

Court File No. CV-25-00098475-0000
Estate File No. 33-3174726

ONTARIO
SUPERIOR COURT OF JUSTICE

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, c
B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
1995677 ONTARIO INC. (formerly known as DESLAURIER CUSTOM CABINETS
INC.) OF THE CITY OF OTTAWA
IN THE PROVINCE OF ONTARIO**

**MOTION RECORD OF 1995677 ONTARIO INC. (formerly known as DESLAURIER
CUSTOM CABINETS INC.)**

Motion Returnable: January 29, 2025 **MBC LAW PROFESSIONAL CORPORATION**
265 Carling Avenue, Suite 500
Ottawa, ON K1S 2E1

J. Alden Christian (LSO #25282Q)
T: 613-564-3005
E: achristian@mbclaw.ca

Lawyers for 1995677 ONTARIO INC. (formerly
known as DESLAURIER CUSTOM CABINETS
INC.)

TO: SERVICE LIST (TAB 5 ENCLOSED)

INDEX

TAB DOCUMENT

- 1 Amended Notice of Motion dated January 17, 2025
- 2 Affidavit of Jason Chartrand Sworn January 17, 2025

Exhibits:

- A Articles of Amendment dated November 25, 2024
 - B Notice of Intention to Make a Proposal dated March 13, 2024
 - C RBC's Demand Letter dated March 13, 2024
 - D Forbearance Agreement Executed on April 4, 2024
 - E Agreement Amending Forbearance Agreement dated June 20, 2024
 - F Agreement Amending Forbearance Agreement dated August 30, 2024
 - G Redacted Asset Purchase Agreement dated January 17, 2025
 - H Unredacted Asset Purchase Agreement dated January 17, 2025
Confidential Document, Not Attached
 - I Valuation Report
Confidential Document, Not Attached
- 3 First Report of the intended Proposal Trustee dated January 17, 2025
 - 4 Assignment Approval and Vesting Order together with Schedule "A-D"
 - 5 Service List

TAB 1

Court File No.
CV-25-00098475-0000
Estate File No. 33-3174726

ONTARIO
SUPERIOR COURT OF JUSTICE

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, c B-3,
AS AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
DESLAURIER CUSTOM CABINETS INC., 1995677 ONTARIO INC. (formerly known as
DESLAURIER CUSTOM CABINETS INC.) OF THE CITY OF OTTAWA
IN THE PROVINCE OF ONTARIO**

AMENDED NOTICE OF MOTION
(RE: Assignment, Approval and Vesting Order)

~~Deslaurier Custom Cabinets Inc.~~ 1995677 Ontario Inc. (the “**Company**”) will make a motion to a Judge presiding over the Ontario Superior Court of Justice (Bankruptcy) at 161 Elgin Street, Ottawa (the “**Court**”) on **January 29, 2025 at 9:00 A.M. 10:00 A.M.**, or as soon after that time as the motion can be heard by judicial teleconference via Zoom at Ottawa, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard:

- in writing under subrule 37.12.1 (1) because it is on consent, unopposed or made without notice;
- in writing as an opposed motion under subrule 37.12.1 (4);
- In person;
- By telephone conference;

By video conference.

At the following location:

Video conference details to be provided by the Registrar.

THE MOTION IS FOR:

1. An Assignment, Approval and Vesting Order in the form attached as Tab 4 of the Company's Motion Record (the "**AVO**") that, among other things:
 - (a) abridges the notice periods and service requirements pursuant to section 6 of the *Bankruptcy and Insolvency General Rules*;
 - (b) authorizes and approves the transaction (the "**Transaction**") contemplated in the asset purchase agreement dated December 6, 2024 (the "**APA**") between the Company, as seller, and 1995677 Ontario Inc., as purchaser (collectively, the "**Purchaser**");
 - (c) vests in the Purchaser all the Company's right, title, benefit, and interest in and to the assets described in the APA (the "**Purchased Assets**") free and clear of all Encumbrances (as defined in the AVO) upon the delivery of the Proposal Trustee's certificate; and
 - (d) assigns the agreements listed in Schedule "C" of the AVO (the "**Assumed Contracts**") pursuant to Section 84.1 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"); and

2. A Sealing Order in the form attached as Tab 6 of the Company's Motion Record (the "**Ancillary Order**") that, among other things:
 - (a) seals the Confidential Exhibits attached to the Affidavit of Jason Chartrand sworn January 17, 2025 until the closing of the Transaction or further order of the Court; and
3. Such further and other relief as this Honourable Court deems just.

THE GROUNDS FOR THIS MOTION ARE:

Background on the Proceeding

4. The Company is in the business of manufacturing, building, and assembling custom made cabinetry for residences and offices;
5. On January ~~15~~ 16, 2025, the Company filed a Notice of Intention to Make a Proposal ("**NOI**") under the BIA. Raymond Chabot Inc. ("**RCI**") was appointed as Proposal Trustee under the NOI.

The Sale Process

6. After Lengthy negotiations with the sole interested party failed, certain principles of the company negotiated a restricting of the company's indebtedness and arranged for additional fresh investment so that a new company could be formed to purchase the assets of the company.

7. The Company and the Purchaser, with the assistance of their counsel and the intended Proposal Trustee, have now agreed on the terms of the Transaction, which are set out in the APA.

The APA

8. The Transaction contemplates a sale of substantially all of the assets of the Business in a manner that will allow the Purchaser to continue to operate the Business as a going concern under a well-established enterprise.
9. The key terms of the APA are as follows:¹
 - (a) Purchased Assets – The assets purchased by the Purchaser under the APA consist of all of the tangible and intangible assets, undertaking and properties of the Company that relate to the Business, other than the Excluded Assets, including the Accounts Receivable or collection rights for Accounts Receivable, Assumed Contracts, Books and Records, Documentation, Equipment including Leased Hardware, Inventory, Intellectual Property, Permits, Prepaid Expenses, the goodwill of ~~Deslaurier~~ 1995677 Ontario Inc., and all rights related to Claims for refunds and rights of set-off.
 - (b) Deposit – The Purchaser is required to provide the Vendor's Counsel a deposit in trust, of seven hundred and fifty thousand (\$750,000.00) dollars (CDN) ~~representing 17.6% of the Purchase Price~~. The Purchaser has provided a wire confirmation indicating the Deposit has been wired to the Vendor's solicitor in trust.

¹ Capitalized term in this paragraph have the meaning ascribed to them in the APA unless defined otherwise.

- (c) Purchase Price – The Purchase Price is made up of three components as follows:
- i. The deposit of \$750,000.00
 - ii. ~~\$2,500,000.00 payable upon the Purchaser's receipt of Business Development Capital Inc. ("BDCI")~~ The balance as set out in the APA
 - iii. ~~\$1,000,000.00 payable on closing~~
- (d) Closing conditions – the APA is conditional upon, among other things, the Court granting the AVO, including the assignment of the Consent Required Contracts.

Transaction Approval and Vesting

10. The approval of the Transaction and implementation through the AVO will provide a net benefit to the employees, suppliers, and customers of the Company as it permits the Company to continue as a going concern under a well-established enterprise.
11. The Company believes that the Transaction presents the best possible outcome for its stakeholders in the circumstances. The alternative to the Transaction is liquidation, which is unlikely to result in any meaningful recovery to secured creditors.
12. The intended Proposal Trustee supports the approval of the Transaction .
13. RBC and BDCC, the two primary secured creditors have conditionally approved the Transaction and the Company is diligently pursuing completion of these conditions.

Assignment of the Assumed Contracts

~~14.~~ ~~13.~~ The APA contemplates the assignment of the Assumed Contracts as part of the Transaction.

Sealing of Confidential Exhibits

~~15.~~ ~~44.~~ The Confidential Exhibits contain highly sensitive and confidential information that, if made public, would affect the integrity of any future sale efforts and the Company's ability to maximize value for creditors.

~~16.~~ ~~45.~~ The sealing order sought is limited in time to the closing of the Transaction, which is the minimum period necessary to prevent the above-noted risk. There are no other reasonable alternative measures to achieve this objective. The benefits of the sealing order outweigh any negative effects.

Further Grounds

~~17.~~ ~~46.~~ The Company also seeks to abridge the time requirements for bringing this motion, pursuant to section 6 of the *Bankruptcy and Insolvency General Rules*.

~~18.~~ ~~47.~~ The Company shall rely upon the following legislation, rules, or points of law in respect of the motion:

- a) Rules 1.04(1), 2.01(1), 3.02 and 37 of the *Rules of Civil Procedure*, RSO 1990, Reg 194;

- b) *Bankruptcy and Insolvency General Rules* (Can Reg. 368), s. 6;
- c) *Bankruptcy and Insolvency Act*, s. 65.13 and 84.1
- d) *Courts of Justice Act*, RSO 1990, c C.43, s. 100
- e) the inherent jurisdiction of this Honourable Court.

19. ~~18.~~ Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED ON THE HEARING OF THE MOTION:

20. ~~19.~~ The Affidavit of Jason Chartrand, sworn January 17, 2025;

21. ~~20.~~ The First Report of the intended Proposal Trustee, to be filed; and

22. ~~21.~~ Such further and other evidence as counsel may advise and this Honourable Court may permit.

~~January 3, 2025~~
January 17, 2025

MBC LAW PROFESSIONAL CORPORATION
265 Carling Avenue, Suite 500
Ottawa, ON K1S 2E1

J. Alden Christian (LSO #25282Q)
T: 613-564-3005
E: achristian@mbclaw.ca

Lawyers for ~~Deslaurier Custom Cabinets Inc.~~
1995677 Ontario Inc. (formerly known as
DESLAURIER CUSTOM CABINETS INC.)

TO: **SERVICE LIST**

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED
AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF ~~DESLAURIER CUSTOM
CABINETS INC.~~ 1995677 ONTARIO INC. (formerly known as DESLAURIER CUSTOM CABINETS INC.) OF THE CITY
OF OTTAWA IN THE PROVINCE OF ONTARIO**

Court File No. CV-25-00098475-0000

Estate File No. 33-3174726

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

Proceedings Commenced at OTTAWA

AMENDED NOTICE OF MOTION

MBC LAW PROFESSIONAL CORPORATION

265 Carling Avenue, Suite 500
Ottawa, ON K1S 2E1

J. Alden Christian (LSO #25282Q)

T: 613-564-3005

E: achristian@mbclaw.ca

Lawyers for ~~Deslaurier Custom Cabinets Inc.~~
1995677 Ontario Inc. (formerly known as
DESLAURIER CUSTOM CABINETS INC.)

File No. 19636

Court Office Box. 106

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TAB 2

Court File No. CV-25-00098475-0000
Estate File No. 33-3174726

ONTARIO
SUPERIOR COURT OF JUSTICE

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, c
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1995677 ONTARIO INC. (formerly known as DESLAURIER CUSTOM CABINETS
INC.) OF THE CITY OF OTTAWA
IN THE PROVINCE OF ONTARIO**

AFFIDAVIT OF JASON CHARTRAND (sworn January 17, 2025)

I, **JASON CHARTRAND**, of the City of Ottawa, in the Province of Ontario, do
hereby **MAKE OATH AND SAY**:

1. I am the President and a shareholder of 1995677 Ontario Inc., the Applicant Corporation herein and as such have personal knowledge of the matters herein deposed. Where my knowledge is based on information and belief, I state the source of that information and verily believe it to be true.

BACKGROUND

2. 1995677 Ontario Inc. ("199") the Applicant herein, was previously named Deslaurier Custom Cabinets Inc. ("Deslaurier"). Deslaurier filed Articles of Amendment on or about November 25, 2024, to change its corporate name to 199. Attached hereto and marked as **Exhibit "A"** is a copy of those Articles of Amendment.

3. Throughout my affidavit herein, where I refer to the Applicant, Deslaurier, the Company, or 199, they are all the same corporate entity.

4. Deslaurier is a respected leader in the cabinet industry, employing approximately 130 people, and is one of the largest employers of the Town of Renfrew, Ontario.

5. Despite this, Deslaurier has recently faced significant financial challenges, which has led the Applicant to file a Notice of Intention to Make a Proposal (“NOI”). Attached hereto and marked as **Exhibit “B”** is a copy of that NOI.

6. These challenges arose from a combination of external economic factors and internal operational pressures that weakened Deslaurier’s financial stability and viability.

7. Post-pandemic supply chain disruptions caused significant delays in the availability and delivery of critical raw materials, such as wood and hardware, while inflation driven price increases further impacted Deslaurier’ cost structure, while simultaneously creating market uncertainty.

8. Currently, labor shortages within the manufacturing and construction industries add further strain to production capacity while also increasing operational costs.

9. Additionally, key markets such as commercial construction, renovations and real estate development experienced slowdowns, further reducing demand for Deslaurier’s products. In the last calendar quarter of 2023, the Applicant’s sales fell to half of their previous volumes and only recovered to 60% of the prior revenue profile.

10. Internally, despite concerted efforts to manage costs and improve efficiency, Deslaurier struggled with declining cash flow. The Applicant has sought creditor protection under the Proposal process in order to restructure its debt in a viable manner and preserve the long-term value and jobs of the Applicant.

SALES PROCESS

11. Before filing for creditor protection, Deslaurier explored several strategic alternatives including refinancing and a potential sale.

12. Two (2) independent advisors, Stephan May of Welch Capital Partners and Nick Bakish of Group RMC, strongly recommended against a public sale, concerned that it would further erode Deslauriers already fragile operational stability and damage its goodwill, one of Deslauriers most valuable assets.

13. Maintaining that goodwill was crucial to preserving the Company's relationship with customers' supplies and the market at large, all of which was essential for sustaining the Company's value.

14. In February of 2024, Deslaurier entered negotiations with two (2) independent entrepreneurs who had recently exited their business with large transactions. These were referrals from various professionals in our network; many others were approached but not interested in the discussion. Both of these parties were provided with a detailed Confidential Information Memorandum ("CIM") and other financial and operational information. Both entrepreneurs engaged in discussions with the Company. In turn, I was requested not to disclose their names.

15. However, and complicating matters, RBC issued a demand letter on March 13, 2024. Attached hereto and marked as **Exhibit “C”** is a copy of that demand letter and the Notice of Intention to Enforce Security under section 244 of the *Bankruptcy and Insolvency Act* (“BIA”) that accompanied it.

16. RBC, in response to requests by Deslaurier, did not enforce its security at that time, but requested, and Deslaurier agreed to, a forbearance agreement in response to RBC’s growing concerns about the Company’s financial health. Attached hereto and marked as **“Exhibit “D”** is a copy of that executed Forbearance Agreement.

17. This agreement, although it provided time and some financial breathing room for Deslaurier, created uncertainty, and the interested investors withdrew from negotiations.

18. Following the withdrawal of the initial investors, Deslaurier made attempts to refinance its debt with alternative lenders. However, despite these efforts, the company’s cash requirement was too significant for the alternate lenders to approve financing. The scale of the financial need made it impossible to secure the necessary funding, leaving Deslaurier with limited options.

19. As a result of Deslaurier being unable, during the forbearance period provided by RBC, to secure new financing, an agreement extending the forbearance period was entered into between RBC and Deslaurier. Attached hereto and marked as **Exhibit “E”** is an executed copy of that extension agreement dated June 20, 2024.

20. In May and June of 2024, Deslaurier explored further sales opportunities and engaged with three potential buyers. One of these buyers submitted a Letter of Intent (“LOI”) in June of 2024, proposing to acquire the company. However, this offer required the existing secured debt to be converted into new term debt, a condition that was unacceptable to the company’s secured creditors. As a result, this proposed sale did not advance.

21. In August of 2024, Deslaurier entered into a non-binding agreement with another potential purchaser, a company that was to be incorporated by Cliff brake Corporation (Jim McLeod) and Argyle Capital Partners (Neil Mohammed). Argyle Capital Partners had been contacted by Stephen May. This potential sale would have required a vesting order process which would have provided for approximately \$2.5 million in cash to be distributed amongst the secured creditors with no value for unsecured creditors. The amount offered was, again, insufficient to gain support from the secured creditors.

22. In order to flesh out and make the non-binding agreement a binding one, RBC agreed to one more extension of the forbearance period and requested Deslaurier enter into a further extending agreement of the forbearance agreement. Attached hereto and marked as **Exhibit “F”** is an executed copy of that extension agreement dated August 30, 2024.

23. Potvin Construction of Ottawa and other private investors were approached, but no meaningful discussions or offers materialized. Despite continued efforts, none of the available options met Deslaurier’s strategic objectives or provided a viable solution to its financial difficulties. With typical refinancing and sale prospects exhausted,

Deslaurier was finally able to come to an agreement with the two (2) major secured creditors to support a new transaction as described below.

24. Attached hereto and marked as **Exhibit “G”** is a redacted copy of the Asset Purchase Agreement, the unredacted version being annexed as Confidential **Exhibit “H”** hereto and lodged with the court on a confidential basis, pending determination of the request for an Approval and Vesting Order, together with a Sealing Order.

PROPOSED NEW TRANSACTION

25. The Transaction contemplates a sale of substantially all of the assets of the Business in a manner that will allow the Purchaser to continue to operate the Business as a going concern under a well-established enterprise, and maintaining the jobs of the approximately 130 employees and customer deposits and contracts will be assumed and carried out by the Purchaser. This will involve a change in control. Only some of the new owners are related to the last ownership group (James and Myself); the old controlling partner is now a minority partner.

26. The assets purchased by the Purchaser under the APA consist of all of the tangible and intangible assets, undertaking and properties of the Company that relate to the Business, other than the Excluded Assets, including the Accounts Receivable or collection rights for Accounts Receivable, Assumed Contracts, Books and Records, Documentation, Equipment including Leased Hardware, Inventory, Intellectual Property, Permits, Prepaid Expenses, the goodwill of the Company., and all rights related to claims for refunds and rights of set-off.

27. The Purchaser is required to provide the Vendor's Counsel a deposit in trust, of seven hundred and fifty thousand (\$750,000.00) dollars (CDN). That has been done. The Purchaser has provided a wire confirmation indicating the Deposit has been wired to the Vendor's solicitor in trust.

28. The Purchase Price is made up of three components as follows:

- i. The deposit of \$750,000.00
- ii. The balance as set out in the APA

29. The APA is conditional upon, among other things, the Court granting the AVO, including the assignment of the Consent Required Contracts.

30. The Purchaser unequivocally requires the Consent Required Contracts to continue to operate the Business in the ordinary course. As a result, it is a condition to closing the Transaction that the Consent Required Contracts be assigned to the Purchaser.

31. To date, the Proposal Trustee has been advised that the Company has worked diligently to identify all of the counterparties to the Consent Required Contracts that must consent to be provided with notice of this motion.

32. The Company has advised that it intends to communicate directly with such counterparties in an attempt to procure executed consents and waivers prior to the Closing Date. However, given the number of Consent Required Contracts, it is many not be possible for all consents and waivers to be obtained prior to the anticipated Closing of the Transaction. Accordingly, the Company is seeking the assignment of the Consent Required Contracts in the AVO.

33. None of the Consent Required Contracts are agreements that cannot be assigned under the BIA, such as: (a) agreements that have been entered into after the commencement of the NOI proceedings, (b) eligible financial contracts, or (c) collective agreements.

34. The Purchaser insists that it is essential to the Transaction that the value of the Consent Required Contracts be preserved in its hands following the closing of the Transaction. As such, the Company has concluded that the only way to do so is through the AVO given that the Consent Required Contracts are not permitted to be assigned without the consent of the counterparty.

VESTING ORDER REQUEST

35. An Approval and Vesting Order for the proposed new transaction is being requested due to the following factors:

(a) *Urgency*

The transaction is urgent, without a liquidity investment the company will have to halt operations imminently; this will result in significant deterioration of the value of the assets and increase the potential of significant jobs being lost (the company employs approximately 130 employees) RBC has been patient to date, but that patience has been exhausted.

(b) *Best Value for all parties*

Deslauriers secured creditors conditionally support receiving over 50% value of their current loans (\$4.2 million) and homeowner deposits (over \$1 million) will be assumed. Additionally, \$250,000.00 will be set aside to

complete the proposal. This represents consideration which is substantially more than would have been received in the only other offer to purchase received (\$2.5 million).

(c) *Vesting Order*

Based on the nature of the company's financial situation the company believes a Vesting Order is a requirement to ensure the operation as a going concern.

(d) *Valuation Report*

In October 2024, the Company retained Capital Asset Management to prepare an appraisal of its assets (the "Valuation Report"). The appraisal report provides three values for the assets: (1) fair market value in place; (2) liquidation value in place; and (3) liquidation value. A Vesting Order sales process provides significantly more value to all parties involved even before considering protecting the substantial number of jobs the company represents to the Town of Renfrew. Annexed hereto as Confidential **Exhibit "I"** is a copy of the Valuation Report being lodged with the court on a confidential basis.

36. Both RBC and BDCI, the major secured creditors, have signified support with this APA and support the request for a vesting order. However, RBC's support is subject to the following terms:

- (a) RBC will receive an amount of no less than \$1.5 million from the transaction; and
- (b) The NOI proceedings and the transaction will not affect RBC's rights

pursuant to its guarantee from James Maxwell (the “Guarantor”), and the Guarantee won’t be vested out and RBC reserves all of its rights and remedies in respect of the Guarantee.

- (c) The RBC vehicles leases are brought into good standing before assignment.

37. BDCC has also requested further information which the Applicant is gathering to respond.

38. The Applicant recognizes that the Purchaser is deemed a related party to the Vendor as many of the shareholders are the same parties. However, the Applicant took all the steps recommended by professional advisors to seek out purchasers and obtain the best price possible for the assets. As it stands, the APA represents the best value attainable for the stakeholders as a whole.

39. I swear this affidavit in support of 1995677 Ontario Inc.’s motion for the relief requested and for no other or improper purpose.

SWORN REMOTELY by Jason Chartrand before me at the City of Ottawa, in the Province of Ontario, this 17th day of January, 2025, in accordance with O. Reg 431/20, *Administering Oath or Declaration Remotely.*

DocuSigned by:
J Alden Christian
67E7CAD3020046A...

Commissioner for taking oaths (or as may be)

J. Alden Christian (LSO #25282Q)

DocuSigned by:
Jason Chartrand
8E4936CEC1A4432...

JASON CHARTRAND

This is **Exhibit "A"** to the Affidavit sworn by Jason Chartrand at the
City of Ottawa in the Province of Ontario before me on this
17th day of January, 2025 in accordance with O. Reg 431/20
Administering Oath or Declaration Remotely

A handwritten signature in blue ink, appearing to read "John [unclear]", is written over a horizontal line.

