COURT FILE NUMBER / BANKRUPTCY ESTATE NUMBER	B301-354154 25-3354154
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PROCEEDING	IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF HARMONY HEATING AND AIR CONDITIONING INC.
DOCUMENT	**THIRD REPORT OF THE PROPOSAL TRUSTEE** **JULY 15, 2026**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**PROPOSAL TRUSTEE** BDO Canada Limited Suite 500, 20 Wellington Street East Toronto, ON M5E 1C5 Attention: Josie Parisi Telephone: 416-369-6031 Email: jparisi@bdo.ca **PROPOSAL TRUSTEE'S COUNSEL** Fasken Martineau DuMoulin LLP 350 – 7th Avenue SW, Suite 3400 Calgary, Alberta T2P 3N9 Attention: Dylan Chochla / Jessica Cameron Telephone: (416) 868-3425 / (403) 261-9468 E-Mail: dchochla@fasken.com / jcameron@fasken.com

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INTRODUCTION

1. Harmony Heating and Air Conditioning Inc. (the **"Company"** or **"Harmony"**) is a privately held corporation incorporated pursuant to the *Business Corporations Act* (Alberta) on March 18, 2008. The Company specializes in the supply, installation and maintenance of heating, ventilation, and air conditioning ("**HVAC**") systems for residential and commercial customers.

2. On March 31, 2026, the Company filed a Notice of Intention to Make a Proposal (**"NOI"**) pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the **"BIA"**). BDO Canada Limited (**"BDO"**) was named as the Licensed Insolvency Trustee (in such capacity, the **"Proposal Trustee"**) in respect of the NOI (such proceedings commenced by filing the NOI, the **"Proposal Proceedings"**).

3. On April 29, 2026, the Court of King's Bench of Alberta (the "**Court**") pronounced an Order (the "**Initial Proposal Order**"), among other relief:

    a) extending the period within which Harmony may file a proposal up to and including June 15, 2026;

    b) granting a first-ranking administration charge over Harmony's current and after-acquired assets, undertakings, and property (collectively, the "**Property**") in favour of Reconstruct LLP as counsel to Harmony ("**Reconstruct**"), the Proposal Trustee, the Sales Agent (defined below), and Fasken Martineau DuMoulin LLP as counsel to the Proposal Trustee ("**Fasken**", and together with Reconstruct, the Proposal Trustee, the Sales Agent, and Fasken, the "**Professional Group**"), to secure payment of their professional fees incurred in connection with the Proposal Proceedings in the maximum aggregate amount of $100,000 (the "**Administration Charge**");

    c) approving an interim financing facility in the amount of $25,000 from 281153 Alberta Ltd. (in such capacity, the "**DIP Lender**") pursuant to the terms of an interim financing commitment letter dated as of April 24, 2026 (the "**DIP Term Sheet**");

    d) granting the Proposal Trustee certain enhanced powers in addition to the duties and powers prescribed under the BIA;

    e) approving, *nunc pro tunc,* the Proposal Trustee's engagement of BDO Canada Transaction Advisory Services Inc. (the "**Sales Agent**"), pursuant to an engagement letter between the Proposal Trustee and the Sales Agent dated as of April 21, 2026 (the "**Sales Agent Engagement Letter**"); and

    f) approving the proposed sale process and auction procedures in respect of Harmony's business (the "**Sale Process**") and authorizing and directing the Proposal Trustee and the

Sales Agent to take any and all actions necessary or desirable to implement and carry out the Sale Process in accordance with its terms and the Initial Proposal Order.

4. A copy of the Initial Proposal Order is attached hereto as **Appendix "A"**.

5. On June 12, 2026, the Court granted an Order extending the period within which Harmony may file a proposal up to and including July 30, 2026 (the "**Stay Extension Order**"). A copy of the Stay Extension Order is attached hereto as **Appendix "B"**.

6. On April 27, 2026, the Proposal Trustee filed its First Report in support of the Company's motion seeking the Initial Proposal Order. On June 11, 2026, the Proposal Trustee filed its Second Report (and together with the First Report, the "**Reports**") in support of the Company's motion seeking the Stay Extension Order. Copies of the Reports without appendices are appended hereto as **Appendix "C"**.

7. The Proposal Trustee has prepared a Confidential Supplemental Report which should be read together with this Third Report (as defined herein). The Confidential Supplemental Report contains additional details regarding the Bids, an unredacted copy of the APA (defined below) and the estimated net realizable proceeds from the Company's assets in a bankruptcy scenario as compared to the APA.

8. Capitalized terms used but not defined herein have the meanings given to them in the Reports.

PURPOSE

9. This is the third report of the Proposal Trustee (the "**Third Report**") to be filed in the Proposal Proceedings. The purpose of this Third Report is to:

    a) provide this Court with information regarding:

        i. the Proposal Trustee's activities since the Second Report;

        ii. the results of the Sale Process conducted by the Proposal Trustee, with the assistance of the Sales Agent; and

        iii. the Transaction (defined below); and

    b) recommend that this Court grant the following orders sought by the Proposal Trustee:

        i. an approval and vesting order (the "**AVO**"), which grants among other relief:

            1. approval of the transaction (the "**Transaction**") contemplated by an asset purchase agreement dated as of July 15, 2026 (the "**APA**") between Harmony, as vendor, and 2811153 Alberta Ltd., as purchaser (the "**Purchaser**"), and authorization and direction to the Proposal Trustee to complete the Transaction for and on behalf of Harmony;

2. assigning, conveying and transferring to the Purchaser the rights and obligations of Harmony under the contracts listed under **Schedule "A"** to the Assignment Order (the "**Assigned Contracts**"); and

3. sealing the Confidential Supplemental Report and the Confidential Appendices thereto (defined below) until the earlier of: (a) the date upon which the Transaction has closed; and (b) further order of the Court;

ii. an ancillary order (the "**Ancillary Relief and Distribution Order**"), among other relief:

1. authorizing and directing the Proposal Trustee, for and on behalf of Harmony, to take the necessary actions to change the Company's corporate names and amending the title of proceedings accordingly;

2. approving the Second Report and Third Report of the Proposal Trustee and the conduct and activities of the Proposal Trustee set out therein;

3. approving the fees and disbursements of the Proposal Trustee and its counsel, Fasken, as set out in this Third Report and the fee affidavits appended hereto (together, the "**Fee Affidavits**") including the Fee Reserve (defined below); and

4. authorizing and directing the Proposal Trustee to make the Distributions (as defined below); and

iii. such further and other relief as the court may deem just and equitable.

10. The Reports, and all other materials filed with the Court in the Proposal Proceedings, are accessible on the Proposal Trustee's website at: https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/mechcangroup (the **"Proposal Trustee's Website"**).

TERMS OF REFERENCE

11. In preparing this Third Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Company, discussions with their management ("**Management**"), and information from other third-party sources (collectively, the "**Information**"). Except as otherwise described in this Third 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 such information in a manner that would wholly or partially comply with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance contemplated under CAS in respect of the Information; and

b) Some of the information referred to in this Third Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.

12. Future-oriented financial information referred to in this Third 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 variances could be significant.

13. Unless otherwise indicated, the Proposal Trustee's understanding of factual matters expressed in this Third Report concerning the Company and their businesses are based on the Information, and not independent factual determinations made by the Proposal Trustee.

14. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

BACKGROUND

15. Harmony is part of a group of related companies wholly or partially owned by MechCan Inc. ("**MechCan**" and, altogether, the "**MechCan Group**") specializing in the supply, installation, and maintenance of HVAC systems.

16. In or around early 2025, the MechCan Group began experiencing financial difficulties due to various challenges in the economic environment, including:

    a) a reduction in consumer spending;

    b) increased costs due to trade and tariff wars, coupled with an inability to meaningfully pass along price increases to consumers while remaining competitive in a saturated market;

    c) the pandemic pull forward, whereby many households replaced HVAC systems and equipment during the COVID-19 pandemic, resulting in fewer repairs and replacements in the current market; and

    d) the end of government rebate programs.

17. During the summer of 2025, MechCan's management undertook a turnaround plan which focused on operational initiatives in an effort to reduce costs. The turnaround plan initiatives included: i) the implementation of a field software platform to streamline the MechCan Group's sales execution

(Service Titan); ii) a cross-staffed call centre; iii) cost cutting through centralization; and iv) establishing marketing programs.

18. The cost of the initiatives, together with the changed economic environment, stressed the MechCan Group's liquidity, ultimately leading to the decisions to file the NOI. In addition to Harmony filing an NOI, certain other entities related to Harmony and part of the larger MechCan Group, also filed Notices of Intention to Make a Proposal under the BIA between March 31, 2026 and April 10, 2026 (the "**MechCan Group NOIs**"), being: MechCan, Pro Ace Heating & Air Conditioning Ltd. ("**Pro Ace**"), J.D. Swallow Heating Contractors Inc. ("**J.D. Swallow**"), Comfort Zone Heating & Air Conditioning Inc. ("**Comfort Zone**"), Hy-Mark Mechanical Inc. ("**Hy-Mark**"), and BR's Plumbing & Heating Inc. (**"BRs**"), and BDO was also named as Proposal Trustee in respect of the MechCan Group NOIs.

19. Detailed background information in respect of Harmony is set forth in the Reports and the Affidavit of Anthony Fisher ("**Mr. Fisher**") sworn April 24, 2026, (the "**Affidavit**"). The Affidavit can be found on the Proposal Trustee's Website.

PROPOSAL TRUSTEE'S ACTIVITIES TO DATE

20. Since the Second Report, the Proposal Trustee has, among other things:

    a) participated in various calls with Management and counsel for the Company;

    b) assisted the Company with stakeholder and customer communications;

    c) monitored the Company's cash flows and performed variance analyses respecting the cash flows;

    d) corresponded with creditors and other stakeholders who had questions regarding the Proposal Proceeding;

    e) participated in various discussions with Management and certain stakeholders in connection with the Sale Process;

    f) with the assistance of the Sales Agent and counsel to the Proposal Trustee, continued to conduct the Sale Process, including but not limited to:

        i. participating in discussions with interested parties;

        ii. reviewing and negotiating Bids; and

        iii. presiding over the Auction; and

    g) prepared this Third Report.

THE SALE PROCESS

21. Capitalized terms used but not defined in this section of the Third Report have the meanings given to them in the Sale Process.

22. As set forth in the Reports, the purpose of the Sale Process was to solicit interest in, and opportunities for, a sale of all or substantially all of the Company's business and assets (together, the "**Property**") as a going concern or otherwise and for opportunities that were superior to the Stalking Horse Agreement.

23. In addition to the Sale Process respecting the Company, the Proposal Trustee, through the Sales Agent, was concurrently conducting six parallel sale processes in the other proposal proceedings respecting the MechCan Group related entities. Under each respective sale process, there was a possibility for bidders to submit aggregated bids for more than one entity of the MechCan Group.

24. The Proposal Trustee, with the assistance of the Sales Agent, conducted the Sale Process. The Sale Process is described in greater detail in the Reports.

25. Certain key terms of the Sale Process are summarized below:

    a) The Sales Agent, with the approval of the Proposal Trustee, prepared a list of Known Potential Bidders who may be interested in the Opportunity.

    b) The Proposal Trustee arranged for notice of the Sale Process to be published in *The Globe and Mail.*

    c) Potential Bidders interested in participating in the Sale Process were required to provide the Sales Agent with an executed non-disclosure agreement ("**NDA**") and a letter setting forth the identity of the Potential Bidder, their contact information, and their direct and indirect principals. Potential Bidders were deemed "Qualified Bidders" where they, among other conditions, (i) delivered the aforementioned documents; and (ii) had the financial capability to consummate a proposed transaction, as determined by the Proposal Trustee, exercising its reasonable business judgment.

    d) Qualified Bidders were provided with a Confidential Information Package and access to due diligence materials, including a virtual data room.

    e) Neither the Sales Agent nor the Proposal Trustee were permitted to provide any information about the Sale Process to any officer, director, or employee of, or other non-arm's length party in relation to, the Company (each, an "**Insider**") where the Insider's receipt of such information might create an unfair advantage or jeopardize the integrity of the Sale Process, unless such Insider irrevocably confirmed in writing to the Sales Agent that they would not submit or participate directly or indirectly in the submission of a Bid (an "**Insider Notice**") by no later than the Insider Notice Deadline. In addition:

i. Any Insider who delivered an Insider Notice was not entitled to participate directly or indirectly as a Potential Bidder, Qualified Bidder, or Successful Bidder in the Sale Process, and was thereafter entitled to receive such updates and information regarding the status of the Sale Process as the Proposal Trustee, in consultation with the Sales Agent, deemed appropriate;

ii. The Stalking Horse Bidder was an Insider within the meaning of the Sale Process; and

iii. An Insider who participated in the submission of a Bid, including the Stalking Horse Bidder: (i) were not provided with information about the identities of other Potential Bidders or the terms of any Bid or Qualified Bid; and (ii) were not entitled to participate in the review or consideration by the Proposal Trustee, with the assistance of the Sales Agent, of any Bids, the determination of any Qualified Bids, the selection of a Successful Bid, or the negotiation of final transaction document(s).

iv. Qualified Bidders who wished to make a formal offer to purchase the Property or a portion thereof were required to submit a binding offer (a "**Bid**") that met the requirements under the Sale Process, by no later than the Bid Deadline.

v. The Proposal Trustee, in consultation with the Sales Agent, was entitled to consider, evaluate, and aggregate or combine one or more Bids submitted in respect of the companies within the MechCan Group subject to concurrent sale processes (the "**Affiliate Sale Processes**").

vi. Following the Bid Deadline, the Proposal Trustee was responsible for assessing the Bids received, in consultation with the Sales Agent, based on several factors and could designate the most competitive Bids that complied with the requirements under the Sale Process as "**Qualified Bids**".

vii. Qualified Bidders with Qualified Bids (including the Stalking Horse Bidder) proceeded to an auction (the "**Auction**") to identify the Successful Bid. The Auction was to be conducted in accordance with the Auction procedures appended to the Sale Process as well as any other supplemental processes established by the Proposal Trustee.

viii. Following the declaration of the Successful Bid, the Proposal Trustee would bring a motion to the Court seeking an order approving the Successful Bid and granting any necessary relief to consummate the Transaction contemplated thereunder.

ix. The Proposal Trustee had the authority to revise or extend the dates under the Sale Process in its sole discretion.

Results of the Sale Process

26. Set out below is a summary of the results of the Sale Process, which is described in greater detail below:

Milestone	
Commencement of Sale Process	April 30, 2026
Purchase Price under the Stalking Horse Bid	$375,000
# of Known Potential Bidders contacted	80
# of NDAs executed	18
Bid Deadline	~~May 25, 2026~~ Revised: June 1, 2026
# of Bids received	3
Auction Date	~~No later than May 30, 2026 / June 5, 2026 / June 8, 2026~~ Revised: June 10, 2026
# of participants in Auction	2
# of Leading Bid and Subsequent Bid rounds in Auction	9

27. A summary of the Bids received (the "**Confidential Bid Summary**") is attached to the Confidential Supplemental Report as **Confidential Appendix "1"**.

28. The Proposal Trustee, in consultation with the Sales Agent, revised the Bid Deadline to June 1, 2026 (the "**Bid Deadline**"), in order to allow for a single Bid Deadline across the Affiliate Sale Processes and to simplify the process for Qualified Bidders who wanted to submit aggregated bids for more than one entity in the MechCan Group.

29. Following the Bid Deadline, the Proposal Trustee reviewed the Bids received, deemed each Bid a

Qualified Bid, and invited the Qualified Bidders to attend the Auction.

30. In consultation with the Sales Agent, the Proposal Trustee scheduled the Auction for Friday June 8, 2026.

31. On June 3, 2026, in advance of the Auction, the Proposal Trustee, through Fasken, contacted the Qualified Bidders to advise that their Bids were deemed Qualified Bids, provide the details of the Starting Bid (including the purchase prices and other key terms and conditions), invite them to participate in the Auction, and request that the Qualified Bidders inform the Proposal Trustee of whether they intended to participate in the Auction. A copy of the form of auction process letter sent to the Qualified Bidders in advance of the Auction is attached hereto as **Appendix "D"**.

The Auction

32. After scheduling the Auction, the Proposal Trustee was made aware of certain allegations regarding the conduct of Mr. Fisher, who is the current general manager and minority shareholder of Harmony and the principal of the Stalking Horse Bidder. In order to ensure the fairness and integrity of the Sale Process, the Proposal Trustee adjourned the Auction to allow additional time to address those allegations.

33. On June 8, 2026, the Proposal Trustee corresponded with counsel for Mr. Fisher regarding the allegations that were brought to its attention. The Proposal Trustee received satisfactory responses from counsel for Mr. Fisher and determined that it was prepared to proceed to the Auction. The Proposal Trustee subsequently rescheduled the Auction for June 10, 2026. Copies of the correspondence exchanged between the Proposal Trustee and counsel for Mr. Fisher are collectively attached hereto as **Appendix "E"**. This correspondence was uploaded to the virtual data room in the Sale Process.

34. The Proposal Trustee understands that, as a result of the allegations raised during the Sale Process and certain other business considerations, one of the Qualified Bidders elected to not participate in the Auction. Two (2) Qualified Bidders, including the Stalking Horse Bidder, participated in the Auction. The Auction lasted approximately 1 ½ hours with 9 rounds of bidding, ultimately resulting in the Proposal Trustee declaring the Stalking Horse Bidder as the Successful Bidder.

ASSET PURCHASE AGREEMENT

35. Following the conclusion of the Auction, the Proposal Trustee, with the assistance of the Sales Agent and Fasken, continued to negotiate and finalize the terms of the definitive transaction documents, ultimately resulting in the APA. A copy of the APA, which has been redacted to protect commercially sensitive information, including the Purchase Price and the Deposit payment that make up the

Purchase Price, is attached hereto as **Appendix "F"**. An unredacted copy of the APA is attached to the Confidential Supplemental Report as **Confidential Appendix "2"**.

36. The Proposal Trustee executed the APA on behalf of the Company pursuant to the enhanced powers granted under the Initial Proposal Order.

37. Under the APA, the Purchaser will acquire the Purchased Assets (as defined under the APA) free and clear of all Encumbrances, other than any Permitted Encumbrances, to the extent and as provided for under the AVO.

