

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

**IN THE MATTER OF the proposal of**  
**2331131 ONTARIO INC. O/A ELLIOTT UNDERGROUND**  
**OF THE CITY OF SCHOMBERG**  
**IN THE PROVINCE OF ONTARIO**

MASTER  
REGISTRAR JEAN

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)  
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TUESDAY, THE 24<sup>th</sup> DAY  
  
OF MAY, 2016

**ORDER**  
**(approving proposal)**

**THIS MOTION** by Dodick Landau Inc. (the “**Proposal Trustee**”) in its capacity as Proposal Trustee of Ehrlich Electric Company Inc., for an order approving the proposal filed on March 11, 2016, as amended (the “**Amended Proposal**”), was heard this day at 393 University Avenue, 19<sup>th</sup> Floor, Toronto, Ontario.

**UPON READING** the Report of the Trustee on the Amended Proposal, dated May 10, 2016, and upon hearing the submissions of counsel for the Proposal Trustee, and the Court being satisfied that the required majorities of creditors have duly accepted the Amended Proposal and the terms contained therein, a copy of which is attached hereto and marked as Schedule “A”, and being satisfied that the said terms are reasonable and calculated to benefit the general body of creditors and that no offences or facts have been proved to justify the Court withholding its approval,

1. **THIS COURT ORDERS** that the time set out in paragraph 58(a) of the *Bankruptcy and Insolvency Act* (Canada) be and is hereby extended, *nunc pro tunc*, such that this motion is properly returnable today.
2. **THIS COURT ORDERS** that the Amended Proposal be and is hereby approved.



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

**IN THE MATTER OF THE PROPOSAL OF  
2331131 ONTARIO INC. O/A ELLIOTT UNDERGROUND  
of the City of Schomberg, in the Province of Ontario**

**PROPOSAL**

**2331131 ONTARIO INC.** hereby submits the following Proposal under the provisions of the *Bankruptcy and Insolvency Act*.

**PART I  
INTERPRETATION**

**Definitions**

1. In this Proposal:
  - (a) "Act" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.
  - (b) "Administrative Fees and Expenses" means the fees and expenses of the Trustee incidental to the NOI and the preparation and facilitation of this Proposal and any amendments thereto, including, without limitation, fees incurred by the Trustee in the administration of the Funded Proposal Payments; and, the legal fees and expenses of the Trustee before and following execution, acceptance and approval of this Proposal and in connection with the NOI and the preparation of this Proposal, as well as advice to the Trustee in connection therewith;
  - (c) "Affected Creditors" means those Creditors of the Company forming Class 1, as defined in Part III of this Proposal;
  - (d) "Approval Order" means an order of the Court approving this Proposal to be granted pursuant to the provisions of the Act, the appeal period having

expired and no appeal having been filed or any appeal therefrom having been dismissed and such dismissal having become final;

- (e) "Bankruptcy Reserve" means a reserve amount of \$15,000 to be held by the Trustee as security for the administrative costs of the bankruptcy of the Company, in the event that this Proposal is annulled and the Company becomes bankrupt;
- (f) "Business Day" means a day, other than a Saturday, Sunday or statutory holiday, on which banks are generally open for business in Toronto, Ontario;
- (g) "Claim" means any right of any Person with indebtedness, liability or obligation of any kind against the Company which indebtedness, liability or obligation is in existence at the Date of Filing, whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, unknown, by surety or otherwise and whether or not such a right is executory in nature including, without limitation, the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause, chose in action, whether existing at present or commenced in the future based in whole or in part on facts which exist prior to or at the time of Date of Filing;
- (h) "Company" means 2331131 Ontario Inc.;
- (i) "Court" means the Ontario Superior Court of Justice in Bankruptcy and Insolvency;
- (j) "Court Approval Date" means the date on which the Approval Order is issued;
- (k) "Creditor" means any Person having a Claim;
- (l) "Creditors Meeting" means the meeting of the Affected Creditors called for the purpose of considering and voting upon this Proposal;
- (m) "Crown Priority Claims" means Claims of Her Majesty in right of Canada or any province of all amounts of a kind contemplated by section 60(1.1) of the Act;
- (n) "Date of Filing" means the date on which the Company filed the NOI;
- (o) "Deficiency Claim" means the value of the Claim of a Secured Creditor which is in excess of the value of the Secured Property in respect of that Claim;