Commission for taking Oaths
(Or as may be)

Certificate of Amendment

Certificat de modification

Business Corporations Act

Loi sur les sociétés par actions

1995677 ONTARIO INC.

Corporation Name / Dénomination sociale

1995677

Ontario Corporation Number / Numéro de société de l'Ontario

This is to certify that these articles are effective on

La présente vise à attester que ces statuts entreront en
vigueur le

November 25, 2024 / 25 novembre 2024

V. Quintanilla W.

Director / Directeur

Business Corporations Act / Loi sur les sociétés par actions

The Certificate of Amendment is not complete
without the Articles of Amendment

Certified a true copy of the record of the
Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar



Ce certificat de modification n'est pas complet s'il
ne contient pas les statuts de modification

Copie certifiée conforme du dossier du
ministère des Services au public et aux
entreprises.

V. Quintanilla W.

Directeur ou registrateur



Articles of Amendment

Business Corporations Act

Corporation Name (Date of Incorporation/Amalgamation)

DESLAURIER CUSTOM CABINETS INC. (July 17, 2018)

1. The name of the corporation is changed to:

1995677 ONTARIO INC.

2. The number of directors or the minimum/maximum number of directors are amended as follows:

Not amended

3. The articles are amended as follows:

A. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise. If none, enter "None":

Not amended

B. The classes and any maximum number of shares that the corporation is authorized to issue:

Not amended

C. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors' authority with respect to any class of shares which may be issued in series. If there is only one class of shares, enter "Not Applicable":

Not amended

The endorsed Articles of Amendment are not complete without the Certificate of Amendment.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

A handwritten signature in black ink, appearing to read "V. Quintanilla W.".

Director/Registrar, Ministry of Public and Business Service Delivery

D. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows. If none, enter "None":

Not amended

E. Other provisions:

Not amended

4. The amendment has been duly authorized as required by sections 168 and 170 (as applicable) of the Business Corporations Act.

5. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on:

November 25, 2024

The articles have been properly executed by the required person(s).

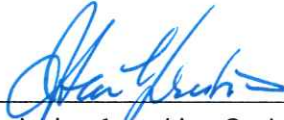
The endorsed Articles of Amendment are not complete without the Certificate of Amendment.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar, Ministry of Public and Business Service Delivery

This is **Exhibit "B"** to the Affidavit sworn by Jason Chartrand at the
City of Ottawa in the Province of Ontario before me on this
17th day of January, 2025 in accordance with O. Reg 431/20
Administering Oath or Declaration Remotely

A handwritten signature in blue ink, appearing to read "John G. [unclear]", written over a horizontal line.

Commission for taking Oaths
(Or as may be)



Industry Canada

Office of the Superintendent
of Bankruptcy Canada

District of ONTARIO
Division No. 12 - Ottawa
Court No. 33-3174726
Estate No. 33-3174726

Industrie Canada

Bureau du surintendant
des faillites Canada

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

1995677 Ontario inc.
Insolvent Person

RAYMOND CHABOT INC.
Licensed Insolvency Trustee

Date of the Notice of Intention: January 16, 2025, @ 11:49 am

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

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

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


Hailey Henriques

E-File / Dépôt électronique

Official Receiver

CD Howe Building A/S Ottawa Division, 235 Queen St., Ottawa, ONTARIO, K1A 0H5, 877/376-9902

This is **Exhibit "C"** to the Affidavit sworn by Jason Chartrand at the
City of Ottawa in the Province of Ontario before me on this
17th day of January, 2025 in accordance with O. Reg 431/20
Administering Oath or Declaration Remotely



Commission for taking Oaths
(Or as may be)

André A. Ducasse
Partner

Direct line: 613.782.3225
Email address: aducasse@solowaywright.com

FILE NO: 50028-1155

BY COURIER, REGULAR MAIL AND EMAIL (jmaxwell@ipfund.ca)

March 13, 2024

Deslaurier Custom Cabinets Inc.
550 Hall Avenue East
Renfrew, ON K7V 2S9

Dear Sir, Madam:

Re: Indebtedness to Royal Bank of Canada

We are the lawyers for Royal Bank of Canada (the "Bank"). Deslaurier Custom Cabinets Inc. (the "Company") is indebted to the Bank as of March 13, 2024, in respect of the following (subject to change and errors and omissions excluded):

Facility	Loan No.	Amount Outstanding	Interest
Royal Credit Line	35627513-001	\$3,114,575.30	\$697.21 (per diem)
Credit Card (March 12 th)	**** * 7956	\$49,066.50	19.99%
Legal fees and disbursements incurred by the Bank to date		\$1,248.65	

The foregoing indebtedness owed to the Bank by the Company as of March 13, 2024 is therefore the aggregate amount of **\$3,164,889.45**, plus ongoing interest and costs, fees and disbursements incurred by the Bank (the "Indebtedness").

The foregoing amount is exclusive of further accrued interest and costs, fees and disbursements incurred by the Bank. The Bank expressly reserves all of its rights and remedies with respect to same.

The Indebtedness to the Bank is secured by, amongst other things, the security instruments described in Schedule "A" attached hereto (hereinafter collectively referred to as the "Security").

Ottawa Office	Kingston Office
700 – 427 Laurier Avenue West, Ottawa ON K1R 7Y2	510 – 366 King Street, Kingston ON K7K 6Y3
T: 613.236.0111 1.866.207.5880 F: 613.238.8507	T: 613.544.7334 1.800.263.4257 F: 1.800.263.4213

In light of the Company's defaults with respect to the above-noted loans and Security, and/or the Company's breaches of various covenants contained in the loan agreements and the Security, including, without limitation, significant and ongoing arrears in HST remittances (currently approximately \$1,100,000), a significant and ongoing margining deficit (currently approximately \$1,100,000), various and ongoing financial and other reporting breaches including late margin reporting, and/or a deterioration in the financial affairs of the Company, and/or the said credit facilities being demand facilities, on behalf of the Bank, we hereby demand payment from the Company of the full amount of the Indebtedness, along with accrued interest and costs, fees and disbursements incurred by the Bank, by March 25, 2024. The Bank reserves its right to enforce the Security. The Bank also reserves its right to take earlier enforcement proceedings with respect to its Security in the event that it determines a material adverse change occurred in the Company's financial circumstances.

Should the Company fail to pay the Indebtedness by March 25, 2024, this correspondence shall constitute notice, pursuant to the Security held by the Bank, of the Bank's demand for payment of the Indebtedness together with additional accrued interest and legal costs, fees and disbursements incurred to the date of payment.

Enclosed please find a Notice of Intention to Enforce Security which is delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act*, along with a Consent with respect to earlier enforcement for the Company's execution.

You may direct communications with respect to satisfaction of your obligations to the undersigned.

Yours very truly,



André A. Ducasse
AAD/rrc

Encls.

Schedule "A"

1. General Security Agreement, dated July 11, 2018
2. Guarantee and Postponement of Claim of James Maxwell, limited to the principal amount of \$1,750,000.00, dated December 17, 2020
3. Postponement and Assignment of Claim signed by Cymax Investment Holdings Inc., dated December 17, 2020

CONSENT

TO: Soloway Wright LLP
700 – 427 Laurier Avenue West
Ottawa, ON K1R 7Y2

FROM: Deslaurier Custom Cabinets Inc.
550 Hall Avenue East
Renfrew, ON K7V 2S9 (the “Debtor”)

DATED: March 13, 2024

The Debtor hereby acknowledges receipt of a Notice of Intention to Enforce Security (the “Notice”) issued by Soloway Wright LLP on behalf of Royal Bank of Canada pursuant to Subsection 244(1) of the *Bankruptcy and Insolvency Act* in respect of the security granted by the Debtor in favour of Royal Bank of Canada. A copy of the Notice is attached.

The Debtor hereby consents to Royal Bank of Canada enforcing the security described in the Notice prior to the expiry of the ten (10) day period referred to in the Notice or any time thereafter.

The Debtor hereby releases Royal Bank of Canada, its officer, employees, agents and assigns and each of them of and from all actions, claims and demands whatsoever at law or in equity which the Debtor may have by reason of the enforcement of the security by Royal Bank of Canada prior to the expiry of the said notice period.

Deslaurier Custom Cabinets Inc.

Name:

Title:

NOTICE OF INTENTION TO ENFORCE SECURITY
Pursuant to Subsection 244(1) of the *Bankruptcy and Insolvency Act*
R.S.C. 1985, c.B-3 as amended

TO: Deslaurier Custom Cabinets Inc.
550 Hall Avenue East
Renfrew, ON K7V 2S9 (the “Debtor”)

TAKE NOTICE THAT:

1. Royal Bank of Canada (the “Bank”), a secured creditor, intends to enforce its security described below on the property of the insolvent Debtor.
2. The Security that is to be enforced is in the form of the security instruments described in Schedule “A” attached hereto (hereinafter collectively referred to as the “Security”).
3. The outstanding indebtedness owed to the Bank as of March 13, 2024 is as follows, exclusive of further accrued interest and costs, fees and disbursements (e.&o.e.):

Facility	Loan No.	Amount Outstanding	Interest
Royal Credit Line	35627513-001	\$3,114,575.30	\$697.21 (per diem)
Credit Card (March 12 th)	**** * 7956	\$49,066.50	19.99%
Legal fees and disbursements incurred by the Bank to date		\$1,248.65	

The foregoing indebtedness owed to the Bank is therefore the aggregate amount of **\$3,164,889.45**, plus ongoing interest, which will accrue at the rates detailed above, as well as costs, fees and disbursements incurred by the Bank.

4. The Bank will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this Notice, unless the insolvent Debtor consents to an earlier enforcement.

DATED at OTTAWA, this 13th day of March, 2024.

ROYAL BANK OF CANADA,
by its lawyers, **SOLOWAY WRIGHT LLP**

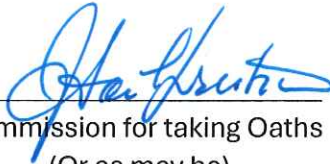


André A. Ducasse, SOLOWAY WRIGHT LLP
700 – 427 Laurier Avenue West, Ottawa ON K1R 7Y2
613.236.0111 telephone / 613.238.8507 facsimile

Schedule "A"

1. General Security Agreement, dated July 11, 2018
2. Guarantee and Postponement of Claim of James Maxwell, limited to the principal amount of \$1,750,000.00, dated December 17, 2020
3. Postponement and Assignment of Claim signed by Cymax Investment Holdings Inc., dated December 17, 2020

This is **Exhibit "D"** to the Affidavit sworn by Jason Chartrand at the
City of Ottawa in the Province of Ontario before me on this
17th day of January, 2025 in accordance with O. Reg 431/20
Administering Oath or Declaration Remotely

A handwritten signature in blue ink, appearing to read "J. G. H. H.", is written over a horizontal line.

Commission for taking Oaths
(Or as may be)

FORBEARANCE AGREEMENT

THIS AGREEMENT is dated as of the 5th day of April, 2024.

BETWEEN:

ROYAL BANK OF CANADA (the “Bank”)

- and -

DESLAURIER CUSTOM CABINETS INC. (the “Borrower”)

- and –

JAMES MAXWELL (the “Guarantor”)

WHEREAS as of March 13, 2024, the Borrower acknowledges being indebted to the Bank pursuant to various loans (the “Credit Facilities”) particularized as follows, along with further accrued interest in accordance with the rates stipulated in the Credit Facilities and costs, fees and disbursements (the “Indebtedness”):

Facility	Loan No.	Amount Outstanding	Interest
Royal Credit Line	35627513-001	\$3,114,575.30	\$697.21 (per diem)
Credit Card (March 12th)	**** * 7956	\$49,066.50	19.99%
Legal fees and disbursements incurred by the Bank to date		\$1,248.65	

AND WHEREAS the Guarantor has guaranteed to the Bank the Indebtedness owed by the Borrower to the Bank pursuant to the Guarantee and Postponement of Claim listed in Schedule “A” attached (the “Guarantee”);

AND WHEREAS as security in respect of the Indebtedness, the Bank has been granted and holds the security listed in Schedule “A” attached hereto (hereinafter collectively referred to as the “Security”);

AND WHEREAS the Bank has issued demands for payment and is entitled to enforce the Security and the Borrower and Guarantor have requested that the Bank forbear from doing so;

AND WHEREAS as an inducement to the Bank to so forbear, the Borrower and the Guarantor have agreed to enter into this agreement and to comply with the terms, conditions and provisions contained herein;

AND WHEREAS the Borrower and/or the Guarantor are or will actively attempt to secure alternate financing (the "Refinancing Process") and/or divest of assets or pursue a sale of the Borrower as a going concern (the "Sales Process") in order to repay the Indebtedness to the Bank;

NOW THEREFORE in consideration of the acknowledgements, agreements and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged:

- (a) the Bank agrees with the Borrower and the Guarantor to forbear with respect to further enforcement of the Credit Facilities and Security in accordance with the terms of this agreement (the "Agreement");
- (b) the Borrower and the Guarantor agree to execute this Agreement in order to confirm to the Bank the continuing nature of their obligations to the Bank; and
- (c) the parties hereto undertake, agree to, acknowledge and confirm the terms outlined below.

1. Forbearance

For the period (the "Forbearance Period") commencing on the date of execution of this Agreement by the Borrower and the Guarantor and terminating on the earlier of the date on which the Bank delivers a notice terminating the Agreement as herein provided, or July 1, 2024, the occurrence of which shall be referred to as the "Termination", and subject to the Borrower's compliance with and satisfaction of the terms, provisions and conditions contained in this Agreement, and subject to any further extensions of time in accordance with paragraph 14 below, the Bank shall forbear from enforcing its Security.

2. Conditions of Forbearance by the Bank and Acknowledgments by the Borrower and the Guarantor

In consideration of the Bank's forbearance, and the covenants and agreements of the Borrower and the Guarantor contained herein, the Borrower and the Guarantor agree, acknowledge and confirm as follows:

- a. Throughout the Forbearance Period, the Borrower shall be required to operate on a cash basis and no further credit shall be available or advanced to the Borrower. Without in any way limiting the generality of the foregoing, all loan payments required to be made by the Borrower to the Bank pursuant to the Credit Facilities and/or the Security shall be paid by the Borrower and/or the Guarantor to the Bank as and when due in accordance with the terms of the Credit Facilities and/or the Security.

- b. The Borrower shall forthwith file its corporate income tax return for the year ended December 31, 2023 and the entire anticipated refund shall be confirmed with the Bank and immediately applied to the Borrower's arrears in HST remittances. Further, going forward throughout the Forbearance Period, the Borrower shall keep all HST and source deduction remittances current.
- c. Throughout the Forbearance Period, the Refinancing Process and/or the Sales Process shall be subject to the following conditions:
 - i. The Borrower and/or the Guarantor shall have until July 1, 2024 to complete the Refinancing Process or the Sales Process in order to fully repay the Indebtedness to the Bank, along with all Priority Payables (as defined below) owing to the Canada Revenue Agency ("CRA");
 - ii. The Borrower and the Guarantor shall actively attempt to secure alternate financing and/or promote and market the Sales Process throughout the Forbearance Period, and the Refinancing Process and the Sales Process shall be conducted in a manner satisfactory to the Bank in its sole discretion;
 - iii. The Borrower and the Guarantor shall keep the Bank fully informed of all efforts made and activities carried out in respect of the Refinancing Process and/or the Sales Process, and they shall forthwith provide to the Bank upon request any and all information and/or documentation that the Bank may request in respect of the Refinancing Process and/or the Sales Process, including without limitation, any term sheets, letters of intent/interest, commitments, listing agreements or amendments thereto, any offers of purchase and sale, and any counter-offers. Without limiting the generality of the foregoing, they shall provide to the Bank bi-monthly updates on the Refinancing Process and the Sales Process on or before the 15th and 30th days of each month throughout the Forbearance Period, and in the event an offer to finance or to purchase is made they shall forthwith bring the offer to the Bank's attention for the Bank's consideration and input;
 - iv. By no later than May 31, 2024, they shall provide the Bank with an unconditional agreement of purchase and sale or an unconditional offer to refinance with another lender, in an amount sufficient to fully repay the Indebtedness to the Bank by no later than July 1, 2024, along with all of the Borrower's Priority Payables owing to CRA;
 - v. The Borrower and the Guarantor shall use advisors, consultants, agents or representatives acceptable to the Bank in order to actively carry out

the Refinancing Process and/or the Sales Process, and they hereby agree and acknowledge that they shall follow their advice throughout; and

- vi. The Borrower and/or the Guarantor shall provide confirmation satisfactory to the Bank that BDC Capital Inc. is aware of and support the Borrower's Refinancing Process and/or Sales Process.
- d. The Borrower and/or the Guarantor (or any one or more of them) shall repay to the Bank the entire outstanding balance of the Indebtedness, including all principal and interest, along with all applicable expenses and fees in accordance with paragraph 3 below, the Credit Facilities and/or the Security, upon the closing of the Refinancing Process or the Sales Process, and in no event later than the expiry of the Forbearance Agreement or immediately upon Termination, and they shall also pay all of the Borrower's Priority Payables owing to CRA by then. Notwithstanding the foregoing, throughout the Forbearance Period, the Borrower and/or the Guarantor shall be entitled to make payments to reduce the Indebtedness and any such payments shall be applied by the Bank however it deems appropriate in its sole discretion.
- e. All of the Borrower's accounts with the Bank shall be closed contemporaneously with the Termination.
- f. The Borrower and the Guarantor shall execute the Consent Judgment attached hereto as Schedule "B". This Consent Judgment shall be held in escrow by the Bank's legal counsel unless there is any default by the Borrower and/or the Guarantor in complying with the requirements of this Agreement. In the event there is any default by the Borrower and/or the Guarantor in complying with the requirements of this Agreement, the Bank, in addition to any other rights or remedies it might have pursuant to this Agreement, the Credit Facilities and/or the Security, shall be entitled to commence legal proceedings and to have the Consent Judgment issued by the Court and proceed to the enforcement thereof without further notice.
- g. The Borrower shall execute the Consent Receivership Order attached hereto as Schedule "C". This Consent Receivership Order shall be held in escrow by the Bank's counsel unless there is any default by the Borrower and/or Guarantor in complying with the requirements of this Agreement. In the event there is any default by the Borrower and/or Guarantor in complying with the requirements of this Agreement, then the Bank, in addition to any other rights or remedies it might have pursuant to this Agreement, the Credit Facilities and/or the Security, shall be entitled to have the Consent Receivership Order issued by the Court and proceed to the enforcement thereof without further notice. The parties agree and acknowledge that any receivership proceedings initiated pursuant to the foregoing may be commenced by the Bank in Ottawa, Ontario.

- h. The Borrower shall execute the Consent Bankruptcy Order attached hereto as Schedule "D". This Consent Bankruptcy Order shall be held in escrow by the Bank's counsel unless there is any default by the Borrower and/or the Guarantor in complying with the requirements of this Agreement. In the event there is any default by the Borrower and/or the Guarantor in complying with the requirements of this Agreement, then the Bank, in addition to any other rights or remedies it might have pursuant to this Agreement, the Credit Facilities and/or the Security, shall be immediately entitled to commence proceedings and have the Consent Bankruptcy Order issued by the Court and proceed to the enforcement thereof without further notice. The parties agree and acknowledge that any bankruptcy proceedings initiated pursuant to the foregoing may be commenced by the Bank in Ottawa, Ontario.
- i. The Borrower and its principals and the Guarantor hereby agree to the Bank's engagement of Raymond Chabot Grant Thornton & Co. LLP (Stanley Loiselle) ("RCGT") as its consultant, and hereby acknowledge receipt of a copy of RCGT's engagement in this regard, which engagement letter the Borrower and the Guarantor shall execute and deliver to the Bank prior to or upon execution of this Agreement. Further, throughout the Forbearance Period, RCGT shall act as the Bank's consultant and the Borrower and the Guarantor shall cooperate with RCGT and provide RCGT with whatever financial and other information as may be requested by RCGT.
- j. Without limiting the generality of the foregoing, the Borrower and the Guarantor shall be obligated to provide such detailed and ongoing financial and other reporting within two (2) business day of any such request by the Bank and/or RCGT as may be requested by the Bank and/or RCGT in their sole discretion so as to facilitate the ongoing assessment of the Borrower and the Guarantors throughout the Forbearance Period. Without in any way limiting the generality of the foregoing, the Borrower and the Guarantor shall provide the following to the Bank and/or RCGT throughout the Forbearance Period, which shall be reviewed and vetted by RCGT:
- i. Rolling 13-week cashflow forecast for the initial period ending June 29, 2024 with subsequent weekly monitoring and reporting to the Bank thereon. The cashflow forecast shall provide for an orderly and permanent reduction of the Bank's Indebtedness in a manner acceptable and satisfactory to the Bank;
 - ii. Ongoing monitoring of the following and reporting to the Bank thereon:
 - Monthly borrowing base calculation starting for the month ended February 29, 2024;
 - Ongoing filing of HST returns and remittances and HST owing to the CRA;

- Ongoing filing and payment of payroll remittances to CRA; and
 - Filing of corporate income tax return for the year ended December 31, 2023, assessment, and application of anticipated refund against outstanding HST arrears owing by the Borrower to CRA;
- iii. Full disclosure and updates and monitoring regarding the Sales Process and/or the Refinancing Process;
- iv. Monthly detailed in-house statements to be provided on the 15th day of each month throughout the Forbearance Period, including: balance sheets; income statements; inventory listing; work in progress listing; aged list of accounts receivable; and aged list of accounts payable; and
- v. Any other matter that may be identified by RCGT or by the Bank in their sole discretion.
- k. The Borrower and the Guarantor shall fully cooperate with the Bank, and shall provide access to and cooperate fully with the Bank and with any other party designated by the Bank in its sole discretion to conduct and report on its behalf in respect of any valuations, examinations, assessments, appraisals and similar reviews of the Borrower and/or the Guarantor in respect of their business, financial affairs, assets or properties, all at the expense of the Borrower and/or the Guarantor.
- l. In the event that the Borrower and/or the Guarantor fail to comply with any of the requirements of this Agreement, the Credit Facilities and/or the Security, the Bank, in addition to any other rights or remedies it might have pursuant to this Agreement, the Credit Facilities and/or the Security, shall be entitled to terminate this Agreement.
- m. The Borrower and the Guarantor acknowledge that as at March 13, 2024, the Borrower was indebted to the Bank pursuant to the Credit Facilities in the amounts outlined in the preambles above, and they further acknowledge that the Indebtedness is due and owing to the Bank and the Borrower has no right or claim of set-off, counter-claim, damages or any similar right or claim against the Bank in connection with the Indebtedness.
- n. The Borrower and the Guarantor acknowledge that the Bank had the right to demand repayment of the Indebtedness and acknowledge receipt of the Bank's Notice of Intention to Enforce Security (the "Notice") and demand letters dated March 13, 2024, demanding payment of the Indebtedness, and the Borrower and Guarantor do not request that the Bank withdraw the Notice or demands for payment.