38. The key terms of the APA are summarized in the chart below:

Harmony APA	
Purchaser	2811153 Alberta Ltd. The Purchaser is owned and/or controlled by Anthony Fisher, who is a director and minority owner of Harmony.
Vendor	Harmony Heating and Air Conditioning Inc.
Purchase Price	The Purchase Price is found in the unredacted APA in Confidential Appendix B to the Confidential Supplemental Report. The Purchase Price exceeds the purchase price under the Harmony Stalking Horse Bid. The Purchase Price includes an Accounts Receivable Payment found in the unredacted Asset Purchase Agreement in Confidential Appendix B.
Purchased Assets	The Purchaser will acquire the tangible and intangible assets, properties, and rights owned by Harmony and necessary to operate the Business in the ordinary course, including the goodwill relating to the Business, all business and trade names used by Harmony in connection with the Business, and those listed in Schedule "A," including but not limited to: a) Assumed Contracts; b) Books and Records; c) Claims of the Company; d) Receivables; e) Vehicles owned by the Company; f) Equipment; and g) Inventory and Supplies.
Excluded Assets	The Excluded Assets, as outlined in Schedule "B" of the APA, include but are not limited to: a) all cash and cash equivalents; b) the Purchase Price; and c) Excluded Contracts.

Assumed Liabilities	The Assumed Liabilities, as outlined in Schedule “D” of the APA, include but are not limited to: a) any Cure Costs in connection with an Assumed Contract to the extent that an Assignment Order or consent in respect of the Assumed Contract, as applicable, is obtained in respect of such Assumed Contract but, for greater certainty, excluding any amount on account of Liabilities incurred as ordinary course obligations by the Company arising due to the commencement of the Proposal Proceeding in connection with such Assumed Contract; b) all Liabilities from and after the Closing Date associated with the Assumed Contracts (to the extent incurred after Closing and not relating to pre-Closing breaches); and c) all Liabilities and Claims arising or accruing from the use of the Purchased Assets from and after Closing.
Assumed Contracts	The Assumed Contracts, as outlined in Schedule “C” of the Asset Purchase Agreement, are the leases pertaining to vehicles bearing the following VINs: a) 1FTFW1E8XPFA10569; b) KL79MRSL9SB024468; c) KL79MRSL9SB027063; d) 1GCWGAFP7R1207184; e) 1GTW7BFP3R1260714; f) 1GCWGAF71R1273312; g) 1FTBR1XG8RKB61740; h) 1FDXE4FN4SDD16518; and i) 1GTW7AFP7S1169106.
As is, Where is	The Purchaser will acquire the Purchased Assets on an “as is, where is” basis.
Key Closing Conditions	Among other conditions, closing of the Transaction is conditional upon Harmony delivering a copy of the Approval and Vesting Order and an Assignment Order, if any.
Closing Date	July 24, 2026 or such other date as the Parties may agree to in writing with the consent of the Proposal Trustee.
Outside Date	July 30, 2026

39. The Proposal Trustee has conducted an analysis of the estimated realizations for the assets of the Company in a bankruptcy scenario, as compared to net realizations under the APA (the “**Liquidation Analysis**”). The Liquidation Analysis is found in the Confidential Supplemental Report. Without disclosing the specifics concerning the Liquidation Analysis, the Proposal Trustee notes that the net proceeds under the APA exceed the estimated liquidation valuation of the Company in the context of a bankruptcy.

THE PROPOSAL TRUSTEE'S RECOMMENDATIONS TO APPROVE THE TRANSACTION

40. The Proposal Trustee supports and recommends that the Transaction be approved and that the AVO be granted for the following reasons:

   a) The APA is the result of a transparent and robust sale process conducted by the Proposal Trustee with the assistance of the Sales Agent. The Proposal Trustee and the Sales Agent have extensive experience in marketing businesses and assets for sale. The Proposal Trustee and Sales Agent broadly canvassed the market for interest in the Opportunity, as demonstrated by the numerous Known Potential Bidders who were contacted in respect of the Sale Processes;

   b) The terms of the APA are commercially reasonable, and the Purchase Price is fair and reasonable, because:

      - The Purchaser is acquiring the Purchased Assets on an as is, where is basis;
      - The Purchase Price is not conditional on the Purchaser obtaining additional financing, and the APA contains limited closing conditions;
      - The APA represents the highest and best realization for the business and assets of the Company in the current circumstances;
      - The Purchase Price under the APA exceeds the purchase price under the Stalking Horse Bid; and,
      - The Purchaser and the Proposal Trustee for an on behalf of the Company desire to close the Transaction soon after the issuance of the AVO, minimizing closing risks;

   c) Based on the Proposal Trustee's liquidation analysis, the Transaction will result in a significantly higher recoveries than a sale or disposition under a bankruptcy;

   d) The Proposal Trustee has no reason to believe that additional marketing efforts would achieve a superior outcome compared to the APA;

   e) The Transaction will sustain the Company as a going concern;

   f) The Transaction is expected to benefit various stakeholders of the entities, including employees who may be employed by the Purchaser, suppliers, customers of the HVAC businesses, and service providers; and

   g) National Bank of Canada ("**NBC**"), the Company's senior-most secured creditor, who will suffer a significant shortfall in repayment of its indebtedness, was consulted throughout the Sale Process and is supportive of the Transaction.

41. Additionally, the Proposal Trustee has considered the fact that the Purchaser meets the definition of a "related person" pursuant to section 65.13(6) of the BIA, and is satisfied that:

(i) good faith efforts were made to sell or otherwise dispose of the Purchased Assets to persons who are not related to the Company, and

(ii) the consideration to be received under the APA is superior to the consideration that would be received under any other offer made in accordance with the Sale Process,

each as evident by the robust marketing campaign and conduct of the Auction, as further detailed above.

42. For these reasons, the Proposal Trustee recommends that the Court grant the Transaction contemplated under the APA and grant the AVO.

ASSIGNMENT OF THE ASSIGNED CONTRACTS

43. The Proposal Trustee is also seeking approval of the Assignment Order, which assigns the list of Assigned Contracts to the Purchaser. The Assigned Contracts primarily concern leased vehicles that are used in the course of the Company's operations. As negotiations with contract counterparties remain ongoing, the list of Assigned Contracts remains subject to revision in advance of the hearing of this motion.

44. To give effect to the Transaction, the Purchaser requires the Assigned Contracts to permit the Purchaser to continue to operate the businesses in the ordinary course. None of the Assigned Contracts are agreements that cannot be assigned under the BIA, such as: (a) agreements that have been entered into after the commencement of the Proposal Proceedings, (b) eligible financial contracts, or (c) collective agreements.

45. To date, efforts have been made to identify all of the counterparties to the Assigned Contracts that must consent or be provided with notice of this motion. Representatives of the Purchasers have also begun discussions with contractual counterparties to determine if such assignments can be completed by way of mutual written agreement. These discussions remain ongoing.

46. It may not be possible for all required consents relating to the Assigned Contracts to be obtained before the anticipated closing date of the Transaction. Further, if such consents cannot be obtained, it is a closing condition of the APA that the Company obtain an order assigning the Assigned Contracts.

47. Accordingly, the Proposal Trustee is seeking, and recommends that the Court grant the assignment of the Assigned Contracts pursuant to the terms of the Assignment Order. The Purchaser has agreed to pay any Cure Costs payable to any counterparty of an Assigned Contract. Further, the Purchaser is assuming the Assigned Contracts subject to applicable registrations under the Alberta *Personal*

Property Security Act, which are listed in the schedule of Permitted Encumbrances under the AVO. The Purchaser has not provided any indication to the Proposal Trustee that they are unable to perform the obligations under the Assigned Contracts, nor has, at the date of this Third Report, any contractual counterparty alleged that the Purchasers are unable to do so.

48. The Proposal Trustee has been advised by Fasken that the counterparties to the Assigned Contracts will be served with the motion record in support of seeking the Assignment Order.

SEALING THE CONFIDENTIAL SUPPLEMENTAL REPORT AND CONFIDENTIAL APPENDICES

49. The Proposal Trustee is of the view, and requests, that the Confidential Supplemental Report and the Confidential Appendices thereto should be sealed until the earlier of (a) the date upon which the Transaction has closed or (b) a further order of the Court. The Confidential Supplemental Report and the Confidential Appendices contain commercially sensitive information concerning the other Bids received in the Sale Process, the Purchase Price under the APA, and the Liquidation Analysis in respect of the Company's assets. The disclosure of the information contained in the Confidential Supplemental Report and Confidential Appendices would prejudice the Proposal Trustee's ability to market the assets and negotiate subsequent purchase agreements, should the Transaction fail to close and the Proposal Trustee is required to pursue other efforts to sell the assets. The Proposal Trustee is of the view that this would be harmful to stakeholders as it would undermine a value maximizing approach in any subsequent sale process.

50. The Proposal Trustee is not aware of any prejudice that would result from the time-limited sealing of the Confidential Supplemental Report and the Confidential Appendices.

51. In the circumstances, the salutary effects of sealing the Confidential Supplemental Report and the Confidential Appendices outweigh the deleterious effects and, accordingly, the Proposal Trustee recommends that the sealing request under the Ancillary Relief and Distribution Order be granted.

CORPORATE NAME CHANGE

52. The Purchaser has requested that the Proposal Trustee seek relief in connection with the approval of the Transaction to, among other things: (a) change the name of the Company; and (b) seek an order amending the title of proceedings in the Proposal Proceedings to reflect the name changes.

53. The Proposal Trustee understands that the basis for the requested relief is the fact that the Purchaser is acquiring the goodwill associated with the Company's operating business name.

54. The Proposal Trustee has determined that it will seek to change the Company's name to its numbered corporation number upon the filing of the Proposal Trustee's Certificate. The Proposal Trustee will deliver a notice of such name change to the Service List in the Proposal Proceedings and the Court.

55. Given the likelihood for confusion following the closing of the Transaction, the Proposal Trustee recommends that the Court grant the name change relief in the Ancillary Relief and Distribution Order.

PROFESSIONAL FEES

56. The Proposal Trustee and Fasken have maintained records of their professional time and costs. The Proposal Trustee is requesting approval of its interim fees for the period from April 1, 2026 to July 14, 2026, and the interim fees and disbursements for Fasken for the period from April 15, 2026 to July 15, 2026.

57. The total interim fees of the Proposal Trustee incurred for the period from April 1, 2026 to July 14, 2026, total $49,736.68 including fees and disbursements in the amount of $44,014.76 and HST in the amount of $5,721.92, as more particularly described in the affidavit of Josie Parisi sworn July 15, 2026, a copy of which is attached hereto as **Appendix "G"** (the "**Parisi Affidavit**"). The average hourly rate of the Proposal Trustee is $475.00 (excluding HST).

58. Fasken has maintained a single account to record its time and activities in respect of the MechCan Group, including the proposal proceedings in respect of Harmony and the Ontario MechCan estates including MechCan, J.D. Swallow Heating Contractors Inc. ("**J.D. Swallow**"), Hy-Mark Mechanical Inc. ("**Hy-Mark**"), Comfort Zone Heating & Air Conditioning Inc. ("**Comfort Zone**"), and B.R.'s Plumbing & Heating Inc. ("**BRs**", and together with MechCan, J.D. Swallow, Hy-Mark, and Comfort Zone, the "**Ontario MechCan Companies**"). The total interim fees and disbursements of Fasken incurred for the Harmony estate for the period of April 15, 2026 to July 15, 2026, total $680,294.84 including fees in the amount of $600,083.40 plus disbursements of $1,832.60, and HST of $78,378.84, The average hourly rate of Fasken is $835.63 (excluding HST).

59. For the purposes of seeking approval of Fasken's fees and calculating any amounts secured by the Administration Charges, the Proposal Trustee has allocated Fasken's fees based upon the percentages of the Proposal Trustee's estate-based fees incurred to date.

60. The estimated allocation of Fasken's fees across the Ontario MechCan Estates and Harmony is:

Company	Percentage	Allocated Fees
Harmony	22.3%	$151,105.75
MechCan	9.5%	$64,628.01
J.D. Swallow	23.7%	$161,829.88
Hy-Mark	5.7%	$38,776.81
BRs	19.7%	$134,218.08
Comfort Zone	19.1%	$129,736.31

61. In light of this allocation, the Proposal Trustee is seeking approval of $151,105.75 in respect of the fees of Fasken incurred in the Proposal Proceedings, in respect of Harmony.

62. NBC, the Company's, and the MechCan Group's senior-most secured creditor, is supportive of the fee allocation and approval sought by the Proposal Trustee.

63. The Proposal Trustee also requests approval for an additional fee reserve of up to $50,000 plus HST for the fees and disbursements of the Proposal Trustee and Fasken, for the estimated fees expected to be incurred to complete the administration of these Proposal Proceedings (the "**Fee Reserve**").

64. The Proposal Trustee is of the view that approval of the Fee Reserve is appropriate to avoid the additional costs that would result from further motions to approve any such fees and disbursements. In the event that the actual remaining fees and disbursements exceed the Fee Reserve, the Proposal Trustee will seek this Court's approval of the excess fees and disbursements at the time of seeking its discharge.

65. The Proposal Trustee respectfully submits that the fees and disbursements of the Proposal Trustee and Fasken, as set out in the Fee Affidavits, are reasonable in the circumstances and have been validly incurred in accordance with the Proposal Proceedings. Accordingly, the Proposal Trustee respectfully requests the approval of the fees and disbursements of the Proposal Trustee and Fasken, including the Fee Reserve, as set out in the Fee Affidavits and this Third Report.

THE DISTRIBUTIONS

66. The proposed Ancillary Relief and Distribution Order authorizes the Proposal Trustee to make one or more distributions to NBC from the proceeds of sale from the Transaction (the "**Distributions**"), provided that the total amount of the Distributions does not exceed the aggregate value of the Company's secured obligations to NBC. The Distributions will be made subject to the payment of any unpaid amounts owing under the applicable Charges.

67. As noted above, NBC is the senior-most secured creditor of Harmony and, generally, of the MechCan Group. Harmony has guaranteed the indebtedness of MechCan owing to NBC. As of June 16, 2026, the indebtedness owing to NBC by the Company, including the guaranteed and cross-collateralized obligations of the Company, is $4,342,311.67 (the "**NBC Indebtedness**").

68. NBC holds certain security over the assets of the Company, including a general security agreement ("**GSA**"), pursuant to which the Company has granted to NBC a general and continuing security interest in their present and after-acquired property. A copy of the GSA is attached hereto as **Appendix "**H**"**.

69. Fasken has provided the Proposal Trustee with its opinion that, subject to the assumptions and qualifications set out therein, the security granted to NBC is valid and enforceable.

70. The Proposal Trustee is seeking authorization to make the Distributions at this motion to minimize the use of judicial resources and the costs of the Proposal Proceedings, including by eliminating the need for future Court appearances.

71. As of this Third Report, the Proposal Trustee is not aware of any unremitted source deductions, unremitted HST, unpaid wages, unremitted sales taxes, or any other payments (the "**Priority Payables**") that would rank in priority to the payments described above. At the time of making the Distributions, the Proposal Trustee intends to hold back sufficient funds in respect of any Priority Payables that may arise, as well as the Fee Reserve.

72. The Proposal Trustee is aware that the Workers' Compensation Board ("**WCB**") registered a financing statement against the Company at the Alberta Personal Property Registry on May 15, 2026, in respect of the fixed, specific and continuing charge created by section 129 of the *Workers' Compensation Act*, RSA 2000, c W-15 (the "**WCA**"), which registration is subsequent in time to the registration of NBC's security interest on August 15, 2024. The Proposal Trustee has discussed the registration in favour of WCB with its counsel, Fasken. The Proposal Trustee understands that, by operation of section 86(1) of the BIA, WCB's claim ranks as an unsecured claim in these proceedings, notwithstanding the priority otherwise conferred on the WCB's charge by section 129 of the WCA and notwithstanding that the WCB has registered its charge at the Alberta Personal Property Registry. This is because WCB did not register its charge until after the date of the initial bankruptcy event in respect of Harmony, being March 31, 2026, which is the date of filing the NOI. Attached hereto and marked as **Appendix "I"** is a copy of the search results from the Alberta Personal Property Registry respecting Harmony dated July 10, 2026.

73. The NBC Indebtedness significantly exceeds the Purchase Price under the APA. For this reason, the Proposal Trustee does not anticipate that the Company will have remaining funds for distributions to unsecured creditors, after payment of the amounts listed above.

74. The Proposal Trustee is of the view that the Distributions contemplated under the Ancillary Relief and Distribution Order are fair, reasonable and appropriate in the circumstances.

CONCLUSIONS AND RECOMMENDATIONS

75. Based on the above, the Proposal Trustee respectfully recommends that the Court grant the relief described in paragraph 9b) of this Third Report.

76. NBC, the Company's senior-most secured creditor, is supportive of the relief sought by the Proposal Trustee.

All of which is respectfully submitted this 15th day of July, 2026.

BDO CANADA LIMITED
in its capacity as Proposal Trustee of
Harmony Heating and Air Conditioning Inc.
and not in its personal or corporate capacity

J. Parisi

Josie Parisi, CPA, CA, CBV, CIRP, LIT
Senior Vice President

APPENDIX A

Clerk's Stamp:

JUDICIAL CENTRE OF CALGARY
FILED
Apr 30, 2026
by Email
CLERK OF THE COURT
SH

COURT FILE NUMBER	B301 354154
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE OF	CALGARY
MATTER	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 HARMONY HEATING AND AIR CONDITIONING INC.
APPLICANT:	HARMONY HEATING AND AIR CONDITIONING INC.
DOCUMENT	**INITIAL PROPOSAL ORDER**
CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT:	**Reconstruct LLP** 80 Richmond Street West Suite 1700 Toronto, ON, CA M5H 2A4 **Brendan Bissell** Tel: 416.613.0066 Fax: 416.613.8290 Email: bbissell@reconllp.com File No: 00607

DATE ON WHICH ORDER WAS PRONOUNCED:	**April 29, 2026**
NAME OF JUDGE WHO MADE THIS ORDER:	**Justice Bourque**
LOCATION OF HEARING:	**Edmonton, Alberta**

UPON the application of Harmony Heating and Air Conditioning Inc. (the "**Applicant**") pursuant to *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**BIA**");

AND UPON having read the Originating Application, the Affidavit of Anthony Fisher sworn April 24, 2026 (the "**Fisher Affidavit**"), the Affidavit of Service of Alina Stoica sworn April 28, 2026; and the First Report of BDO Canada Limited, in its capacity as Proposal Trustee in these NOI proceedings (the "**Proposal Trustee**") dated April 27, 2026 (the "**First Report**");

AND UPON hearing counsel for the Applicant, counsel for the Proposal Trustee, counsel for the DIP Lender and counsel to all other parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE AND INTERPRETATION

1. The time for service of the notice of application for this order (the "**Order**") is hereby abridged and deemed good and sufficient and this application is properly returnable today.

EXTENSION OF TIME TO FILE A PROPOSAL

2. Pursuant to Section 50.4(9) of the BIA, the deadline for the Applicant to file a proposal be and is hereby extended to and including June 15, 2026.

ADMINISTRATION CHARGE

3. The Proposal Trustee, its counsel, the Applicant's counsel, and BDO Canada Transaction Advisory, in its capacity as sales agent (in such capacity, the "**Sales Agent**"), shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Applicant's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"), which charge shall not exceed an aggregate amount of $100,000, as security for their professional fees and disbursements incurred at their standard rates and charges, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraph 11 herein.

