuance of the Final Approval.
- (h) The following creditor(s) have agreed not to file a Claim in this Proposal and will not participate in distributions to Unsecured Creditors under this Proposal:
- 2602763 Ontario Ltd.
- (i) Any notices or communication to be made or given in this Proposal shall be in writing and shall refer to this Proposal and may, subject as hereinafter provided, be made or given by personal delivery, by prepaid mail or by e-mail.
- i. if addressed to the Debtor use the following address:
- Goldman, Sloan, Nash and Haber LLP, counsel to the Debtor
480 University Ave Suite 1600
Toronto, Ontario M5G 1V2
Attention: Brendan Bissell
E-mail: bissell@gsnh.com
- ii. if addressed to the Trustee use the following address:
- Albert Gelman Inc.
100 Simcoe St. Suite 125
Toronto, Ontario M5H 3G2
Attention: Bryan Gelman
E-mail: bgelman@albertgelman.com
- (j) For purposes of this Proposal, Claims denominated in a currency other than Canadian funds will be converted to Canadian Dollars at the closing spot rate of exchange of the Bank of Canada on the NOI Date.

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

Folmur Construction (2004) Ltd.



Per: _____
Alfred Drexler

I have the authority to bind the corporation.

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

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

ONTARIO
**SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

(LONDON)

REPORT OF THE TRUSTEE ON PROPOSAL

**HOWARD MANIS PROFESSIONAL
CORPORATION**

operating as Manis Law
2300 Yonge Street, Suite 1600
Toronto, Ontario M4P 1E4

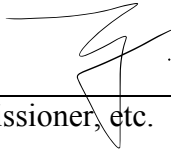
Howard Manis (LSO# 34366V)

Tel: (416) 364-5289

Email: hmanis@manislaw.ca

Lawyers for the Licensed Insolvency Trustee,
Albert Gelman Inc.

This is **Exhibit “D”** to the affidavit of Rodney Davis sworn before me via Zoom this 19th day of April, 2022 in accordance with O. Reg. 431/20, *Administering Oath or Declaration Remotely*

A handwritten signature in black ink, appearing to be a stylized 'G' or similar character, positioned above the text 'A Commissioner, etc.'.

A Commissioner, etc.



Canadian Equipment

FINANCE & LEASING INC.

250 Woolwich St., Unit 5, Breslau, Ontario, N0B 1M0
PH: (519) 648-3898 FX: (519) 648-3382

EQUIPMENT FINANCE PROPOSAL # 2021154

August 25, 2021

Canadian Equipment Finance & Leasing Inc. is pleased to present the following Commercial Mortgage Proposal to **Drexler Construction Limited**. This proposal is an outline of proposed terms for your consideration, and is not a commitment to finance. This proposal sets out the terms and conditions which Canadian Equipment Finance & Leasing Inc. is prepared to offer. Upon your signed acceptance, this Proposal will be brought forward as an application to Canadian Equipment Finance & Leasing Inc.

**MORTGAGOR/
BORROWER:**

Drexler Construction Limited.

GUARANTEES:

Personal Guarantees and other Corporate Guarantees from corporations within the Drexler Group of Companies to be determined once due diligence and a credit review is completed.

SECURITY:

General Security Agreement of Drexler Construction Limited. to support the mortgages on the three limited properties listed below.

ADDRESS:

5270 Wellington Rd. 27
Township of Guelph/Eramosa, Ontario
N0B 2K0

CONTACT:

Rodney Davis
Phone: 647-966-3772
Email: rodney@greysuit.ca

LENDER:

Canadian Equipment Finance & Leasing Inc.
and/or its assignee or nominee

CONTACT:

Brent Keenan
President
Phone: 519-648-2977
Mobile: 519-766-5056
E-Mail: brent.keenan@cefl.ca

PURPOSE:

1 - To provide long term financing at approx. 75% Loan to Value (LTV) on land and buildings located at 5270 Wellington Rd. 27, Township of Guelph/Eramosa ON with a 1st Mortgage. (Commercial Property)

2 - To provide long term financing at approx. 75% Loan to Value (LTV) on land and buildings located at 5270 Wellington Rd. 27 Rockwood, ON with a 1st Mortgage. (Duplex)

3 - To provide long term financing at approx.50% Loan to Value (LTV) on land and buildings located at 183 Catherine St. Township of Guelph/Eramosa, ON with a 1st Mortgage. (Development Land)

TRANSACTION AMOUNT:

Appraised Total: CAD \$ 7,760,000.00
Total Transaction Amount: CAD \$ 3,500,000.00

** This is only an estimate of the costs for illustration purposes and excludes any other costs that may apply including duty, tariffs, shipping, installation, administration fees and consulting fees for services rendered in connection with the product or Loan, (if any).*

CURRENCY:

Unless otherwise specified, all amounts mentioned in this Proposal are in Canadian dollars.