- o. The Borrower and the Guarantor confirm that they do not dispute the Borrower's liability to pay the Indebtedness, and acknowledge that the Indebtedness is correctly stated and remains outstanding and unpaid.
- p. The Borrower and the Guarantor confirm that the Security has not been discharged, waived or varied, that it is binding upon the Borrower and it is valid and enforceable in accordance with its written terms and the Borrower hereby waives and agrees not to assert or cause to be asserted on its behalf, and is hereby estopped from asserting or causing to be asserted on its behalf, any defences or rights with respect to the legal effect of the Security or the legality, validity or binding effect of the obligations of the Borrower thereunder and the enforceability of same.
- q. The Borrower and the Guarantor acknowledge that defaults (the "Defaults") have occurred under the Credit Facilities which entitle the Bank to, amongst other things, declare the Indebtedness immediately due and payable and to proceed to the enforcement of its Security. More specifically and without limitation, the Borrower and the Guarantor acknowledge that the Borrower has defaulted in its repayment obligations to the Bank, there have been breaches in their financial and other reporting obligations to the Bank, they have permitted Priority Payables (as defined below) arrears to accrue, along with a significant margining deficit, and there has been a material adverse change in the financial condition of the Borrower and that these defaults continue. By executing this Agreement, the Borrower and the Guarantor acknowledge the Defaults and further acknowledge and agree that the Borrower is liable to the Bank for the full amount of the Indebtedness, which is due and payable in full and is not subject to any set-off, defence or counterclaim on the part of the Borrower and/or the Guarantor.
- r. The Borrower and the Guarantor shall not attempt to sell or dispose of any of their assets, other than in the ordinary course of business or without the prior written consent of the Bank.
- s. All other terms, conditions, undertakings and acknowledgements contained in the Credit Facilities and the Security shall remain in full force and effect to the extent that they are not inconsistent with the terms, conditions, undertakings and acknowledgements contained herein.
- t. There will be no payments or settlements with any other current or future creditor of the Borrower, other than in the ordinary course of business, without obtaining the written consent of the Bank in advance.
- u. The Borrower shall indemnify and save harmless the Bank with respect to any claim which may be asserted by any Federal, Provincial and/or municipal Crown ministry, agency, department or other similar body, which claim would rank in priority to the Bank's Security (the "Priority Payables") and shall keep Priority Payables current

throughout the Forbearance Period. Without limiting the generality of the foregoing, the Borrower shall indemnify and save harmless the Bank with respect to any claim asserted by any Federal, Provincial and/or municipal Crown ministry, agency, department or other similar body pursuant to, without limitation, the *Income Tax Act*, *Excise Tax Act*, *Retail Sales Tax Act*, the *Municipal Act, 2001* and any other claims which, if unpaid, would rank in priority to the Bank's Security. The Borrower shall provide reporting to the Bank with respect to all Priority Payables at the Bank's request within two (2) business days of any such request in the Bank's sole discretion. Further, the Borrower shall provide confirmation that all Priority Payables are current as of Termination or upon the Bank being fully paid out, failing which the Bank's Security shall remain in place until all Priority Payables are brought current and the Bank receives evidence confirming same satisfactory to the Bank in its sole discretion.

- v. The Borrower and the Guarantor agree, acknowledge and affirm that, except as herein expressly provided, the Bank has not been required nor has it made any commitment to provide any further financing or credit facilities, and that the Bank reserves its rights and remedies should the Borrower and/or the Guarantor fail to comply with the provisions of this Agreement.
- w. Should the Bank exercise its rights and remedies, the Borrower and its management agree and undertake to cooperate with the Bank to maximize the Bank's recovery and, without limitation, shall cooperate with the Bank in disposing assets.
- x. The Borrower and the Guarantor acknowledge that the recitals herein before set forth are true and correct and shall form an integral part of this Agreement.
- y. The Borrower and Guarantor confirm that entering into this Agreement does not vitiate, alter, release or discharge them from their obligations pursuant to any security given in favour of the Bank and confirm that the Security remains in full force and effect and continues to be binding against them.

3. Expenses and Legal and Other Fees

The Borrower and/or the Guarantor shall pay to the Bank, as and when incurred, all of the fees, costs, expenses, disbursements and taxes, of every nature and kind, incurred by the Bank regarding any aspect of the relationship between the Borrower and/or the Guarantor and the Bank, including the enforcement by the Bank of the Credit Facilities and/or the Security. In this regard, the Borrower and the Guarantor agree and acknowledge that the Bank is to be fully indemnified by them for and of the Bank's costs, disbursements, fees, taxes, etc.

4. Representations and Warranties

The Borrower and the Guarantor represent and warrant to the Bank that the execution and delivery of this Agreement has been duly authorized by all necessary actions and does not violate any laws or any provision of its constating documents or by-laws or any unanimous shareholders' agreement to which it is subject, or result in the creation of any encumbrance on its properties and assets except as contemplated hereunder. Without in any way limiting the generality of the foregoing, the Borrower and the Guarantor represent and warrant to the Bank (and acknowledge that the Bank is relying upon such representations) as follows:

- a. the Borrower is a corporation duly incorporated, organized and subsisting, and the Borrower has all necessary power and authority and are duly qualified and hold all necessary licenses and/or registrations to carry on business as now conducted and to enter into and perform their respective obligations under this Agreement;
- b. the execution, delivery and performance of this Agreement by the Borrower and the Guarantor and the performance of their respective obligations hereunder have been duly authorized by all necessary corporate actions, do not conflict with or result in a breach or violation of or constitute a default under the constating documents or by-laws of the Borrower, any law, rule, regulation, order, judgment, writ, injunction or decree applicable to the Borrower, any commitment, agreement or other instrument to which the Borrower is now a party or otherwise bound, and does not require the consent or approval of any third party;
- c. there is no matter, fact or event which is known to the Borrower or the Guarantor that has not been disclosed to the Bank which constitutes an Event of Default or is likely to have a material adverse effect on the performance of their respective obligations under this Agreement, or have a material adverse effect on the assets or the operations of the Borrower, and the Borrower has conducted such investigations as they consider reasonably necessary to make this representation and warranty; and
- d. no proceeding or action has been taken or commenced by any person against the Borrower in respect of any amounts owing by the Borrower to any person.

5. Covenants

The Borrower and the Guarantor covenant and agree with the Bank that, so long as the Indebtedness has not been repaid to the Bank in full, they shall:

- a. Continue to comply with all covenants and to perform or observe all obligations and conditions contained in the Credit Facilities and the Security except as varied herein;

- b. Not interfere with the Bank's right to realize upon the Security and the assets secured thereby upon termination of this Agreement, on reasonable commercial terms as would otherwise be required of a secured Bank in comparable circumstances;
- c. Not make a proposal or an assignment for the general benefit of their creditors or an assignment in bankruptcy, or issue a Notice of Intention or any of proposal under the *Bankruptcy and Insolvency Act* or the *Companies' Creditors Arrangement Act*;
- d. Not create or permit to exist any mortgage, hypothec, charge, pledge, lien, encumbrance or other security interest, or allow to arise any statutory trusts, upon or against the collateral charged in favour of the Bank, unless such mortgage, charge or interest is subordinate to the Security or the Bank has consented in advance thereto;
- e. Carry on business in the usual course and in a reasonable and prudent manner;
- f. Refrain from paying any bonuses or salary increases (or making any capital expenditures) or selling, transferring, releasing, settling, assigning or moving any of their property or assets out of the ordinary course of business, except with the Bank's written consent;
- g. Ensure that all assets subject to the Bank's Security is fully insured for all risks and that the Bank's interest therein is reflected on all such insurance coverage, and to ensure that all premiums are paid for the said insurance when due and to provide proof of payment of same to the Bank upon request;
- h. Immediately notify the Bank of any Event of Default as detailed below;
- i. Immediately notify the Bank of any claims, actions or suits brought against them or any orders, demands, claims or garnishments from any governmental authorities;
- j. Not dispose of any assets without the Bank's prior written approval and upon the disposition of any such assets, the full proceeds of same shall be paid to the Bank to be applied as against the Indebtedness;
- k. Maintain their corporate existence as a valid and subsisting corporate entity;
- l. Not merge, amalgamate or consolidate, with any other corporation except with the prior written consent of the Bank;
- m. Not incur or become liable for any borrowed money, or for the purchase of assets, obligations and leases, obligations under letters of credit or guarantees or indemnities, obligations given pursuant to bankers' acceptances or indemnities in

connection therewith, or any contingent obligation, including, without limitation, guarantees, endorsements or bills of exchange, obligations to purchase assets and obligations to make advances or otherwise provide financial assistance to any other entity without the prior written consent of the Bank;

- n. Deliver to the Bank prompt notice of any dispute, litigation, arbitration or administrative proceedings affecting any of the Security or the assets secured thereby that is before any court, arbitration, tribunal or governmental authority;
- o. Except as expressly permitted herein, shall not enter into any agreement or employ any strategy, either directly or indirectly, which would affect the ranking of the Security, encumber, restrict or otherwise impair the Security or the assets secured thereby or the marketability thereof and the Borrower shall work diligently toward the overall implementation of this Agreement;
- p. Not incur any capital expenditures, or make any payments, whether directly or indirectly, to any of their shareholders, whether by way of dividends, capital dividends, redemption or retraction of shares, bonuses or otherwise;
- q. Ensure that all monies generated by the Borrower in the course of its business operations are deposited into any account maintained by the Borrower at the Bank, and the Borrower shall only maintain accounts at the Bank;
- r. Comply with all applicable environmental laws respecting the ownership and operation of its business and keep in good standing all environmental permits required to operate the business; and
- s. Hereby authorize and direct the Bank to automatically debit, by mechanical, electronic or manual means, any account in the name of the Borrower for all amounts payable under this Agreement.

6. Events of Default

The following events shall constitute an event of default (“Event of Default”) under this Agreement entitling the Bank to immediately terminate this Agreement:

- a. Any default in the observance or performance of any covenant, agreement or undertaking contained in this Agreement, the Credit Facilities, the Security or any other agreement between the Borrower and/or the Guarantor and the Bank except as the same may have been modified herein;
- b. The Borrower and/or the Guarantor fail to pay any principal, interest, fees, costs or other amounts payable by the Borrower under the Credit Facilities and/or this Agreement, as and when due except as the same may have been modified herein;

- c. The terms of the Credit Facilities and Security continue to apply to the Borrower and the Guarantor as applicable and any breach of those terms entitles the Bank to terminate this Agreement forthwith and exercise its rights under the terms of this Agreement, the Credit Facilities and/or Security;
- d. In the opinion of the Bank, there is a material adverse change in the financial condition, ownership or operation of the Borrower or the Guarantor, or the ability of the Borrower and/or the Guarantor to pay amounts owing has been impaired, worsened or diminished or threatens to further deteriorate;
- e. The Borrower and/or the Guarantor cease to carry on business, make an assignment for the general benefit of their creditors, file a proposal, deliver a notice of intention to make a proposal or initiate any similar or other type of proceedings pursuant to the *Bankruptcy and Insolvency Act (Canada)*, or make an application for relief under the *Companies' Creditors Arrangement Act*, or a receiver, interim-receiver, receiver and manager, trustee, manager, consultant, liquidator, agent or other similar party is appointed in respect of their property or any material part thereof;
- f. Any person takes possession of a material part of the property of the Borrower and/or the Guarantor, by way of or in contemplation of enforcement of security, or a distress, execution or similar process is levied or enforced against any such property;
- g. If any Notice of Intention to Enforce Security pursuant to s. 244 of the *Bankruptcy and Insolvency Act* is issued by any other of the creditors of the Borrower and/or Guarantor;
- h. If any stay of proceedings of any kind shall be in effect with respect to the Borrower and/or Guarantor, or their assets, which in the Bank's sole and absolute discretion and opinion, affects the Bank's rights pursuant to its Security or the prospect of complete repayment of the Indebtedness;
- i. Any representation, warranty or statement contained herein and/or in the Security, or the Credit Facilities which is or proves to be untrue or incorrect;
- j. The receipt by the Bank of a demand or requirement for payment from the Canada Revenue Agency, the Province of Ontario, or any other federal or provincial governmental agency or body, as a result of arrears of monies owing by the Borrower, which shall include, without limitation, on account of Priority Payables, employee source deductions, harmonized sales tax, corporate tax, employee health tax, employee vacation pay, provincial pension contributions and/or property taxes;

- k. The Borrower committing or threatening to commit any act of bankruptcy pursuant to or set out under the provisions of the BIA;
- l. The filing of a Bankruptcy Application for a Bankruptcy Order against the Borrower pursuant to the provisions of the BIA;
- m. Any execution, sequestration or other process of any court or other tribunal becoming enforceable against the Borrower or a distress or analogous action or proceeding being taken, commenced or issued against the Borrower or levied upon or in respect of the Security or the assets secured thereunder or any part thereof, or any lien, trust claim or any other right or entitlement against or in respect of the Security or the assets secured thereunder or any part thereof becoming effective, including, without limitation, a warrant of distress of any rent in respect of any premises occupied by the Borrower or any premises in or upon which the Security or the assets secured thereunder or any part thereof may at any time be situate; and
- n. An interim receiver, receiver and manager, agent, liquidator or other similar administrator being appointed in respect of the Security or the assets secured thereunder, or any part thereof, or the taking of a secured party, lien claimant, other encumbrancer, judgment creditor or a person asserting similar rights of possession to the Assets or any part thereof.

7. Remedies of the Bank

Upon the occurrence of an Event of Default, or the Termination or expiry of this Agreement:

- a. The Forbearance Period shall forthwith terminate and the Indebtedness shall, at the option of the Bank, become immediately due and payable;
- b. The Bank shall be entitled to immediately enforce this Agreement, the Credit Facilities and/or the Security and enforce any of its remedies without issuance of any further notice as per the terms of this Agreement, the Credit Facilities and/or the Security;
- c. The Borrower and Guarantor shall, immediately upon receipt from the Bank or its counsel of a Notice of Disposition pursuant to the provisions of subsection 63(4) of the *Personal Property Security Act* (Ontario), consent to the immediate disposition of the Borrower's assets subject to the Security by the Bank and should the Borrower and/or the Guarantor or any one of them, fail to execute such consent when requested to do so by the Bank, the agreement of the Borrower and/or the Guarantor to do so herein shall be deemed to constitute the irrevocable consent of the Borrower and Guarantor to the immediate disposition of the assets subject to the Security by the Bank;

- d. The Bank shall be immediately entitled to commence proceedings and file with the Court and enforce the Consent Judgment attached hereto as Schedule "B", the Consent Receivership Order attached hereto as Schedule "C" and/or the Consent Bankruptcy Order attached hereto as Schedule "D", and rely upon the covenants, admissions, undertakings and obligations of the Borrower and Guarantor as set forth herein;
- e. The Bank shall be immediately entitled to avail itself of any and all remedies pursuant to the Mortgage;
- f. This Agreement, the Credit Facilities and/or the Security shall become enforceable, and the Bank may, in addition to any remedy set forth in this Agreement, the Credit Facilities and/or the Security, realize upon all or any part of the Security and commence such legal action or other proceedings against the Borrower and/or the Guarantor or their property or assets, and may appoint a private or Court appointed Receiver, as may be permitted under the terms or provisions of this Agreement, the Credit Facilities and/or the Security, or at law or in equity, all at such times and in such manner as the Bank may in its sole discretion deem expedient, and all without any additional notice, presentation, demand, entering into possession of any properties or assets charged by or subject to security interests contained in the Security or any other similar proceedings, all of which are hereby expressly waived.

8. Bank's Rights

It is understood and agreed that nothing contained in this Agreement and no negotiations, correspondence or discussions among the parties hereto, shall prejudice, affect or waive any of the Bank's rights under the terms of the Credit Facilities and/or the Security, except as those rights may have been modified by this Agreement.

9. Affirmation by the Guarantor

There is no dispute respecting the liability of the Guarantor in connection with the Indebtedness and the obligations of the Guarantor to repay the Indebtedness pursuant to the Guarantee. The Guarantor who has previously agreed to act as Guarantor hereby consents to the Borrower entering into this Agreement and ratifies the covenants contained in the Guarantee, and hereby confirms to the Bank that the Guarantee shall be and remain good, valid, and binding upon and enforceable against him. It is further understood and agreed that nothing contained in this Agreement and no negotiations or discussions among the parties hereto shall prejudice the right of the Bank to pursue its remedies against the Guarantor, except as those rights may have been modified by this Agreement. The Guarantor hereby waives and agrees not to assert or cause to be asserted on his behalf, and is hereby estopped from asserting or causing to be asserted on his behalf any defences or rights with respect to the legal effect of the Guarantee or the legality, validity or binding effect thereof.

10. Waivers

The Bank (by itself or through its agents) has made no promise, nor has it taken any action or omitted to take any action which would constitute a waiver of its right to take any enforcement action in connection with the enforcement of the Security, or which would estop it from doing so and that no statement, representation, promise, act or omission by the Bank or its employees or agents shall create such a waiver or estoppel unless the Bank executes and delivers to the Borrower a written waiver of any such right. No delay on the part of the Bank in exercising any remedy or any waiver of the rights given to it hereunder or under the Credit Facilities and/or the Security shall operate as a waiver thereof, except as to a waiver which is specifically given in writing by the Bank to the Borrower.

11. Tolling Provisions

As of the date hereof and continuing until the termination of the Forbearance Period, and thereafter until the termination of the tolling arrangements hereof in the manner provided for in the following paragraph and whether or not the demand for payment or Notice has previously been delivered by the Bank in respect of the Indebtedness, the Bank, the Borrower and all Guarantor hereby agree to toll and suspend the running of the applicable limitation period, laches or other doctrines related to the passage of time in relation to the Indebtedness, the Security and any other related matters, and each of the parties confirms that this agreement is intended to be an agreement to suspend or extend the basic limitation period provided by Section 4 of the *Limitations Act*, 2002 (Ontario) (the "*Limitations Act*") as well as the ultimate limitation period provided by Section 15 of the *Limitations Act* in accordance with the provisions of Section 22(2) of the *Limitations Act* and as a business agreement in accordance with the provisions of Section 22(5) of the *Limitations Act* and any contractual time limitation on the commencement of proceedings, any claims or defences based upon such application, statute of limitations, contractual limitations, or any time related doctrine including waiver, estoppel or laches.

The tolling provisions of this Forbearance Agreement will terminate upon any party providing the others with 60 days written notice of an intention to terminate the tolling provisions hereof, and upon the expiry of such 60 day notice, and any time provided for under the statutes of limitations, laches, or any other doctrine related to the passage of time in relation to the Indebtedness or the Security and any other related matters, will recommence running as of the effective date of such notice, and for greater certainty the time during which the limitation period is suspended pursuant to the tolling provisions of this Forbearance Agreement shall not be included in the computation of any limitation period.

12. Releases

The Borrower and Guarantor hereby acknowledge and agree that the Bank's administration of the Credit Facilities and its conduct and actions in dealing with the Borrower and Guarantor, have been fair and reasonable and hereby waive and agree not to assert or cause to be asserted on behalf of any of them, and are hereby estopped from asserting or causing to be asserted on behalf of any of them, any defences, rights, or claims on any grounds whatsoever with respect to such administration, conduct, action and dealings, and hereby absolutely, unconditionally and irrevocably release and remise the Bank (and its present and former affiliates, subsidiaries, divisions, predecessors, directors, officers, employees, agents and other representatives and their successors and assigns) of and from any and all demands, actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages or any other claims, counterclaims, defences, rights of set-off, demands and liabilities of any nature and kind whatsoever, known or unknown, both at law and in equity that the Borrower or Guarantor or any of their successors, assigns, or other legal representatives may not or hereafter have against the Bank. Further, in executing and delivering this Agreement, the Borrower and Guarantor hereby acknowledge and agree that they are acting freely and without duress and that this release may be pleaded as a full and complete defence and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of that release and that no fact, event, circumstance, evidence or transaction which could now be asserted or which may later be discovered will affect in any manner the final, absolute and unconditional nature of this release. Without limiting the generality of the foregoing, the Borrower and Guarantor waive any and all rights that they may have to assess any of the reasonable and customary legal fees previously paid or payable by the Bank to its solicitors or such reasonable and customary legal fees payable to its solicitors in connection with or any way related to the Credit Facilities, the Security and/or this Agreement, or otherwise, whether such right of assessment arises pursuant to the *Solicitors Act* (Ontario) or under any other law or statute.

13. Entire Agreement in Writing

This Agreement, the Credit Facilities and the Security and the documents contemplated thereby or taken in support thereof, constitute the entire agreement between the Borrower, the Guarantor and the Bank as to the matters dealt with herein. There are not and shall not be any oral statements, representations, warranties, undertakings or agreements between the Borrower, Guarantor and the Bank.

14. Amendments

This Agreement may be modified, cancelled, or extended at any time, but only with the written consent and agreement of the Bank.

15. Further Assurances

The Borrower and the Guarantor shall from time to time and at all times hereafter, at every request of the Bank, make, do, execute and deliver, or cause to be made, done, executed and delivered, all such further acts, deeds and assurances and things as may be necessary or desirable in the sole opinion of the Bank for more effectually implementing the true intent and meaning of this Agreement.

16. Successors and Assigns

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their successors and assigns.

17. Severability

The parties acknowledge and agree that if any provision of this Agreement or any Schedules attached hereto or the application thereof becomes illegal or unenforceable, it shall during such period be considered severable from the remaining provisions of this Agreement or any Schedules thereto, which shall remain in force and be binding as though the said provision had never been included.

18. Contra Proferentem Rule

This Agreement and all Schedules attached hereto have been drafted with the equal participation of all parties hereto and the parties hereto hereby acknowledge and agree that the *contra proferentum* rule has no application.

19. Date For Acceptance

This Agreement shall be open for acceptance by the Borrower and Guarantor until 4:00 p.m. on April 5, 2024, by which date if not executed and received by the Bank it shall be considered withdrawn.