4. The Proposal Trustee, counsel to the Proposal Trustee, and counsel to the Applicant shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of counsel to the Proposal Trustee and counsel to the Applicant on a bi-weekly basis or as they may otherwise agree. The Proposal Trustee shall be authorized to immediately apply any such payments made by the Applicant to their fees and disbursements and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

DIP FINANCING AND DIP CHARGE

5. The Applicant is hereby authorized and empowered to obtain and borrow under a credit facility (the "**DIP Facility**") from 2811153 Alberta Ltd. (the "**DIP Lender**") in order to finance the Applicant's working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed the principal amount of $25,000 unless permitted by further Order of this Court.

6. The DIP Facility shall be on the terms and subject to the conditions set forth in the term sheet attached as Exhibit "G" to the Fisher Affidavit, filed with such minor modifications and amendments that may be agreed to by the parties thereto and consented to by the Proposal Trustee (the "**Term Sheet**").

7. The Applicant is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as may be reasonably required by the DIP Lender pursuant to the terms of the Term Sheet, and the Applicant is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

8. The DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Applicant's current and future assets, undertakings and properties of every nature and kind whatsoever and wherever situate including all proceeds thereof (the "**Property**"). The DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraph 11 hereof.

9. Notwithstanding any other provision of this Order:

(a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents; and

(b) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or any of them or the Property.

10. The DIP Lender shall be treated as unaffected in any proposal filed by the Applicant under the BIA, with respect to any advances made under the Term Sheet or the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES

11. The priorities of the Administration Charge and the DIP Lender's Charge (together, the "**Charges**"), as among them, shall be as follows:

(a) First – Administration Charge (to the maximum amount of $100,000); and

(b) Second – DIP Lender's Charge (to the maximum principal amount of $25,000 plus interest, fees, and costs).

12. The filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

13. Each of the Charges shall constitute a charge on the Property and shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any individual, firm, corporation, governmental agency, or any other entities (each and any, a "**Person**").

14. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with the Charges, unless the Applicant also obtains the prior written consent of the Proposal Trustee and the DIP Lender, or further Order of this Court.

15. The Term Sheet, the Definitive Documents and the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the charges entitled to the benefit of the Charges (the "**Chargees**") shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such

applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (each, an "**Agreement**") which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

(a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the Applicant or any of them of any Agreement to which it is a party;

(b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicant entering into the Term Sheet the creation of the DIP Lender's Charge, or the execution, delivery or performance of the Definitive Documents; and

(c) the payments made by the Applicant pursuant to this Order, the Term Sheet or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

16. The Charges created by this Order over leases of real property in Canada shall only be a charge in the Applicant's interest in such real property leases.

ENHANCED PROPOSAL TRUSTEE POWERS

17. Without limiting the duties and powers of the Proposal Trustee under the BIA, the Proposal Trustee is authorized and empowered, but not required, to:

(a) take any and all actions and steps and execute any and all documents and writings on behalf of, and in the name of, the Applicant in order to carry out its duties under this Order or any Order of the Court including to execute all documents relating to a sale process, as well as to execute and deliver any documents on behalf of the Applicant to implement transactions under a sale process approved by the Court;

(b) to apply for any vesting order or other orders necessary to convey any property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or Encumbrances affecting such property;

(c) with the assistance of the Sales Agent (defined below), conduct, supervise, and direct the marketing, sale, conveyance, transfer, assignment or disposal of any Property of the Applicant or any part or parts thereof, whether in the ordinary course of business or not; and

(d) engage, retain, or terminate the services of consultants, appraisers, agents, experts, auditors, managers, and such other personnel from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Proposal Trustee's powers and duties, including, without limitation, those powers and duties conferred by this Order;

and in each case, where the Proposal Trustee takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all others, including the Applicant and its current and former employees, directors, and officers, and without interference.

18. The Proposal Trustee shall not take possession of the Property and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Property, or any part thereof.

19. The Proposal Trustee shall not be liable for any employee-related liabilities of the Applicant in the administration of its powers and duties under this Order, including any successor employer liabilities provided for in Section 14.06(1.2) of the BIA or any other similar federal or provincial legislation or regulations. Nothing in this Order shall cause the Proposal Trustee to be liable for any employee-related liabilities of the Applicant, including wages, severance pay, termination pay or benefit amounts (including without limitation premiums or benefit payments).

20. The enhancement of the Proposal Trustees powers at set forth herein, the exercise by the

Proposal Trustee of any of its powers, the performance by the Proposal Trustee in any of its duties, or the use or employment by the Proposal Trustee of any person in connection with this appointment and the performance of its powers and duties shall not constitute the employer, successor employer or related employer of the employees of the Applicant within the meaning of any provincial, federal or municipal legislation or common law governing employment, pensions or labor standards or any other statute, regulation or rule of law or equity for any purpose whatsoever or expose the Proposal Trustee to liability to any individuals arising from or relating to the previous employment by the Applicant.

21. The Proposal Trustee is not, and shall not be or deemed to be, director, officer or employee of the Applicant.

22. Nothing in this Order shall constitute or be deemed to constitute the Proposal Trustee as a receiver, assignee, liquidator, administrator, receiver manager, agent of the creditors or legal representative of the Applicant within the meaning of any relevant legislation and that any distribution made to creditors of the Applicant by the Proposal Trustee will be deemed to have been made by the Applicant itself.

23. The Proposal Trustee shall incur no liability or obligation as a result of its appointment or the carrying out of its duties under the BIA or the provisions of this Order or any other orders which may be made by this Court, save and except for any liability arising from gross negligence or wilful misconduct on the part of the Proposal Trustee. Nothing in this Order shall derogate from the protections afforded to the Proposal Trustee by the BIA, any other order of this Court in the within proceeding, or any other applicable legislation.

24. Nothing in this Order shall prevent the Proposal Trustee from acting as a trustee in bankruptcy of the Applicant or any of its wholly-owned subsidiaries.

25. No proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Proposal Trustee except with the written consent of the Proposal Trustee or with leave of this Court.

APPROVAL OF SALES AGENT ENGAGEMENT

26. The engagement letter dated April 21, 2026 (the "**Engagement Letter**") between the Proposal Trustee and the Sales Agent is hereby authorized and approved, *nunc pro tunc*, and the Proposal Trustee is authorized to take all such steps and execute all such documents as may be necessary or desirable to give effect to the Engagement Letter.

27. The Proposal Trustee is authorized to disclose such confidential information to the Sales Agent as may be necessary for the performance of its mandate, subject to the terms of the Engagement Letter, this Order and any further Order of the Court.

28. Nothing in this Order shall limit the ability of the Proposal Trustee to terminate or modify the engagement of the Sales Agent in accordance with the terms of the Engagement Letter or further order of the Court.

APPROVAL OF THE SALE PROCESS

29. The sale process, including its auction procedures, in the form set out in Schedule "A" to this Order (the "**Sale Process**") in respect of the Property (as defined under the Sale Process) of the Applicant be and is hereby approved. The Proposal Trustee and the Sales Agent are authorized and directed to take any and all actions as may be necessary or desirable to implement and carry out the Sale Process in accordance with its terms and this Order.

30. Any step taken by the Proposal Trustee or the Sales Agent in connection with the Sale Process prior to the date of this Order is approved and ratified.

31. Each of the Proposal Trustee, the Sales Agent, the Applicant and their respective affiliates, partners, employees, directors, representatives, and agents shall have no liability with respect to any and all losses, claims, damages or liability, of any nature or kind, to any person in connection with or as a result of performing their duties under the Sale Process, except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct of the Proposal Trustee, Sales Agent or the Applicant, as applicable, in performing their obligations under the Sale Process, as determined by this Court.

32. The Proposal Trustee and the Sales Agent be and are hereby authorized to disclose to any Potential Bidder (as defined in the Sale Process) any information or documentation contained in the Applicant' records (including, without limitation, confidential or commercially sensitive information or documentation) regarding the assets and/or parties with whom the Applicant transact (collectively, "**Confidential Information**"); provided that the Proposal Trustee and the Sales Agent shall only disclose such Confidential Information that the Proposal Trustee and the Sales Agent determine is reasonably necessary to permit a Potential Bidder to conduct the necessary due diligence with respect to a potential transaction or that is otherwise necessary to implement the Sale Process.

STALKING HORSE AGREEMENT

33. The Applicant is hereby authorized and empowered, *nunc pro tunc,* with such minor amendments as may be acceptable to each of the parties thereto, and approved by the Proposal Trustee, to execute, deliver, and enter into the Stalking Horse Asset Purchase Agreement dated April 24, 2026 (the "**Stalking Horse Agreement**") between the Applicant and 2811153 Alberta Ltd. (the "**Stalking Horse Bidder**"), substantially in the form attached as Exhibit "F" to the Fisher Affidavit. For greater certainty, the Stalking Horse Agreement is approved only as the Stalking Horse Bid (as defined in the Stalking Horse Agreement) and the approval of any sale and vesting of any Property to the Stalking Horse Bidder shall be considered by this Court on a subsequent motion made to this Court.

34. The Break Fee (as defined in the Stalking Horse Agreement) is approved and, in the event the Stalking Horse Bidder is not the Successful Bidder (as defined in the Sale Process), the Applicant is authorized and directed to pay the Break Fee to the Stalking Horse Bidder subject to and in accordance with the terms of the Stalking Horse Agreement.

APPROVAL OF PROPOSAL TRUSTEE'S FIRST REPORT

35. The First Report and the conduct and activities of the Proposal Trustee as set out therein, be and are hereby approved; provided, however, that only the Proposal Trustee, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

PROTECTION OF PERSONAL INFORMATION

36. The Applicant is authorized and permitted to transfer to the Proposal Trustee personal information of identifiable individuals (“**Personal Information**”) in the Applicant’s custody and control solely for the purposes of assisting with and conducting the Sale Process, as applicable, and only to the extent necessary for such purposes, and the Proposal Trustee is hereby authorized to make use of such Personal Information solely for the purposes as if it were an Applicant.

37. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 (Canada) and any similar legislation in any other applicable jurisdictions, the Proposal Trustee and the Sales Agent and each of their respective advisors are hereby authorized and permitted to disclose and transfer to each Potential Bidder (as defined in the Sale Process) and their advisors Personal Information, including, without limitation, information in the custody or control of the Applicant relating to the operation of the businesses being sold pursuant to the Sale Process and records pertaining to the Applicant’s past and current employees and information on specific customers, but only to the extent desirable or required to negotiate or attempt to complete a transaction under the Sale Process (each a “**Transaction**”). Each Potential Bidder to whom any Personal Information is disclosed shall maintain and protect the privacy of such Personal Information and limit the use of such Personal Information to its evaluation of a Transaction, and if it does not complete a Transaction, shall return all such information to the Proposal Trustee or the Sales Agent, or in the alternative destroy all such information. Any Successful Bidder(s) (as defined in the Sale Process) shall maintain and protect the privacy of such information and, upon closing of the Transaction, shall be entitled to use the Personal Information provided to it that is related to the property acquired pursuant to the Transaction in a manner that is in all material respects identical to the prior use of such information by the Applicant, and shall return all other Personal Information to the Proposal Trustee and the Sales Agent, or ensure that all other Personal Information is destroyed.

GENERAL

38. The Proposal Trustee or the Sales Agent may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their powers and duties under the Sale Process.

39. Each of the Applicant and the Proposal Trustee be at liberty and are 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.

40. 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 Applicant, the Proposal Trustee, and their respective 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 Applicant and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Applicant and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

41. Pursuant to section 3(c) of the *Electronic Commerce* Protection *Regulations*, Reg. 81000-2-175 (SOR/DORS), the Proposal Trustee, the Applicant and their respective counsel are hereby authorized and permitted to send, or cause or permit to be sent, commercial electronic messages to an electronic address of prospective bidders or offerors and to their advisors, or any interested party that the Proposal Trustee or the Applicant consider appropriate, but only to the extent required to provide information with respect to the SISP in these proceedings.

42. This Order and all of its provisions are effective as of 12:01 a.m. on the date of this Order without any need for entry and filing.

43. The Applicant or the Proposal Trustee may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

44. Notwithstanding Rule 6.11 of the Alberta Rules of Court, unless otherwise ordered by this Court, the Proposal Trustee will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Proposal Trustee’s reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.

45. Service of this Order shall be deemed good and sufficient by serving the same by posting a copy of this Order on the Proposal Trustee's website at https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/mechcangroup .

Michel Bourque

Justice of the Court of King's Bench of Alberta

Schedule “A”

Sale Process

SALE PROCESS
Harmony Heating and Air Conditioning Inc.

INTRODUCTION

On March 31, 2026, Harmony Heating and Air Conditioning Inc. ("**Harmony**" or the "**Company**") filed a Notice of Intention to Make a Proposal ("**NOI**") pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**", and such proceedings being the "**NOI Proceedings**"). BDO Canada Limited, a licensed insolvency trustee, was appointed as proposal trustee (the "**Proposal Trustee**") under the NOI Proceedings.

On or about April 29, 2026, the Company intends to seek an order (the "**Initial Proposal Order**") from the Court of King's Bench of Alberta (the "**Court**") that approves, among other things:

- the Sale Process (the "**Sale Process**") for the marketing and sale of the Company's business and assets (together, the "**Property**");

- the engagement of BDO Canada Transaction Advisory Services Inc. as sales agent (the "**Sales Agent**") to assist the Proposal Trustee with carrying out the Sale Process;

- a stalking horse asset purchase agreement (the "**Stalking Horse Agreement**") between the Company, as vendor, 2811153 Alberta Ltd., as purchaser (in such capacity, the "**Stalking Horse Bidder**"), pursuant to which the Stalking Horse Bidder will (i) make an offer to purchase the Property; and (ii) act as a stalking horse bid in the Court-supervised Sale Process in the NOI Proceedings (the "**Stalking Horse Bid**"); and

- the Proposal Trustee, with the assistance of the Company's management team and the Sales Agent, to undertake the Sale Process.

The Sale Process herein sets out the manner in which: (a) binding offers for executable transactions involving all or substantially all, or any portion, of the Property will be solicited from interested parties; (b) any such offers received will be evaluated; (c) any Successful Bid (as defined below) will be selected; and (d) the Proposal Trustee will seek Court approval of any Successful Bid.

The Sale Process will be conducted by the Sales Agent and the Proposal Trustee in the manner set forth herein and in accordance with the Initial Proposal Order. In the event there is a disagreement as to the interpretation or application of the Sale Process, the Court will have exclusive jurisdiction to hear and resolve any such dispute.

The Proposal Trustee will post on the Proposal Trustee's website any modification, amendment, variation or supplement to the Sale Process and will inform the bidders impacted by such modification, amendment, variation or supplement.

In the Sale Process, (i) "**Business Day**" means any day (other than Saturday or Sunday) that banks are open for business in Calgary, Alberta. If any deadline date referred to in the Sale Process falls on a day that is not a Business Day, then such date shall be extended until the next Business Day; and (ii) the words "include", "includes" and "including" shall be deemed to be followed by the phrase, "without limitation".

THE OPPORTUNITY

1. The Sale Process is intended to solicit interest in, and opportunities for, a sale of all or substantially all or part of the Property as a going concern or otherwise, or some combination thereof that is superior to the Stalking Horse Bid (the "**Opportunity**").

2. In the context of the Sale Process, a bid that is superior to the Stalking Horse Bid (a "**Superior Bid**") means a credible, reasonably certain and financially viable Qualified Bid (as defined below), the terms of which are, as determined by the Proposal Trustee (in consultation with the Sales Agent), acting reasonably, no less favourable and no more burdensome or conditional than the terms contained in the Stalking Horse Agreement, and which has a proposed purchase price that is equal to or greater than the Purchase Price (as defined in the Stalking Horse Agreement) plus a minimum additional amount of $40,000.

3. The Initial Proposal Order, the procedures in respect of the Sale Process as contained herein (the "**Sale Process Procedures**") and any subsequent orders issued by the Court pertaining to the Sale Process Procedures shall exclusively govern the process for soliciting and selecting bids in respect of the Opportunity.

4. The Sale Process contemplates a one stage process that involves the submission by interested parties of binding offers by the Bid Deadline (as defined below).

"AS IS, WHERE IS"

5. Any sale of the Property will be on an "*as is*, *where is*" basis and without surviving representations or warranties, covenants or indemnities of any kind, nature, or description by the Company, the Sales Agent, the Proposal Trustee, or any of their respective agents, advisors or representatives, and all of the right, title and interest of the Company in and to the Property to be acquired, will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to a Sale Approval Order (defined below).

TIMELINE

6. The following table sets out the key milestones under the Sale Process:

Milestone	Deadline
Create listing of Known Potential Bidders	In progress
Commencement of Sale Process	April 30, 2026
Distribution of Teaser Letter and Marketing Materials	Within five (5) Business Days of issuance of Initial Proposal Order
Distribution of the Notice	Within five (5) Business Days of issuance of Initial Proposal Order
Insider Notice Deadline	May 8, 2026
Bid Deadline	May 25, 2026
Auction Date (if necessary)	No later than May 30, 2026
Hearing of the Sale Approval Motion	No later than June 15, 2026
Outside Date for closing of the Successful Bid(s)	10 days after Sale Approval Motion

7. The dates set out in the Sale Process may be revised or extended by the Proposal Trustee in its sole discretion.

SOLICITATION OF INTEREST

8. As soon as reasonably practicable:

    (a) the Sales Agent, with the approval of the Proposal Trustee, will prepare a list of potential bidders, including: (i) parties that have approached the Proposal Trustee or the Sales Agent indicating an interest in the Opportunity; (ii) any parties identified by the Company and/or its advisors as potential bidders; and (iii) domestic and international strategic and financial parties who the Proposal Trustee believes may be interested in the Opportunity (collectively, "**Known Potential Bidders**");

    (b) the Proposal Trustee will arrange for a notice of the Sale Process (and such other relevant information which the Proposal Trustee considers appropriate) (the "**Notice**") to be published in *The Globe and Mail* (National Edition) and any other newspaper or journal as the Proposal Trustee considers appropriate, if any, as soon as possible and by no later than five (5) Business Days after issuance of the Initial Proposal Order; and

(c) the Sales Agent, with the approval of the Proposal Trustee, will prepare: (i) a process summary (the "**Teaser Letter**") describing the Opportunity, outlining the Sale Process Procedures, and inviting recipients of the Teaser Letter to express their interest in the Opportunity pursuant to the Sale Process; and (ii) a non-disclosure agreement in form and substance satisfactory to the Proposal Trustee (the "**NDA**"). The Teaser Letter and NDA shall be sent to all Known Potential Bidders by no later than five (5) Business Days after the issuance of the Initial Proposal Order, and, in the case of any other party who requests a copy of the Teaser Letter and the NDA or who is identified to the Proposal Trustee or the Sales Agent as a Potential Bidder, as soon as reasonably practicable after such request or identification, as applicable.