START DATE:

October 2021

MORTGAGE LOAN TERM: Up to 5 years with a 25 year amortization.

MORTGAGE LOAN RATES: Range in the 4.50% to 6.25%.

**This is based on a preliminary review.*

REPAYMENT:

Repayment will be made by consecutive monthly installments, in arrears, by way of Pre Authorized Payments.

DOCUMENTATION:

Loan and Mortgage Agreements and such other related documentation as deemed necessary by Lender and its outside legal counsel.

FEES PAYABLE:

Administration Fee: Mortgagor/Borrower shall forward to Lender an Administration Fee in the amount of **\$50,000.00 CAD plus tax**, along with the signed acceptance of this Proposal. The Administration Fee covers among other things, the Lender's initial expenses of structuring, credit evaluation, PPSA search and waivers, review and negotiation and is not refundable unless specified herein.

A 0.50% Lender Fee will be due upon closing of the mortgages.

Legal Expense: *All such expense (if any) shall be for the account of the borrower.*

3rd Party Fees: *All such fees, disbursements, including appraisal (Paid), environmental, fees for the account of the borrower.*

INSURANCE:

Mortgagor/Borrower will be responsible for obtaining and maintaining physical damage and liability insurance over the properties in amounts and with insurers acceptable to Lender and with Lender shown as first Loss Payee and additional insured.

OTHER CONDITIONS:

Notwithstanding other conditions imposed upon the formal credit review process, the following are minimum requirements:

1. Registered first-ranking mortgage over 5270 Wellington Rd. 27, Township of Guelph/Eramosa, ON. No subsequent encumbrances on 5270 Wellington Rd. 27, Township of Guelph/Eramosa, ON without approval of the Lender in writing.

2. Registered first-ranking mortgage over 5270 Wellington Rd. 27, Rockwood, ON. No subsequent encumbrances on 5270 Wellington Rd. 27, Township of Rockwood, ON without approval of the Lender in writing.
3. Registered first-ranking mortgage over 183 Catherine St. Township of Guelph/Eramosa, ON. No subsequent encumbrances on 183 Catherine St. Township of Guelph/Eramosa, ON without approval of the Lender in writing.
4. Title Insurance may be required.
5. All Risk Fire Insurance Policy to be provided, showing loss payable to Lender, with premium prepaid one year from closing.
6. Proof of payment of insurance & property taxes as requested by the Lender as applies.
7. Assignment of rents if applicable, and/or General Security Agreement specific to the property being financed.
8. AACI Appraisal report for the properties, suitable to the Lender. *(*Completed appraisals is considered satisfactory)*
9. Satisfactory Environmental due diligence, Phase I.

MORTGAGOR/BORROWER

SUPPLIED INFORMATION: By signing and returning the proposal, the Mortgagor/Borrower confirms that all information and written materials which it provides to the Lender in connection with this proposed transaction are accurate, that the Mortgagor/Borrower has all necessary authority to disclose such information and written materials and to provide copies of such information and written materials to Lender. The Lender is authorized to use such information and written materials for its internal purposes.

IDENTIFICATION AND VERIFICATION:

The Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) establishes minimum standards of information related to an account or a financing (an "account") to be collected and maintained by Canadian Equipment Finance & Leasing Inc. This federal law requires all financial institutions to obtain, verify, and record information that identifies each person or legal entity that opens an account.

Specifically, this means that before we can extend a financing, we will ask for certain information to allow us to identify the person or the legal entity as well as the individuals authorized to provide instructions on the account on behalf of the legal entity.

The foregoing Equipment Finance Proposal, errors and omissions excepted, expires at 5:00pm on August 30th 2021, unless accepted by the Mortgagor/Borrower by signing and returning a copy of the Acceptance included herein.

Canadian Equipment Finance & Leasing Inc. makes no representation to the Mortgagor/Borrower that this Equipment Finance Proposal conforms to any accounting treatment whatsoever. Any such determination shall be the sole responsibility of the Mortgagor/Borrower and its advisors in such matters.