- (p) "Employee Preferred Claim" means a Claim by a current or former employee of the Company, or such portion of such Claim, that would be payable in priority under Subsection 136(1) of the Act;
- (q) "Effective Date" means the date on which the transactions and agreements provided for in this Proposal are to become effective which shall be the date on which the Approval Order is issued;
- (r) "Event of Default" has the meaning given to it in Part VIII of this Proposal;
- (s) "Funded Proposal Payments" shall mean funds which will be advanced to the Trustee for distribution pursuant to Part V of this Proposal;
- (t) "Inspectors" means the inspectors appointed pursuant to Part X of this Proposal;
- (u) "Levy" means the levy imposed by the Superintendent of Bankruptcy under the Act;
- (v) "Maturity Date" means the date on which all payments to the Creditors have been made, provided that no Event of Default has occurred that has not been cured or waived;
- (w) "NOI" means the Notice of Intention to Make a Proposal filed by the Company on February 11, 2016;
- (x) "Person" means any individual, partnership, joint venture, trust corporation, unincorporated organization, government or any agency or instrumentality thereof, or any other entity howsoever designated or constituted;
- (y) "Post-Filing Crown Claims" means all Claims of Her Majesty in right of Canada or any province of all amounts that became due or shall become due on or after the Date of Filing;
- (z) "Post-Filing Goods and Services" means the goods supplied, services rendered and other consideration given or provided to the Company on or after the Date of Filing;
- (aa) "Pre-Filing Crown Claims" means all Claims of Her Majesty in right of Canada or any province of all amounts that were outstanding as at the Date of Filing;
- (bb) "Preferred Claim" means any claim that is afforded priority under Section 136(1) of the Act;
- (cc) "Preferred Creditor" means any Unsecured Creditor holding a Preferred Claim, solely in respect to that Preferred Claim;



- (dd) "Proposal" means this proposal dated March 11, 2016, together with any amendments or additions thereto;
- (ee) "Proposal Period" means the period between the Court Approval Date and the Maturity Date;
- (ff) "Proven" as used in relation to any Claim means such Claim as finally accepted or determined by the Trustee in accordance with the provisions of the Act and this Proposal, subject to the Creditor's right of appeal to Court, the Court's determination of that Claim or any applicable appeal periods having expired and no appeal having been made,
- (gg) "Secured Claim" means the value of any Claim to the extent of the value of the Secured Property;
- (hh) "Secured Creditor" means a Creditor holding a mortgage, hypothec, pledge, charge, lien or privilege on or against the property of the Company or any part thereof as security for a Claim
- (ii) "Secured Property" mean the property against which a Creditor holds a mortgage, hypothec, pledge, charge, lien or privilege in respect of a Claim;
- (ij) "Trustee" means Dodick Landau Inc., solely in its capacity as proposal trustee of the Company;
- (kk) "Unsecured Claim" means the value of any Proven Claim which is not secured against any Secured Property or the portion of any Proven Claim which is in excess of the value of the Secured Property in respect of that Claim; and
- (ll) "Unsecured Creditors" means those Persons with Claims in respect of which no Security is held and which is not afforded priority under Section 136(1) of the Act and includes, without limitation, Deficiency Claims.

### **Headings**

2. The division of this Proposal into parts, paragraphs and subparagraphs, and the insertion of headings herein, is for convenience of reference only and is not to affect the construction or interpretation of this Proposal.

### **Number, etc.**

3. In this Proposal, where the context requires, a word importing the singular includes the plural and vice versa, and a word importing gender includes the masculine, feminine and neuter genders.



#### **Date for Action**

4. In the event that any date on which any action is required to be taken hereunder is not a Business Day, such action will be required to be taken on the next succeeding day that is a Business Day.

#### **Accounting Principles**

5. Accounting terms not otherwise defined in this Proposal have the meanings assigned to them in accordance with generally accepted Canadian accounting principles.

### **PART II PURPOSE AND EFFECT OF THIS PROPOSAL**

#### **Purpose of Proposal**

6. The purpose of this Proposal is to effect a restructuring of the indebtedness of the Company in the manner contemplated herein and as permitted by the Act in the expectation that all Creditors will derive a greater benefit from the restructuring and the continued operation of the business and affairs of the Company than would result from a bankruptcy of the Company.