POTENTIAL BIDDERS

Delivery of Confidential Information Package

9. Any party who wishes to participate in the Sale Process (a "**Potential Bidder**") must provide to the Sales Agent, the following:

(a) an executed NDA;

(b) a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder, and full disclosure of the direct and indirect principals of the Potential Bidder; and

(c) subject to the request of the Proposal Trustee, such form of financial disclosure and credit quality support or enhancement that allows the Proposal Trustee to make a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate a transaction in respect of the Opportunity.

10. If the Proposal Trustee determines, exercising its reasonable business judgment, that a Potential Bidder has: (i) delivered the documents contemplated in paragraph 9; (ii) the financial capability based on the availability of financing, experience and other considerations, to be able to consummate a transaction in respect of the Opportunity pursuant to the Sale Process; and (iii) complies with all requirements set forth in paragraph 24, then such Potential Bidder shall be deemed to be a "**Qualified Bidder**." For greater certainty, no Potential Bidder shall be deemed to be a Qualified Bidder without the approval of the Proposal Trustee.

11. The Sales Agent, with the approval of the Proposal Trustee, will prepare and share with each Qualified Bidder a confidential information package providing additional information considered relevant to the potential transaction (the "**Confidential Information Package**") and a copy of the Stalking Horse Agreement.

12. Without limiting the generality of any term or condition of any NDA, unless otherwise agreed by the Sales Agent and the Proposal Trustee, no Potential Bidder or Qualified Bidder shall be permitted to have any discussions with: (a) any counterparty to any contract with the Company, any creditor of the Company, any current or former director, manager, shareholder, officer, member or employee of the Company (or any of them), other than in the normal course of business and which discussions shall be wholly unrelated to the Company, the potential transaction, the confidential information, the Sale Process or the NOI Proceedings; and (b) any other Potential Bidder or Qualified Bidder regarding the Sale Process or any bids submitted or contemplated to be submitted pursuant thereto. Notwithstanding the foregoing, where any such communications are agreed to with the consent of the Sales Agent and the Proposal Trustee, such discussions shall be made in the presence of one or both of the Sales Agent and the Proposal Trustee.

13. The Sales Agent, Proposal Trustee, and each of their advisors make no representation or warranty as to the completeness and accuracy of the information contained in the Confidential Information Package or otherwise made available pursuant to the Sale Process, except to the extent expressly contemplated in any definitive transaction document between the Successful Bidder (defined below) and the Company. None of the Sales Agent, the Proposal Trustee or the Company is responsible for, and will bear no liability with respect to, any information provided and obtained by any party in connection with the Company or the sale of the Property.

14. Qualified Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property in connection with their participation in the Sale Process and any transaction they enter into with the Company.

Insider Participation

15. Neither the Sales Agent nor the Proposal Trustee shall furnish any information to any officer, director, or employee of, or other non-arms' length party in relation to, the Company (each, an "**Insider**") where the Insider's receipt of such information might create an unfair advantage or jeopardize the integrity of the Sale Process, unless such Insider irrevocably confirms in writing to the Sales Agent that he, she or it will not submit or participate directly or indirectly in the submission of a Bid (an "**Insider Notice**") by no later than May 8, 2026 (the "**Insider Notice Deadline**").

16. Any Insider who has delivered an Insider Notice by the Insider Notice Deadline shall not be entitled to participate directly or indirectly as a Potential Bidder, Qualified Bidder, or Successful Bidder in the Sale Process and shall thereafter be entitled to receive such updates and information regarding the status of the Sale Process as the Proposal Trustee, in consultation with the Sales Agent, deems appropriate.

17. The Stalking Horse Bidder is an Insider within the meaning of paragraph 15.

18. For greater certainty, any Insider who participates in the submission of a Bid, including the Stalking Horse Bidder: (i) shall not be provided with information about the identities of other Potential Bidders or Qualified Bidders or the terms of any Bid or Qualified Bid; and (ii) shall not participate in the review or consideration by the Proposal Trustee, with the assistance of the Sales Agent, of any Bids, the determination of any Qualified Bids, the selection of a Successful Bid(s), or the negotiation of final transaction document(s).

19. Despite the restrictions described in paragraph 18 above, the Proposal Trustee may communicate with, disclose necessary information to, or seek information from any Insider who participates in the submission of a Bid, including the Stalking Horse Bidder, for the purposes of administering the Sale Process and finalizing transaction document(s).

Due Diligence

20. The Sales Agent, with the approval of the Proposal Trustee, shall, in its reasonable business judgment and subject to competitive and other business considerations, afford each Qualified Bidder such access to due diligence materials and information relating to the Property as they reasonably request. Due diligence access may include management presentations, access to electronic data rooms, on-site inspections, and other matters which a Qualified Bidder may reasonably request and as to which the Proposal Trustee, in its reasonable business judgment, may agree.

21. The Proposal Trustee will designate a representative of the Sales Agent to coordinate all reasonable requests for additional information and due diligence access from a Qualified Bidder and the manner in which such requests must be communicated.

22. None of the Sales Agent, the Proposal Trustee or the Company will be obligated to furnish any information relating to the Property to any person other than a Qualified Bidder. Further, and for the avoidance of doubt, selected due diligence materials may be withheld from certain Qualified Bidders if the Proposal Trustee determines such information to represent proprietary, privileged, or sensitive competitive information.

23. The Proposal Trustee, the Sales Agent, and the Company are not responsible for, and will bear no liability with respect to, any information obtained by any party in connection with the Opportunity.

QUALIFIED BIDS

Qualified Bid Requirements

24. Qualified Bidders that wish to make a formal offer to purchase all or a portion of the Property shall submit a binding offer (a "**Bid**") on substantially the same terms and conditions as the terms and conditions contained in the Stalking Horse Agreement. In order to be considered a "**Qualified Bid**", a Bid must meet the following minimum criteria:

(a) the Bid must be received by the Sales Agent at the address specified in Schedule "A" hereto (including by email), so as to be received by the Sales Agent no later than 5:00 PM (Mountain Standard Time) on May 25, 2026 (the "**Bid Deadline**");

(b) the Bid sufficiently identifies the Qualified Bidder and the representatives thereof who are authorized to act on the Qualified Bidder's behalf;

(c) the Bid is an offer to purchase some or all of the Property and is substantially in the form of the Stalking Horse Agreement, with a blackline of the Bid to the Stalking Horse Agreement, reflecting the Qualified Bidder's proposed changes;

(d) the Bid must be accompanied by a deposit by way of certified cheque or wire transfer payable to the Proposal Trustee, in an amount equal to at least 10% of the aggregate purchase price payable under the Bid;

(e) the Bid must be accompanied by a letter stating that the Qualified Bidder's offer is binding and irrevocable until the selection of the Successful Bidder (as defined below), provided that if such Qualified Bidder is selected as the Successful Bidder, then its offer shall remain irrevocable until the earlier of (i) the closing of the transaction with the Successful Bidder and (ii) [10] days following the Sale Approval Order, subject to further extensions as may be agreed to under the applicable transaction agreement;

(f) the Bid must be on terms no less favourable and no more burdensome or conditional than the Stalking Horse Agreement;

(g) the Bid must not be conditional on: (i) the outcome of unperformed due diligence by the Qualified Bidder, (ii) obtaining financing; or (iii) any other material conditions that are not otherwise contained in the Stalking Horse Agreement and that, in the Proposal Trustee's reasonable business judgment, unduly increases the risk that the proposed transaction will not close on or before the target closing date;

(h) the Bid includes an acknowledgment and representation that the bidder: (i) has had an opportunity to conduct any and all required due diligence prior to making its bid, and has relied solely upon its own independent review, investigation and inspection in making its bid; (ii) is not relying upon any written or oral statements, representations, promises, warranties, conditions, or guaranties whatsoever, whether express or implied (by operation of law or otherwise), made by any person or party, including the

Company, the Proposal Trustee, and their respective employees, officers, directors, agents, advisors (including legal counsel) and other representatives, regarding the proposed transaction, this Sale Process, or any information (or the completeness of any information) provided in connection therewith, except as expressly stated in the proposed transaction documents; (iii) is making its bid on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Company, the Proposal Trustee, or any of their respective employees, officers, directors, agents, advisors and other representatives, except to the extent set forth in the proposed transaction documents; (iv) is bound by this Sale Process and the Initial Proposal Order; and (v) is subject to the exclusive jurisdiction of the Court with respect to any disputes or other controversies arising under or in connection with the Sale Process or its bid;

(i) the Bid must include a description of those liabilities and obligations (including operating liabilities) which the Qualified Bidder intends to assume and such liabilities and obligations it does not intend to assume;

(j) where the Bid is submitted on an aggregated or combined basis across one or more Affiliate Sales Processes (as defined below), the Bid must include a purchase price allocation meeting the requirements set out in paragraph 36;

(k) the Bid must be accompanied by written evidence of a commitment for financing or other evidence of the Qualified Bidder's ability to consummate the transaction contemplated by the Bid;

(l) the Bid includes a statement that the bidder will bear its own costs and expenses (including all legal and advisor fees) in connection with the proposed transaction;

(m) the Bid does not include any request for or entitlement to any break fee, expense reimbursement, or similar type of payment;

(n) the Bid includes details of the bidder's intended treatment of the Company's stakeholders under or in connection with the proposed bid, including the Company's secured creditors, unsecured creditors, employees, customers, suppliers, contractual counterparties and equity holders;

(o) it contemplates the closing of the transaction by no later than the Outside Date; and

(p) the Bid must be for a purchase price equal to or greater than the sum of the Purchase Price (as defined in the Stalking Horse Agreement) plus a minimum additional amount of $40,000.

25. The Proposal Trustee may, in its discretion, request revisions or supplements to any Bid received prior to the Bid Deadline.

Designating Qualified Bids

26. Following the Bid Deadline, the Proposal Trustee will assess the Bids received, in consultation with the Sales Agent. Bids shall be evaluated based upon several factors, including the following considerations:

    (a) the proposed purchase price and the net value provided to the Company by such Bid;

    (b) where applicable, the purchase price allocation provided with a Bid submitted on an aggregated or combined basis across one or more Affiliate Sales Processes;

    (c) the identity, circumstances, and ability of the Potential Bidder to successfully complete the transaction contemplated under the Bid;

    (d) the proposed transaction documents;

    (e) factors affecting the speed, certainty and value of the transaction;

    (f) the assets included or excluded from the Bid;

    (g) the liabilities to be assumed in the transaction;

    (h) the likelihood and timing of consummating such transaction; and

    (i) whether the transaction results in a Superior Bid.

27. The Proposal Trustee may contact any Potential Bidder to clarify the terms of any Bid, and the applicable Potential Bidder may amend, modify or vary such Bid for the purpose of clarification.

28. The Proposal Trustee may designate the most competitive Bids that comply with the requirements set out herein as "**Qualified Bids**." The transaction contemplated by the Stalking Horse Agreement shall be deemed to be a Qualified Bid. The Proposal Trustee shall be under no obligation to deem any Bids as Qualified Bids.

29. Only Qualified Bidders (including the Stalking Horse Bidder) whose bids have been designated as a Qualified Bid are eligible to participate in the Auction (if any) and/or become the Successful Bidder.

30. The Proposal Trustee may waive strict compliance with any one or more of the requirements set forth in paragraph 24 and deem any such non-compliant Bid to be a Qualified Bid.

31. The Proposal Trustee, with the assistance of the Sales Agent, may aggregate separate Bids from unaffiliated Qualified Bidders to create one Qualified Bid.

32. The Proposal Trustee shall notify each Qualified Bidder in writing as to whether its Bid constituted a Qualified Bid within four (4) Business Days following the Bid Deadline, or at such later time as the Proposal Trustee deems appropriate, in consultation with the Sales Agent.

33. If no Qualified Bid(s) other than the Stalking Horse Agreement have been received by the Bid Deadline, then the Stalking Horse Bid will be declared to be the "**Successful Bid**" and, in such situation, the Stalking Horse Bidder shall be the "**Successful Bidder**". The determination of any Successful Bid by the Proposal Trustee shall be subject to approval by the Court.

Aggregation of Qualified Bids

34. The Proposal Trustee, in consultation with the Sales Agent shall be entitled to consider, evaluate and aggregate or combine one or more Bids or components of Bids submitted in respect of the assets or businesses of the Company and any of its affiliates that are subject to contemporaneous or related sales processes, including MechCan Inc. and J.D. Swallow Heating Contractors Inc. (each, an "**Affiliate Sales Process**" and together, the "**Affiliate Sales Processes**").

35. The Proposal Trustee, in consultation with the Sales Agent may, (i) permit bidders to submit Bids on an individual, combined, or alternative basis across one or more Affiliate Sales Processes, and (ii) evaluate such Bids on a standalone or aggregated basis.

36. Where a bidder submits a bid on an aggregated or combined basis across one or more Affiliate Sales Processes, such bidder shall include with its Bid a purchase price allocation, in form and substance satisfactory to the Proposal Trustee (in consultation with the Sales Agent), that allocates the aggregate purchase price among the applicable entities and/or assets (including any allocation as between assets and assumed liabilities, if applicable).

AUCTION PROCESS AND SELECTION OF SUCCESSFUL BID

37. If the Proposal Trustee receives multiple Bids that are designated as Qualified Bids, the Proposal shall invite all Qualified Bidders to attend an Auction with the Stalking Horse Bidder to be held on May 30, 2026 (the "**Auction**"), which Auction

shall be conducted and administered by the Proposal Trustee in accordance with the terms of the Auction procedures set out in Schedule "B".

38. Save and except for the Stalking Horse Bid, the Proposal Trustee shall be under no obligation to accept the highest or best offer, or any offer, as the Successful Bid, and the Proposal Trustee reserves the right to reject any or all Qualified Bids.

39. The closing of the transaction contemplated in the Successful Bid is expressly conditional upon the approval of the Successful Bid by the Court at the Sale Approval Motion (defined below).

SALE APPROVAL MOTION HEARING

40. The Proposal Trustee shall bring a motion (the "**Sale Approval Motion**") to the Court seeking one or more orders approving the Successful Bid and granting any necessary related relief required to consummate the transaction(s) contemplated therein, including the granting of a vesting order, as applicable, to the extent such relief is contemplated by the Successful Bid (the "**Sale Approval Order**").

41. All Qualified Bids (other than the Successful Bid) shall be deemed rejected on and as of the date of the closing of the Successful Bid, with no further or continuing obligation of the Proposal Trustee, Sales Agent, or Company to any unsuccessful Qualified Bidders except for the return of the deposits, described below.

DEPOSIT

42. All deposits shall be held by the Proposal Trustee in a single non-interest-bearing account designated solely for such purpose. A deposit paid by a Successful Bidder shall be dealt with in accordance with the definitive transaction document contemplated by the Successful Bid.

43. Deposits paid by Qualified Bidders who are not selected as the Successful Bidder shall be returned to such Qualified Bidder within three (3) Business Days after the date upon which the Successful Bid is approved pursuant to a Sale Approval Order or such earlier date as may be determined by the Proposal Trustee.

CONFIDENTIALITY AND ACCESS TO INFORMATION

44. All discussions regarding the Opportunity, Bids, Qualified Bids, or the Successful Bid must be directed through the Sales Agent and/or Proposal Trustee, as applicable. Under no circumstances should the Company, its management, employees, customers, creditors, or other stakeholders be contacted directly in respect of the Opportunity, without the prior written consent of the Sales Agent or the Proposal Trustee. Any such unauthorized contact or communication may result in exclusion of the party from the Sale Process, in the sole discretion of the Proposal Trustee.

45. Unless expressly provided for herein, participants and prospective participants in the Sale Process shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Potential Bidders, Qualified Bidders, or Successful Bidder(s), or the details of any Bids submitted or the details of any confidential discussions or correspondence between the Sales Agent, the Proposal Trustee, and such other Potential Bidders, Qualified Bidders, or Successful Bidder(s) in connection with the Sale Process, except to the extent that the Proposal Trustee are seeking to combine separate Bids to form a Qualified Bid.

46. Other than as shall be required in connection with any Sale Approval Motion, neither the Sales Agent or the Proposal Trustee shall share any material information concerning any of the Bids with any person other than the Company.

SUPERVISION OF THE SALE PROCESS

47. The Proposal Trustee, in consultation and with the assistance of the Sales Agent, shall be responsible for conducting the Sale Process in the manner set out herein.

48. The Sale Process does not, and will not be interpreted to, create any contractual or other legal relationship between the Sales Agent, the Proposal Trustee, or the Company, or any one or more of them, and any Known Potential Bidder, Potential Bidder, or Qualified Bidder or any other party, other than as specifically set forth in a definitive agreement that may be entered into between the Successful Bidder and the Company. Each Potential Bidder, Qualified Bidder, or Successful Bidder expressly acknowledges and agrees that the Sales Agent, Proposal Trustee, and the Company have not made any commitment or otherwise incurred any obligation to consider or conclude any transaction with that party.

49. Without limiting the generality of paragraph 48, the Sales Agent and the Proposal Trustee shall not have any liability whatsoever to any person or party, including, without limitation, any Known Potential Bidder, Qualified Bidder, the Successful Bidder, the Company or any other creditor or other stakeholder of the Company, for any act or omission related to the process contemplated by the Sale Process Procedures. By submitting a Bid, each Known Potential Bidder, Qualified Bidder or Successful Bidder shall be deemed to have agreed that it has no claim against the Sales Agent or the Proposal Trustee in respect of the Sale Process for any reason whatsoever.

50. Any consent, approval or confirmation to be provided by the Sales Agent and/or the Proposal Trustee pursuant to the terms of the Sale Process Procedures is ineffective unless provided in writing and any approval required pursuant to the terms hereof is in addition to, and not in substitution for, any other approvals required by the BIA or as otherwise required at law in order to implement a Successful Bid. For the avoidance of doubt, a consent, approval or confirmation provided by email shall be deemed to have been provided in writing for the purposes of this paragraph.

51. Participants in the Sale Process are solely responsible for all costs, expenses and liabilities, including, without limitation, finder's fees, broker's fees or any similar fees, incurred by them in connection with the submission of any Bid, due diligence activities, the Auction, and any further negotiations or other actions, whether or not they lead to the consummation of a transaction.

52. Notwithstanding the process and deadlines outlined above with respect to the Sale Process, the Sales Agent and the Proposal Trustee may at any time: (i) pause, terminate, amend or modify the Sale Process; (ii) remove any portion of the Property from the Sale Process; (iii) bring a motion to the Court to seek approval of a sale of all or part of the Property or the Company, whether or not such sale is in accordance with the terms or timelines set out in the Sale Process Procedures; and (iv) establish further or other procedures for the Sale Process, if, in their reasonable business judgment, such modification will enhance the process or better achieve the objectives of the Sale Process, provided that the service list in the NOI Proceedings shall be advised of any substantive modification to the procedures set forth herein.