20. Execution

The parties hereby agree that this Agreement may be executed in counterparts, and further that communication of the execution of the document may be made by facsimile or email transmittal, and such executed and faxed or emailed versions of the document shall be deemed to be originals of the Agreement.

21. Legal Advice

The parties also acknowledge and agree that they have received independent legal advice with respect to the terms and provisions of this Agreement or have been advised

to obtain the same and have declined to do so. They further agree and acknowledge that they have freely elected to enter into this Agreement without any form of duress and that they have not been induced or coerced to enter into this Agreement.

22. Confidentiality

This Agreement and the terms underlying it shall be kept confidential by the parties, but the parties shall be entitled to disclose same to their respective legal and/or financial advisers as may reasonably be required or as may be required by law.

(Signature page follows)

All of the foregoing is agreed to by the undersigned as of the date recited above.

ROYAL BANK OF CANADA



Name: Michael Foster

Title: Senior Manager

I have authority to bind the Bank

DESLAURIER CUSTOM CABINETS INC.



Name: Jason Chartrand

Title: President

I have authority to bind the Corporation



JAMES MAXWELL

Guarantor



_ Witness: Denis Sicotte

Schedule "A"

The Security includes the following instruments, amongst others:

1. General Security Agreement, dated July 11, 2018
2. Guarantee and Postponement of Claim of James Maxwell, limited to the principal amount of \$1,750,000.00, dated December 17, 2020
3. Postponement and Assignment of Claim signed by Cymax Investment Holdings Inc., dated December 17, 2020

Schedule "B"

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

ROYAL BANK OF CANADA

Plaintiff

- and -

DESLAURIERS CUSTOM CABINETS INC. and JAMES MAXWELL

Defendants

CONSENT

The parties hereto hereby consent to and approve as to form and content the Judgment attached hereto.

The parties hereto hereby certify that no party to this proceeding is under any legal disability.

The parties hereto hereby certify that they were given the opportunity to obtain independent legal advice and have done so in advance of executing this Consent Judgment.

Dated at Ottawa this
5th day of April, 2024.

ROYAL BANK OF CANADA



Name: Michael Foster

Title: Senior Manager

I have authority to bind the Bank

Dated at Ottawa this
5th day of April, 2024.

DESLAURIER CUSTOM CABINETS INC.



Name: Jason Chartrand

Title: President

I have authority to bind the Corporation

Dated at Ottawa this
5th day of April, 2024.



JAMES MAXWELL

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE) _____, the ____ day
JUSTICE)
) of _____, 202_.

BETWEEN:

ROYAL BANK OF CANADA

Plaintiff

- and -

DESLAURIER CUSTOM CABINETS INC. and JAMES MAXWELL

Defendants

JUDGMENT

ON READING the Consent to Judgment filed on behalf of the parties,

1. THIS COURT ORDERS AND ADJUDGES that the corporate defendant, Deslaurier Custom Cabinets Inc. (the “Company”), shall pay to the plaintiff, Royal Bank of Canada (the “Bank”) liquidated damages in the amount of \$3,114,575.30 or such lesser amount as may be owing by it when this Judgment is issued, along with interest thereon at the rate of 8.20% per annum from February 13, 2024 onwards.

2. THIS COURT FURTHER ORDERS AND ADJUDGES that the Company shall pay to the Bank, additional liquidated damages in the amount of \$49,066.50 or such lesser amount as may be owing by it when this Judgment is issued, along with interest thereon at the rate of 19.99% per annum from February 13, 2024 onwards.

3. THIS COURT FURTHER ORDERS AND ADJUDGES that the personal defendant, James Maxwell, shall pay to the Bank, liquidated damages in the amount of \$1,750,000.00 or

such lesser amount as may be owing by him when this Judgment is issued, along with interest thereon at the rate of 12.20% per annum from February 13, 2024 onwards.

4. THIS COURT FURTHER ORDERS AND ADJUDGES that the defendants shall deliver to the plaintiff possession of the personal property of the Company.

 5. THIS COURT FURTHER ORDERS AND ADJUDGES that the defendants shall pay to the Bank, on a joint and several basis, the sum of \$10,000.00 for the costs of this action, inclusive of disbursements and HST, with interest thereon at the rate of 7.0% per annum in accordance with the *Courts of Justice Act*.
-

Schedule "C"

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

ROYAL BANK OF CANADA

Plaintiff

- and -

DESLAURIER CUSTOM CABINETS INC.

Defendants

CONSENT

The parties hereto hereby consent to and approve as to form and content the Receivership Order attached hereto.

The parties hereto hereby certify that no party to this proceeding is under any legal disability.

The parties hereto hereby certify that they were given the opportunity to obtain independent legal advice and have done so in advance of executing this Consent Receivership Order.

Dated at Ottawa this
5th day of April, 2024.

ROYAL BANK OF CANADA



Name: Michael Foster

Title: Senior Manager

I have authority to bind the Bank

Dated at Ottawa this
5th day of April, 2024.

DESLAURIER CUSTOM CABINETS INC.

J Chartrand

Name: Jason Chartrand

Title: President

I have authority to bind the Corporation

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE) _____, the ____ day
JUSTICE) of _____, 202__.

BETWEEN:

ROYAL BANK OF CANADA

Plaintiff

- and -

DESLAURIER CUSTOM CABINETS INC.

Defendant

ORDER

THIS MOTION made by the plaintiff for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing _____ as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of the defendant (hereinafter the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at the Courthouse, _____.

ON READING the affidavit of _____ sworn on _____ and the Exhibits thereto and on hearing the submissions of counsel for the plaintiff, no one appearing for _____ although duly served as appears from the affidavit of service of _____ sworn on _____ and on reading the consent of _____ to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, MNP is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for or used in relation to its business operations, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the

ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby

conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$_____, provided that the aggregate consideration for all such transactions does not exceed \$_____ ; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations,

governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other

system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement,

licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor is hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

13. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

14. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection,

conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

16. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

17. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

18. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Ontario Superior Court of Justice.

19. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

20. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$_____ (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

22. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

23. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

GENERAL

24. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

25. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

26. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

27. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

28. THIS COURT ORDERS that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

29. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that _____, the receiver (the "Receiver") of all of the assets, undertakings and properties of the Debtor, acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the ___ day of _____, 20__ (the "Order") made in an action having Court file number _____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at _____, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20____.

[_____]

By: _____
Name:
Title:
Company/Firm:

Schedule "D"

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

ROYAL BANK OF CANADA

Plaintiff

- and -

DESLAURIER CUSTOM CABINETS INC.

Defendant

CONSENT

The parties hereto hereby consent to and approve as to form and content the Bankruptcy Order attached hereto.

The parties hereto hereby certify that no party to this proceeding is under any legal disability.

The parties hereto hereby certify that they were given the opportunity to obtain independent legal advice and have done so in advance of executing this Consent Receivership Order.

Dated at Ottawa this
5th day of April, 2024.

ROYAL BANK OF CANADA



Name: Michael Foster

Title: Senior Manager

I have authority to bind the Bank

Dated at Ottawa this
5th day of April, 2024.

DESLAURIER CUSTOM CABINETS INC.

J Chartrand

Name: Jason Chartrand

Title: President

I have authority to bind the Corporation

Court File No.: _____

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

BEFORE:) _____, THE ____ DAY
)
) OF _____, 202__

**IN THE MATTER OF THE BANKRUPTCY OF
DESLAURIER CUSTOM CABINETS INC.
OF THE TOWN OF RENFREW, IN THE PROVINCE OF ONTARIO**

BANKRUPTCY ORDER

UPON THE APPLICATION of Royal Bank of Canada (the “**Bank**”), a creditor carrying on business in the City of Ottawa, in the Province of Ontario, filed on the ____ day of _____, 20__, and upon having read the Affidavit of Truth of _____ and the Exhibits attached thereto, filed, and upon having read the Consent of _____ to act as Trustee, filed, and upon hearing the submissions of counsel for the Bank, no one appearing on behalf of the debtor, Deslaurier Custom Cabinets Inc. (hereinafter referred to as the “Debtor”), although duly served as appears from the Affidavit of Service of _____ sworn on _____, filed, and it appearing to the Court that the following act of bankruptcy has been committed:

(a) the said Debtor has ceased to meet its liabilities generally as they become due.

1. **THIS COURT ORDERS** that the Debtor be and is hereby adjudged bankrupt and a bankruptcy Order is hereby made against the Debtor.

2. **THIS COURT FURTHER ORDERS** that _____ of the City of Ottawa, in the Province of Ontario, be and is hereby appointed as Licensed Insolvency Trustee (“LIT”) of the estate of the Debtor.

3. **THIS COURT FURTHER ORDERS** that the LIT give security in an amount to be fixed by the Official Receiver pursuant to subsection 16(1) of the *Bankruptcy and Insolvency Act*.

4. **THIS COURT FURTHER ORDERS** that the costs of the Bank be paid to it out of the Debtor’s estate on taxation of the estate.

DATED AT THE CITY OF _____ this ____ day of _____, 20__.

Per:

This is **Exhibit "E"** to the Affidavit sworn by Jason Chartrand at the
City of Ottawa in the Province of Ontario before me on this
17th day of January, 2025 in accordance with O. Reg 431/20
Administering Oath or Declaration Remotely

A handwritten signature in blue ink, appearing to read "John P. [unclear]", is written over a horizontal line.

Commission for Taking Oaths
(Or as may be)

**AN AGREEMENT AMENDING THE TERMS OF
A FORBEARANCE AGREEMENT DATED APRIL 5, 2024**

Made as of the 20th day of June, 2024.

BETWEEN:

ROYAL BANK OF CANADA (the “Bank”)

- and -

DESLAURIERS CUSTOM CABINETS INC. (the “Borrower”)

- and -

JAMES MAXWELL (the “Guarantor”)

WHEREAS as of March 13, 2024, the Borrower acknowledged being indebted to the Bank in the then aggregate amount of \$3,164,890.45, along with ongoing interest and costs, fees and disbursements incurred by the Bank;

WHEREAS at all material times the Borrower and the Guarantor have acknowledged being indebted to the Bank and continue to acknowledge being indebted to the Bank;

WHEREAS the parties entered into a *Forbearance Agreement* dated April 5, 2024, (the “**Forbearance Agreement**”), and the parties hereto hereby acknowledge having been provided with and reviewed a duly executed copy of the Forbearance Agreement;

WHEREAS throughout the Forbearance Period (as defined in the Forbearance Agreement) and to the date hereof the Borrower and the Guarantor have been pursuing the Refinancing Process and the Sales Process (as these terms are defined in the Forbearance Agreement) to repay their indebtedness to the Bank and the Bank, in order to assist them in this regard, has agreed to amend the Forbearance Period on the terms and conditions set out herein and in the Forbearance Agreement;

WHEREAS the Borrower and the Guarantor have acknowledged being in default of the Credit Facilities and the Security (as defined in the Forbearance Agreement) and continue to be in default of the Credit Facilities and the Security and hereby acknowledge these defaults (the “**Loan Defaults**”);

WHEREAS the Borrower and the Guarantor have acknowledged and continue to acknowledge that, as a result of the Loan Defaults, the Bank was entitled to and did issue formal

demands for payment of the indebtedness owing by them to the Bank, along with a Notice of Intention to Enforce Security, which demands and notice were dated March 13, 2024;

WHEREAS the Borrower and the Guarantor hereby acknowledge and agree that they have breached the Forbearance Agreement and they further acknowledge and agree that various of these breaches are ongoing (the “**Forbearance Agreement Defaults**”);

WHEREAS the Borrower and the Guarantor hereby acknowledge and agree that the Bank is not waiving any of the Loan Defaults or the Forbearance Agreement Defaults and that the Bank is expressly reserving all of its right and remedies in this regard;

WHEREAS the Borrower and the Guarantor hereby acknowledge and agree that as a result of the Loan Defaults and the Forbearance Agreement Defaults the Bank was required to issue demands for payment and has been required to incur and continue to incur professional fees and disbursements (the “**Bank Fees**”);

WHEREAS the Borrower and the Guarantor hereby acknowledge and agree that the Credit Facilities, the Security and the Forbearance Agreement expressly provide that they are required to pay all of the Bank Fees and to fully indemnify the Bank regarding same, and they further acknowledge and agree that they do not dispute the Bank’s Fees and agree to pay them;

WHEREAS the parties hereto wish to continue to be bound by the terms and conditions of the Forbearance Agreement as amended pursuant to the terms set out herein;

NOW THEREFORE, in consideration of the mutual promises contained herein and those contained in the Forbearance Agreement, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Any defined terms herein not otherwise defined shall be as defined the Forbearance Agreement.
2. The Forbearance Agreement shall be amended as follows:
 - a. Paragraph 1. of the Forbearance Agreement shall be deleted and replaced with the following:
 1. Forbearance

For the period (the “Forbearance Period”) commencing on the date of execution of this Agreement by the Borrower and the Guarantor and terminating on the earlier of the date on which the Bank delivers a notice terminating the Agreement as herein provided, or September 2, 2024, the occurrence of which shall be referred to as the “Termination”, and subject to the Borrower’s compliance with and satisfaction of the terms, provisions and conditions contained in this Agreement, and subject to any

further extensions of time in accordance with paragraph 14 below, the Bank shall forbear from enforcing its Security.

- b. Paragraph 2(c) of the Forbearance Agreement shall be deleted and replaced with the following:
- c. Throughout the Forbearance Period, the Refinancing Process and/or the Sales Process shall be subject to the following conditions:
- i. The Borrower and/or the Guarantor shall have until September 2, 2024 to complete the Refinancing Process or the Sales Process in order to fully repay the Indebtedness to the Bank, along with all Priority Payables (as defined below) owing to the Canada Revenue Agency (“CRA”);
 - ii. The Borrower and the Guarantor shall actively attempt to secure alternate financing and/or promote and market the Sales Process throughout the Forbearance Period, and the Refinancing Process and the Sales Process shall be conducted in a manner satisfactory to the Bank in its sole discretion;
 - iii. The Borrower and the Guarantor shall keep the Bank fully informed of all efforts made and activities carried out in respect of the Refinancing Process and/or the Sales Process, and they shall forthwith provide to the Bank upon request any and all information and/or documentation that the Bank may request in respect of the Refinancing Process and/or the Sales Process, including without limitation, any term sheets, letters of intent/interest, commitments, listing agreements or amendments thereto, any offers of purchase and sale, and any counter-offers. Without limiting the generality of the foregoing, they shall provide to the Bank bi-monthly updates on the Refinancing Process and the Sales Process on or before the 15th and 30th days of each month throughout the Forbearance Period, and in the event an offer to finance or to purchase is made they shall forthwith bring the offer to the Bank’s attention for the Bank’s consideration and input;
 - iv. By no later than July 31, 2024, they shall provide the Bank with an unconditional sales agreement or agreement of purchase and sale or an unconditional offer to refinance with another lender, in an amount sufficient to fully repay the Indebtedness to the Bank by no later than September 2, 2024, along with all of the Borrower’s Priority Payables owing to CRA;
 - v. The Borrower and the Guarantor shall use advisors, consultants, agents or representatives acceptable to the Bank in order to actively carry out the

Refinancing Process and/or the Sales Process, and they hereby agree and acknowledge that they shall follow their advice throughout; and

vi. The Borrower and/or the Guarantor shall provide confirmation satisfactory to the Bank that BDC Capital Inc. is aware of and support the Borrower's Refinancing Process and/or Sales Process.

c. Paragraph 2(j) of the Forbearance Agreement shall be deleted and replaced with the following:

j. Without limiting the generality of the foregoing, the Borrower and the Guarantor shall be obligated to provide such detailed and ongoing financial and other reporting within two (2) business day of any such request by the Bank and/or RCGT as may be requested by the Bank and/or RCGT in their sole discretion so as to facilitate the ongoing assessment of the Borrower and the Guarantors throughout the Forbearance Period. Without in any way limiting the generality of the foregoing, the Borrower and the Guarantor shall provide the following to the Bank and/or RCGT throughout the Forbearance Period, which shall be reviewed and vetted by RCGT:

vii. Rolling 13-week cashflow forecast for the initial period ending June 29, 2024 with subsequent weekly monitoring and reporting to the Bank thereon. The cashflow forecast shall provide for an orderly and permanent reduction of the Bank's Indebtedness in a manner acceptable and satisfactory to the Bank. Without in any way limiting the foregoing, commencing the week of June 17, 2024, and each week thereafter throughout the Forbearance Period, the Borrower and/or the Guarantor shall permanently reduce the Bank's indebtedness by no less than \$25,000.00 per week;

viii. Ongoing monitoring of the following and reporting to the Bank thereon:

- Monthly borrowing base calculation starting for the month ended February 29, 2024;
- Ongoing filing of HST returns and remittances and HST owing to the CRA;
- Ongoing filing and payment of payroll remittances to CRA; and
- Filing of corporate income tax return for the year ended December 31, 2023, assessment, and application of anticipated refund against outstanding HST arrears owing by the Borrower to CRA;

ix. Full disclosure and updates and monitoring regarding the Sales Process and/or the Refinancing Process;

- x. Monthly detailed in-house statements to be provided on the 15th day of each month throughout the Forbearance Period, including: balance sheets; income statements; inventory listing; work in progress listing; aged list of accounts receivable; and aged list of accounts payable; and
 - xi. Any other matter that may be identified by RCGT or by the Bank in their sole discretion.
3. This amending agreement shall be open for acceptance by the Borrower and the Guarantor until 12:00 p.m. on June 20, 2024 by which date if not executed and received by the Bank it shall be considered withdrawn.
 4. Every other provision contained in the Forbearance Agreement shall remain the same and the parties hereto hereby agree to be bound by the provisions of the Forbearance Agreement as amended.

(Signature Page Follows)

AND THE PARTIES HAVE SIGNED:

ROYAL BANK OF CANADA



Per: Michael Foster
Position: Sr. Manager, Special Loans
I have authority to bind the Bank

DESLAURIERS CUSTOM CABINETS INC.



Per: Jason Chartrand
Position: President
I have authority to bind the Corporation



James Maxwell (Jun 18, 2024 16:14 EDT)

JAMES MAXWELL
Guarantor



Witness: Denis Sicotte
Name: Denis Sicotte

This is **Exhibit “ F ”** to the Affidavit sworn by Jason Chartrand at the
City of Ottawa in the Province of Ontario before me on this
17th day of January, 2025 in accordance with O. Reg 431/20
Administering Oath or Declaration Remotely



Commission for taking Oaths
(Or as may be)

**AN AGREEMENT FURTHER AMENDING THE TERMS OF
A FORBEARANCE AGREEMENT DATED APRIL 5, 2024**

Made as of the 30th day of August, 2024.

BETWEEN:

ROYAL BANK OF CANADA (the “Bank”)

- and -

DESLAURIERS CUSTOM CABINETS INC. (the “Borrower”)

- and -

JAMES MAXWELL (the “Guarantor”)

WHEREAS as of March 13, 2024, the Borrower acknowledged being indebted to the Bank in the then aggregate amount of \$3,164,890.45, along with ongoing interest and costs, fees and disbursements incurred by the Bank;

WHEREAS at all material times the Borrower and the Guarantor have acknowledged being indebted to the Bank and continue to acknowledge being indebted to the Bank;

WHEREAS the parties entered into a *Forbearance Agreement* dated April 5, 2024, as amended by *An Agreement Amending the Terms of a Forbearance Agreement Dated April 5, 2024* dated June 20, 2024 (collectively, the “**Forbearance Agreement**”), and the parties hereto hereby acknowledge having been provided with and reviewed a duly executed copy of each of the Forbearance Agreement;

WHEREAS throughout the Forbearance Period (as defined in the Forbearance Agreement) and to the date hereof the Borrower and the Guarantor have been pursuing the Refinancing Process and the Sales Process (as these terms are defined in the Forbearance Agreement) to repay their indebtedness to the Bank and the Bank, in order to assist them in this regard, has agreed to amend the Forbearance Period on the terms and conditions set out herein and in the Forbearance Agreement;

WHEREAS the Borrower and the Guarantor have acknowledged being in default of the Credit Facilities and the Security (as defined in the Forbearance Agreement) and continue to be in default of the Credit Facilities and the Security and hereby acknowledge these defaults (the “**Loan Defaults**”);

WHEREAS the Borrower and the Guarantor have acknowledged and continue to acknowledge that, as a result of the Loan Defaults, the Bank was entitled to and did issue formal demands for payment of the indebtedness owing by them to the Bank, along with a Notice of Intention to Enforce Security, which demands and notice were dated March 13, 2024;

WHEREAS the Borrower and the Guarantor hereby acknowledge and agree that they have breached the Forbearance Agreement and they further acknowledge and agree that various of these breaches are ongoing (the “**Forbearance Agreement Defaults**”);

WHEREAS the Borrower and the Guarantor hereby acknowledge and agree that the Bank is not waiving any of the Loan Defaults or the Forbearance Agreement Defaults and that the Bank is expressly reserving all of its right and remedies in this regard;

WHEREAS the Borrower and the Guarantor hereby acknowledge and agree that as a result of the Loan Defaults and the Forbearance Agreement Defaults the Bank was required to issue demands for payment and has been required to incur and continue to incur professional fees and disbursements (the “**Bank Fees**”);

WHEREAS the Borrower and the Guarantor hereby acknowledge and agree that the Credit Facilities, the Security and the Forbearance Agreement expressly provide that they are required to pay all of the Bank Fees and to fully indemnify the Bank regarding same, and they further acknowledge and agree that they do not dispute the Bank’s Fees and agree to pay them;

WHEREAS the parties hereto wish to continue to be bound by the terms and conditions of the Forbearance Agreement as amended pursuant to the terms set out herein;

NOW THEREFORE, in consideration of the mutual promises contained herein and those contained in the Forbearance Agreement, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Any defined terms herein not otherwise defined shall be as defined the Forbearance Agreement.
2. The Forbearance Agreement shall be amended as follows:
 - a. Paragraph 1. of the Forbearance Agreement shall be deleted and replaced with the following:
 1. Forbearance

For the period (the “Forbearance Period”) commencing on the date of execution of this Agreement by the Borrower and the Guarantor and terminating on the earlier of the date on which the Bank delivers a notice terminating the Agreement as herein provided, or October 31, 2024, the occurrence of which shall be referred to as the

“Termination”, and subject to the Borrower’s compliance with and satisfaction of the terms, provisions and conditions contained in this Agreement, and subject to any further extensions of time in accordance with paragraph 14 below, the Bank shall forbear from enforcing its Security.

b. Paragraph 2(c) of the Forbearance Agreement shall be deleted and replaced with the following:

c. Throughout the Forbearance Period, the Refinancing Process and/or the Sales Process shall be subject to the following conditions:

- i. The Borrower and/or the Guarantor shall have until October 31, 2024 to complete the Refinancing Process or the Sales Process in order to fully repay the Indebtedness to the Bank, along with all Priority Payables (as defined below) owing to the Canada Revenue Agency (“CRA”);
- ii. The Borrower and the Guarantor shall actively attempt to secure alternate financing and/or promote and market the Sales Process throughout the Forbearance Period, and the Refinancing Process and the Sales Process shall be conducted in a manner satisfactory to the Bank in its sole discretion;
- iii. The Borrower and the Guarantor shall keep the Bank fully informed of all efforts made and activities carried out in respect of the Refinancing Process and/or the Sales Process, and they shall forthwith provide to the Bank upon request any and all information and/or documentation that the Bank may request in respect of the Refinancing Process and/or the Sales Process, including without limitation, any term sheets, letters of intent/interest, commitments, listing agreements or amendments thereto, any offers of purchase and sale, and any counter-offers. Without limiting the generality of the foregoing, they shall provide to the Bank bi-monthly updates on the Refinancing Process and the Sales Process on or before the 15th and 30th days of each month throughout the Forbearance Period, and in the event an offer to finance or to purchase is made they shall forthwith bring the offer to the Bank’s attention for the Bank’s consideration and input;
- iv. By no later than October 1, 2024, they shall provide the Bank with an unconditional sales agreement or agreement of purchase and sale or an unconditional offer to refinance with another lender, in an amount sufficient to fully repay the Indebtedness to the Bank by no later than October 31, 2024, along with all of the Borrower’s Priority Payables owing to CRA. Without limiting the foregoing, the said sales agreement or agreement of purchase and sale shall provide for a material deposit from

the purchaser in an amount satisfactory to the Bank, which deposit shall only be reimbursable in the event the transaction fails to close through no fault of the purchaser;

- v. The Borrower and the Guarantor shall use advisors, consultants, agents or representatives acceptable to the Bank in order to actively carry out the Refinancing Process and/or the Sales Process, and they hereby agree and acknowledge that they shall follow their advice throughout; and
 - vi. The Borrower and/or the Guarantor shall provide confirmation satisfactory to the Bank that BDC Capital Inc. and BDC are aware of and support the Borrower's Refinancing Process and/or Sales Process.
- c. Paragraph 2(j) of the Forbearance Agreement shall be deleted and replaced with the following:
- j. Without limiting the generality of the foregoing, the Borrower and the Guarantor shall be obligated to provide such detailed and ongoing financial and other reporting within two (2) business day of any such request by the Bank and/or RCGT as may be requested by the Bank and/or RCGT in their sole discretion so as to facilitate the ongoing assessment of the Borrower and the Guarantors throughout the Forbearance Period. Without in any way limiting the generality of the foregoing, the Borrower and the Guarantor shall provide the following to the Bank and/or RCGT throughout the Forbearance Period, which shall be reviewed and vetted by RCGT:
 - vii. Rolling 13-week cashflow forecast for the initial period ending June 29, 2024 with subsequent weekly monitoring and reporting to the Bank thereon. The cashflow forecast shall provide for an orderly and permanent reduction of the Bank's Indebtedness in a manner acceptable and satisfactory to the Bank. Without in any way limiting the foregoing, commencing the week of June 17, 2024, and each week thereafter throughout the Forbearance Period, the Borrower and/or the Guarantor shall permanently reduce the Bank's indebtedness by no less than \$25,000.00 per week;
 - viii. Ongoing monitoring of the following and reporting to the Bank thereon:
 - Monthly borrowing base calculation starting for the month ended February 29, 2024;
 - Ongoing filing of HST returns and remittances and HST owing to the CRA;
 - Ongoing filing and payment of payroll remittances to CRA; and

- Filing of corporate income tax return for the year ended December 31, 2023, assessment, and application of anticipated refund against outstanding HST arrears owing by the Borrower to CRA;
- ix. Full disclosure and updates and monitoring regarding the Sales Process and/or the Refinancing Process;
 - x. Monthly detailed in-house statements to be provided on the 15th day of each month throughout the Forbearance Period, including: balance sheets; income statements; inventory listing; work in progress listing; aged list of accounts receivable; and aged list of accounts payable; and
 - xi. Any other matter that may be identified by RCGT or by the Bank in their sole discretion.
3. This amending agreement shall be open for acceptance by the Borrower and the Guarantor until 5:00 p.m. on September 9, 2024 by which date if not executed and received by the Bank it shall be considered withdrawn.
 4. Every other provision contained in the Forbearance Agreement shall remain the same and the parties hereto hereby agree to be bound by the provisions of the Forbearance Agreement as amended.

(Signature Page Follows)

AND THE PARTIES HAVE SIGNED:

ROYAL BANK OF CANADA



Per: Michael Foster
Position: Sr. Manager, Special Loans
I have authority to bind the Bank

DESLAURIERS CUSTOM CABINETS INC.

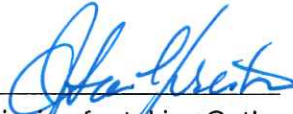
DocuSigned by:
Jason Chartrand
9E4936CEC1A1432...

Per:
Position:
I have authority to bind the Corporation

Signed by:
James Maxwell
82C44879331E4DE...
JAMES MAXWELL
Guarantor

DocuSigned by:
Denis Sicotte
DD293A2DFB7C4AC...
Witness
Name:

This is **Exhibit "G"** to the Affidavit sworn by Jason Chartrand at the
City of Ottawa in the Province of Ontario before me on this
17th day of January, 2025 in accordance with O. Reg 431/20
Administering Oath or Declaration Remotely




Commission for taking Oaths
(Or as may be)

AMENDED AND RESTATED ASSET PURCHASE AGREEMENT

THIS AGREEMENT (the “**Agreement**”), made as of the 17th day of January 2025, amends and replaces in its entirety the asset purchase agreement first entered on the 6th day of December 2024

BETWEEN:


(hereinafter referred to as the “**Purchaser**”)

OF THE FIRST PART

AND:

1995677 ONTARIO INC. (formerly known as DESLAURIER CUSTOM CABINETS INC.)
(hereinafter referred to as the “**Vendor**”)

OF THE SECOND PART

WHEREAS the Vendor owns the Purchased Assets and operates the Business;

AND WHEREAS the Purchaser wishes to purchase, and the Vendor has agreed to sell, the Purchased Assets pursuant to and in accordance with the terms and conditions of this Agreement;

NOW THEREFORE in consideration of the premises and the mutual agreements and covenants herein contained, the parties hereto hereby covenant and agree as follows:

ARTICLE 1 – INTERPRETATION

1.1 **Defined Terms.** In this Agreement and in the schedules hereto, unless there is something in the subject matter or context inconsistent therewith, the following terms and expressions will have the following meanings:

- (a) “**Accounts Receivable**” means the accounts receivable (including unbilled revenue and holdbacks), bills receivable, trade accounts, trade debts, book debts, and claims due or accruing due in connection with the Business.
- (b) “**Approval and Vesting Order**” or “**AVO**” means an approval and vesting order of the Court in form and in substance satisfactory to the parties, acting reasonably, approving this Agreement and, among other things, vesting in and to the Purchaser the Purchased Assets, free and clear of and from any and all Encumbrances to the extent and as provided for in such approval and vesting order.
- (c) “**Assigned Contracts**” means all of the contracts of the Vendor relating to the Business, including any Assigned Leases, other than the Excluded Contracts.
- (d) “**Assignment Order**” means an order of the Court, in a form and substance satisfactory to the parties, acting reasonably, authorizing and approving the assignment by the Vendor to the Purchaser of one or more Assigned Contracts and/or the Consent Required Contracts for which the consent, approval, or waiver of the party or parties thereto (other than the Vendor) required to assign such Consent Required Contracts has not been obtained by Closing.
- (e) “**Assigned Leases**” means the real property leases listed at Schedule “A” hereto, and where applicable, any personal property leases to be assumed by the Purchaser as set out in Schedule “D” of the AVO and/or the Consent Required Contracts as the case requires, other than Excluded Contracts.
- (f) “**Assumed Liabilities**” has the meaning given at Section 3.2 hereto.

- (g) **"Books and Records"** means all information in any form relating to the Business, the Purchased Assets or the Transferred Employees, including books of account, financial, operations, sales books, tax, business, marketing, personnel and research information and records, technical information, drill logs, equipment logs, technical reports, operating guides and manuals, and all other documents, files, correspondence and other information, including all data, information and databases stored on computer-related or other electronic media, but excluding any such information relating to the Excluded Assets.
- (h) **"Business"** means the business carried on by the Vendor as it relates to the design, manufacturing, installation, and servicing of custom kitchen and bathroom cabinetry and custom millwork, and other activities in which the Vendor may engage in from time to time.
- (i) **"Business Day"** means any day other than a day which is a Saturday, a Sunday or statutory holiday in Ottawa, Ontario.
- (j) **"Claims"** shall have the meaning given under the AVO.
- (k) **"Closing"** means the completion of the transaction of purchase and sale contemplated in this Agreement.
- (l) **"Closing Time"** means 10:00 AM (Ottawa time) on the Closing Date, or such other time on the Closing Date as may be mutually agreed between the parties and the Proposal Trustee.
- (m) **"Closing Date"** means the date that is TEN (10) days after the conditions of Closing in Article 8 (including the final date of any appeal) of this Agreement are satisfied or waived, or such earlier or later date as may be designated by agreement between the parties and the Proposal Trustee.
- (n) **"Consent Required Contract"** means any Assigned Contract which is not assignable by the Vendor in whole or in part without the consent, approval, or waiver of the party or parties thereto (other than the Vendor).
- (o) **"Court"** means the Ontario Superior Court of Justice (in Bankruptcy and Insolvency).
- (p) **"Encumbrances"** shall have the meaning given under the AVO and shall exclude Permitted Encumbrances forming part of Schedule C of the AVO.
- (q) **"Excluded Assets"** means the assets listed at Schedule "B" hereto.
- (r) **"Excluded Contracts"** means the contracts listed at Schedule "C" hereto.
- (s) **"Excluded Liabilities"** means, other than the Assumed Liabilities and any Permitted Encumbrances as set out in the AVO, any and all liabilities and obligations and Encumbrances of the Vendor, including tax liabilities, any and all liabilities relating to the Business, the Purchased Assets, the Excluded Assets, the Non-Transferred Employees, the Transferred Employees, and any "Claims" as defined under the AVO.
- (t) **"Non-Transferred Employees"** means all employees of the Business who are not Transferred Employees.
- (u) **"Person"** means and includes any individual, corporation, partnership, firm, joint venture, syndicate, association, trust, government, governmental agency or board or commission or authority, and any other form of entity or organization.
- (v) **"Purchased Assets"** means all of the property, assets and undertakings of every kind and description and wheresoever used in or relating to the Business other than the Excluded Assets, including all of the Vendor's right, title and interest in and to:

- i. **Equipment and Supplies.** All machinery, equipment, technology, and communications hardware and infrastructure, furniture, furnishings and accessories, parts and supplies of all kinds including office supplies used in the Business;
 - ii. **Vehicles.** All trucks, cars, and other vehicles used in the Business;
 - iii. **Inventory.** All inventories of the Business;
 - iv. **Accounts Receivable.** All Accounts Receivable relating to the Business or the Purchased Assets, including any refunds and rebates receivable relating to the Business or the Purchased Assets and the full benefit of all security (including cash deposits for future work or otherwise), guarantees, and other collateral held by the Vendor relating to the Business, facility, or other assets, or under royalty (or other) agreements or documents related thereto, and any asset-backed commercial paper or other investments;
 - v. **Prepaid Expenses.** All prepaid expenses of the Business;
 - vi. **Contracts.** All rights of the Vendor under and the full benefit of the Assigned Contracts, including the Assigned Leases;
 - vii. **Computer Software and Data.** All software, documentation, and data of or used in the Business, including all electronic data processing systems, program specifications, source codes, object code, input data, report layouts, formats, algorithms, record file layouts, diagrams, functional specifications, narrative descriptions, flow charts, operating manuals;
 - viii. **Intellectual Property.** All owned and licensed intellectual property, including the exclusive right to use the name "Deslaurier" and any other names related to the Business or the Purchased Assets in connection with the operation of the Business and/or use of the Purchased Assets by the Purchaser following the Closing;
 - ix. **Books and Records.** The Books and Records of the Vendor;
 - x. **Claims.** All claims of the Vendor against any 3rd party (but not any Claims against the Vendor of any kind, including as defined under the AVO) relating to the Business or the Purchased Assets, whether choate or inchoate, known or unknown, contingent or otherwise; and
 - xi. **Goodwill.** The goodwill of the Business, including the exclusive right of the Purchaser to represent itself as carrying on the Business in continuation of and in succession to the Vendor.
- (w) **"Purchase Price"** means the sum and such other consideration as defined in Article 4, which is the amount payable by the Purchaser to the Vendor for the Purchased Assets;
- (x) **"RBC Motor Vehicle Leases"** shall mean:
- i. 2020 Chevrolet Express Cargo, VIN 1GCWGBFPXL1150010, PPSA File #774153972
 - ii. 2020 Chevrolet Express Cargo, VIN 1GCWGBFP2L1208255, PPSA File #773843247
 - iii. 2020 Chevrolet Express Cargo, VIN 1GCWGBFP3L1172995, PPSA File #773843256
 - iv. 2020 Chevrolet Express Cargo, VIN 1GCWGBFP5L11187496, PPSA File #773207883
- (y) **"Transferred Employees"** means employees of the Business who receive and accept an offer of employment made by the Purchaser, with effect at the Closing Time, and who commence employment with the Purchaser on the Closing Date.

- 1.2 **Schedules.** The schedules that are attached to this Agreement, and as may be amended from time to time, are incorporated into this Agreement by reference and are deemed to be part hereof.
- 1.3 **Currency.** Unless otherwise indicated, all dollar amounts referred to in this Agreement are in lawful money of Canada.
- 1.4 **Choice of Law and Attornment.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties agree that the courts of the Province of Ontario will have non-exclusive jurisdiction to determine all disputes and claims arising between the parties.
- 1.5 **Interpretation Not Affected by Headings.** The division of this Agreement into articles, sections, paragraphs, subsections, and clauses, and the insertion of headings, are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "herein", "hereunder", and similar expressions refer to this Agreement and the schedules hereto and not to any particular article, section, paragraph, clause or other portion hereof and include any agreement or instrument supplementary or ancillary hereto.
- 1.6 **Number and Gender.** In this Agreement, unless there is something in the subject matter or context inconsistent therewith:
- (a) words in the singular number include the plural and such words shall be construed as if the plural had been used;
 - (b) words in the plural include the singular and such words shall be construed as if the singular had been used; and
 - (c) words importing the use of any gender shall include all genders where the context or party referred to so requires, and the rest of the sentence shall be construed as if the necessary grammatical and terminological changes had been made.
- 1.7 **Time of Essence.** Time shall be of the essence hereof.

ARTICLE 2 – BANKRUPTCY AND INSOLVENCY

- 2.1 **Proceedings.** It is anticipated that, on or about January 16th 2025, the Vendor will commence proceedings (hereafter the "**NOI Proceedings**") under the *Bankruptcy and Insolvency Act* (Canada) (hereafter the "**BIA**") pursuant to which, among other things, Raymond Chabot Inc. will be appointed as proposal trustee (hereafter the "**Proposal Trustee**").
- 2.2 **Court Approval.** The transactions contemplated by this Agreement will be subject to the approval of the Court pursuant to the Approval and Vesting Order to be entered into pursuant to the NOI Proceedings. The Vendor will seek the approval of the Court to the transactions contemplated by this Agreement in accordance with the following:
- (a) The Vendor and the Purchaser acknowledge that: (i) the transactions contemplated by this Agreement are subject to Court approval, and (ii) Closing the transactions contemplated herein is subject to the issuance of the Approval and Vesting Order.
 - (b) As soon as practicable after the NOI Proceeding is commenced, the Vendor will file motion materials seeking the issuance of the Approval and Vesting Order, with a return date acceptable to the Purchaser, the Vendor, and the Proposal Trustee, each acting reasonably.
 - (c) The Vendor and the Purchaser will cooperate with filing and serving the motion for issuance of the Approval and Vesting Order and any Assignment Orders required pursuant to this Agreement, and the Vendor will deliver to the Purchaser prior to filing, and as early in advance as is practicable to permit adequate and reasonable time, for the Purchaser and its counsel to review and comment,

copies of all of the Vendor's proposed pleadings, motions, and other material papers to be filed by the Vendor in connection with such motions and proposed orders and relief requested therein and any challenges thereto. The copy of this Agreement filed and served publicly will be subject to such redactions as the Vendor and the Purchaser each agree, acting reasonably.

- (d) The Vendor, in consultation with the Purchaser, will determine and serve all Persons required to receive notice of the motions for the Approval and Vesting Order and any Assignment Order under applicable Laws and the requirements of the BIA and the Court and any other Person determined necessary or advisable by the Vendor or the Purchaser.

ARTICLE 3 – PURCHASE AND SALE

- 3.1 **Purchased Assets.** Upon Closing, On the terms and subject to the fulfilment of the conditions hereof, the Vendor will sell, assign, and transfer to the Purchaser, and the Purchaser will purchase and accept from the Vendor, on an “as is, where is” basis and free and clear of all Encumbrances, the Purchased Assets.
- 3.2 **Assumed Liabilities.** Upon Closing, the Purchaser agrees to assume, discharge, perform and fulfill the following obligations and liabilities (collectively the “**Assumed Liabilities**”) (but no other obligations or liabilities or Claims related to the Business or the Purchased Assets or belonging to the Vendor, all of which remain the Vendor's sole obligation):
 - (a) the obligations and liabilities of the Vendor under the Assigned Contracts that relate to the period from and after the Closing Date, provided they are not related to any default existing at, prior to or as a consequence of the Closing or of the assignment of such Assigned Contract; and
 - (b) the obligations and liabilities of the Vendor in respect of customer deposits received by the Vendor prior to Closing (and entitlements thereunder) relating to any Assigned Contracts.
- 3.3 **Excluded Liabilities.** The Purchaser will not assume and will have no obligation to discharge, perform, or fulfill any Excluded Liabilities.
- 3.4 **Consent Required Contracts.** With regards to the Consent Required Contracts:
 - (a) Notwithstanding anything in this Agreement, the Purchaser will not assume and has no obligation to discharge any liability or obligation under or in respect of any Consent Required Contract unless: (a) the consent, approval, or waiver of the party or parties to such Consent Required Contract (other than the Vendor) required to assign such Consent Required Contract has been obtained on terms satisfactory to each party to such Consent Required Contract, acting reasonably, and the benefit of such Consent Required Contract has been assigned and enured to the Purchaser; or (b) such Consent Required Contract is subject to an Assignment Order.
 - (b) The Vendor and the Purchaser will use commercially reasonable efforts to obtain the consent, approval, or waiver of the party or parties to each Consent Required Contract (other than the Vendor) to the assignment of such Consent Required Contract prior to the date the motion materials are filed for the Approval and Vesting Order. For greater certainty, neither the Vendor nor the Purchaser is under any obligation to pay any money, incur any obligations, commence any legal proceedings (other than as set forth below with respect to Assignment Orders), or offer or grant any accommodation (financial or otherwise) to any third party in order to obtain any such consent, approval or waiver.
 - (c) In the event that the consent, approval, or waiver required to assign any Consent Required Contract is not obtained before the date the motion materials are filed for the Approval and Vesting Order, the Vendor will, at the request of the Purchaser and prior to Closing, seek the Assignment Order for such Consent Required Contract in form and substance satisfactory to the parties, each acting reasonably.

ARTICLE 4 – PURCHASE PRICE

4.1 **Purchase Price.** The purchase price for the Purchased Assets (hereafter the "**Purchase Price**") shall be of [REDACTED]

4.2 **Payment of Purchase Price.** The Purchase Price shall be paid as follows:

- (a) [REDACTED] payable as a deposit in accordance with Section 4.3 (hereafter the "**Deposit**");
- (b) [REDACTED] payable upon the Purchaser's receipt of BDC financing (the "**BDC Financing**");
- (c) [REDACTED] payable upon Closing.

Upon receipt thereof, the Vendor shall forthwith apply proceeds of the Purchase Price as follows:

- (a) [REDACTED] to the Royal Bank of Canada
- (b) [REDACTED] plus *per diem* interest of [REDACTED] from January 15, 2025 to settle the RBC Motor Vehicle Leases
- (c) [REDACTED] to the BDC Capital Inc.
- (d) [REDACTED] to Business Development Bank of Canada
- (e) [REDACTED] to Raymond Chabot Inc, as Proposal Trustee per the AVO.

4.3 **Deposit.** The Purchaser shall deliver the Deposit to the Vendor's counsel by wire transfer of immediately available funds or as otherwise directed by the Vendor in writing, on or before January 15th 2025. The Deposit will be held by the Vendor's counsel, in trust for the Vendor, and shall be released to the Vendor upon Closing. In the event that this Agreement is terminated for any reason, the full amount of the Deposit, together with any interest earned thereon, will be returned to the Purchaser within FIVE (5) Business Days following such termination.

4.4 **Allocation of Purchase Price.** The Vendor and the Purchaser agree to cooperate in the filing of such elections under the *Income Tax Act (Canada)* and such other taxation statutes as may be necessary or desirable to give effect to such reasonable allocation of the purchase price as the parties may agree for tax purposes. In addition, the Vendor and the Purchaser agree to prepare and file their respective tax returns in a manner consistent with those allocations and elections. If either party fails to file its tax returns in the agreed manner, it shall indemnify and save harmless the other in respect of any additional tax, interest, penalty, legal or accounting costs paid or incurred by the other of them as a result of failure to file in the manner agreed herein.