#### **Effect of Proposal**

7. This Proposal restructures the indebtedness of the Company and provides the essential terms on which all Claims will be fully and finally resolved and settled. During the Proposal Period, and provided that an Event of Default has not occurred and is continuing hereunder, all Creditors will be stayed from commencing or continuing any proceeding or exercising any remedy against the Company or any of its property or assets in respect of a Claim including, without limitation, any proceeding or remedy to recover payment of any monies, to recover or enforce any judgment against the Company in respect of a Claim or to commence any formal legal proceedings against it other than as provided for under this Proposal.

### **PART III CLASSIFICATION OF CREDITORS**

8. For the purpose of this Proposal, the Creditors of the Company shall be comprised of a single class, consisting of Creditors having Preferred Claims and Unsecured Claims ("Class 1"). For greater certainty, Preferred Creditors entitled to vote pursuant to the Act shall vote in this class; Secured Creditors holding Deficiency Claims are entitled to vote in this class to the extent of such claim; and, claims of Her Majesty in right of Canada and any province for all amounts other than Crown Priority Claims shall vote in this class.

**PART IV  
SECURED CREDITORS**

9. Secured Creditors shall not be affected by this Proposal to the extent of their Secured Claims – i.e., the value of the subject Secured Property. However, the Deficiency Claims of Secured Creditors shall be treated as Unsecured Claims. A Secured Creditor may vote on all questions relating to the Proposal as part of Class 1 as an Unsecured Creditor in respect of the amount equal to such Secured Creditor's Proven Deficiency Claim.

**PART V  
TREATMENT OF VARIOUS CLAIMS,  
FUNDING OF PROPOSAL AND DISTRIBUTION**

**Subordinated Claims**

10. As of the Date of Filing, the Company's principal, Jason Elliott, and a related party, 1049042 Ontario Inc., have Claims against the Company (the "**Subordinated Claims**"), which Subordinated Claims shall be subordinated under this Proposal to all other Claims.

**Crown Priority Claims**

11. At the date of this Proposal, the Company owed the Canada Revenue Agency ("CRA") approximately \$130,000 for employee source deductions withheld but not remitted, excluding related penalties and interest calculated up to December 31, 2015. In addition to the Funded Proposal Payments, all Proven Pre-Filing Crown Priority Claims (less any amounts received by CRA from and after February 11, 2016 on account of such claims by way of garnishment or otherwise) shall be paid out of additional funds to be delivered by the Company to the Trustee and shall be remitted by the Trustee to Her Majesty in the Right of Canada or of any province, as applicable, within six (6) months of the Court Approval Date.

**Secured Claims**

12. Proven Secured Claims, to the extent of the value of the Secured Property, shall be paid out of the Funded Proposal Payments in priority to Unsecured Creditors. To the extent the Claim of a Secured Creditor exceeds the value of the Secured Property, the difference between the Proven claimed amount and the value of the Secured Property, being a Deficiency Claim, shall be treated as an Unsecured Claim.

**Employee Preferred Claims and Wages**

13. All Employee Preferred Claims, in addition to the Funded Proposal Payments, shall be paid out of additional funds to be delivered by the Company to the Trustee and



shall be remitted by the Trustee to the entitled claimants immediately after the Court Approval Date and in priority to the Unsecured Claims.

14. The Company shall continue to pay employees, not to include independent contractors, all wages, salaries, commissions or compensation for services rendered before, and after, the Court Approval Date.

**Preferred Claims (in addition to Employee Preferred Claims)**

15. Proven Preferred Claims, other than Employee Preferred Claims (which shall be satisfied pursuant to Paragraph 13 of this Proposal), shall be paid in full, out of the Funded Proposal Payments, without interest, in priority to Proven Unsecured Claims.

**Unsecured Claims**

16. Proven Unsecured Claims shall be paid out of the Funded Proposal Payments on a *pro rata* basis.

**Funding the Proposal**

17. Upon the full satisfaction of the Crown Priority Claims and Employee Preferred Claims, the Company will cause to be paid to the Trustee the Funded Proposal Payments in the form of cash instalments in the aggregate amount of \$10,000 every three months.
18. The Company's obligation to commence funding of the Funded Proposal Payments shall commence on the earlier of:
  - (i) the last day of the month following the month in which the Crown Claims are paid in full; and
  - (ii) 30-days following the day that is six (6) months after the Court Approval Date.
19. The Funded Proposal Payments will be made until an amount is paid to the Trustee equal to the lesser of:
  - (i) 100% of the Proven Secured Claims, to the extent of the value of the Secured Property, plus 35% of the value of the Proven Unsecured Claims (not including the Crown Priority Claims and the Employee Preferred Claims); and
  - (ii) \$200,000.