53. At any time during the Sale Process, the Proposal Trustee may apply to the Court for advice and directions with respect to any aspect of this Sale Process including, but not limited to, the continuation of the Sale Process or with respect to the discharge of its powers and duties hereunder.

Schedule "A"

Address of Proposal Trustee, Proposal Trustee's Counsel and Sales Agent

BDO Canada Limited
500-20 Wellington Street East,
Toronto, ON M5E 1C5

Attention: Josie Parisi and Nicole Sagolili

Email : jparisi@bdo.ca
nsagolili@bdo.ca

With copies to:

Fasken Martineau DuMoulin LLP
333 Bay Street Suite 2400 Place,
Toronto, ON M5H 2T6

Attention: Dylan Chochla and Jennifer L. Caruso

Email: dchochla@fasken.com
jcaruso@fasken.com

and to:

BDO Canada Transaction Advisory
222 Bay Street, Suite 2200
Toronto, ON M5K 1H6

Attention: Brian Trainer and Adnan Shahid

Email: btrainer@bdo.ca
ashahid@bdo.ca

Schedule "B"

Auction Procedures

1. On or before May 28, 2026, the Proposal Trustee will confirm in writing to the Qualified Bidders who have submitted Qualified Bids that they will be invited to attend the Auction.

2. Unless otherwise ordered by the Court, only the authorized representatives, professional advisors or agents of the Stalking Horse Bidder and each Qualified Bidder shall be eligible to attend at the Auction and make any Subsequent Bid (as defined below) at the Auction.

3. All Qualified Bidders and the Stalking Horse Bidder at the Auction must have at least one individual representative with authority to bind such Qualified Bidders and the Stalking Horse Bidder present at the Auction.

4. The identity of each Qualified Bidder participating in the Auction will be disclosed, on a confidential basis, to each other Qualified Bidder.

5. The Auction, if any, shall be conducted by the Proposal Trustee, on or before May 30, 2026 at 10:00 a.m. (MST) via video conference.

6. Each Qualified Bidder and the Stalking Horse Bidder participating in the Auction shall be required to confirm on the record at the Auction that: (i) it has not engaged in any collusion with respect to the Auction and the bid process; (ii) any and all bids submitted at the Auction are good-faith *bona fide* offers; and (iii) it intends to consummate the proposed transaction if selected as the Successful Bid. For greater certainty, communications between the Stalking Horse Bidder and the Proposal Trustee with respect to and in preparation of the Stalking Horse Agreement will not represent collusion or communications prohibited by this paragraph.

7. At the Auction, all Qualified Bidders and the Stalking Horse Bidder shall be permitted to increase their Qualified Bids and the bid contemplated by the Stalking Horse Agreement in accordance with the procedures set forth herein (each, a "**Subsequent Bid**"). Where a Subsequent Bid is submitted on an aggregated or combined basis across one or more Affiliate Sales Processes, the bidder shall confirm or, as applicable, update the purchase price allocation previously provided in accordance with the Sale Process. All Subsequent Bids presented during the Auction shall be made and received via video conference on an open basis. All participating Qualified Bidders and the Stalking Horse Bidder shall be entitled to be present for all bidding with the understanding that the true identity of each participating Qualified Bidder shall be fully disclosed to all other Qualified Bidders and the Stalking Horse Bidder and that all material terms of each Subsequent Bid presented during the Auction will be fully disclosed to the Stalking Horse Bidder and all other participating Qualified Bidders throughout the entire Auction.

8. The Auction shall be recorded by the Proposal Trustee for its exclusive use and shall not be recorded by any other party.

9. At least one (1) Business Day(s) prior to the Auction, the Proposal Trustee will advise the Stalking Horse Bidder and all other Qualified Bidders which of the Qualified Bidders or the Stalking Horse Bidder the Proposal Trustee has determined, in its reasonable business judgment, after consultation with its advisors, constitutes the then highest or otherwise best offer (the "**Starting Bid**").

10. Bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding, so long as during each round at least one Subsequent Bid is submitted by a Qualified Bidder or the Stalking Horse Bidder that: (i) improves upon such Qualified Bidder's immediately prior bid or the bid contemplated by the Stalking Horse Agreement, as the case may be, and meets the overbid requirement set forth in paragraphs 11 and 12 below; and (ii) the Proposal Trustee determines, in its reasonable business judgment, after consultation with its advisors, such Subsequent Bid is a higher or otherwise better offer than the then current leading Qualified Bid.

11. Bidding at the Auction shall be in minimum cash increments of $50,000 and shall continue until such time as the highest and best bid is determined by the Proposal Trustee, in its reasonable business judgment after consultation with its advisors. For the purpose of evaluating the value of the consideration provided by each bid (including any Subsequent Bid by the Stalking Horse Bidder) presented at the Auction, the value will: (i) be deemed to be the net consideration payable to the Company; and (ii) take into account any additional liabilities of the Company to be assumed by a Qualified Bidder or the Stalking Horse Bidder.

12. After the first round of bidding and between each subsequent round of bidding, the Proposal Trustee shall announce the Subsequent Bid that the Proposal Trustee has determined, in its reasonable business judgment, after consultation with its advisors, to be the then highest or best bid (the "**Leading Bid**"). A round of bidding will conclude after each participating Qualified Bidder and the Stalking Horse Bidder has had an opportunity to submit a Subsequent Bid with full knowledge of the Leading Bid.

13. If no Qualified Bidder or the Stalking Horse Bidder submits a Subsequent Bid (as determined by the Proposal Trustee) after a period of 15 minutes following the Proposal Trustee's acceptance of a Subsequent Bid as the Leading Bid, and the Proposal Trustee chooses not to adjourn the Auction further, then such Leading Bid shall be the "**Successful Bid**" and the Qualified Bidder or the Stalking Horse Bidder who submitted such Successful Bid, the "**Successful Bidder**". The Proposal Trustee shall enter into a definitive transaction document substantially on the same terms as the Successful Bid.

14. No bids will be considered for any purpose after the Auction has concluded.

15. At the Auction, the Proposal Trustee, after consultation with its advisors, shall be at liberty to modify or to set additional procedural rules for the Auction that are fair and reasonable under the circumstances provided, that such rules are: (a) not inconsistent with the Auction procedures set forth in this Schedule “B”, the BIA, any order of the Courts entered in connection with such Auction procedures; and (b) disclosed to each Qualified Bidder and the Stalking Horse Bidder at the Auction.0

APPENDIX B

Clerk's Stamp:

COURT FILE NUMBER / BANKRUPTCY ESTATE NUMBER	B301 354154
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PROCEEDING	IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF HARMONY HEATING AND AIR CONDITIONING INC.
DOCUMENT	**STAY EXTENSION ORDER**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**Reconstruct LLP** 80 Richmond Street West, Suite 1700 Toronto, Ontario M5H 2A4 Attention: Brendan Bissell Telephone: 416-613-0066 E-Mail: bbissell@reconllp.com Attention: Simran Joshi Telephone: 416.304.6589 Email: sjoshi@reconllp.com

DATE ON WHICH ORDER WAS PRONOUNCED:	**June 12, 2026**
NAME OF JUSTICE WHO MADE THIS ORDER:	**Honourable Justice Little**
LOCATION OF HEARING:	Edmonton **~~XXXXXX~~ Calgary, Alberta**

UPON THE APPLICATION of Harmony Heating and Air Conditioning Inc. (the "**Company**") pursuant to the *Bankruptcy and Insolvency Act,* R.S.C. 1985, c B-3, as amended (the "**BIA**") for an order that, among other things extends the stay of proceedings up to and including July 30, 2026;

AND UPON HAVING READ the Affidavit of Anthony Fisher, sworn on June 11, 2026, and the Second Report of BDO Canada Limited in its capacity as proposal trustee of the Company (in such capacity, the “**Proposal Trustee**”), dated as of June 11, 2026, and the Affidavit of Service of Alina Stoica sworn June 12, 2026, filed;

AND UPON HAVING HEARD the submissions of counsel for the Company, counsel for the Proposal Trustee, and any other counsel or interested parties present at the hearing of the within Application;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

EXTENSION OF TIME TO FILE A PROPOSAL

2. Pursuant to Section 50.4(9) of the BIA, the deadline for the Company to file a proposal be and is hereby extended up to and including July 30, 2026.

GENERAL

3. Each of the Company and the Proposal Trustee be at liberty and are 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.

4. 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 Applicant, the Proposal Trustee, and their respective 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 Company and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Company and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

5. This Order and all of its provisions are effective as of 12:01 a.m. on the date of this Order without any need for entry and filing.

6. The Company or the Proposal Trustee may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

7. Notwithstanding Rule 6.11 of the Alberta Rules of Court, unless otherwise ordered by this Court, the Proposal Trustee will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Proposal Trustee's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.

8. Service of this Order shall be deemed good and sufficient by serving the same by posting a copy of this Order on the Proposal Trustee's website at https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/mechcangroup .

Justice of the Court of King's Bench of Alberta

APPENDIX C

COURT FILE NUMBER / BANKRUPTCY ESTATE NUMBER	25-3354154
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PROCEEDING	IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF HARMONY HEATING AND AIR CONDITIONING INC.
DOCUMENT	**SECOND REPORT OF THE PROPOSAL TRUSTEE JUNE 11, 2026**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	<u>**PROPOSAL TRUSTEE**</u> BDO Canada Limited Suite 500, 20 Wellington Street East Toronto, ON M5E 1C5 Attention: Josie Parisi Telephone: 416-369-6031 Email: jparisi@bdo.ca <u>**PROPOSAL TRUSTEE'S COUNSEL**</u> Fasken Martineau DuMoulin LLP 350 – 7th Avenue SW, Suite 3400 Calgary, Alberta T2P 3N9 Attention: Dylan Chochla / Jessica Cameron Telephone: (416) 868-3425 / (403) 261-9468 E-Mail: dchochla@fasken.com / jcameron@fasken.com

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APPENDICES

INTRODUCTION

1. Harmony Heating and Air Conditioning Inc. (the **"Company"** or **"Harmony"**) is a privately held corporation incorporated pursuant to the *Business Corporations Act* (Alberta) on March 18, 2008. The Company specializes in the supply, installation and maintenance of heating, ventilation, and air conditioning ("**HVAC**") systems for residential and commercial customers.

2. On March 31, 2026, the Company filed a Notice of Intention to Make a Proposal (**"NOI"**) pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the **"BIA"**). BDO Canada Limited (**"BDO"**) was named as the Licensed Insolvency Trustee (in such capacity, the **"Proposal Trustee"**) in respect of the NOI (such proceedings commenced by filing the NOI, the **"Proposal Proceedings"**).

3. On April 27, 2026, the Proposal Trustee filed its First Report requesting a stay extension, among other relief. A copy of the First Report, without appendices, is attached hereto as **Appendix "A"**.

PURPOSE

4. This is the second report of the Proposal Trustee (the "**Second Report**"), to be filed in the Proposal Proceedings. The purpose of this Second Report is to provide the Court with information regarding:

   (a) the Proposal Trustee's activities since filing the First Report;

   (b) the status of the Sale Process (defined below) being conducted by the Proposal Trustee, with the assistance of BDO Canada Transaction Advisory Services Inc. (the "**Sales Agent**");

   (c) an update on the Company's cash flow and forecast, including (i) actual cash flows since the commencement of the Proposal Proceedings through to June 5, 2026, compared to the cash flow forecast (the "**Initial Cash Flow**"), and the Proposal Trustee's views on the variances; and (ii) the Company's cash flow projections for the week ending June 12, 2026 to the week ending July 31, 2026 (the "**Second Cash Flow Forecast**") and the Proposal Trustee's views on same;

(d) the Proposal Trustee's recommendation with respect to the Company's motion returnable June 12, 2026 seeking an Order (the "**Stay Extension Order**"), among other relief, approving an extension of time for the Company to make a proposal to its creditors and the related stays of proceedings for an additional 45-day period up to and including July 30, 2026;

5. This Second Report is to be read in conjunction with the Affidavit of Anthony Fisher sworn June 11, 2026 (the **"Fisher Affidavit"**).

6. The Fisher Affidavit, and all other materials filed with the Court in the Proposal Proceedings, are accessible on the Proposal Trustee's website at: https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/mechcangroup (the **"Proposal Trustee's Website"**).

TERMS OF REFERENCE

7. In preparing this Second Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Company, discussions with management of the Company ("**Management**"), and information from other third-party sources (collectively, the "**Information**"). Except as described in this Second Report in respect of the Second Cash Flow Forecast:

(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 such information in a manner that would wholly or partially comply with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance contemplated under CAS in respect of the Information; and

(b) Some of the information referred to in this Second Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.

8. Future-oriented financial information referred to in this Second 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 variances could be significant.

9. Unless otherwise indicated, the Proposal Trustee's understanding of factual matters expressed in this Second Report concerning the Company and its business is based on the Information, and not independent factual determinations made by the Proposal Trustee.

10. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

PROPOSAL TRUSTEE'S ACTIVITIES TO DATE

11. The Proposal Trustee has, among other things:

    (a) participated in various calls with Management and counsel for Harmony;

    (b) corresponded with creditors and other stakeholders who had questions regarding the Proposal Proceedings;

    (c) monitored Harmony's cash flow;

    (d) with the assistance of the Sales Agent and counsel to the Proposal Trustee, continued to conduct the Sale Process, including but not limited to:

        (i) participating in discussions with interested parties;

        (ii) reviewing and negotiating Bids; and

        (iii) presiding over the Auction;

    (e) monitored and performed variance analyses in respect of the Company; and

    (f) prepared this Second Report.

UPDATE ON THE SALE PROCESS

12. With the assistance of the Sales Agent, the Proposal Trustee has been conducting the sale process to solicit interest in and opportunities for a sale of all or substantially all or part of the assets and business of Harmony (the "**Sale Process**"). A copy of the Sale Process is attached hereto as **Appendix "B"**. Capitalized terms used below but not defined have the meanings given to them in the Sale Process.

13. The Sale Process had a Bid Deadline of June 1, 2026. As at the Bid Deadline, the Proposal Trustee and Sales Agent received multiple Bids for Harmony.

14. The Proposal Trustee reviewed the Bids, deemed each Bid a Qualified Bid, and invited the Qualified Bidders to attend the Auction. In consultation with the Sales Agent, the Proposal Trustee scheduled the Auction on Monday June 8, 2026, in accordance with its authority to revise or extend the dates under the Sale Process in its sole discretion.

15. After scheduling the Auction, the Proposal Trustee was made aware of certain allegations regarding the conduct of Anthony Fisher ("**Mr. Fisher**"), who is the current general manager of Harmony and the principal of 2811153 Alberta Ltd., who is the stalking horse bidder in the Sale Process. In order to ensure the fairness and integrity of the Sale Process, the Proposal Trustee adjourned the Auction to allow additional time to address those allegations.

16. Between June 6 and June 9, 2026, the Proposal Trustee corresponded with counsel for Mr. Fisher regarding the allegations that were brought to its attention. The Proposal Trustee received satisfactory responses from counsel for Mr. Fisher and determined that it was prepared to proceed to the Auction. The Proposal Trustee subsequently rescheduled the Auction for June 10, 2026.

17. Copies of the correspondence between the Proposal Trustee and counsel for Mr. Fisher, dated between June 6 and June 9, 2026, are collectively attached hereto as **Appendix "C"**. Copies of the correspondence were also uploaded to the virtual data room for the Sale Process so that all Qualified Bidders were made aware of those developments as soon as possible.

THE CASH FLOW

18. Throughout the Proposal Proceedings, the Proposal Trustee has received and reviewed the Initial Cash Flow Forecast. A copy of the summary of the Initial Cash Flow Forecast is attached hereto as **Appendix "D".**

19. As reflected under the Initial Cash Flow Forecast, for the nine-weeks ending June 5, 2026, Harmony's actual net cash flow was $14,196. The entity had a projected net cash inflow of $13,099. This represents an unfavourable variance of $1,096. During the cash flow period, actual receipts/sales were lower than forecast by $184,978 (-17%). As a result of the lower than expected sales, cash expenditure were lower by $186,075 (-17%). Overall, the net cash inflows resulted in an ending cash balance on June 5, 2026 of $48,282. During the period, the Company did not draw on the Interim Facility of $25,000.

20. The Company prepared a Second Cash Flow Forecast that incorporates the actual results from the Initial Cash Flow Forecast and projected results for the period ending July 31, 2026. A copy of the Second Cash Flow Forecast is attached hereto as **Appendix "E".**

21. Based on the Proposal Trustee's review of the Second Cash Flow Forecast, the Company is forecasted to have sufficient liquidity to fund its obligations throughout the requested stay extension period. The Company is projected to have an ending cash balance of $48,493 before drawing on the Interim Facility.

EXTENSION OF STAY OF PROCEEDINGS

22. On April 30, 2026, the Court of King's Bench of Alberta (the "**Court**") granted an Order (the "**Initial Proposal Order**") that, among other relief, extended the time for Harmony to make a proposal to its creditors up to and including June 15, 2026.

23. The Company is seeking an extension of the stay of proceedings and time to file a proposal from June 15, 2026, to July 30, 2026.

24. Harmony is seeking the extension to afford the Company and the Proposal Trustee with the opportunity to complete the Sale Process. The Sale Process contemplated seeking Court approval of the Successful Bid by no later than June 15, 2026 and that such transaction would be closed by no later than June 25, 2026. The Proposal Trustee has extended the timelines under the Sale Process to respond to the facts and circumstances as they arose

throughout the process and, consequently, is not in a position to obtain Court approval and close the transaction as originally contemplated.

25. The requested extension will provide sufficient time for the Proposal Trustee to finalize the asset purchase agreement with the Successful Bidder, seek Court approval of the transaction, close the transaction, and attend to any other necessary post-closing matters related to the administration of the Company's estate.

26. The Proposal Trustee supports the Company's extension request, for the following reasons:

(a) the Second Cash Flow Forecast demonstrates that the Company will have sufficient liquidity to satisfy its obligations as they come due during the proposed extension period;

(b) the extension of the stay would permit the Proposal Trustee, with the assistance of the Sales Agent, to complete the transaction under the Successful Bid and, accordingly, will increase the likelihood of the Company making a successful proposal to its creditors;

(c) without the stay extension, the Company would be deemed bankrupt, which would be to the detriment of its stakeholders;

(d) in the Proposal Trustee's view, the Company has acted, and continues to act, in good faith and with due diligence;

(e) no creditor would be materially prejudiced if the extension being applied for is granted; and

(f) as at the date of this Second Report, the Proposal Trustee is not aware of any party opposed to an extension.

CONCLUSIONS AND RECOMMENDATIONS

27. Based on the above, the Proposal Trustee respectfully recommends that the Court grant an order providing the relief described in paragraph 4(d) of this Second Report.