This Proposal does not represent a firm agreement or commitment by Canadian Equipment Finance & Leasing Inc. or its nominee. A commitment may only be extended after this transaction has been approved by all appropriate credit committees and other signing officers, then a written commitment will be issued and accepted. Canadian Equipment Finance & Leasing Inc. shall have the sole right of assignability of this proposal or any of the final transactions.

Sincerely,
Canadian Equipment Finance & Leasing Inc.



Brent Keenan

The undersigned authorizes Canadian Equipment Finance & Leasing Inc. or its nominee to commence its credit adjudication process for an extension of credit and therefore consents to Canadian Equipment Finance & Leasing Inc. or its nominee to obtain credit information reports as required.

Accepted this _____ day of _____, 2021.
[Proposal 2021154]

Drexler Construction Limited.

(Signature)

(Name & Title)



**Canadian Equipment
FINANCE & LEASING INC.**

250 Woolwich St., Unit 5 Breslau, Ontario, N0B 1M0
PH: (519) 648-3898 FX: (519) 648-3382

INVOICE

To:	Drexler Construction Limited.	Invoice Date:	August 25, 2021
	5270 Wellington Rd. 27	Invoice #	2021154
	Township of Guelph/Eramosa,		
	Ontario		
	N0B 2K0		
Attn:	Accounts Payable	Due Date:	Upon Receipt

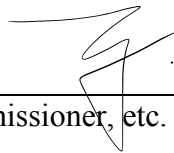
	Administration Fee for Proposal # 2021154	\$50,000.00
	Account Executive: Brent Keenan	
	HST:	\$6,500.00
	Total Amount:	\$56,500.00
	HST # 81246 5029 RT0001	
	BC PST # 10094533	
	QST # 1222059964 TQ0001	
	Total Due:	\$56,500.00 CAD

Please courier payment directly to:

CANADIAN EQUIPMENT FINANCE & LEASING INC.
250 Woolwich St., Unit 5
Breslau, Ontario
N0B 1M0
519-648-3898

**Wire transfer option available.*

This is **Exhibit “E”** to the affidavit of Rodney Davis sworn before me via Zoom this 19th day of April, 2022 in accordance with O. Reg. 431/20, *Administering Oath or Declaration Remotely*

A handwritten signature in black ink, consisting of a stylized, cursive 'Z' or 'D' shape with a horizontal line above it.

A Commissioner, etc.



Estate No. 35-2721716

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE Mr.) FRIDAY, THE 10th
)
JUSTICE M.D. McArthur) DAY OF SEPTEMBER, 2021

**IN THE MATTER OF THE PROPOSAL TO
CREDITORS 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

**(DIP increase, approval of long-term financing, approval of proposal trustee’s
fees and activities, withdrawal of one notice of intention and proposal)**

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

ON READING the affidavit of Jerome Drexler sworn September 1, 2021 (the “**Drexler September Affidavit**”) and the fourth report dated September 1, 2021 (the “**Fourth Report**”) of Albert Gelman Inc. in its capacity as proposal trustee (in such capacity, the “**Proposal Trustee**”) to the proposal to creditors proceedings of the Companies and Down Under, and upon hearing the submissions of counsel for the Companies and Down Under and counsel for the Proposal Trustee as well as those other

parties present, as indicated on the counsel slip, no other parties being present although duly served as more fully appears from the affidavit of service, filed:

I. NOTICE AND SERVICE

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

II. INCREASED DIP FACILITY

2. **THIS COURT ORDERS** that the Companies are and each of them is hereby authorized and empowered to obtain and borrow under an increased credit facility (the “**Increased DIP Facility**”) from Corwin Mortgage Capital Inc. (the “**DIP Lender**”) in order to finance the Companies’ operations, capital expenditures and restructuring, which Increased DIP Facility shall be on the terms and subject to the conditions set forth in the amended term sheet (the “**Amended Term Sheet**”) attached as Exhibit “J” to the Drexler September Affidavit.

3. **THIS COURT ORDERS** that the Companies are hereby authorized to borrow, under the Increased DIP Facility, up to \$1,000,000, which for avoidance of doubt shall be in addition to the Initial DIP Facility (term defined below).

4. **THIS COURT ORDERS** that the Companies are hereby 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

Amended 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 the Increased DIP Facility and pursuant to the Amended Term Sheet and the Definitive Documents as and when the same become due and are to be performed in accordance with their terms.