**Distribution**

20. Interim distributions will be made to Secured Creditors and the Unsecured Creditors when sufficient Funded Proposal Payments have, in the Trustee's discretion, accumulated to warrant the interim distribution.
21. The Funded Proposal Payments shall be distributed by the Trustee in the following order of priority:
  - (a) first, to the Administrative Fees and Expenses;
  - (b) second, to establish the Bankruptcy Reserve, to be held in trust by the Trustee, which amount shall be used to fund the administrative costs of the bankruptcy of the Company in the event that this Proposal is annulled and the Company becomes bankrupt, failing which such amount shall be distributed in accordance with Subparagraphs 21(c) and 21(d) of this Proposal;
  - (c) third, to Proven Claims of the Secured Creditors to the extent of the value of the Secured Property in respect of the Claim;
  - (d) fourth, to Proven Claims of Preferred Creditors (if any), other than Employee Preferred Claims which will have been paid, without interest; and,
  - (e) fifth, the balance of the Funded Proposal Payments shall be distributed *pro rata* among all of (i) the Unsecured Creditors on account of Proven Unsecured Claims and (ii) the Secured Creditors on account of Proven Deficiency Claims, without regard to whether the Claims are the Claims of Secured Creditors or Unsecured Creditors.

#### **Amendments to Agreements**

22. Notwithstanding the terms and conditions of all agreements or other arrangements with Creditors entered into before the Date of Filing, provided that no Event of Default has occurred and is continuing hereunder, all such agreements or other arrangements will be deemed to be amended to the extent necessary to give effect to all the terms and conditions of this Proposal. In the event of any conflict or inconsistency between the terms of such agreements or arrangements and the terms of this Proposal, the terms of this Proposal will govern. All Creditors will provide such acknowledgements, agreements, discharges or other documentation as may be necessary to give effect to the intent of this Proposal.

#### **Treatment of Claims**

23. For purposes of this Proposal, each Creditor holding a Claim will receive the treatment provided for in this Proposal on account of such Claim.

### **PART VI**



## **POST-FILING OBLIGATIONS**

### **Payment of Post-Filing Goods & Services**

24. During the Proposal Period, all Post-Filing Goods and Services shall be paid in full in the ordinary course of business by the Company

### **Post-Filing Crown Claims**

25. During the Proposal Period, the Company shall remit and pay all Post-Filing Crown Claims as and when due.

### **Reporting by the Company**

26. During the Proposal Period, the Company shall provide to the Trustee every three months commencing on first day of the month following the month in which the Approval Order is issued, a report containing the information set out below:
- (i) a cash flow statement for the Company's business and affairs for the prior three months; and
  - (ii) evidence of Company's filing and remittance of source deductions and HST.

## **PART VII LEVY, MANDATORY PAYMENTS AND PREFERRED CLAIMS**

### **Levy**

27. The Levy, if applicable, shall be deducted by the Trustee from payments to Creditors by the Trustee.

### **Payment of Fees and Expenses**

28. The Administrative Fees and Expenses shall be paid in priority to the Crown Claims, the Claims of Preferred Creditors, Secured Creditors and Unsecured Creditors.

### **Employee Claims**

29. As per Part V of this Proposal, all Employee Preferred Claims will be paid in priority to other Claims immediately after the issuance of the Approval Order.

### **Preferred Claims**

30. As per Part V of this Proposal, Proven Claims of Preferred Creditors, without interest, are to be paid in full priority to all Claims of the Unsecured Creditors

including, without limitation, any entitlement of the Unsecured Creditors to the payments to be made under Part V of this Proposal.

### **PART VIII EVENTS OF DEFAULT**

31. The following events will constitute Events of Default for purposes of section 63 of the Act and otherwise under this Proposal:
- (a) the non-payment by the Company of any of its obligations hereunder within thirty (30) days after written notice has been given by the Trustee that such payment is past due; and
  - (b) the breach or failure by the Company to observe and perform any other covenant and provision of this Proposal, other than payment as provided for in this Paragraph 30(a) which is not remedied within thirty (30) days after written notice thereof has been given to the Company by the Trustee.