28. NBC, the Company's senior-most secured creditor, is supportive of the relief sought by the Company.

All of which is respectfully submitted this ● day of June, 2026.

BDO CANADA LIMITED
in its capacity as Proposal Trustee of
Harmony Heating and Air Conditioning Inc.
and not in its personal or corporate capacity

J. Parisi

Josie Parisi, CPA, CA, CBV, CIRP, LIT
Senior Vice President

COURT FILE NUMBER / BANKRUPTCY ESTATE NUMBER	B301-354154 25-3354154
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PROCEEDING	IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF HARMONY HEATING AND AIR CONDITIONING INC.
DOCUMENT	**FIRST REPORT OF THE PROPOSAL TRUSTEE** **APRIL 27, 2026**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**PROPOSAL TRUSTEE** BDO Canada Limited Suite 500, 20 Wellington Street East Toronto, ON M5E 1C5 Attention: Josie Parisi Telephone: 416-369-6031 Email: jparisi@bdo.ca **PROPOSAL TRUSTEE'S COUNSEL** Fasken Martineau DuMoulin LLP 350 – 7th Avenue SW, Suite 3400 Calgary, Alberta T2P 3N9 Attention: Dylan Chochla / Jessica Cameron Telephone: (416) 868-3425 / (403) 261-9468 E-Mail: dchochla@fasken.com / jcameron@fasken.com

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INTRODUCTION

1. Harmony Heating and Air Conditioning Inc. (the **"Company"** or **"Harmony"**) is a privately held corporation incorporated pursuant to the *Business Corporations Act* (Alberta) on March 18, 2008. The Company specializes in the supply, installation and maintenance of heating, ventilation, and air conditioning ("**HVAC**") systems for residential and commercial customers.

2. The Company is co-owned by MechCan Inc. ("**MechCan Inc.**") and Anthony Fisher ("**Fisher**"). MechCan is the majority shareholder, holding a 60% ownership interest in the Company, and Fisher holds the remaining 40% interest.

3. On March 31, 2026, the Company filed a Notice of Intention to Make a Proposal (**"NOI"**) pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the **"BIA"**). BDO Canada Limited (**"BDO"**) was named as the Licensed Insolvency Trustee (in such capacity, the **"Proposal Trustee"**) in respect of the NOI (such proceedings commenced by filing the NOI, the **"Proposal Proceedings"**). The Certificate of Filing of a Notice of Intention to Make a Proposal issued by the Office of the Superintendent of Bankruptcy is attached hereto as **Appendix "A"**.

PURPOSE

4. This is the first report of the Proposal Trustee (the "**First Report**") to be filed in the Proposal Proceedings. The purpose of this First Report is to provide the Court with information regarding:

   (a) the background on the circumstances leading to the Company's decision to commence the Proposal Proceedings;

   (b) background details regarding the MechCan Group (defined below);

   (c) details of the Company's creditors;

   (d) the Proposal Trustee's activities since its appointment;

   (e) an overview of the Company's 13-week cash flow forecast for the period April 6, 2026, to July 3, 2026 (the "**Cash Flow Forecast**") and the Proposal Trustee's comments regarding the reasonableness thereof; and

(f) the Proposal Trustee's recommendation with respect to the Company's motion returnable April 29, 2026 (the "**Company's Motion**"), seeking, among other relief:

  (i) an Order (the "**Initial Proposal Order**"), among other things:

    (A) extending the time by which the Company may file a proposal by 45 days up to and including June 15, 2026;

    (B) granting a first ranking administration charge over all of the Company's current and after-acquired assets, undertakings, and property (collectively, the "**Property**") in favour of Reconstruct LLP ("**Reconstruct**"), as counsel to the Company, the Proposal Trustee, the Sales Agent (defined below), and Fasken Martineau DuMoulin LLP as counsel to the Proposal Trustee ("**Fasken**" and together with Reconstruct, the Proposal Trustee and the Sales Agent, the "**Professional Group**"), to secure payment of their professional fees incurred in connection with these Proposal Proceedings in the maximum aggregate amount of $100,000 plus taxes and disbursements (the "**Administration Charge**");

    (C) approving the DIP Facility in the maximum principal amount of $25,000 and the proposed Term Sheet (each as defined below);

    (D) granting a charge over the Property to secure repayment of any borrowings under the Term Sheet in priority to all other encumbrances other than the Administration Charge (the "**DIP Lender's Charge** ");

    (E) granting the Proposal Trustee the authority to exercise certain enhanced powers that are in addition to the duties and powers prescribed under the BIA;

    (F) approving this First Report of the Proposal Trustee and its activities set out herein; and

(G) approving, *nunc pro tunc,* the Proposal Trustee's engagement of BDO Canada Transaction Advisory Services Inc. (the "**Sales Agent**") pursuant to an engagement letter between the Proposal Trustee and the Sales Agent dated as of April 21, 2026 (the "**Sales Agent Engagement Letter**");

(H) approving the proposed stalking horse sale process and auction procedures in respect of the Company (the "**Sale Process**");

(I) approving and authorizing the Company, *nunc pro tunc,* to enter into a stalking horse asset purchase agreement dated April 24, 2026 (the "**Stalking Horse Agreement**") among the Company as vendor, and 2811153 Alberta Ltd. (the "**Stalking Horse Bidder**") as purchaser, provided that any definitive agreement to be executed by the Company in respect of the sale of all or part of the Property (as defined in the Initial Proposal Order) shall require further approval of the Court;

(J) approving the Break Fee (as defined herein) contemplated in the Stalking Horse Agreement; and

(K) authorizing and directing the Proposal Trustee and the Sales Agent to take such steps as they deem necessary or desirable to carry out the Sale Process.

5. This First Report is to be read in conjunction with the Affidavit of Fisher sworn April 24, 2026 (the **"Fisher Affidavit"**).

6. The Fisher Affidavit, and all other materials filed with the Court in the Proposal Proceedings, are accessible on the Proposal Trustee's website at: https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/mechcangroup (the **"Proposal Trustee's Website"**).

TERMS OF REFERENCE

7. In preparing this First Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Company, discussions with management of the Company ("**Management**"), and information from other third-party sources (collectively, the "**Information**"). Except as described in this First Report in respect of the Cash Flow Forecast:

   (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 such information in a manner that would wholly or partially comply with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance contemplated under CAS in respect of the Information; and

   (b) Some of the information referred to in this First Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.

8. Future-oriented financial information referred to in this First 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 variances could be significant.

9. Unless otherwise indicated, the Proposal Trustee's understanding of factual matters expressed in this First Report concerning the Company and their business is based on the Information, and not independent factual determinations made by the Proposal Trustee.

10. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

BACKGROUND

11. The Company specializes in the supply, installation and maintenance of HVAC systems for residential and commercial customers.

12. According to a Corporate Profile Report obtained on March 11, 2026 (the "**Harmony Corporate Profile Report**"), the directors of the Company are Fisher, Arthur Phillips ("**Phillips**"), and Spencer Ross ("**Ross**"). The Proposal Trustee understands that Phillips and Ross both resigned from their positions as directors prior to the filing of the NOI. A copy of the Harmony Corporate Profile Report is attached as **Appendix "B".**

13. Phillips and Ross were formerly the directors and officers of MechCan. MechCan was incorporated for the purposes of consolidating HVAC and plumbing companies. Between February 2022 and August 2024, MechCan completed eleven (11) transactions, resulting in MechCan wholly or partially owning the following entities, among others:

    (a) Harmony;

    (b) J.D. Swallow Heating Contractors Inc. ("**J.D. Swallow**"), which operates primarily from Ottawa, Ontario;

    (c) Pro Ace Heating & Air Conditioning Ltd. ("**Pro Ace**"), which operates primarily from Burnaby, British Columbia;

    (d) Comfort Zone Heating & Air Conditioning Inc. ("**Comfort Zone**"), which operates primarily from Cobourg, Ontario;

    (e) Hy-Mark Mechanical Inc. ("**Hy-Mark**"), which operates primarily from Guelph, Ontario; and

    (f) BR's Plumbing & Heating Inc. ("**BRs**"), which operates primarily from Tilsonburg, Ontario (altogether with MechCan and the Company, the "**MechCan Group**").

14. Between March 31, 2026 and April 10, 2026, MechCan, Pro Ace, J.D. Swallow, Comfort Zone, Hy-Mark, and BRs also filed Notices of Intention to Make a Proposal under the BIA (the "**MechCan Group NOIs**") and BDO was also named as Proposal Trustee in respect of the MechCan Group NOIs.

15. The Proposal Trustee understands that there are other entities that are wholly or partially owned by MechCan and which are not listed above, which will not be filing NOIs.

16. The Company operates from leased facilities located at 427 51 Ave. SE, Calgary, Alberta. The premises are leased from an entity controlled by Fisher. The Proposal Trustee understands that the lease was surrendered by the Company, and is currently in the process of investigating the terms of the surrender.

17. The Company currently employs approximately 18 staff. None of the employees are unionized. Payroll is paid to employees on a bi-weekly basis.

18. Additional information about the Company and its background is included in the Fisher Affidavit filed in support of the Company's motion returnable April 29, 2026.

CIRCUMSTANCES LEADING TO THE PROPOSAL PROCEEDINGS

19. MechCan funded the acquisition of the Company, and the other entities in the MechCan Group, through a combination of debt from National Bank of Canada (the "**Lender**" or "**NBC**") of approximately $9 million and equity capital of approximately $15 million.

20. In or around early 2025, the MechCan Group began experiencing financial difficulties due to various challenges in the economic environment, including:

    (a) a reduction in consumer spending;

    (b) increased costs due to trade and tariff wars, coupled with an inability to meaningfully pass along price increases to consumers while remaining competitive in a saturated market;

    (c) the pandemic pull forward, whereby many households replaced HVAC systems and equipment during the COVID-19 pandemic, resulting in fewer repairs and replacements in the current market; and

    (d) the end of government rebate programs.

21. During the summer of 2025, MechCan's management undertook a turnaround plan which focused on operational initiatives in an effort to reduce costs. The turnaround plan initiatives included: i) the implementation of a field software platform to streamline the

MechCan Group's sales execution (Service Titan); ii) a cross-staffed call centre; iii) cost cutting through centralization; and iv) establishing marketing programs.

22. The cost of the initiatives together with the changed economic environment stressed the MechCan Group's liquidity, ultimately leading to the decisions to file the MechCan Group NOIs.

ASSETS

23. The Proposal Trustee understands that the Company's main assets consist of its accounts receivable, a relatively modest amount of inventory, various office equipment and some tools and vehicles used for workers to attend job sites.

SECURED LENDERS AND TRADE CREDITORS

Secured Creditors

NBC

24. Pursuant to an offer of financing from NBC to MechCan dated as of August 12, 2024 as amended by an amending agreement dated December 31, 2024, an amending agreement dated September 2, 2025 and as further amended from time to time (the "**Offer of Financing**"), NBC made certain credit facilities available to MechCan for the purposes of funding the operations of the MechCan Group. The loan facilities available under the Offer of Financing include: i) an operating line of credit, ii) a term loan and iii) credit cards.

25. Harmony has guaranteed all indebtedness and obligations owing by MechCan to NBC pursuant to an unlimited guarantee dated August 2024. This guarantee is secured by a General Security Agreement granted by Harmony in favour of NBC dated August 15, 2024.

26. As at March 16, 2026, Harmony's indebtedness in respect of its guarantee under the NBC Loan Facilities was $3,929,799.14.

Equipment Financiers

27. The Company also has a number of equipment financing agreements with various equipment financiers, in respect of vehicles used during the course of its operations.

28. According to searches of registrations against the Company under the Personal Property Registry (Alberta) (current as of April 19, 2026) ("**Alberta PPR Search Results**") and the *Personal Property Security Act* (Ontario) (current as of March 26, 2026) (the "**OPPSA Search Results**"), the following financiers have registered one or more financing statements against the Company:

(a) Somerville National Leasing & Rentals Ltd.;

(b) Summit Acceptance Corp;

(c) Ford Credit Canada Leasing, Division of Canadian Road Leasing Company;

(d) The Bank of Nova Scotia;

(e) Royal Bank of Canada;

(f) TD Auto Finance (Canada) Inc.; and

(g) Ford Credit Canada Company.

29. Copies of the Alberta PPR Search Results and the Ontario PPSA Search Results are attached hereto as **Appendices "C"** and **"D"**, respectively.

<u>Unsecured Creditors</u>

30. The Company reports approximately $883,000 in amounts owing to unsecured trade creditors as at the date of the NOI, which figure includes $130,000 of credit card debt owing to NBC which is part of the secured indebtedness. After backing out this figure, the total owing in unsecured debt is $753,000.

<u>Employees</u>

31. Payroll is paid bi-weekly. There is no employee pension plan. Employee wages and vacation pay are current to the last payroll.

<u>Canada Revenue Agency ("CRA")</u>

32. Management has advised the Proposal Trustee that as at the date of the NOI, there were no payroll source deductions or GST arrears owing to the CRA.

PROPOSAL TRUSTEE'S ACTIVITIES TO DATE

33. The Proposal Trustee has established the Proposal Trustee's Website for these Proposal Proceedings. All court documents and other relevant documents will continue to be posted as they are made available.

34. In accordance with its obligations under the BIA, the Proposal Trustee prepared and mailed a notice on April 1, 2026, to all known creditors who have a claim against the Company of more than $250, which includes information about these Proposal Proceedings. The Proposal Trustee sent additional notices as requested to creditors who became known after the notices were initially mailed on April 1, 2026.

35. Further, the Proposal Trustee has, among other things:

(a) participated in various calls with Management and the Company's counsel, Reconstruct;

(b) assisted the Company with stakeholder and customer communications;

(c) participated in various discussions with Management and certain stakeholders in connection with developing a sale and marketing process;

(d) reviewed and commented on the Cash Flow Forecast;

(e) created a weekly monitoring protocol to review the Company's weekly cash receipts and disbursements;

(f) corresponded with creditors and other stakeholders who had questions regarding the Proposal Proceedings;

(g) engaged the Sales Agent;

(h) reviewed and commented on the Stalking Horse Agreement; and

(i) prepared this First Report, including a preliminary review of the Company's assets, liabilities and operations.

CASH FLOW FORECAST

36. The Company's Cash Flow Forecast and related assumptions for the 13-week period from April 6, 2026, to July 3, 2026 (the "**Forecast Period**"), together with Management's report

on the Cash Flow Forecast (as required under subsection 50.4(2)(c) of the BIA) are attached hereto as **Appendix "E"**.

37. Based on the Proposal Trustee's review of the Cash Flow Forecast, there are no material assumptions which seem unreasonable in the present circumstances. The Proposal Trustee's report on the Cash Flow Forecast (as required under subsection 50.4(2)(b) of the BIA) is attached hereto as **Appendix "F"**.

38. The Cash Flow Forecast presents that the Company will experience net cash inflows of approximately $98,466 during the Forecast Period. However, due to the timing of projected receipts relative to disbursements, the Company projects that it may require interim financing in the aggregate amount of $25,000 to fund post-filing obligations. As a result, the Company is seeking approval of the DIP Facility (defined below) and a corresponding charge to pay its post-filing obligations, including the cost of these proceedings.

39. The Proposal Trustee has arranged reporting and monitoring processes with Management, which include reviewing the weekly budget versus actual cash flows, financial reporting, as well as receipts and disbursements of the Company.

40. The Proposal Trustee understands that the Company's main assets are its accounts receivable, along with a small amount of inventory, office equipment, and certain tools and other equipment used in the course of the Company's HVAC operations.

RELIEF SOUGHT BY THE COMPANY

EXTENSION OF STAY OF PROCEEDINGS

41. Pursuant to the terms of the BIA, the Company is currently required to file a proposal by April 30, 2026. The Company is seeking an extension of the stay of proceedings and time to file a proposal from April 30, 2026, to June 15, 2026, given that the 45-day extension otherwise permitted by the BIA would expire on June 14, 2026, which is a Sunday. The Proposal Trustee understands from its legal counsel that pursuant to section 26 of the *Interpretation Act*, RSC 1985, c I-21, where the time limit for the doing of a thing expires or falls on a holiday, the thing may be done on the next day that is not a holiday, in this case on the Monday.

42. The Proposal Trustee supports the Company's extension request, for the following reasons:

(a) in the Proposal Trustee's view, based on the Cash Flow Forecast and provided that the Term Sheet is approved, the Company will have sufficient liquidity to satisfy its obligations as they come due during the proposed extension period;

(b) the extension of the stay would permit the Proposal Trustee, with the assistance of the Sales Agent, to conduct a sale process with the ultimate goal of completing a transaction in respect of all or a portion of the Property of the Company;

(c) in the Proposal Trustee's assessment, the Company has acted, and continues to act, in good faith and with due diligence;

(d) it is more likely that the Company will be able to make a viable proposal if the extension is granted;

(e) no creditor would be materially prejudiced if the extension being applied for is granted; and

(f) as at the date of this First Report, the Proposal Trustee is not aware of any party opposed to an extension.

ADMINISTRATION CHARGE

43. The Company is seeking the Court's approval of the Administration Charge up to a maximum amount of $100,000 plus taxes and disbursements to secure the professional fees and disbursements incurred during these Proposal Proceedings by the Professional Group.

44. The Proposal Trustee is supportive of Company's request for the Administration Charge on the basis that:

(a) these charges are typical in restructuring proceedings pursuant to the BIA and the *Companies' Creditors Arrangement Act*, as the charge facilitates an orderly restructuring process;

(b) the services to be provided by the Professional Group are critical to the success of the Company's restructuring;

(c) the Administration Charge is required to protect the Professional Group and specifically the payment of their fees and disbursements, given the Company's current financial challenges; and

(d) the Professional Group requires the protection afforded by the Administration Charge in order to continue in their respective roles throughout these Proposal Proceedings.

45. Fees and disbursements of the Proposal Trustee and its counsel, Fasken, payable pursuant to the Administration Charge, will be subject to taxation or court approval.

46. The Proposal Trustee is of the view that the Administration Charge is reasonable and appropriate in the circumstances. The Proposal Trustee is of the view that the Administration Charge is necessary for the effective participation of the Professional Group in the Proposal Proceedings, and believes the quantum of the Administration Charge is reasonable in the circumstances, based on a review and assessment of the anticipated professional costs to be incurred during this matter.

DIP FINANCING AND RELATED DIP FINANCING CHARGE

47. The Company is seeking approval to obtain interim financing from 2811153 Alberta Ltd. (in such capacity, the "**DIP Lender**") pursuant to the terms of an interim financing commitment letter from the DIP Lender dated as of April 24, 2026 (the "**Term Sheet**"). A copy of the Term Sheet is attached hereto as **Appendix "G"**.

48. The purpose of the Term Sheet is to provide the Company with sufficient liquidity to pay its post-filing working capital requirements and any professional fees and expenses incurred in connection with these Proposal Proceedings.