5. **THIS COURT ORDERS** that the DIP Lender's Charge, defined and created by order of this court made in this proceeding as of April 16, 2021 (the "**April 16 Order**"), shall hereby secure and be deemed to be in an amount equal to any Companies' outstanding obligations to the DIP Lender under the DIP facility approved in the April 16 Order (the "**Initial DIP Facility**"), the Increased DIP Facility, the Amended Term Sheet and the Definitive Documents, including any that begun to exist prior to this order but on or after the day of the April 16 Order, it being understood that within the DIP Lender's Charge, amounts due in respect of the Initial DIP Facility shall rank in priority to amounts due in respect of the Increased DIP Facility.

6. **THIS COURT ORDERS** that paragraphs 10 to 17 of the April 16 Order shall be deemed reproduced and applicable herein in respect of the Increased DIP Facility save:

- a. in the case of paragraph 13, the words "save and except any Encumbrance in favour of RBC and any Encumbrance ranking in priority to RBC's Encumbrance" are removed.
- b. that in case of conflict or difference between such paragraphs and this section II. of the present order, the latter shall control.

III. WITHDRAWAL OF NOTICE OF INTENTION AND PROPOSAL

7. **THIS COURT ORDERS** that upon the Proposal Trustee filing a certificate with the court (the “**Effective Time**”) substantially in the form of Schedule “A” to this order (the “**Down Under Completion Certificate**”) certifying that the Proposal Trustee has completed the administration, in accordance with the present order, in respect of the notice of intention to make a proposal to creditors and proposal to creditors filed by Down Under respectively on March 18, 2021 and August 30, 2021 (collectively, the “**Down Under NOI & Proposal**”):

- a. the Down Under NOI & Proposal shall be deemed withdrawn and shall thereupon cease to have any effects for the future, it being understood that no order in this section III. is retroactive to any prior date.
- b. the Proposal Trustee shall be discharged as Proposal Trustee with respect to the Down Under NOI & Proposal, and, for avoidance of doubt, the filing of the Down Under Completion Certificate shall not discharge the Proposal Trustee as Proposal Trustee with respect to the Companies.

8. **THIS COURT ORDERS** that the Proposal Trustee shall file with the Office of the Superintendent in Bankruptcy (the “**OSB**”) a copy of the executed Down Under Completion Certificate together with a copy of this order as soon as reasonably practicable after the Effective Time, and, upon receipt of the same, the OSB is hereby directed to record the same as other notices and documents are recorded in the ordinary course of the administration of an estate and to designate the Down Under NOI & Proposal as “Withdrawn pursuant to order of the court dated September 10, 2021”.

9. **THIS COURT ORDERS** that for avoidance of doubt:
- a. from the Effective Time, any stay of proceedings triggered under the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) by the filing of the Down Under NOI & Proposal shall cease to apply for the future.
 - b. from the Effective Time, orders made in this proceeding shall cease to apply with respect to Down Under for the future, it being understood that such orders shall continue to have their full force and effect with respect to the Companies.
 - c. with respect to the Down Under NOI & Proposal, Down Under shall not be deemed bankrupt by reason only of there being no proposal approved by Down Under’s creditors, by reason only of there being no court approval of a proposal, or by reason only of the present order causing any other irregularity in respect of the proposal process under the BIA.
 - d. Down Under and its directors and officers shall not be deemed to have committed a fault, tort, reviewable conduct, or like behaviour by reason only of the filing of the Down Under NOI & Proposal or by reason only of having acted or done any thing in good faith in respect of the Down Under NOI & Proposal, save gross negligence or wilful misconduct.
10. **THIS COURT ORDERS** that upon the Proposal Trustee filing the Down Under Completion Certificate, and save further court order, Albert Gelman Inc. (“**AGI**”) shall be released and discharged from any and all liability that AGI now has or may hereafter have

by reason of, or in any way arising out of, AGI's acts or omissions while acting in its capacity as Proposal Trustee with respect to the Down Under NOI & Proposal, save gross negligence or wilful misconduct. Without limiting the generality of the foregoing, AGI shall, upon its filing the Down Under Completion Certificate, be forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, with respect to the Down Under NOI & Proposal, save and except gross negligence or wilful misconduct.