4.5 **Sales Tax and Tax Election(s).** The Purchaser will be liable for and will pay all sales taxes payable by the Purchaser, as required under the applicable sales tax legislation, upon and in connection with the sale, assignment, and transfer of the Purchased Assets from the Vendor to the Purchaser. For greater certainty, the Purchaser shall not be liable for any taxes payable on the Vendor's net income, profits, or gains. The Vendor will provide to the Purchaser an invoice or similar document containing all of the prescribed information required under the *Excise Tax Act (Canada)* to allow the Purchaser to claim input tax credits to recover the sales taxes paid. Notwithstanding anything to the contrary contained herein, subject to any applicable laws, the parties will cooperate with each other in good faith to minimize taxes that may be payable by the Purchaser, and each party will use its commercially reasonable efforts to provide the other party with any reasonable certificates or documents which are useful for such purpose. The parties further agree to cooperate with each other in good faith to minimize (or eliminate) the application of any sales taxes payable in connection with the sale, assignment and transfer of the Purchased Assets including to use or enter into any applicable sales tax election, sales tax relief, or sales tax exemption that is available at law. If the election under subsection 167(1) of Part IX of the *Excise Tax Act (Canada)* is available, the Parties shall, if reasonably requested by the Purchaser, enter into such joint election in connection with the Closing. The Vendor and the Purchaser will make the election in prescribed form containing prescribed information and the Purchaser will, on a timely basis, file the form GST44 in compliance with the

requirements of the applicable legislation. The Purchaser and the Vendor will also execute and deliver such other tax elections and forms as they may mutually agree upon.

ARTICLE 5 – REPRESENTATIONS AND WARRANTIES

- 5.1 **Representations and Warranties by the Vendor.** The Vendor hereby represents and warrants to the Purchaser that the following representations and warranties are true and complete as of the entering into of this Agreement and shall remain so on the Closing Date and confirms that the Purchaser is relying upon the accuracy of each of such representations and warranties in connection with the sale of the Purchased Assets and the completion of the other transactions herein contained:
- (a) **Capacity to Enter Agreement.** The Vendor has all necessary corporate power, authority, and capacity to enter into this Agreement and to perform its obligations hereunder.
 - (b) **Binding Obligation.** The execution and delivery of this Agreement and the consummation of the transactions contemplated hereunder have been duly authorized by all necessary corporate action on the part of the Vendor. This Agreement constitutes a valid and binding obligation of the Vendor, enforceable against it in accordance with the terms hereof.
 - (c) **Residency.** The Vendor is not a non-resident of Canada for the purposes of the *Income Tax Act (Canada)*, as amended from time to time.
- 5.2 **Representations and Warranties by the Purchaser.** The Purchaser hereby represents and warrants to the Vendor as follows, and confirms that the Vendor is relying upon the accuracy of each of such representations and warranties in connection with the sale of the Purchased Assets and the completion of the other transactions hereunder:
- (a) **Capacity to Enter Agreement.** The Purchaser has all necessary corporate power, authority, and capacity to enter into this Agreement and to perform its obligations hereunder.
 - (b) **Binding Obligation.** The execution and delivery of this Agreement and the consummation of the transactions contemplated hereunder have been duly authorized by all necessary corporate action on the part of the Purchaser. This Agreement constitutes a valid and binding obligation of the Purchaser, enforceable against it in accordance with the terms hereof.
 - (c) **Residency.** The Purchaser is not a non-resident of Canada for the purposes of the *Income Tax Act (Canada)*, as amended from time to time.
- 5.3 **As Is, Where Is.** The Purchaser acknowledges and agrees that, except as expressly set forth herein, the Purchased Assets and the Business are purchased and the Assumed Liabilities are assumed by the Purchaser free and clear of all Encumbrances "as is, where is" as they exist at the Closing Date with all faults and without any representations or warranties, express or implied, in fact or by law with respect to the Purchased Assets, the Business, and the Assumed Liabilities (other than as provided in this Article 5), and without any recourse to the Vendor, the Proposal Trustee, or any of their directors, officers, representatives, or advisors, other than for known and intentional fraud. The Purchaser agrees to accept the Purchased Assets, the Business, and the Assumed Liabilities in the condition, state, and location they are in on the Closing Date based on the Purchaser's own inspection, examination, and determination with respect to all matters and without reliance upon any express or implied representations or warranties of any nature made by or on behalf of or imputed to the Vendor, except as expressly set forth in this Agreement. Unless specifically stated in this Agreement, the Purchaser acknowledges and agrees that no representation, warranty, term or condition, understanding or collateral agreement, whether statutory, express or implied, oral or written, legal, equitable, conventional, collateral, or otherwise, is being given by the Vendor in this Agreement or in any instrument furnished in connection with this Agreement, as to description, fitness for purpose, sufficiency to carry on any business, merchantability, quantity, condition, ownership, quality, value, suitability, durability, environmental condition, assignability, or marketability thereof, or in respect of any other matter or thing whatsoever, and all of the same are expressly excluded.

ARTICLE 6 – SURVIVAL AND LIMITATIONS OF REPRESENTATIONS AND WARRANTIES

- 6.1 **Survival of Warranties and covenants by Vendor.** The representations, warranties and covenants made by the Vendor and contained in this Agreement, or contained in any document or certificate given in order to carry out the transactions contemplated hereby, will survive the closing of the purchase of the Purchased Assets provided for herein and, notwithstanding such closing, shall continue in full force and effect for the benefit of the Purchaser for a period of TWO (2) years as of the Closing Date.
- 6.2 **Survival of Warranties and covenants by Purchaser.** The representations, warranties and covenants made by the Purchaser and contained in this Agreement or contained in any document or certificate given in order to carry out the transactions contemplated hereby will survive the closing of the purchase and sale of the Purchased Assets provided for herein and, notwithstanding such closing, shall continue in full force and effect for the benefit of the Vendor for a period of TWO (2) years as of the Closing Date.

ARTICLE 7 – EMPLOYEES

- 7.1 The Purchaser will, not less than FIVE (5) Business Days prior to the Closing Date, offer continued employment conditional on Closing and effective as of the Closing Time to those employees to whom it wishes to offer employment (collectively the “Offerees”) on such employment terms and conditions as the Purchaser considers appropriate. Any employee who does not receive such an offer shall be deemed to be, and shall be incorporated to the definition of, a Non-transferred Employee.
- 7.2 Prior to Closing, the Purchaser will provide the Vendor with a list of Offerees who have accepted an offer of employment from the Purchaser and who will be Transferred Employees as of the Closing Time. For certainty, any Offerees who have not accepted such offers on or before the Closing Date shall be deemed a Non-transferred Employees
- 7.3 Prior to the Closing Date, the Vendor will process (or cause to be processed) the payroll for, and pay (or cause to be paid), all compensation, including but not limited to the base wages, base salary, incentive compensation, deferred compensation, bonus, overtime pay, statutory holiday pay, commissions, and other similar payments for all employees and former employees (collectively “Wages”) earned and payable prior to the Closing. For greater certainty, the Vendor will pay all Wages to all employees, whether Transferred Employees or Non-transferred Employees (collectively the “Employees”), that have accrued and have become due prior to Closing. The Vendor will withhold and remit all applicable payroll taxes and deductions from Wages at source as required by applicable Laws. Notwithstanding the foregoing, it is explicitly acknowledged and agreed that no accrued vacation pay owing to any Employee shall be paid prior to Closing, and that any and all accrued vacation pay relating to the Transferred Employees shall be assumed by the Purchaser under the offers to Offerees. The Purchaser shall not assume any vacation pay obligations for Non-Transferred Employees.
- 7.4 Following the Closing, the Purchaser will process the payroll for, and pay (or cause to be paid), as and when due, all Wages accruing from and after the Closing Date with respect to each Transferred Employee.
- 7.5 All claims of Non-Transferred Employees or Offerees who do not accept continued employment offers will be dealt with in the NOI Proceedings or any subsequent bankruptcy of the Vendor in accordance with the entitlement and priority afforded to such claims under applicable Laws. Without limitation to the foregoing, the Vendor will make the payments required to be made pursuant to Section 65.13(8) of the BIA in respect of all Employees. The Purchaser will not assume or be liable for any Claims of Non-Transferred Employees and the Vendor will remain liable for notice of termination or payment in lieu of notice obligations and statutory severance obligations and vacation pay owing in respect of any Non-Transferred Employees, including Offerees, who do not accept the Purchaser’s offer of employment.

ARTICLE 8 – CONDITIONS

- 8.1 Each of the transactions herein contemplated are subject to the following conditions being satisfied on or prior to the Closing Time, which conditions are for the benefit of both the Vendor and the Purchaser and may be jointly waived, in whole or in part, by the Vendor and the Purchaser:

- (a) **Approval and Vesting Order.** The Approval and Vesting Order will have been obtained and will not have been appealed, set aside, varied, suspended, or stayed, and, if appealed or stayed, the Closing shall occur only after all appeals will have been dismissed and all stays will have been lifted, respectively, with no further right of appeal.
- (b) **Legal Action.** There will be no order issued by any governmental authority or any other law delaying, restricting, or preventing, and no action or proceeding pending to enjoin or prohibit, the consummation of the transactions herein contemplated.
- (c) All terms and conditions under the BDC Financing shall have been met and funds shall have been disbursed to the Purchaser.

ARTICLE 9 – COVENANTS

- 9.1 **Covenants.** The Purchaser and the Vendor (as the case may be) shall perform and complete the following covenants on or before the Closing Date:
- (a) **Vendor Efforts.** The Vendor will use its commercially reasonable efforts to take or cause to be taken all such actions as may be reasonably necessary or advisable in order to fulfil its obligations under this Agreement and ensure the satisfaction of all of the conditions set forth at Article 8.
 - (b) **Purchaser Efforts.** The Purchaser will use its commercially reasonable efforts to take or cause to be taken all such actions as may be reasonably necessary or advisable in order to fulfil its obligations under this Agreement and ensure the satisfaction of all of the conditions set forth at Article 8.
 - (c) **Deliveries of the Vendor.** The Vendor shall deliver to the Purchaser all necessary deeds, conveyances, bills of sale, assurances, transfers, assignments and consents, agreements, and contracts referred to in this Agreement and any other documents necessary or reasonably required effectively to transfer the Purchased Assets to the Purchaser with a good and marketable title, free and clear of all mortgages, liens, charges, pledges, claims, security interests, deemed trusts, or Encumbrances whatsoever, unless as otherwise provided in this Agreement.
 - (d) **Possession.** The Vendor shall deliver actual possession of the Purchased Assets to the Purchaser and of the contracts, engagements, or commitments to which the Purchaser is entitled in regards to the Business pursuant to this Agreement.

ARTICLE 10 – CLOSING

- 10.1 **Closing.** Subject to the terms and conditions hereof, the transactions contemplated herein shall be closed at the Closing Time at the offices of Sicotte Guilbault LLP, or at such other place or places as may be mutually agreed upon by the Vendor and the Purchaser (including by escrow closing with electronic deliveries between the Parties).
- 10.2 **Closing Procedures.** The Parties hereby acknowledge and agree that:
- (a) in accordance with the Approval and Vesting Order, the Proposal Trustee will file a certificate, substantially in the form attached as Schedule "A" to the Approval and Vesting Order (the "**Proposal Trustee's Certificate**"), with the Court upon receiving written confirmation from the Purchaser and the Vendor that all conditions of Closing have been satisfied or waived.
 - (b) subject to satisfaction or waiver by the relevant party of the conditions of Closing, on the Closing Date, the Closing will be deemed completed upon the delivery of the Proposal Trustee's Certificate pursuant to the Approval and Vesting Order.
- 10.3 **Documents to be delivered.** At or before the Closing Time, or any such date as expressly provided for herein the Vendor shall execute, or cause to be executed, and shall deliver, or cause to be delivered, to

the Purchaser all documents, instruments and things which are to be delivered by the Vendor pursuant to the provisions of this Agreement, including without limitation:

- (a) all bills of sale, conveyances, transfers, and assignments in form and content satisfactory to the Purchaser's counsel, duly executed by the Vendor and appropriate to effectively vest a good and marketable title to the Purchased Assets in the Purchaser and immediately registerable in all places where registration of such instrument is required;
- (b) all consents or approvals required to be obtained by the Vendor for the purpose of validly assigning any of the Purchased Assets for which a consent is required, as well as the consent of any governmental, public, or regulatory institutions to the Purchaser's carrying of the business or transfer of any licenses or permits required to carry on the business, if applicable;
- (c) evidence to the reasonable satisfaction of the Purchaser as to the full discharge of any and all liabilities which may be enforceable against or constitute a lien, charge, Encumbrance, security interest, pledge, or claim upon any of the Purchased Assets or the Purchaser;
- (d) any releases or waivers of any interest in the Purchased Assets required by the Purchaser or any other Person which may have any claim or entitlements in the Purchased Assets;
- (e) such further and other documents as the parties' counsel may consider reasonably necessary or advisable to implement the transactions contemplated herein.

Notwithstanding the foregoing, the AVO and this Agreement shall, without need of further act or formality, operate as a transfer and assignment to the Purchaser as of the Closing Date, of all property and any other rights to be sold and purchased hereunder, including the Purchased Assets and without restricting the foregoing, the proper conveyance of all intangible assets, including goodwill.

ARTICLE 11 – TERMINATION

- 11.1 This Agreement will be terminated automatically, without any action by either Party, if the Approval and Vesting Order will not have been granted by February 28th 2025, or such later date as may be agreed to in writing by the Parties.
- 11.2 This Agreement may be terminated prior to the Closing by either party, in the event that:
 - (a) the NOI Proceedings have not been commenced by January 17th 2025;
 - (b) any Person with an Encumbrance on any of the Purchased Assets who has not consented in writing to the transactions contemplated hereby is not subject to, or ceases to be subject to, the stay of proceedings pursuant to the NOI Proceedings;
 - (c) the NOI Proceedings are terminated;
 - (d) the Approval and Vesting Order is not granted;
 - (e) an Assignment Order becomes required and is not granted (in whole or in part);
 - (f) the Approval and Vesting Order or an Assignment Order, once granted, fails to be in full force and effect or is stayed, amended, modified, reversed, or dismissed without the prior written consent of the Purchaser;
 - (g) there has been a material breach of this Agreement by the Vendor and where such breach is capable of being cured, such breach has not been waived by the Purchaser in writing or cured within THREE (3) Business Days following written Notice of such breach by the Purchaser; or

(h) any of the conditions set forth at Article 8 has not been satisfied and it becomes reasonably apparent that any of such condition will never be satisfied (other than as result of the failure of the party seeking termination to perform any of its material obligations) and the parties have not waived such condition in writing at or prior to Closing.

11.3 This Agreement may be terminated prior to the Closing by mutual written consent of the Vendor and the Purchaser.

ARTICLE 12 – GENERAL PROVISIONS

12.1 **Further Assurances.** Each of the Vendor and the Purchaser hereby covenant and agree that at any time and from time to time after the Closing Date it will, upon the request of the other, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, deeds, assignments, transfers, conveyances and assurances as may be required for the better carrying out and performance of all the terms of this Agreement. This assurance shall survive, and shall not merge on, the Closing.

12.2 **Remedies Cumulative.** The rights and remedies of the parties under this Agreement are cumulative and in addition to and not in substitution for any rights or remedies provided by law. Any single or partial exercise by any party hereto of any right or remedy for default or breach of any term, covenant or condition of this Agreement does not waive, alter, affect, or prejudice any other right or remedy to which such party may be lawfully entitled for the same default or breach.

12.3 **Notices.**

(a) Any notice, designation, communication, request, demand, or other document, required or permitted to be given or sent or delivered hereunder to any party hereto (hereafter a “Notice”) shall be in writing and shall be sufficiently given or sent or delivered if it is:

- i. delivered personally to an officer or director of such party;
- ii. sent to the party entitled to receive it by registered mail, postage prepaid, mailed in Province of Ontario; or
- iii. sent by email or fax.

(b) Notices shall be sent:

if to the Purchaser, at:

[REDACTED]

if to the Vendor, at:

1995677 ONTARIO INC.
1050 Baxter Road
Ottawa, ON K2C 3P1

[REDACTED]

if to the Proposal Trustee, at:

Raymond Chabot Inc.
1900 City Park Drive, Suite 200
Ottawa, ON K1J 1A3

Attention: Stanley Loiselle
Email: loiselle.stanley@rcqt.com

A party may change its address for service from time to time by providing a Notice in accordance with the foregoing, following which any subsequent Notice shall be sent to such party at its updated address. Any element of a party's address that is not specifically changed in a Notice will be assumed not to be changed. Sending a copy of a Notice to a party's legal counsel is for information purposes only and does not constitute delivery of the Notice to that party

(c) Any Notice given or sent or delivered as aforesaid shall:

- i. if delivered as aforesaid, be deemed to have been given, sent, delivered, and received on the date of delivery;
- ii. if sent by mail, be deemed to have been given, sent, delivered and received (but not actually received) on the fourth Business Day following the date of mailing, unless at any time between the date of mailing and the fourth Business Day thereafter there is a discontinuance or interruption of regular postal service, whether due to strike or lockout or work slowdown, affecting postal service at the point of dispatch or delivery or any intermediate point, in which case the same shall be deemed to have been given, sent, delivered and received in the ordinary course of the mails, allowing for such discontinuance or interruption of regular postal service; and
- iii. if sent by telecopy machine, be deemed to have been given, sent, delivered, and received on the date the sender receives the telecopy answer back confirming receipt by the recipient.

12.4 **Counterparts.** This Agreement may be executed in several counterparts, each of which so executed, whether delivered in original form, by fax or electronic copy, shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument.

12.5 **Announcements.** All public notices to third parties and all other publicity concerning the transactions contemplated by this Agreement shall be jointly planned and coordinated by the Vendor and the Purchaser and no party shall act unilaterally in this regard without the prior approval of the other party (such approval not to be unreasonably withheld), except where required to do so by law or by the applicable regulations or policies of any provincial or Canadian or other regulatory agency of competent jurisdiction or any stock exchange in circumstances where prior consultation with the other party is not applicable.

12.6 **Assignment.** Neither this Agreement nor any rights or obligations hereunder shall be assignable by any of the parties without the prior written consent of the other parties hereto.

12.7 **Successors and Assigns.** This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns. Nothing herein, express or implied, is intended to confer upon any person, other than the parties hereto and their respective successors and assigns, any rights, remedies, obligations, or liabilities under or by reason of this Agreement.

12.8 **Severability.** Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof and any such invalid or unenforceable provision shall be deemed to be severed. Any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

12.9 **Entire Agreement.** This Agreement, the AVO and the schedules referred to herein and therein (collectively this "Agreement" in this section 12.9) constitute the entire agreement between the parties hereto and supersede all prior agreements, representations, warranties, statements, promises, information,

arrangements, and understandings, whether oral or written, express or implied, with respect to the subject matter hereof. None of the parties hereto shall be bound or charged with any oral or written agreements, representations, warranties, statements, promises, information, arrangements, or understandings not specifically set forth in this Agreement or in the schedules, documents, and instruments to be delivered on or before the Closing Date pursuant to this Agreement. The parties hereto further acknowledge and agree that, in entering into this Agreement and in delivering the schedules, documents and instruments to be delivered on or before the Closing Date, they have not in any way relied, and will not in any way rely, upon any oral or written agreements, representations, warranties, statements, promises, information, arrangements, or understandings, express or implied, not specifically set forth in this Agreement or in such schedules, documents or instruments.

- 12.10 **Waiver.** Any party hereto which is entitled to the benefits of this Agreement may, and has the right to, waive any term or condition hereof at any time on or prior to the Closing Time provided, however, that such waiver shall be evidenced by written instrument duly executed on behalf of such party.
- 12.11 **Amendments.** No modification or amendment to this Agreement may be made unless agreed to by the parties hereto in writing.
- 12.12 **Interpretation.** Notwithstanding any rule or maxim of construction to the contrary, any ambiguity or uncertainty will not be construed against any party hereto by reason of the authorship of any of the provisions hereof.
- 12.13 **Independent Legal Advice.** Each party hereto acknowledges and agrees that it has been offered an adequate opportunity to obtain independent legal advice as it deems appropriate prior to the signing of this Agreement and any other document delivered pursuant hereto, and, whether or not any such independent legal advice was obtained, each party hereto acknowledges, agrees, warrants, and represents that:
- (a) it has read this Agreement and any other document delivered pursuant hereto in full;
 - (b) it fully knows and understands the nature and the consequences of each and every term of this Agreement and any other document delivered pursuant hereto;
 - (c) it is signing this Agreement and any other document delivered pursuant hereto freely, voluntarily, without any threats, coercion, or duress, whether economic or otherwise, having been made to such party;
 - (d) it fully intends to be bound by each and every term of this Agreement.

Additionally, the parties hereby release each other, and Sicotte Guilbault LLP, of any claim whatsoever which may be solely or partly based on an allegation that any of the parties were under any notion or belief that Sicotte Guilbault LLP was or is in a conflict of interest, or acted in any manner on their behalf or in any fiduciary capacity whatsoever, or that any party failed to obtain independent legal advice.

This release shall be a full and final release in connection with the subject matter hereof, and shall survive in perpetuity, and shall not merge on the Closing Date.

- 12.14 **Financial and Tax Advice.** Each party hereto agrees that it has received, or that it has had an adequate opportunity to receive and has nonetheless waived, financial, and tax advice with respect to the transactions contemplated herein, as well as the contents of this Agreement and any other document delivered pursuant hereto, and is signing all such documents knowingly.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement as of the date first hereinabove written.

[REDACTED]

Per: [REDACTED]
Name: [REDACTED]
Title: President
I have authority to bind this corporation.

1995677 ONTARIO INC.

Per: [REDACTED]
Name: [REDACTED]
Title: President
I have authority to bind this corporation.

SCHEDULE "A"

ASSIGNED LEASES

1. Lease for Renfrew Manufacturing Facility between Deslaurier Custom Cabinets and The Corporation of the Town of Renfrew – 550 Hall Avenue East, Renfrew, Ontario K7V 3Z4
2. Lease for Renfrew Warehouse between Deslaurier Custom Cabinets and Renfrew Industrial Commission – 1 Innovation Drive, Renfrew, Ontario K7V 0B5
3. Lease for Ottawa Service Depot between Deslaurier Custom Cabinets and Nuviv Properties Inc. – 135 Iber Road, Stittsville, Ontario K2S 1E7
4. Lease for Ottawa Showroom between Deslaurier Custom Cabinets and 11625357 Canada Inc. – 1050 Baxter Road Unit 7 C&D, Ottawa, Ontario K2C 3P1
5. Lease for Burlington Showroom between Deslaurier Custom Cabinets and Benson Drive holdings Limited – 5035 North Service Road, Unit C-1 Burlington Ontario L7L 5V2
6. Any leases for personal property or equipment which forms part of the Consent Required Contracts and/or those included at Schedule D of the AVO, along with the RBC Motor Vehicle Leases, and expressly not Excluded Contracts or any related Encumbrances.