49. Key terms of the Term Sheet include, among others:

(a) 2811153 Alberta Ltd. has agreed to make available to Harmony a temporary revolving credit facility in the maximum amount of $25,000 (the "**DIP Facility**");

(b) Advances under the DIP Facility must be approved by the Proposal Trustee and shall only be used by Harmony to fund its projected disbursements under the Cash Flow Forecast to the extent that Harmony does not have cash on hand available to fund such disbursements;

(c) All amounts outstanding under the DIP Facility are subject to the interest rate of NBC's Prime Rate plus 1% per annum; and

(d) The amount outstanding under the DIP Facility shall be secured by a Court-ordered DIP Lender's Charge over the Property, and which charge ranks in priority to all other secured claims subject only to the Administration Charge and any permitted liens specifically approved by the DIP Lender.

50. The Company also seeks approval of the DIP Lender's Charge on the terms noted under the DIP Lender's Charge.

51. The Proposal Trustee understands that the DIP Lender, is an Alberta-incorporated company, which is wholly owned by Fisher and, as a result, constitutes a related party of Harmony for the purposes of these proceedings.

52. The Proposal Trustee believes the terms of the Term Sheet are reasonable and competitive in the circumstances, and are favourable to the Company. Additionally, there are no commitment fees or exit fees under the Term Sheet. Given the quantum of funding required and the time in which such funding is required, the Proposal Trustee is of the view that it is unlikely that the Company could find alternative financing under the same or better terms during the Forecast Period.

53. The Proposal Trustee is of the view that the Company's request for approval of the Term Sheet and DIP Lender's Charge is appropriate, fair and reasonable in order to provide the Company with the necessary financing to maintain ongoing operations during the Proposal Proceedings. Absent approval of the Term Sheet and the DIP Lender's Charge, the Company may be forced to cease operations and begin liquidating its assets, resulting in lost jobs and lost value for the Company's creditors and stakeholders.

ENHANCED PROPOSAL TRUSTEE POWERS

54. The Company is also seeking to grant the Proposal Trustee enhanced powers, in addition to the powers otherwise provided to the Proposal Trustee under the BIA (the "**Enhanced Powers**").

55. Specifically, the Initial Proposal Order authorizes and empowers, but does not require, the Proposal Trustee to, among other things:

(a) apply for and obtain vesting orders or such other orders as may be necessary to convey property of the Company to a purchaser free and clear of any liens or encumbrances;

(b) engage consultants, appraisers, agents, experts, auditors, managers, and such other personnel from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Proposal Trustee's powers and duties, including, without limitation, those powers conferred by the Initial Proposal Order;

(c) to take any and all actions and steps and execute any and all documents and writings on behalf of, and in the name of, the Applicant in order to carry out its duties under the Initial Proposal Order or any Order of the Court including to execute all documents relating to a sale process, as well as to execute and deliver any documents on behalf of the Applicant to implement transactions under a sale process approved by the Court; and

(d) with the assistance of the Sales Agent, conduct, supervise, and direct the marketing, sale, conveyance, transfer, or assignment of the Company or any parts thereof.

56. The Proposal Trustee is of the view that it remains necessary and beneficial for the Enhanced Powers to be granted. While the Company has advised that it does have management and personnel in place to continue to operate and manage the day to day affairs of the business, those personnel will be focused on maintaining ongoing operations during the pendency of these proceedings. In these circumstances, it is appropriate for the Proposal Trustee to be granted exclusive carriage over the Company's sale and investment solicitation process, particularly in light of the potential insider nature of certain prospective bidders and the need for an independent and arms length process.

57. The Enhanced Powers will permit the Proposal Trustee to manage and administer the Company's sale process in an efficient, transparent, and independent manner, while allowing the Company's management to remain focused on preserving operational stability and value. The Proposal Trustee notes that the granting of such enhanced and sale specific powers is consistent with prior insolvency proceedings where a trustee's independent expertise is required to oversee a transaction process, especially where insider participation

is contemplated and where debtor management is concurrently tasked with ongoing operations.

58. The Proposal Trustee is supportive of the request for the Enhanced Powers and is prepared to accept those Enhanced Powers, if granted by the Court.

APPROVAL OF THE FIRST REPORT AND THE ACTIVITIES DESCRIBED HEREIN

59. The Proposal Trustee is seeking approval of this First Report and the actions, conduct, and activities of the Proposal Trustee described herein.

60. The Proposal Trustee submits that the activities undertaken in the Proposal Proceedings as described in this First Report have been carried out in good faith and in accordance with the BIA and, consequently, should be approved.

SALES AGENT ENGAGEMENT LETTER

61. The Company is seeking approval, *nunc pro tunc,* of the Sales Agent Engagement Letter, a copy of which is attached hereto as **Appendix "H"**.

62. Pursuant to the terms of the Sales Agent Engagement Letter, the Proposal Trustee engaged the Sales Agent for the purposes of assisting the Proposal Trustee in matters relating to a potential transaction involving all or a portion of the property of MechCan and its direct and indirect subsidiaries and affiliates listed therein, which includes the Company (the "**Transaction**").

63. Under the Sales Agent Engagement Letter, the Sales Agent's services will include, among others:

(a) assisting the Proposal Trustee with identifying, obtaining, assembling, and organizing all of the necessary information to complete the Transaction;

(b) providing input to and assisting with the preparation of marketing and due diligence materials, including the preparation of a teaser, Confidential Information Summary, and template confidentiality agreements;

(c) assisting the Proposal Trustee with reviewing any offers received in respect of the Property; and,

(d) managing any online data rooms and facilitating the due diligence process, as required;

64. The fees payable under the Sales Agent Engagement Letter are as follows:

(a) **Hourly Fees**: The Sales Agent will charge the standard hourly rates for the time spent pursuant to the Sales Agent Engagement Letter, to be billed monthly. The Sales Agent estimates its fees to be in the range of $175,000, which estimate is based on an understanding that the sale process contemplated thereunder will be a two-month, expedited process.

(b) **Disbursements and Expenses:** The Proposal Trustee shall reimburse the Sales Agent for its travel and reasonable out of pocket expenses incurred in connection with the engagement. Those expenses shall not exceed $2,500, unless approved by the Proposal Trustee in writing.

(c) **Administration Fee:** The Sales Agent will charge a fee in respect of its administrative and technology charge, which is calculated as 7% of its professional fees, and represents an allocation of the estimated costs associated with its technology infrastructure and support staff time costs.

65. The Proposal Trustee is supportive of the Company's request to approve the Sales Agent Engagement Letter for the following reasons:

(a) the terms and conditions of the Sales Agent Engagement Letter are commercially reasonable;

(b) the hourly rates of the Sales Agent are consistent with the market rates in respect of transaction advisory services; and,

(c) the Sales Agent has considerable experience conducting similar sales processes and assisting with transactions of the nature contemplated under the Sales Agent Engagement Letter and these proceedings.

66. The Sales Agent is an affiliated entity of BDO. The Sales Agent has developed a detailed understanding of the operations, cash flows, and property of the MechCan Group, and will be in a position to efficiently and seamlessly perform its services under the Sales Agent Engagement Letter, if approved by this Court.

PROPOSED SALE PROCESS

67. The Proposal Trustee, in consultation with the Sales Agent, developed the Sale Process to solicit interest in, and opportunities for, the sale of all or substantially all or part of the business and assets of the Company (together, the "**Property**") as a going concern or otherwise, and which is superior to the Stalking Horse Bid, described below (the "**Opportunity**"). The Sale Process is attached hereto as **Appendix "I".** The Proposal Trustee understands that the other companies in the MechCan Group will also seek approval of sale processes which will run in parallel with the Sale Process in order to determine if there is party interested in purchasing some or all of the entities in the MechCan Group.

68. Any terms not expressly defined in this section are otherwise defined in the Sale Process.

69. The Proposal Trustee and the Sales Agent are qualified to administer the Sale Process for the following reasons:

(a) they have considerable experience conducting similar sales processes;

(b) they have extensive industry and institutional contacts, ensuring that the opportunity will be broadly marketed;

(c) they are independent of the Company; and

(d) they will ensure that the Sale Process is thorough, transparent, and run efficiently for the benefit of the Company's stakeholders.

Sale Process Summary & Proposed Timeline

70. The Sale Process, if approved, shall commence immediately upon the issuance of the Initial Proposal Order. The table below sets out the key deadlines in the Sale Process (terms within the table are defined in subsequent paragraphs):

Milestone	Deadline
Create listing of Known Potential Purchasers	In progress
Commencement of Sale Process	April 30, 2026
Distribution of Teaser Letter and Marketing Materials	Within five (5) Business Days of issuance of the Initial Proposal Order

Milestone	Deadline
Distribution of the Notice	Within five (5) Business Days of issuance of the Initial Proposal Order
Bid Deadline	May 25, 2026
Auction Date (if necessary)	No later than May 30, 2026
Hearing of the Sale Approval Motion	No later than June 15, 2026
Outside Date for closing of the Successful Bid(s)	Ten (10) days after the Sale Approval Hearing

71. The dates set out in the Sale Process may be revised or extended by the Proposal Trustee in its sole discretion. The service list in the Proposal Proceedings will be notified of any material changes to the Sale Process.

72. The Sales Agent, with the approval of the Proposal Trustee, will develop a list of potential bidders (the "**Known Potential Bidders**"). This list will be comprised of, among others, parties who have previously expressed an interest in the opportunity to the Company or the Sales Agent, and other potential strategic and financial parties who the Proposal Trustee believes may be interested in the opportunity.

73. The Sales Agent will prepare a process summary document describing the opportunity (the "**Teaser Letter**") and a non-disclosure agreement in form and substance satisfactory to the Proposal Trustee (the "**NDA**").

74. Within five (5) Business Days following the issuance of the Initial Proposal Order, the Sales Agent will send the Teaser Letter and the NDA to all Known Potential Bidders, and thereafter to any other party who requests a copy of the Teaser Letter and the NDA or who is identified to the Proposal Trustee or the Sales Agent as a potential bidder, as soon as reasonably practicable after such request or identification, as applicable.

75. Within five (5) Business days following the issuance of the Initial Proposal Order, the Proposal Trustee will publish a notice in *The Globe and Mail* (National Edition) and any other newspaper or journal as the Proposal Trustee considers appropriate (the "**Notice**"), if any.

76. Any party who wishes to participate in the Sale Process (a "**Potential Bidder**") must provide the Sales Agent an executed NDA and a letter setting forth the identity of the

Potential Bidder, the contact information for such Potential Bidder and full disclosure of the direct and indirect principals of the Potential Bidder.

77. If the Proposal Trustee determines, exercising its reasonable business judgment, that a Potential Bidder has: (i) delivered the documents contemplated above; and (ii) the financial capability to be able to consummate a transaction in respect of the Opportunity, then such Potential Bidder shall be deemed a "**Qualified Bidder**".

78. Qualified Bidders will be provided with a Confidential Information Package, a copy of the Stalking Horse Agreement, and access to such due diligence materials and information relating to the Property as they may reasonably request.

79. Qualified Bidders that wish to make a formal offer to purchase the Property or a portion thereof shall submit a binding offer (a "**Bid**") on substantially the same terms and conditions as the terms and conditions contained in the Stalking Horse Agreement. In order to be considered a "Qualified Bid", a Bid must meet the following minimum criteria:

(a) the Bid must be received by the Proposal Trustee at the address specified in Schedule "A" of the Sale Process (including by email), so as to be received by the Proposal Trustee no later than 5:00 PM (Mountain Standard Time) on May 25, 2026 (the "**Bid Deadline**");

(b) the Bid sufficiently identifies the Qualified Bidder and the representatives thereof who are authorized to act on the Qualified Bidder's behalf;

(c) the Bid is an offer to purchase some or all of the Property and is substantially in the form of the Stalking Horse Agreement, with a blackline of the Bid to the Stalking Horse Agreement, reflecting the Qualified Bidder's proposed changes;

(d) the Bid must be accompanied by a deposit by way of certified cheque or wire transfer payable to the Proposal Trustee, in an amount equal to at least 10% of the aggregate purchase price payable under the Bid;

(e) the Bid must be accompanied by a letter stating that the Qualified Bidder's offer is binding and irrevocable until the selection of the Successful Bidder (defined below), provided that if such Qualified Bidder is selected as the Successful Bidder, then its offer shall remain irrevocable until the earlier of (i) the closing of the transaction with the Successful Bidder and (ii) ten (10) days following the Sale Approval Order, subject to further extensions as may be agreed to under the applicable transaction agreement;

(f) the Bid must be on terms no less favourable and no more burdensome or conditional than the Stalking Horse Agreement;

(g) the Bid must not be conditional on: (i) the outcome of unperformed due diligence by the Qualified Bidder, (ii) obtaining financing; or (iii) any other material conditions that are not otherwise contained in the Stalking Horse Agreement and that, in the Proposal Trustee's reasonable business judgment, unduly increases the risk that the proposed transaction will not close on or before the target closing date;

(h) the Bid must include a description of those liabilities and obligations (including operating liabilities) which the Qualified Bidder intends to assume and such liabilities and obligations it does not intend to assume;

(i) the Bid must be accompanied by written evidence of a commitment for financing or other evidence of the Qualified Bidder's ability to consummate the transaction contemplated by the Bid;

(j) the Bid must be for a purchase price equal to or greater than the sum of the Purchase Price (as defined in the Stalking Horse Agreement) plus a minimum additional amount of $40,000; and

(k) the Bid contemplates closing the transaction set out therein on or before the outside closing date of ten (10) days following the issuance of the Sale Approval Order (as defined below).

80. Following the Bid Deadline, the Proposal Trustee will assess the Bids received, in consultation with the Sales Agent. Bids will be evaluated based on several factors, including the following considerations:

(a) the proposed purchase price and the net value provided to the Company by such Bid;

(b) the identity, circumstances, and ability of the Qualified Bidder to successfully complete the transaction contemplated under the Bid;

(c) the proposed transaction documents;

(d) factors affecting the speed, certainty and value of the transaction;

(e) the assets included or excluded from the Bid;

(f) the liabilities to be assumed in the transaction;

(g) the likelihood and timing of consummating such transaction; and

(h) whether the transaction results in a Superior Bid.

81. The Proposal Trustee may designate the most competitive Bids that comply with the requirements under the Sale Process as “Qualified Bids”.

82. On or before May 25, 2026, the Proposal Trustee will confirm in writing to those Qualified Bidders who submitted a Qualified Bid that they will be invited to the Auction (as defined below).

83. Qualified Bidders with Qualified Bids shall proceed to an auction with the Stalking Horse Bidder to be held on or before May 30, 2026 (the “**Auction**”), which shall proceed according to the Auction Procedures set out in Schedule “B” to the Sale Process, to identify the Successful Bid, and the Qualified Bidder making such Successful Bid will be the Successful Bidder, in each case, as contemplated under the Sale Process.

84. If no other Qualified Bid is received by the Bid Deadline, the Auction will not be held and the Stalking Horse Bidder will be declared to be the Successful Bidder. The determination of any Successful Bid by the Proposal Trustee shall be subject to approval by the Court.

85. The Company will bring a motion (the “**Sale Approval Motion**”) to the Court seeking an order approving the Successful Bid and granting any necessary relief to consummate the transaction contemplated thereunder. All Qualified Bids other than the Successful Bid, if any, shall be deemed to be rejected by the Proposal Trustee and/or the Sales Agent on and as of the date of approval of the Successful Bid by the Court.

Approval of Stalking Horse Agreement

86. The Stalking Horse Agreement will act as the minimum bid against which all other Bids will be evaluated in the Sale Process. Unless other Qualified Bids are received, it is contemplated that the Stalking Horse Bid will be selected as the Successful Bid in the Sale

Process. A copy of the Stalking Horse Agreement is attached hereto as **Appendix "J".** Capitalized terms used in this section and not otherwise defined have the meaning ascribed to them in the Stalking Horse Agreement.

87. Below is a summary of certain material terms of the Stalking Horse Agreement. Readers are encouraged to review the Stalking Horse Agreement for the full terms and conditions thereof:

(a) the Stalking Horse Agreement is structured as an asset purchase;

(b) the Stalking Horse Purchaser is also the Interim Lender;

(c) the purchase price is $375,000.00 (the "**Purchase Price**") plus Cure Costs, which shall be satisfied as follows:

(i) assumption of the Assumed Liabilities by the Closing Date by performing them as and when they become due;

(ii) payment of the Purchase Price by:

(A) assumption of all amounts owing by the Company pursuant to the Term Sheet; and

(B) payment of the balance by cash on Closing by way of certifiable cheque;

(d) the Purchased Assets are any and all tangible and intangible assets, properties, and rights owned by the Company and necessary to operate the Business in the ordinary course, including but not limited to:

(i) Assumed Contracts;

(ii) Books and Records;

(iii) Claims of the Company;

(iv) Equipment;

(v) Inventory and Supplies;

(vi) Receivables;

(vii) all customer lists and supplier lists;

(viii) all rights and interests under or pursuant to all warranties, representations and guarantees, express implied or otherwise, of or made by suppliers or others in connection with the Purchased Assets or otherwise related to the Business; and

(ix) all other property, assets and undertakings of the Company used or related to the Business of whatsoever nature or kind.

(e) the Excluded Assets include:

(i) all cash, bank balances, deposits, moneys in possession of banks and other depositories, and similar cash items of, owned or held by, or for the account of, the Company;

(ii) the Purchase Price;

(iii) Excluded Contracts;

(iv) all minute books, share ledgers, corporate seals, capital stock, equity interests and stock certificates of the Company;

(v) all policies of insurance or assurance (including directors' and officers' insurance and claims against insurance and insurance settlements), except for the right to receive the proceeds of insurance in respect of Purchased Assets and all Books and Records related thereto which shall not constitute Excluded Assets;

(vi) original Tax records and Books and Records pertaining thereto, minute books, corporate seals, taxpayer and other identification numbers and other documents relating to the organization, maintenance, and existence of the Company, in each case that do not relate to the Business or the Purchased Assets;

(vii) any Books and Records that the Company is required by Applicable Law to retain in its possession, provided however, the Stalking Horse Bidder shall be provided with copies of all such Books and Records that pertain to the Business; and

(viii) any other assets that the Stalking Horse Bidder elects to exclude in writing prior to Closing pursuant to Section 2.3 of the Stalking Horse Agreement.

(f) the Assumed Liabilities include:

(i) all Liabilities from and after the Closing Date associated with the Assumed Contracts; and

(ii) all Liabilities and Claims arising or accruing from the use of the Purchased Assets from and after the Closing;

(g) if the Stalking Horse Bidder is not the Successful Bidder, the Stalking Horse Bidder is entitled to a break fee in the amount of $10,000 (the "**Break Fee**"), which represents approximately 2.7% of the Purchase Price;

(h) closing is scheduled after the conditions set out in the Stalking Horse Agreement are satisfied or waived and shall, in no event, be later than the outside closing date of June 15, 2026; and

(i) there is no expense reimbursement contemplated under the Stalking Horse Agreement.