IV. APPROVAL OF CEFL FACILITY

11. **THIS COURT ORDERS** that the Companies and Down Under are (and each of them is, as applicable) hereby authorized to enter into a long-term financing facility with Canadian Equipment Finance and Leasing Inc. ("**CEFL**") on the terms contemplated in an equipment finance proposal #2021154 dated August 25, 2021 from CEFL (the "**CEFL Facility**"), of which a copy is included as exhibit "H" to the Drexler September Affidavit.

12. **THIS COURT ORDERS** that the Companies and Down Under are (and each of them is, as applicable) hereby authorized and empowered to execute and deliver such contracts, agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents as may be reasonably required to close and implement the CEFL Facility.

V. APPROVAL OF PROPOSAL TRUSTEE'S FEES AND ACTIVITIES

13. **THIS COURT ORDERS** that the Fourth Report and the activities described therein – including, for avoidance of doubt, those in respect of the withdrawal of the Down

Under NOI & Proposal as ordered in section III. of this order – be and are hereby approved, provided, however, that only (i) the Proposal Trustee and (ii) Albert Gelman Inc. in its personal capacity and only with respect to its personal liability, shall be entitled to rely upon or utilize in any way such approval.

14. **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 Fourth Report), be and are hereby approved.

15. **THIS COURT ORDERS** that the Companies are authorized to pay the approved fees from the Companies’ funds.

16. **THIS COURT ORDERS** that the Proposal Trustee’s fees and disbursements incurred after August 30, 2021 in relation to the Down Under NOI & Proposal shall be paid by Down Under in accordance with the agreements in place among Down Under and AGI, and shall not be required to be taxed under the BIA or reviewed or approved by the court or by the OSB.

17. **THIS COURT ORDERS** that this order is effective without the requirement for issuance and entering.



Schedule A – Form of Proposal Trustee’s Completion Certificate

[See next page]

Estate No. 35-2721716

ONTARIO
SUPERIOR COURT OF JUSTICE

**IN THE MATTER OF THE PROPOSAL TO
CREDITORS 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***

PROPOSAL TRUSTEE'S CERTIFICATE OF COMPLETION

WHEREAS:

- a. on March 18, 2021, Down Under Pipe and Cable Locating Limited (“**Down Under**”) filed a notice of intention to make a proposal to creditors under the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) and on August 30, 2021, Down Under filed a proposal to creditors under the BIA (together, the “**Down Under NOI & Proposal**”).
- b. Albert Gelman Inc. acts as proposal trustee to the Down Under NOI & Proposal (in such capacity, the “**Proposal Trustee**”).
- c. on September 10, 2021, the Ontario Superior Court of Justice made an order (the “**September 10 Order**”) in this court file ordering *inter alia* (i) the withdrawal of the Down Under NOI & Proposal as of the Effective Time (as defined in the September 10 Order) and (ii) that upon the Proposal Trustee filing the present certificate certifying that the Proposal Trustee has completed the administration of

the Down Under NOI & Proposal proceeding, the Proposal Trustee shall be discharged as Proposal Trustee with respect to the Down Under NOI & Proposal.

THE PROPOSAL TRUSTEE HEREBY CERTIFIES that the Proposal Trustee has completed the administration of the Down Under NOI & Proposal.

DATED AT TORONTO, THIS _____ DAY OF _____ 2021.

ALBERT GELMAN INC., solely in its capacity as proposal trustee to the notice of intention to make a proposal and proposal to creditors of Down Under Pipe and Cable Locating Limited

Per: Bryan Gelman, CIRP, LIT, managing director

**IN THE MATTER OF THE PROPOSAL TO CREDITORS
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***

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceeding commenced in LONDON

ORDER
**(DIP increase, approval of long-term financing,
approval of proposal trustee's fees and activities,
withdrawal of one notice of intention and proposal)**

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.

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

Estate No. 35-2721716

**ONTARIO
SUPERIOR COURT OF JUSTICE**

**AFFIDAVIT OF RODNEY DAVIS
(sworn April 19th, 2022)**

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

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

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

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

TAB 3
Draft Order

I. NOTICE AND SERVICE

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

II. APPROVAL OF AMENDED LONG-TERM FINANCING FACILITY

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

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

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

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

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

**ORDER
(approval of financing facilities)**

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

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

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

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

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

Estate No. 35-2721716

***ONTARIO*
SUPERIOR COURT OF JUSTICE**

**MOTION RECORD
(approval of financing facilities)
(returnable April 29, 2022)**

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

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

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

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