### **PART IX TRUSTEE**

32. The Trustee is acting solely in its capacity as proposal trustee under the Act and not in its personal capacity and no officer, director, employee or agent of the Trustee shall incur any obligations or liabilities in connection with this Proposal or in connection with the business or liabilities of the Company.
33. Any payments made by the Trustee to Creditors hereunder shall be made by the Trustee net of any levies payable or due under the Act.

### **PART X INSPECTORS**

#### **Appointment of Inspectors**

34. At the Creditors Meeting, the Affected Creditors will be entitled to appoint one or more, but not exceeding five (5) Inspectors in total.

#### **Powers of Inspectors**

35. The Inspectors, by way of majority, will have the following powers, but will have no personal liability to the Company or other Creditors:

- (a) the power to extend the dates the Funded Proposal Payments are due under this Proposal;
- (b) the power to waive any default in the performance of any provision of this Proposal; and
- (c) the power to advise the Trustee in respect of such matters as may be referred to the Inspectors by the Trustee.

## PART XI CONDITIONS PRECEDENT

### **Creditor Approval**

36. The Trustee shall call a meeting of the Affected Creditors of the Company to seek creditor approval for the Proposal in the requisite majority in number and value of the classes, as set out in the Act, of each of the classes of creditors described in this Proposal. The performance of this Proposal by the Company shall be conditional upon approval of the Affected Creditors. If the Affected Creditors do not approve the Proposal, the Trustee shall report on the result of the vote as required under section 57 of the Act and the Company shall be deemed bankrupt.

### **Court Approval**

37. In the event the Proposal is approved by the Affected Creditors the Proposal Trustee shall, within five (5) days of such approval, apply to the Court for a hearing to seek the Approval Order. The performance of this Proposal by the Company shall be conditional upon the issuance of the Approval Order. In the event that the Court does not approve the Proposal, the Company shall be deemed bankrupt.

## PART XII RELEASE

38. As at 12:01 a.m. on the Effective Date, the Company and each and every present and former officer and director of the Company (collectively, the "Released Parties"), shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Creditor or person may be entitled to assert as of the Date of Filing, including without limitation, any and all claims in respect of the potential statutory liabilities of the former, present and future directors and officers of the Company, and any and all claims relating to any obligations of the Company where the present, former or future directors or officers are or may be by law liable in their capacity as directors or officers for the payment of such obligations, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter



arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Date of Filing relating to, arising out of or in connection with the claims, the business and affairs of the Company, this Proposal, and provided that nothing herein shall release or discharge any of the Released Parties from any claims coming within the exceptions set out in section 50(14) of the Act. **This release shall have no force or effect if the Company goes bankrupt before the terms of the Proposal are performed.**

### **PART XIII MISCELLANEOUS**

#### **Preferential Payments**

39. Sections 95 to 101 of the Act shall not apply to any dealings by the Company at any time prior to the Date of Filing. The releases contemplated in Paragraph 38 of this Proposal include releases in favour of the Released Parties from all claims, actions, or remedies available to Creditors or others pursuant to Sections 95 to 101 of the Act, provided that nothing herein shall release any director of the Company from any claims coming within the exceptions set out in Section 50(14) of the Act.

#### **Consents, Waivers and Agreements**

40. On the Effective Date, all Creditors will be deemed to have consented and agreed to all of the provisions of this Proposal in its entirety. For greater certainty, each such Creditor will be deemed to have waived any default by the Company in any provision, express or implied, in any agreement existing between the Creditor and the Company that has occurred on or prior to the Date of Filing, and to have agreed that, to the extent that there is any conflict between the provisions of any such agreement and the provisions of this Proposal, the provisions of this Proposal take precedence and priority and the provisions of any such agreement are amended accordingly.

#### **Further Actions**

41. The Company and the Creditors will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of this Proposal and to give effect to the transactions contemplated hereby.

#### **Performance**

42. All obligations of the Company under this Proposal will commence as of the Effective Date. All obligations of the Company under this Proposal will be fully performed for the purposes of Section 65.3 of the Act only upon the Company having made the payments to the Trustee provided for herein.