SCHEDULE "B"
EXCLUDED ASSETS

The Purchased Assets shall not include any of the following assets:

- (a) the minute books, corporate records of internal corporate proceedings, Tax records (except as they relate to refundable Taxes comprising part of the Purchased Assets), work papers, and other records that the Vendor or the Proposal Trustee is required by Law to retain, provided that copies of such books and records will be provided to the Purchaser at Closing;
- (b) the rights of the Vendor under this Agreement;
- (c) all licences, permits, and other authorizations related to the Business that are not transferrable or assignable as a matter of law;
- (d) the Excluded Contracts;
- (e) Encumbrances;
- (f) Claims as defined in the AVO;
- (g) the Excluded Liabilities
- (h) Tax refunds of any kind owing to the Vendor.

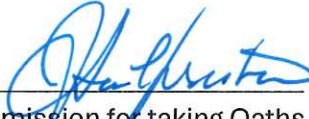
SCHEDULE "C"
EXCLUDED CONTRACTS

The Assigned Contracts shall not include any of the following contracts:

- (a) Lease between Deslaurier Custom Cabinets and Crown Property Management Inc. for the premises located at 1141 Newmarket Street, Unit 1117
- (b) Non-transferred Employees
- (c) Any Contracts or Encumbrances of any kind related to:

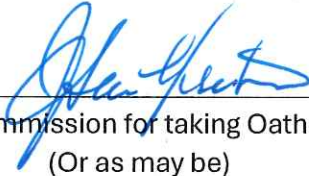
<u>Secured Party</u>	<u>PPSA File #</u>	<u>Initial PPSA Reg. #</u>
Cymax Investment Holdings Inc.	503797365	20240325 1551 1590 5928
Enterprise Fleet Management	788039127	20221031 1423 1462 2563
Enterprise Fleet Management	782802009	20240304 1406 1462 2253
Enterprise Fleet Management	782802018	20220509 1402 1462 1760
Enterprise Fleet Management	782559306	20220502 1403 1462 8745
Toyota Credit Corp.	779226075	20211222 1059 1532 7821
Meridian OneCap Credit Corp	756597339	20191017 1044 1901 5695
Hewlett-Packard Financial Services Canada Company / Compagnie de Services Financiers Hewlett-Packard Canada	750586599	20190426 1636 8077 0234
CWB National Leasing Inc.	746948916	20181218 1630 6005 7248
Caisse Desjardins Ontario Credit Union Inc.	761654268	20200429 1404 1462 3165
Business Development Bank of Canada	761654268	20200429 1404 1462 3165
Business Development Bank of Canada	751099365	20190510 1443 1590 6474
BDC Capital Inc.	741469734	20180711 0830 1590 4377
Royal Bank of Canada	741272562	20180705 1437 1530 7354

This is **Exhibit "A"** to the Affidavit sworn by Jason Chartrand at the
City of Ottawa in the Province of Ontario before me on this
17th day of January, 2025 in accordance with O. Reg 431/20
Administering Oath or Declaration Remotely



Commission for taking Oaths
(Or as may be)

This is **Exhibit "I"** to the Affidavit sworn by Jason Chartrand at the
City of Ottawa in the Province of Ontario before me on this
17th day of January, 2025 in accordance with O. Reg 431/20
Administering Oath or Declaration Remotely

A handwritten signature in blue ink, appearing to read "John G. [unclear]", is written over a horizontal line.

Commission for taking Oaths
(Or as may be)

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED
AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 1995677 ONTARIO INC.
(formerly known as DESLAURIER CUSTOM CABINETS INC.) OF THE CITY OF OTTAWA
IN THE PROVINCE OF ONTARIO**

Court File No. CV-25-00098475-0000
Estate File No. 33-3174726

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

Proceedings Commenced at OTTAWA

AFFIDAVIT OF JASON CHARTRAND

MBC LAW PROFESSIONAL CORPORATION
265 Carling Avenue, Suite 500
Ottawa, ON K1S 2E1

J. Alden Christian (LSO #25282Q)
T: 613-564-3005
E: achristian@mbclaw.ca

Lawyers for 1995677 Ontario Inc. (formerly
known as DESLAURIER CUSTOM CABINETS
INC.)

File No. 19636
Court Office Box. 106

TAB 3

Court File No. BK-25-00098475-0000
Estate File No. 33-3174726

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

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
1995677 ONTARIO INC.
(FORMERLY KNOWN AS DESLAURIER CUSTOM CABINETS INC.)
OF THE CITY OF RENFREW, IN THE PROVINCE OF ONTARIO**

FIRST REPORT OF THE PROPOSAL TRUSTEE

DATED JANUARY 17, 2025

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A Certificate of Filing dated January 16, 2025

INTRODUCTION

1. On January 16, 2025 (the “**Filing Date**”), 1995677 Ontario Inc. (formerly known as Deslaurier Custom Cabinets Inc. (“**1995677**” or the “**Company**”) filed with the Official Receiver a Notice of Intention to Make a Proposal (“**NOI**”) to its creditors and named Raymond Chabot Inc. (“**RCI**”) as Proposal Trustee (the “**Proposal Trustee**”). The Certificate of Filing of the NOI is attached hereto as **Exhibit A**.
2. RCI will be sending the notice of the NOI to every known creditor of 1995677 (the “**Notice to Creditors**”) pursuant to subsection 50.4(6) of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) on January 20, 2025.
3. This first report of the Proposal Trustee to the Court (the “**Report**”) has been posted on the Proposal Trustee’s website at <https://www.raymondchabot.com/public-records/>. The Notice to Creditors will be posted it is sent to the creditors.
4. All capitalized terms used in this Report but not otherwise defined shall have the meaning ascribed to such terms in the affidavit of Jason Chartrand sworn January 17, 2025 (“**Chartrand Affidavit**”), included in the Company’s motion material.

PURPOSE OF REPORT

5. The purpose of this Report is to provide the Court with information pertaining to:
 - a. The marketing process undertaken by 1995677 to find a buyer or investor prior to the commencement of the Proposal proceedings;
 - b. The transaction (the “**Transaction**”) as set out in the asset purchase agreement dated December 6, 2024 and amended on January 17, 2025 (“**APA**”) between 1995677 and the Purchaser;
 - c. The Proposal Trustee’s recommendation that this Court grant the following Orders, as requested by 1995677:
 - i. An Approval and Vesting Order (“**AVO**”), which among other things:
 1. Approves the Transaction;
 2. Vests in the Purchaser all of the Company’s right, title, benefit and interest in and to the Purchased Assets described in the APA free and clear of all encumbrances (as defined in the AVO); and

3. Assigns the agreements listed in Schedule “C” of the AVO pursuant to Section 84.1 of the BIA to the Purchaser.
- ii. A Sealing Order which seals the Confidential Exhibits attached to the Chartrand Affidavit until the closing of the Transaction or further order of the Court.

TERMS OF REFERENCE

6. In preparing this Report, the Proposal Trustee has been provided with, and has relied upon, unaudited, draft and/or internal financial information, the Company’s books and records, discussions with management of the Company, and information from third-party sources (collectively, the “**Information**”). Except as described in this Report:
 - a. the Proposal Trustee has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Proposal Trustee has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“CAS”) pursuant to the Chartered Professional Accountants Canada Handbook (the “**CPA Handbook**”) and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance contemplated under CAS in respect of the Information;
 - b. Some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed. Future oriented financial information referred to in this Report was prepared based on management’s estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations may be material.
 - c. the Proposal Trustee has prepared this Report in its capacity as a Court-appointed officer. Parties using the Report, other than for the purposes outlined herein, are cautioned that it may not be appropriate for their purposes.
7. Unless otherwise stated, all dollar amounts contained in the Report are expressed in Canadian dollars.

BACKGROUND

8. The Company is a respected leader in the cabinetry industry, employing approximately 130 people, and one of the largest employees in the Town of Renfrew, Ontario. The Company has recently faced significant financial challenges, leading to the filing of the NOI on January 16, 2025. These challenges arose from a combination of external economic factors and internal operational pressures that weakened the company's financial stability.
9. Post-pandemic supply chain disruptions caused significant delays in the availability of critical raw materials, such as wood and hardware, while inflation-driven price increases further impacted the Company's cost structure. Concurrently, labor shortages within the manufacturing and construction industries added further strain on production capacity and increased operational costs. Additionally, key market, such as construction, real estate, and renovation, experienced a slowdown, further reducing demand for the Company's products. In the last calendar quarter of 2023, the Company's sales fell to half of their previous volumes and have since only recovered to 60% of the previous revenue profile.
10. Given the Company's declining financial situation, Royal Bank of Canada ("**RBC**"), one of the Company's senior secured lenders, issued demands and a notice of intention to enforce security on March 13, 2024. Subsequently, RBC retained Raymond Chabot Grant Thornton and Co. L.L.P. ("**RCGT & Co**") to conduct an analysis of the financial and business situation of the Company, including monitoring the progress the Company's marketing and sales process.
11. Internally, despite efforts to manage costs and improve efficiency, the Company struggled with declining cash flow. The company has sought creditor protection under the NOI process to preserve jobs and to maintain the long-term value of the business through a court supervised sale process.

1995677'S MARKETING & SALES PROCESS

12. Before filing the NOI, management explored several strategic alternatives including refinancing or, alternatively, selling the assets of the Company. Two (2) independent advisors, Stephan May of Welch Capital Partners and Nick Bakish of Group RMC, strongly recommended against a public sale, fearing it would erode the Company's operational stability and damage its goodwill, one of its most valuable assets. Maintaining goodwill was critical to preserving the Company's relationships with customers, suppliers, and the market at large, which was essential for sustaining its value.
13. In February 2024, management entered negotiations with two (2) potential investors who had recently exited their business with large transactions. These were referrals from various professional networks. While many others were approached as well, none entered into discussions with the Company. These parties were provided with a detailed Confidential Information Memorandum (CIM) and other financial and operational information. Both investors engaged in discussions with management and requested that their names not be disclosed. During this period, RBC and the Company entered into a forbearance agreement in response to growing concerns about the company's financial health. This agreement, although it provided time and some financial breathing room also created uncertainty, and the investors withdrew from negotiations.
14. Following the withdrawal of the initial investors, management made attempts to refinance its debt with alternative lenders. However, despite these efforts, the Company's cash requirement was too significant for the alternative lenders to approve refinancing. The scale of the financial need made it impossible to secure the necessary funding, leaving the Company with limited options.
15. In May and June 2024, management explored further sales opportunities and engaged with three (3) additional potential buyers. One of these buyers submitted a Letter of Intent ("LOI") in June 2024 proposing to acquire the assets of the Company. However, this offer required the existing secured debt to be converted into new term debt, a condition that was unacceptable to the Company's secured creditors. As a result, this proposal did not advance further.
16. In August 2024, the Company entered into a non-binding agreement with another potential purchaser, a copy that was to be incorporated by Cliffbrake Corporation (Jim McLeod) and Argyle Capital Partners (Neil Mohammed). Argyle Capital Partners had been contacted by Stephan May

of Welch Capital Partners. This transaction would have required an NOI filing and vesting order and provided for approximately \$2.5M in cash to be distributed amongst the secured creditors only. The unsecured creditors were to receive no distribution as part of this transaction. Ultimately, the proposed sale transaction was insufficient to gain support from the Company's secured creditors.

17. Potvin Construction of Ottawa and other private investors were approached, but no meaningful discussions or offers materialized. Despite continued efforts, none of the available options met the Company's strategic objectives or provided a viable solution to its financial difficulties.
18. In October 2024, the Company retained Capital Asset Management to prepare an appraisal of its assets. The appraisal report provides three values for the assets: (1) fair market value in place; (2) liquidation value in place; and (3) liquidation value. A copy of the appraisal report is attached hereto as a Confidential Exhibit to the Chartrand Affidavit.
19. Based on the appraisal report, it is clear that the secured creditors would incur significant shortfalls in a bankruptcy scenario and there would be no funds available for the unsecured creditors.
20. With typical refinancing and sale prospects being exhausted, management, through a related company (the "**Purchaser**"), entered into an APA with the Company on December 6, 2024 and obtained the support of its senior secured creditors, namely RBC and BDC Capital Inc. ("**BDCCI**"). The APA was subsequently amended on January 17, 2025. A redacted copy of the APA is attached as a confidential exhibit to the Company's motion material and subject to a request for a Sealing Order.
21. In the months leading up to the filing of the NOI, the Company has been working diligently with its counsel to negotiate the terms of the APA and the Transaction with the Purchaser. In addition, management has been concurrently discussing the details of the Transaction with 1995677's senior secured creditors, RBC and BDCCI, which are owed approximately \$6.4M under their collective credit facilities as of the Filing Date. As indicated above, the Company was able to obtain the support of the senior secured creditors for the Transaction.
22. Based on the above, the Proposal Trustee is of the view that the Company has conducted a thorough marketing and sales process, albeit privately only. As previously indicated, the Company chose to conduct a marketing and sales process privately on the recommendation of its independent advisors in order to preserve the value of its goodwill, one of its most valuable assets. RCGT & Co, pursuant

to its engagement as outlined above, has consulted with RBC throughout the process, which has not raised any issue or objection to the marketing and sales process undertaken by the Company.

23. As indicated in the Chartrand Affidavit, the purchase price provided for in the APA is considerably higher than the only other offer received (\$2.5M) and provides for an amount of \$250,000 to be set aside to make a proposal to the unsecured creditors. Given the appraised value of the assets and the amounts owing to the secured creditors, it appears highly unlikely that any other potential purchaser would offer an amount sufficient to reimburse the secured creditors in full and provide for any distribution to the unsecured creditors. Finally, the senior secured creditors, RBC and BDCCI, support the Transaction in light of the marketing and sales process conducted by the Company.
24. As such, the Proposal Trustee is recommending that the Court approve the APA and authorize and direct 1995677 to enter into and carry out the terms of the APA, as between the 1995677 as Vendor and the Purchaser, together with any further amendments thereto deemed necessary, and vesting in the purchaser title to the Purchased Assets described in the APA free of any encumbrances.
25. The Proposal Trustee is also recommending that the transaction contemplated by the APA be approved by the Court for the following reasons:
 - a. the Company has acted in good faith and with diligence throughout this process;
 - b. the transaction will allow for the continued employment of the vast majority of its employees (approximately 130) and the ongoing provision of services to its customers;
 - c. the transaction will protect customer deposits of approximately \$1M and ensure that the orders are fulfilled;
 - d. the transaction will result in proceeds to be paid to both secured creditors and unsecured creditors of the Company;
 - e. the senior secured creditors, RBC and BDCCI, have communicated their support for the APA, subject to certain conditions and further information which the Company is gathering;
 - f. the APA is unconditional except for requiring the Company to file and NOI and the Court's Approval and Vesting Order; and
 - g. the purchase price is in line with the appraised value of the Assets.

ASSIGNMENT OF CONSENT REQUIRED CONTRACTS

26. The APA contemplates the assignment of Consent Required Contracts (defined in section 3.4 of the APA) as part of the Transaction.
27. The Purchaser unequivocally requires the Consent Required Contracts to continue to operate the Business in the ordinary course. As a result, it is a condition to closing the Transaction that the Consent Required Contracts be assigned to the Purchaser.
28. To date, the Proposal Trustee has been advised that the Company has worked diligently to identify all of the counterparties to the Consent Required Contracts that must consent to be provided with notice of this motion.
29. The Company has advised that it intends to communicate directly with such counterparties in an attempt to procure executed consents and waivers prior to the Closing Date. However, given the number of Consent Required Contracts, it may not be possible for all consents and waivers to be obtained prior to the anticipated Closing of the Transaction. Accordingly, the Company is seeking the assignment of the Consent Required Contracts in the AVO.
30. According to management, none of the Consent Required Contracts are agreements that cannot be assigned under the BIA, such as: (a) agreements that have been entered into after the commencement of the NOI proceedings, (b) eligible financial contracts, or (c) collective agreements.
31. The Purchaser insists that it is essential to the Transaction that the value of the Consent Required Contracts be preserved in its hands following the closing of the Transaction. As such, the Company has concluded that the only way to do so is through the AVO given that the Consent Required Contracts are not permitted to be assigned without the consent of the counterparty.
32. Any cure costs due and owing to the counterparties to the Consent Required Contracts as of the Closing Date, if any, will be paid by the Purchaser.

CREDITORS

33. As of the date of the NOI, 1995677's debts totalled approximately \$14.3 million, and was comprised of HST owing to the Canada Revenue Agency ("CRA") totaling \$1.3M, secured debts

totaling approximately \$7.4M million and unsecured debts totaling approximately \$5.6M million. 1995677's debts are described in further detail below in their order of priority.

Canada Revenue Agency

34. 1995677 is in arrears to the CRA on account of HST in the amount of approximately \$1.3M, inclusive of interest and penalties.

RBC

35. RBC is a senior secured creditor of 1995677. According to its loan documents, RBC as extended the following credit facilities secured against specific vehicles and the present and after-acquired personal property of the Company:

- a. A revolving demand facility;
- b. Vehicles leases; and
- c. A credit card facility.

36. 1995677's indebtedness to RBC under its credit facilities totals approximately \$3.6M as of the Date of Filing.

BDCCI

37. BDCCI is a senior secured creditor of 1995677 and is owed approximately \$2.9M as of the Date of Filing.

Equipment leases and loans

38. The Company has entered into a number of equipment leases and loans which are owed approximately \$925K as of the date of Filing.

Unsecured creditors

39. According to Management, unsecured creditors total approximately \$5.6 million comprising mostly of amount owing to suppliers.

PROPOSAL PROCEEDINGS

40. Following the closing of the Transaction (targeted for February 10, 2025), the Proposal Trustee expects the Company will make proposal to its unsecured creditors using the \$250,000 to be remitted to the Proposal Trustee upon closing of the Transaction.

CONCLUDING AND RECOMMENDATION

41. The Chartrand Affidavit outlined the marketing and sales process conducted by the Company and the Proposal Trustee has no reason to believe that a renewed sales process would create a better result that achieved by the APA.
42. The senior secured creditors, RBC and BDCCI, have communicated their support for the APA, subject to certain conditions and further information which the Company is gathering.
43. The Company has no viable alternative but to complete the Transaction contemplated by the APA to preserve the business and prevent any further loss of jobs and dissipation in asset value.
44. Based on the above, the Proposal Trustee respectfully recommends that the Court make an order granting the relief requested by 1995677, as summarized in paragraph 5 of this Report.

All of which is respectfully submitted at Ottawa, Ontario this 17th day of January 2025.

RAYMOND CHABOT INC.

In its capacity as the Proposal Trustee of
1995677 Ontario Inc. (formerly known as
Deslaurier Custom Cabinets Inc.),
and not in its persona capacity.


Per: 
Stanley Loiselle, CIRP, LIT

Exhibit A

Certificate of Filing dated January 16, 2025



Industry Canada

Office of the Superintendent
of Bankruptcy Canada

District of ONTARIO
Division No. 12 - Ottawa
Court No. 33-3174726
Estate No. 33-3174726

Industrie Canada

Bureau du surintendant
des faillites Canada

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

1995677 Ontario inc.
Insolvent Person

RAYMOND CHABOT INC.
Licensed Insolvency Trustee

Date of the Notice of Intention: January 16, 2025, @ 11:49 am

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

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

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

Hailey Henriques

E-File / Dépôt électronique

Official Receiver

CD Howe Building A/S Ottawa Division, 235 Queen St., Ottawa, ONTARIO, K1A 0H5, 877/376-9902

TAB 4

**ONTARIO
SUPERIOR COURT OF JUSTICE**

**THE HONOURABLE
JUSTICE**

)
)
)
)
)
)

_____ day, THE _____
DAY OF JANUARY 2025.

**IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
1995677 ONTARIO INC. (formerly known as DESLAURIER CUSTOM CABINETS
INC.) OF THE CITY OF OTTAWA
IN THE PROVINCE OF ONTARIO**

ASSIGNMENT, APPROVAL AND VESTING ORDER

THIS MOTION, made by 1995677 Ontario Inc. (formerly known as Deslaurier Custom Cabinets Inc.) (the “**Vendor**”) pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3, as amended (the “**BIA**”) for an order, among other things: (a) approving the sale transaction (the “**Transaction**”) contemplated by an Asset Purchase Agreement between the Vendor and Deslaurier Cabinets 2024 Inc. (the “**Purchaser**”) dated December 6, 2024 (the “**APA**”) as amended, appended to the Affidavit of Jason Chartrand sworn January 17, 2025 (the “**Chartrand Affidavit**”); (b) vesting in the Purchaser all of the Vendor’s right, title and interest in and to the assets described in the APA (the “**Purchased Assets**”); and (c) approving the assignment of the contracts listed at Schedule “C” of this Order (the “**Assigned Contracts**”) was heard this day by judicial videoconference via Zoom.

ON READING the Chartrand Affidavit and the First Report of Raymond Chabot Inc. dated January 17, 2025 in its capacity as the proposal trustee of the Vendor (the “**First Report**”).

ON HEARING the submissions of counsel for the Vendor, counsel for the Purchaser, counsel for Royal Bank of Canada (“**RBC**”) and counsel for BDC Capital Inc. (“**BDCC**”), and any other party that is present, no one else appearing for any other person although duly served as appears from the affidavit of service sworn January 17, 2025, filed:

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that the capitalized terms used but not otherwise defined herein shall have the meanings given to them in the APA.

SALE APPROVAL AND VESTING

3. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the APA by the Vendor is hereby authorized and approved, with such minor amendments as the Vendor and Purchaser may deem necessary. The Vendor is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

4. **THIS COURT ORDERS AND DECLARES** that this Order shall constitute the only authorization required by the Vendor and Proposal Trustee to proceed with the Transaction and that no shareholder, partner, or other approvals shall be required in connection therewith.

5. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Proposal Trustee’s certificate to the Purchaser substantially in the form attached as Schedule “A” hereto (the “**Proposal Trustee's Certificate**”), all of the Vendor's right, title and interest in and to the Purchased Assets described in the APA shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether

contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (ii) those Claims listed on Schedule “B” hereto (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule “C” hereto and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets. However, this paragraph, including the vesting contemplated thereby, shall be subject to the following conditions:

- A. With respect to any security interest or Encumbrance held by RBC in respect of any of the Purchased Assets (which is not otherwise provided for as a permitted encumbrance in Schedule “C” hereto), the vesting out, expungement or discharge of any such security interest or Encumbrance shall only be operative as against RBC in the event RBC receives proceeds from sale from the Transaction in the amount of \$1,500,000.00; and
- B. With respect to the assignment of RBC’s four PPSA registrations, as set out in Schedules “C” and “D” hereto (the “**RBC Registrations**”), RBC shall be paid from the proceeds of sale from the Transaction, in addition to the foregoing amount of \$1,500,000.00, the amount of \$17,574.90 plus *per diem* interest of \$11.84 from January 15, 2025 until the said payment is made, and in the event such payment is not made, RBC shall retain, and shall be entitled to assert, all of its rights, remedies, title and entitlements in respect of the RBC Registrations and the assets secured thereby and the vesting contemplated by this paragraph shall not apply to the RBC Registrations and the assets secured thereby; and
- C. Nothing contained in this Order shall in any way compromise, vest out, delete, discharge expunge or in any way affect any right, title, entitlement or remedy that RBC may have, hold or benefit from in respect of any guarantee and postponement of claim granted to it by James Maxwell, including that in the principal amount of \$1,750,000.00 (exclusive of interest and costs, fees and disbursements), dated on or about December 17, 2020, and supported by a letter of independent legal advice dated on or about November 30, 2020 signed by James Maxwell and Gordon Cudney (collectively the “**Guarantee**”). Without limiting the foregoing, the Guarantee shall be expressly excluded

from the Transaction, and is specifically saved and exempted from this paragraph and is ordered to remain in place and is not vested out, expunged, discharged or deleted in whole or in part, and the Bank shall retain all of its rights, titles, entitlements and remedies arising from and in respect of the Guarantee notwithstanding the closing of the Transaction, these proceedings, or anything contained in this Order, including this paragraph 5 of the Order.

6. With respect to any security interest or Encumbrance held by BDCC, Business Development Bank of Canada (BDC), and Caisse Desjardins Ontario Credit Union Inc. (Caisse), in respect of the Purchased Assets (which is not otherwise provided as a permitted encumbrance in Schedule "C" hereto), the vesting out, expungement or discharge of any sold security interest or Encumbrance shall only be operative as against

- A. BDCC and BDC in the event BDCC and BDC receive proceeds of the sale from the Transaction of the total sum of \$2,500,000.00, to be divided between those parties as they have agreed; and
- B. Caisse in the event Caisse receives proceeds of the sale from the Transaction of approximately \$75,000.00 and no more than \$75,000.00

7. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Proposal Trustee's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

8. **THIS COURT ORDERS AND DIRECTS** the Proposal Trustee to file with the Court a copy of the Proposal Trustee's Certificate, forthwith after delivery thereof.

9. **THIS COURT ORDERS** that the Proposal Trustee may rely on written notice from the Vendor and the Purchaser or their respective counsel regarding the fulfillment or waiver of conditions to Closing under the APA and shall incur no liability with respect to delivery of the Proposal Trustee's Certificate.

10. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Vendor and Proposal Trustee, as the case may be, are each authorized and permitted to disclose and transfer to the Purchaser all information regarding the Vendor's Critical Vendors, the Vendor's employees, and the parties to the Assigned Contracts. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Vendor.

11. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *BIA* in respect of the Vendor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Vendor; the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Vendor and shall not be void or voidable by creditors of the Vendor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *BIA* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

ASSIGNMENT OF ASSIGNED CONTRACTS

12. **THIS COURT ORDERS** that upon delivery of the Proposal Trustee's Certificate:

- (a) all of the rights and obligations of the Debtor under and to the Assigned Contracts shall be assigned, transferred, and conveyed to and assumed by the Purchaser pursuant to Section 84.1 of the *BIA*, and such assignment is valid and binding upon all counterparties to the Assigned Contracts, notwithstanding any restriction, condition or prohibition contained in any such Assigned Contracts relating to the assignment thereof, including any provision requiring the consent of any party to the assignment; and

(b) the counterparties to the Assigned Contracts are prohibited from exercising any rights or remedies under the Assigned Contracts, and shall be forever barred and estopped from taking such action by reason of:

- (i) any default arising due as a result of this proceeding;
- (ii) any restriction, condition or prohibition contained therein relating to the assignment thereof or any change of control; or
- (iii) the proposed Transaction or any parts thereof (including the assignment of the Assigned Contracts pursuant to this Order), and are hereby deemed to waive any defaults relating thereto.

GENERAL

13. **THIS COURT ORDERS AND DECLARES** that the Vendor, the Purchaser, the Proposal Trustee, or any stakeholder, including RBC and BDCC, may apply to the Court as necessary to seek further orders and directions to give effect to this Order.

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

15. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01a.m. Eastern Time on the date of this Order, and this Order is enforceable without the need for entry and filing.

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED
AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 1995677 ONTARIO INC.
(formerly known as DESLAURIER CUSTOM CABINETS INC.) OF THE CITY OF OTTAWA
IN THE PROVINCE OF ONTARIO**

Court File No. CV-25-00098475-0000
Estate File No. 33-3174726

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

Proceedings Commenced at OTTAWA

**ASSIGNMENT, APPROVAL,
AND VESTING ORDER**

MBC LAW PROFESSIONAL CORPORATION
265 Carling Avenue, Suite 500
Ottawa, ON K1S 2E1

J. Alden Christian (LSO #25282Q)
T: 613-564-3005
E: achristian@mbclaw.ca

Lawyers for 1995677 ONTARIO INC. (formerly
known as DESLAURIER CUSTOM CABINETS
INC.)

File No. 19636

Court Office Box. 106

SCHEDULE "A"

PROPOSAL TRUSTEE'S CERTIFICATE

Court File No.: CV-25-00098475-0000
Estate File No.: 33-3174726

**ONTARIO
SUPERIOR COURT OF JUSTICE**

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985,
c. B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF 1995677 ONTARIO INC. (formerly known as DESLAURIER CUSTOM
CABINETS INC.) OF THE CITY OF OTTAWA IN THE PROVINCE OF ONTARIO**

RECITALS

A. On January 16, 2025, 1995677 Ontario Inc. (formerly known as Deslaurier Custom Cabinets Inc.) (the "**Vendor**") filed a Notice of Intention to Make a Proposal ("**NOI**") pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada).

B. Raymond Chabot Inc. was appointed as proposal trustee of the Vendor (in such capacity, the "**Proposal Trustee**").

C. Pursuant to the Assignment, Approval and Vesting Order of the Court dated January 29, 2025 (the "**AVO**"), the Court approved the Asset Purchase Agreement dated December 6, 2024 (the "**APA**") as amended on January 17, 2025, between the Vendor and Deslaurier Cabinets 2024 Inc. (the "**Purchaser**"), provided for the vesting in the Purchaser of the Vendor's right, title and interest in and to the Purchased Assets (the "**Transaction**"), and assigned the contracts listed at Schedule "D" of the AVO (the "**Assigned Contracts**"), on the terms and conditions set out in the AVO. The AVO ordered, subject to its terms and conditions, that the vesting of the Purchased Assets and assignment of the Assigned Contracts is to be effective upon the Proposal Trustee's delivery to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in the APA have been satisfied or waived by the Vendor and the

Purchaser, as applicable; and (iii) the Transaction has been completed to the satisfaction of the Proposal Trustee.

D. Pursuant to the AVO, the Proposal Trustee may rely on written notice from the Vendor and the Purchaser regarding the fulfillment of conditions to Closing under the APA.

E. Unless otherwise indicated herein, capitalized terms used herein have the meanings set out in the APA.

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Purchaser has paid the Purchase Price for the Purchased Assets pursuant to the APA.

2. The Vendor and the Purchaser have each delivered written notice to the Proposal Trustee that the conditions to Closing under the APA have been satisfied and/or waived, as applicable.

3. The Transaction has been completed to the satisfaction of the Proposal Trustee.

4. This Certificate was delivered by the Proposal Trustee at _____**[TIME]** on _____, 2025.

RAYMOND CHABOT INC. in its capacity as Proposal Trustee of 1995677 Ontario Inc. (formerly known as Deslaurier Custom Cabinets Inc.) and not in its personal capacity

Per:

Name: Stanley Loiselle
Title:

SCHEDULE "B"

ENCUMBRANCES

CREDITOR		PPSA FILE NO.	PPSA REGISTRATION NO.
1.	Caisse Desjardins Ontario Credit Union Inc.	File #: 761654268	Reg.#: 20200429 1404 1462 3165
2.	Business Development Bank of Canada	File #: 751099365	Reg.#: 20190510 1443 1590 6474
3.	Business Development Bank of Canada	File #: 751099392	Reg.#: 20190510 1443 1590 6475
4.	BDC Capital Inc.	File #: 741469734	Reg.#: 20180711 0830 1590 4377
5.	Royal Bank of Canada	File #: 741272562	Reg.#: 20180705 1437 1530 7354

SCHEDULE "C"

PERMITTED ENCUMBRANCES

	CREDITOR	PPSA FILE NO.	PPSA REGISTRATION NO.
1.	Wells Fargo Equipment Finance Company	File #: 511543827	Reg.#: 20241202 0925 1902 3801
2.	Meridian OneCap Credit Corp.	File #: 506615175	Reg.#: 20240621 1606 1902 3136
3.	Enterprise Fleet Management Canada Inc.	File #: 503963118	Reg.#: 20240402 1014 1462 4745
4.	Ryder Truck Rental Canada Ltd.	File #: 503590833	Reg.#: 20240308 1401 1462 8779
5.	Enterprise Fleet Management Canada Inc.	File #: 503198991	Reg.#: 20240304 1406 1462 2252
6.	Enterprise Fleet Management Canada Inc.	File #: 503199009	Reg.#: 20240304 1406 1462 2253
7.	Vault Credit Corporation	File #: 502906014	Reg.#: 20240222 1118 1901 3457
8.	Enterprise Fleet Management Canada Inc.	File #: 501302835	Reg.#: 20231218 1404 1462 0089
9.	Enterprise Fleet Management Canada Inc.	File #: 798531534	Reg.#: 20231030 1002 1462 1074
10.	DeLage Landen Financial Services Canada Inc.	File #: 791017848	Reg.#: 20230224 1933 1531 8811
11.	Enterprise Fleet Management Canada Inc.	File #: 788039127	Reg.#: 20221031 1423 1462 2563
12.	Enterprise Fleet Management Canada Inc.	File #: 788039136	Reg.#: 20221031 1423 1462 2564
13.	Enterprise Fleet Management Canada Inc.	File #: 788039145	Reg.#: 20221031 1423 1462 2565
14.	RCAP Leasing Inc.	File #: 787283532	Reg.#: 20221004 1014 1532 1638
15.	Enterprise Fleet Management Canada Inc.	File #: 782802009	Reg.#: 20220509 1402 1462 1759
16.	Enterprise Fleet Management Canada Inc.	File #: 782802018	Reg.#: 20220509 1402 1462 1760
17.	Enterprise Fleet Management Canada Inc.	File #: 782559306	Reg.#: 20220502 1403 1462 8745
18.	Ryder Truck Rental Canada Ltd.	File #: 780220782	Reg.#: 20220207 1017 1462 6135
19.	Ryder Truck Rental Canada Ltd.	File #: 779532291	Reg.#: 20220107 1404 1462 5328
20.	Toyota Credit Canada Inc.	File #: 779226075	Reg.#: 20211222 1059 1532 7821
21.	DeLage Landen Financial Services Canada Inc.	File #: 778238046	Reg.#: 20211115 1932 1531 9605
22.	Donnelly Ford Lincoln Ltd.	File #: 774860454	Reg.#: 20210728 1132 7036 7669
23.	Royal Bank of Canada	File #: 774153972	Reg.#: 20210706 1036 1529 6409
24.	Royal Bank of Canada	File #: 773843247	Reg.#: 20210625 1048 1529 2399
25.	Royal Bank of Canada	File #: 773843256	Reg.#: 20210625 1048 1529 2400

26.	Royal Bank of Canada	File #: 773207883	Reg.#: 20210607 1047 1529 6412
27.	Meridian OneCap Credit Corp.	File #: 756597339	Reg.#: 20191017 1044 1901 5695
28.	Hewlett-Packard Financial Services Canada Company / Compagnie de Services Financiers Hewlett-Packard Canada	File #: 750586599	Reg.#: 20190426 1636 8077 0234
29.	CWB National Leasing Inc.	File #: 746948916	Reg.#: 20181218 1630 6005 7248

SCHEDULE "D"

ASSIGNED CONTRACTS

Real property leases:

1. Lease for Renfrew Manufacturing Facility between Deslaurier Custom Cabinets and The Corporation of the Town of Renfrew – 550 Hall Avenue East, Renfrew, Ontario K7V 3Z4
2. Lease for Renfrew Warehouse between Deslaurier Custom Cabinets and Renfrew Industrial Commission – 1 Innovation Drive, Renfrew, Ontario K7V 0B5
3. Lease for Ottawa Service Depot between Deslaurier Custom Cabinets and Nuview Properties Inc. – 135 Iber Road, Stittsville, Ontario K2S 1E7
4. Lease for Ottawa Showroom between Deslaurier Custom Cabinets and 11625357 Canada Inc. – 1050 Baxter Road Unit 7 C&D, Ottawa, Ontario K2C 3P1
5. Lease for Burlington Showroom between Deslaurier Custom Cabinets and Benson Drive holdings Limited – 5035 North Service Road, Unit C-1 Burlington Ontario L7L 5V2

Leases for personal property or equipment:

	CREDITOR	PPSA FILE NO.	PPSA REGISTRATION NO.
1.	Wells Fargo Equipment Finance Company	File #: 511543827	Reg.#: 20241202 0925 1902 3801
2.	Meridian OneCap Credit Corp.	File #: 506615175	Reg.#: 20240621 1606 1902 3136
3.	Enterprise Fleet Management Canada Inc.	File #: 503963118	Reg.#: 20240402 1014 1462 4745
4.	Ryder Truck Rental Canada Ltd.	File #: 503590833	Reg.#: 20240308 1401 1462 8779
5.	Enterprise Fleet Management Canada Inc.	File #: 503198991	Reg.#: 20240304 1406 1462 2252
6.	Enterprise Fleet Management Canada Inc.	File #: 503199009	Reg.#: 20240304 1406 1462 2253
7.	Vault Credit Corporation	File #: 502906014	Reg.#: 20240222 1118 1901 3457
8.	Enterprise Fleet Management Canada Inc.	File #: 501302835	Reg.#: 20231218 1404 1462 0089
9.	Enterprise Fleet Management Canada Inc.	File #: 798531534	Reg.#: 20231030 1002 1462 1074
10.	DeLage Landen Financial Services Canada Inc.	File #: 791017848	Reg.#: 20230224 1933 1531 8811
11.	Enterprise Fleet Management Canada Inc.	File #: 788039127	Reg.#: 20221031 1423 1462 2563
12.	Enterprise Fleet Management Canada Inc.	File #: 788039136	Reg.#: 20221031 1423 1462 2564
13.	Enterprise Fleet Management Canada Inc.	File #: 788039145	Reg.#: 20221031 1423 1462 2565
14.	RCAP Leasing Inc.	File #: 787283532	Reg.#: 20221004 1014 1532 1638
15.	Enterprise Fleet Management Canada Inc.	File #: 782802009	Reg.#: 20220509 1402 1462 1759

CREDITOR		PPSA FILE NO.	PPSA REGISTRATION NO.
16.	Enterprise Fleet Management Canada Inc.	File #: 782802018	Reg.#: 20220509 1402 1462 1760
17.	Enterprise Fleet Management Canada Inc.	File #: 782559306	Reg.#: 20220502 1403 1462 8745
18.	Ryder Truck Rental Canada Ltd.	File #: 780220782	Reg.#: 20220207 1017 1462 6135
19.	Ryder Truck Rental Canada Ltd.	File #: 779532291	Reg.#: 20220107 1404 1462 5328
20.	Toyota Credit Canada Inc.	File #: 779226075	Reg.#: 20211222 1059 1532 7821
21.	DeLage Landen Financial Services Canada Inc.	File #: 778238046	Reg.#: 20211115 1932 1531 9605
22.	Donnelly Ford Lincoln Ltd.	File #: 774860454	Reg.#: 20210728 1132 7036 7669
23.	Meridian OneCap Credit Corp.	File #: 756597339	Reg.#: 20191017 1044 1901 5695
24.	Hewlett-Packard Financial Services Canada Company / Compagnie de Services Financiers Hewlett-Packard Canada	File #: 750586599	Reg.#: 20190426 1636 8077 0234
25.	CWB National Leasing Inc.	File #: 746948916	Reg.#: 20181218 1630 6005 7248
26.	Royal Bank of Canada	File #: 774153972	Reg.#: 20210706 1036 1529 6409
27.	Royal Bank of Canada	File #: 773843247	Reg.#: 20210625 1048 1529 2399
28.	Royal Bank of Canada	File #: 773843256	Reg.#: 20210625 1048 1529 2400
29..	Royal Bank of Canada	File #: 773207883	Reg.#: 20210607 1047 1529 6412

TAB 5

Court File No. CV-25-00098475-0000

Estate File No. 33-3174726

**ONTARIO
SUPERIOR COURT OF JUSTICE**

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
1995677 ONTARIO INC. (formerly known as DESLAURIER CUSTOM CABINETS
INC.) OF THE CITY OF OTTAWA
IN THE PROVINCE OF ONTARIO**

SERVICE LIST

1995677 Ontario Inc. 1050 Baxter Road, Unit 7 C&D Ottawa, ON K2C 3P1 Jason Chartrand BY EMAIL: jchartrand@deslaurier.ca	CWB National Leasing Inc. 1525 Buffalo Place (2915069) Winnipeg, MB R3T 1L9 BY EMAIL: emmanuel9093@cwbleasing.com
James Maxwell, Guarantor 110 Juliana Road Rockcliffe, ON K1M 1J1 BY EMAIL: jmaxwell@ipfund.ca	Hewlett-Packard Financial Services Canada Company 5150 Spectrum Way Mississauga, ON L4W 5G1 BY COURIER
Canada Revenue Agency, Legal Services c/o Emmanuel Gibson Department of Justice Canada 99 Bank Street Ottawa, Ontario K1A 0H8 BY EMAIL: Emmanuel.gibson@justice.gc.ca	Business Development Bank of Canada Suite 1100, 50 O'Connor Street Ottawa, ON K1P 5E1 BY EMAIL: info@bdc.ca

<p>His Majesty The King in Right Of The Province of Ontario as Represented by the Minister of Finance 33 King Steet West, 6th Floor, P.O. Box 620 Oshawa, ON L1H 8E9 BY EMAIL: insolvency.unit@ontario.ca</p>	<p>Business Development Bank of Canada 81 Bay Street, Suite 3700 Toronto, ON M5J 0E7 BY EMAIL: info@bdc.ca</p>
<p>Royal Bank of Canada c/o Andre Ducasse Soloway Wright LLP 427 Laurier Avenue West, Suite 700 Ottawa, ON K1R 7Y2 BY EMAIL: aducasse@solowaywright.com</p>	<p>BDC Capital Inc. c/o Fred Seller Brazeau Seller LLP 100 Queen Street, Suite 700 Ottawa, ON K1P 1J9 BY EMAIL: fseller@brazeauseller.com</p>
<p>Caisse Desjardins Ontario Credit Union Inc. 310-1173 Cyrville Rd Ottawa, ON K1J 7S6 Attn: Mireille Deslauriers BY EMAIL: mireille.deslauriers@desjardins.com</p>	<p>Meridian OneCap Credit Corp. Suite 1500, 4710 Kingsway Burnaby, BC V5H 4M2 BY EMAIL: Client.Service@meridianonecap.ca</p>
<p>Raymond Chabot Inc. 1900 City Park Drive, Suite 200 Ottawa, ON K1J 1A3</p> <p>Stanley Loiselle T: 613-737-1679 BY EMAIL: Loiselle.stanley@rcgt.com</p> <p>Proposed Trustee</p>	<p>De Lage Landen Financial Services Canada Inc. 3450 Superior Court, Unit 1 Oakville, ON L6L 0C4 BY EMAIL: corporateca@dllgroup.com</p>
<p>Donnelly Ford Lincoln Ltd. 2496 Bank Street PO Box 40010 Ottawa, ON K1V 0W8 BY EMAIL: ealarashi@tdag.ca</p>	<p>Ryder Truck Rental Canada Ltd. 700 Creditstone Road Concord, ON L4K5A5 BY EMAIL: arss@ryder.com</p>
<p>Toyota Credit Canada Inc. 80 Moro Court Markham, ON L3R 9Z5 BY FAX: 1-800-665-4948</p>	<p>RCAP Leasing Inc. 5576 North Service Rd, STE 300 Burlington, ON L7L 6M1 BY EMAIL: rcap.collections@rcapleasing.com</p>
<p>Enterprise Fleet Management Canada, Inc. 77 Belfield Rd STE 100 Toronto, ON M9W 1G6 BY EMAIL: kyle.finlay@efleets.com</p>	<p>Vault Credit Corporation 41 Scarsdale Road, Suite 5 Toronto, ON M3B 2R2 BY EMAIL: psthilaire@vaultcredit.ca</p>

<p>De Lage Landen Financial Services Canada Inc. 5026 Mainway, Unit 1 Burlington, ON L7L 5Z1 BY EMAIL: corporateca@dllgroup.com</p>	<p>Enterprise Fleet Management Canada, Inc. 709 Milner Ave Scarborough, ON M1B 6B6 BY EMAIL: kyle.finlay@efleets.com</p>
<p>Meridian OneCap Credit Corp. 204-2185 Willingdon Green Burnaby, BC V5G 4P3 BY EMAIL: Client.Service@meridianonecap.ca</p>	<p>Wells Fargo Equipment Finance Company B900-1290 Central Parkway W. Mississauga, ON L5C 4R3 BY COURIER</p>
<p>Office of the Superintendent of Bankruptcy Canada Innovation, Science and Economic Development Canada 235 Queen St. ON K1A0H5 BY EMAIL: osbservice-bsfservice@ised-isde.gc.ca</p>	<p>Royal Bank of Canada (RBC Leasing) c/o Andre Ducasse Soloway Wright LLP 427 Laurier Avenue West, Suite 700 Ottawa, ON K1R 7Y2 BY EMAIL: aducasse@solowaywright.com</p>

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED
AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 1995677 ONTARIO INC.
(formerly known as DESLAURIER CUSTOM CABINETS INC.) OF THE CITY OF OTTAWA
IN THE PROVINCE OF ONTARIO**

Court File No. CV-25-00098475-0000
Estate File No. 33-3174726

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**
Proceedings Commenced at OTTAWA

**MOTION RECORD OF
1995677 ONTARIO INC. (formerly known as
DESLAURIER CUSTOM CABINETS INC.)**

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known as DESLAURIER CUSTOM CABINETS
INC.)

File No. 19636
Court Office Box. 106