#### **Acceleration of Payments**



43. Notwithstanding the payment structure set out in Part V of this Proposal, nothing herein prevents or restricts the Company from accelerating any of the Funded Proposal Payments or from satisfying the full amount of the Funded Proposal Payments in advance of the time period contemplated in Part V of this Proposal.

**Binding Effect**

44. The provisions of this Proposal will be binding on the Creditors and the Company, and their respective heirs, executors, administrators, successors and assigns, upon issuance of the Approval Order after all appeal periods have expired.

**PART XIV  
ANNULMENT OF PROPOSAL**

45. If this Proposal is annulled by an order of the Court, all payments on account of Claims made pursuant to the terms of this Proposal will reduce the Claims of Creditors.

**PART XV  
AMENDMENTS**

46. The Company may propose amendments to the Proposal at any time prior to the conclusion of the Creditors Meeting provided that any such amendment does not reduce the rights and benefits given to the Creditors pursuant to the Proposal before such amendment and that any and all amendments shall be deemed to be a part of and incorporated into the Proposal.

**DATED** at the City of Schomberg, in the Province of Ontario, this 11<sup>th</sup> day of March, 2016.

**2331131 ONTARIO INC. O/A ELLIOTT  
UNDERGROUND**

Per: 

Name: Jason Elliott

Title: Director



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

**IN THE MATTER OF THE PROPOSAL OF  
2331131 ONTARIO INC.  
of the Village of Schomberg, in the Province of Ontario**

**AMENDMENT TO PROPOSAL**

**2331131 ONTARIO INC.** hereby submits the following amendment to the proposal filed on March 11, 2016 (the "Proposal") under the provisions of the *Bankruptcy and Insolvency Act*.

1. The Proposal is amended by inserting after paragraph 1(w) the following:

(w.1) "Pension Claim" means a Claim of a kind contemplated by s. 60(1.5) of the Act;

2. The Proposal is amended by inserting after paragraph 11 the following:

**Pension Claims**

11.1 All Pension Claims shall be paid, in full, out of the Funded Proposal Payments, without interest, in priority to Secured Creditors and Proven Unsecured Claims.

3. The Proposal is amended by replacing paragraph 19 with the following:

The Funded Proposal Payments will be made until an amount is paid to the Trustee equal to the lesser of:

- (i) 100% of the Pension Claims, plus 100% of the Proven Secured Claims, to the extent of the value of the Secured Property, plus 35% of the value of the Proven Unsecured Claims (not including the Pension Claims, Crown Priority Claims and the Employee Preferred Claims); and
- (ii) \$200,000.



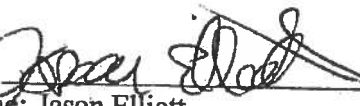
4. The Proposal is amended by replacing paragraph 21 with the following:

The Funded Proposal Payments shall be distributed by the Trustee in the following order of priority:

- (b) first, to the Administrative Fees and Expenses;
- (c) second, to establish the Bankruptcy Reserve, to be held in trust by the Trustee, which amount shall be used to fund the administrative costs of the bankruptcy of the Company in the event that this Proposal is annulled and the Company becomes bankrupt, failing which such amount shall be distributed in accordance with Subparagraphs 20(c) and 20(d) of this Proposal;
- (d) third, to the Proven Pension Claims;
- (e) fourth, to the Proven Claims of the Secured Creditors to the extent of the value of the Secured Property in respect of the Claim;
- (f) fifth, to Proven Claims of Preferred Creditors (if any), other than Pension Claims and Employee Preferred Claims which will have been paid, without interest; and,
- (g) sixth, the balance of the Funded Proposal Payments shall be distributed *pro rata* among all of (i) the Unsecured Creditors on account of Proven Unsecured Claims and (ii) the Secured Creditors on account of Proven Deficiency Claims, without regard to whether the Claims are the Claims of Secured Creditors or Unsecured Creditors.

DATED at the Village of Schomberg, in the Province of Ontario, this 31<sup>st</sup> day of March, 2016.

2331131 ONTARIO INC. O/A ELLIOTT  
UNDERGROUND

Per:   
Name: Jason Elliott  
Title: Director



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

PROCEEDING COMMENCED AT  
TORONTO

**ORDER**

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Trustee of 2331131 Ontario Inc. o/a Elliott Underground