88. The Proposal Trustee is of the view that the Sale Process and Stalking Horse Agreement are appropriate for the following reasons:

(a) the Company will be widely exposed to the market through the Sale Process by the Sales Agent to canvass the availability of Qualified Bids;

(b) the timeline is sufficient to allow interested parties to perform due diligence and submit Bids;

(c) the Stalking Horse Agreement sets a fair base level consideration for the Sale Process;

(d) the identification of Known Potential Bidders and initial contact with prospective participants will be accompanied by an advertising campaign with broad market reach to increase exposure of the Opportunity and an introduction to the Sale Process;

(e) the Proposal Trustee has researched break fees in stalking horse bids using publicly available insolvency filing data, and has concluded that the Break Fee is reasonable, in the circumstances, as:

   (i) the composition of the fee is modest and largely meant to reimburse the Stalking Horse Bidder for out-of-pocket costs associated with the preparation and negotiation of the Stalking Horse Agreement; and

   (ii) The Break Fee included in the Stalking Horse Agreement represents approximately 2.7% of the Purchase Price. This is within customary ranges for break fees of less than 1% to 20% of the total consideration paid in insolvency proceedings as evident from publicly available insolvency filing data on break fees. A copy of the Insolvency Insider Break Fee Tracker is attached at **Appendix "K"**.

89. The Proposal Trustee is satisfied that the Stalking Horse Agreement is an appropriate minimum starting bid for the Property. However, the Sale Agent has initiated discussions with parties who have expressed interest in acquiring the business *en bloc,* which will likely result in a higher realization for creditors. While these discussions remain at a preliminary stage, the Proposal Trustee is supportive of the Stalking Horse Agreement in order to establish a baseline level of recovery for creditors. The Proposal Trustee intends to robustly test the market to ensure maximum value for the Property, and the MechCan Group, more generally, is achieved, including by marketing the property of the MechCan Group on an *en bloc* basis.

CONCLUSIONS AND RECOMMENDATIONS

90. Based on the above, the Proposal Trustee respectfully recommends that the Court grant an order providing the relief described in paragraph 4(f) of this First Report.

All of which is respectfully submitted this 27th day of April, 2026.

BDO CANADA LIMITED
in its capacity as Proposal Trustee of
Harmony Heating and Air Conditioning Inc.
and not in its personal or corporate capacity

J. Parisi

Josie Parisi, CPA, CA, CBV, CIRP, LIT
Senior Vice President

APPENDIX D

FASKEN

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

333 Bay Street, Suite 2400
P.O. Box 20
Toronto, Ontario M5H 2T6
Canada

T +1 416 366 8381
+1 800 268 8424
F +1 416 364 7813

fasken.com

June 3, 2026

Jennifer L. Caruso
Direct Line / Fax +1 416 865 4471
jcaruso@fasken.com

[●]
Attention: [●]

with a copy to:
[●]
Attention: [●]

Dear [●]:

Re: Harmony Heating and Air Conditioning Inc. Sale Process – Auction Letter

Thank you for your continued participation in the Sale Process approved by the Court of King's Bench of Alberta (the "**Court**") on April 29, 2026 (the "**Initial Proposal Order**") in the Notice of Intention to Make a Proposal ("**NOI**") proceedings of Harmony Heating and Air Conditioning Inc. (the "**Company**"). BDO Canada Limited acts as Proposal Trustee (the "**Proposal Trustee**") of the Company in these NOI proceedings. All capitalized terms used herein and not otherwise defined have the meanings given to them in the Sale Process. For the purposes of this letter, any reference to Qualified Bid and Qualified Bidder shall be deemed to include the Stalking Horse Bid and the Stalking Horse Bidder, respectively.

This letter is to advise you that:

a) the Proposal Trustee, in consultation with the Sales Agent, has reviewed your Bid and has determined that it is a Qualified Bid. We hereby provide you with notice that your Bid constitutes a Qualified Bid in accordance with the Sale Process;

b) as there are multiple Qualified Bids, the Proposal Trustee has determined to conduct an Auction in accordance with the terms of the Sale Process;

c) this letter provides an overview of the auction procedures but is not intended to amend, restate or supersede the Sale Process and should be read together with the Sale Process and in particular paragraph 37 and Schedule "B" thereof; and

d) you have been invited to participate in the Auction on **June 8, 2026, at 11:00 a.m. ET** via videoconference. Upon receiving your confirmation that you intend to participate in the Auction, the Proposal Trustee will send you a calendar invite with a Microsoft Teams link to the virtual meeting room.

The Proposal Trustee has extended the Auction date in accordance with the terms of the Sale Process. The remaining timelines in the Sale Process will be extended accordingly.

Starting Bid

Pursuant to the Sale Process, the Proposal Trustee is providing all Auction Participants with details of the Starting Bid.

The Starting Bid is comprised of the following:

- cash in the amount of $775,000;

- plus Assumed Liabilities, which include:

  a) all Liabilities from and after the Closing Date associated with the Assumed Contracts but only to the extent that such Liabilities thereunder are incurred after the Closing Time and do not relate to any failure to perform, improper performance, warranty or other breach, default or violation by the Company on or before the Closing Time;

  b) any Cure Costs in connection with an Assumed Contract to the extent that an Assignment Order or consent in respect of the Assumed Contract, as applicable, is obtained in respect of such Assumed Contract but, for greater certainty, excluding any amount on account of Liabilities incurred as ordinary course obligations by the Company after the commencement of the Proposal Proceedings in connection with such Assumed Contract;

  c) any lease transfer fees required to be paid on account of the assignment of the Leased Vehicles by the Company to the Purchaser provided that the Purchaser agrees that, in the event that an assignment of the lease in respect of any of the Leased Vehicles cannot be effected, the Purchaser shall pay the amount outstanding under the applicable leases and purchase the vehicle; and

  d) all Liabilities and Claims arising or accruing from the use of the Purchased Assets from and after the Closing.

The Purchased Assets include substantially all of the Company's assets, including, without limitation;

a) Assumed Contracts;

b) Books and Records;

c) Claims of the Company;

d) Equipment;

e) Express Consents;

f) Goodwill;

g) Intellectual Property;

h) Inventory and Supplies;

i) the Isuzu NPR HD leased vehicle;

j) Non-Competes;

k) Permits and Licenses;

l) Prepaid Expenses;

m) Receivables;

n) Technology;

o) all customer lists and supplier lists;

p) all rights and interests under or pursuant to all warranties, representations and guarantees, express implied or otherwise, of or made by suppliers or others in connection with the Purchased Assets or otherwise related to the Business; and

q) to the extent that it is necessary to specifically identify them for any purpose whatsoever, any and all other property, assets and undertakings of the Company used or related to the Businesses of whatsoever nature or kind.

The Starting Bid also provides that from and after Closing until the date that is six (6) months following the Closing Date, the Purchaser shall collect all Receivables and shall remit to the Proposal Trustee:

i. 70% of each Receivable collected that is aged less than 60 days, with the remaining 30% retained by the Purchaser; and

ii. 60% of each Receivable collected that is aged 60 days or more, with the remaining 40% retained by the Purchaser.

Participation in the Auction

Each Qualified Bidder must inform the Proposal Trustee whether it intends to participate in the Auction (the "**Auction Participant**") by no later than 11:00 a.m. Eastern Time on June 5, 2026. Therefore, if you wish to participate in the Auction, you must notify the Proposal Trustee by email at the address set out below, and complete the enclosed "Acknowledgment" which, among other things, designates a representative of the Auction Participant who is authorized to submit Subsequent Bids on behalf of, and bind, the Auction Participant:

Attention: Josie Parisi and Nicole Sagolili

Email: jparisi@bdo.ca; nsagolili@bdo.ca

with a copy to:

Dylan Chochla and Jennifer L. Caruso

Email: dchochla@fasken.com; jcaruso@fasken.com

and

Brian Trainor and Ahmed Elsayed

Email: btrainor@bdo.ca; aelsayed@bdo.ca

If no Qualified Bidder provides such expression of intent, the Starting Bid shall be deemed the Successful Bid and no Auction shall take place.

The Auction shall be governed by the procedures set forth in Schedule "B" of the Sale Process. We encourage you to familiarize yourself with those procedures, which we have reproduced herein for the sake of convenience:

a) Unless otherwise ordered by the Court, only the authorized representatives, professional advisors or agents of each Qualified Bidder shall be eligible to attend at the Auction and make any Subsequent Bid at the Auction;

b) All Qualified Bidders at the Auction must have at least one individual representative with authority to bind such Qualified Bidders present at the Auction;

c) The identity of each Qualified Bidder participating in the Auction will be disclosed, on a confidential basis, to each other Qualified Bidder;

d) Each Qualified Bidder participating in the Auction shall be required to confirm on the record at the Auction that: (i) it has not engaged in any collusion with respect to the Auction and the bid process; (ii) any and all bids submitted at the Auction are good-faith *bona fide* offers; and (iii) it intends to consummate the proposed transaction if selected as the Successful Bid;

e) Bidding at the Auction will begin with the Starting Bid set forth above. Any additional bidding subsequent to the Proposal Trustee's announcement of the Starting Bid and other Subsequent Bids must proceed in minimum additional increments of no less than $50,000 in cash;

f) Bidding at the Auction shall continue until such time as the highest and best bid is determined by the Proposal Trustee, in its reasonable business judgment after consultation with its advisors. For the purpose of evaluating the value of the consideration provided by each bid presented at the Auction, the value will: (i) be deemed to be the net consideration payable to the Company; and (ii) take into account any additional liabilities of the Company to be assumed by a Qualified Bidder;

g) After the first round of bidding and between each subsequent round of bidding, the Proposal Trustee shall announce the Subsequent Bid that the Proposal Trustee has determined, in its reasonable business judgment, after consultation with its advisors, to be the then highest or best bid (the "**Leading Bid**"). A round of bidding will conclude after each Auction Participant has had an opportunity to submit a Subsequent Bid with full knowledge of the Leading Bid;

h) Where a Subsequent Bid is submitted on an aggregated or combined basis across one or more Affiliate Sales Processes, the Qualified Bidder shall confirm or, as applicable, update the purchase price allocation previously provided in accordance with the Sale Process.

i) All participating Qualified Bidders shall be entitled to be present for all bidding with the understanding that the true identity of each participating Qualified Bidder shall be fully disclosed to all other Qualified Bidders and that all material terms of each Subsequent Bid presented during the Auction will be fully disclosed to all other participating Qualified Bidders throughout the entire Auction;

j) If no Qualified Bidder submits a Subsequent Bid (as determined by the Proposal Trustee) after a period of 15 minutes following the Proposal Trustee's acceptance of a Subsequent Bid as the Leading Bid, and the Proposal Trustee chooses not to adjourn the Auction further, then such Leading Bid shall be the "**Successful Bid**" and the Qualified Bidder who submitted such Successful Bid, the "**Successful Bidder**". The Proposal Trustee shall enter into a definitive transaction document substantially on the same terms as the Successful Bid;

k) No bids will be considered for any purpose after the Auction has concluded; and

l) At the Auction, the Proposal Trustee, after consultation with its advisors, shall be at liberty to modify or to set additional procedural rules for the Auction that are fair and reasonable under the circumstances provided, that such rules are: (a) not inconsistent with the Auction procedures set forth in Schedule "B" to the Sale Process, the *Bankruptcy and Insolvency Act* (Canada), any order of the Courts entered in connection with such Auction procedures; and (b) disclosed to each Qualified Bidder at the Auction.

In addition, the Proposal Trustee has determined that certain additional auction procedures will apply to the Auction which we have set out below:

a) **Record of Bids.** The Proposal Trustee shall maintain a record of the Starting Bid and all Subsequent Bids made and announced at the Auction, including the Successful Bid and the Back-Up Bid (as defined below);

b) **Designation of Authorized Representative.** Each Auction Participant shall designate an individual who is authorized to bind the corporation and who will attend the Auction to make submissions and represent the interests of the Auction Participant. This person shall be identified in the Acknowledgment enclosed with this letter;

c) **Bidding Disclosure.** For the sake of the orderly governance of the Auction, the Auction shall be conducted such that all Subsequent Bids made during the Auction shall be submitted to the Proposal Trustee in writing via email. All material terms of the Leading Bid will be fully disclosed to all Auction Participants throughout the Auction; provided, however, that the Proposal Trustee, in its discretion, may establish separate video conference rooms to permit interim discussions between the Proposal Trustee and the individual Auction Participants.

d) **Discussion with other Bidders.** An Auction Participant shall not strategize or discuss with other Auction Participants for the purpose of submitting a Subsequent Bid, without the consent of the Proposal Trustee;

e) **Bid Assessment Criteria.** The determination of which Subsequent Bid constitutes the Leading Bid for each round of bidding shall take into account any factors that the Proposal Trustee, in consultation with the Sales Agent, reasonably deems relevant to the value of the Subsequent Bid, including, among other things, the following:

   i. the proposed purchase price and the net value provided to the Company by such Subsequent Bid;

   ii. where applicable, the purchase price allocation provided with a Subsequent Bid submitted on an aggregated or combined basis across one or more Affiliate Sales Processes;

   iii. the identity, circumstances, and ability of the Auction Participant to successfully complete the transaction contemplated under the Subsequent Bid;

   iv. the proposed transaction documents;

   v. factors affecting the speed, certainty and value of the transaction;

   vi. the assets included or excluded from the Subsequent Bid;

   vii. the liabilities to be assumed in the transaction; and

viii. the likelihood and timing of consummating such transaction.

For greater certainty, the Proposal Trustee may ascribe monetary values to non-monetary terms in Subsequent Bids for the purposes of assessing and valuing such Subsequent Bids, including without limitation, the value to be ascribed to any liabilities or contracts to be assumed;

f) **Consideration of Subsequent Bids.** The Proposal Trustee reserves the right to make one or more adjournments in the Auction to, among other things: (A) facilitate discussions with individual Auction Participants; (B) allow individual Auction Participants to consider how they wish to proceed; (C) consider and determine the current Leading Bid at any given time during the Auction; and (D) give Auction Participants the opportunity to provide the Proposal Trustee with such additional evidence, as it may require, that the Auction Participant has obtained all required internal corporate approvals, has sufficient internal resources, or has received sufficient non-contingent debt and/or equity funding commitments, to consummate the proposed transaction at the prevailing Leading Bid amount. The Proposal Trustee may have clarifying discussions with an Auction Participant, and the Proposal Trustee may allow an Auction Participant to make technical clarifying changes to its Subsequent Bid following such discussions.

g) **Failure to Bid.** If at the end of any round of bidding an Auction Participant (other than the Auction Participant that submitted the then Starting Bid or Leading Bid, as applicable) fails to submit a Subsequent Bid, then such Auction Participant shall not be entitled to continue to participate in the next round of the Auction.

h) **Deemed Amendment.** If an Auction Participant submits a Subsequent Bid, the Subsequent Bid and any subsequent modifications made during the bidding rounds shall be considered amendments to the Auction Participant's existing Qualified Bid, which shall be open for acceptance until the closing of the Successful Bid;

i) **Back-Up Bid.** The Proposal Trustee, in consultation with the Sales Agent and its advisors, may conditionally accept one Subsequent Bid as a back-up bid, which acceptance will be conditional upon the failure of the transaction(s) contemplated by the Successful Bid to close (the "**Back-up Bid**" and Auction Participant making such Back-up Bid being the "**Back-Up Bidder**"). If a Successful Bidder fails to close the transaction contemplated by the Successful Bid on or before the Outside Date for any reason, then the Company will be deemed to have accepted the Back-Up Bid and the Proposal Trustee will proceed with the transaction pursuant to the terms thereof. The Back-Up Bid shall remain open for acceptance until the closing of the Successful Bid, or such other later date as the Proposal Trustee, in consultation with Sales Agent, may agree acting reasonably (the "**Back-Up Bid Expiration Date**"). In the case of a Back-Up Bid, the Deposit and any interest earned thereon shall be retained by the Proposal Trustee until the Back-Up Bid Expiration Date and returned to the Back-Up Bidder within three Business Days thereafter or, if a Back-Up Bid becomes a Successful Bid, shall be dealt with in accordance with the definitive documents for the transaction contemplated by the Back-Up Bid; and

j) **Finalizing Documentation.** Promptly following the Leading Bid or Subsequent Bid being declared the Successful Bid or the Back-Up Bid, as applicable, the applicable Auction Participant shall execute and deliver such revised and updated definitive transaction agreements as may be required to reflect and evidence the Successful Bid or Back-Up Bid.

We would like to thank you again for your interest and we look forward to your response.

Yours truly,

FASKEN MARTINEAU DuMOULIN LLP

c. Brian Trainor and Ahmed Elsayed, BDO Canada Transaction Advisory Services Inc.

Josie Parisi and Nicole Sagolili, BDO Canada Limited in its capacity as Proposal Trustee of the Company and not in its personal or corporate capacity

Acknowledgment:

Name of Qualified Bidder: ___________________________________

This Acknowledgment is submitted in accordance with the Sale Process with respect to the Company, set out in the Initial Proposal Order.

The undersigned hereby accepts the terms and conditions set forth in the above letter, and confirms the following:

- I will be the designated representative of the Auction Participant at the Auction and I have the legal authority to bind the Auction Participant;
- I have received the Auction Process Letter prepared by the Proposal Trustee and delivered on June 3, 2026, and the Sale Process, and understand and agree to the Auction protocol described therein;
- the Auction Participant, and any of its advisors or representatives (i) has not engaged in any collusion with respect to the Auction and the bid process; and (ii) its bid is a good-faith *bona fide* offer and it intends to consummate the proposed transaction if selected as the Successful Bid; and
- the Proposal Trustee shall not have any liability whatsoever to any person or party, including, without limitation, any Potential Bidder, Bidder, Qualified Bidder, Auction Participant, Successful Bidder, Back-Up Bidder, the Company, or any other creditor or other stakeholder of the Company, for any act or omission related to the process contemplated by the Sale Process as modified by the Auction Letter. By executing this acknowledgment the Auction Participant shall be deemed to have agreed that it has no claim against the Proposal Trustee or the Sales Agent for any reason whatsoever.

____
Date

By: ___________________________________

Name:

Title:

APPENDIX E

FASKEN

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

333 Bay Street, Suite 2400
P.O. Box 20
Toronto, Ontario M5H 2T6
Canada

T +1 416 366 8381
+1 800 268 8424
F +1 416 364 7813

fasken.com

June 6, 2026

Jennifer L. Caruso
Direct Line / Fax +1 416 865 4471
jcaruso@fasken.com

PMR Law

Attention: **Shaun T. MacIsaac K.C.**
stm@pmrlaw.ca

with a copy to:

2811153 Alberta Ltd.

Attention: **Anthony Fisher**
anthony@harmonyheating.ca

Dear Mr. MacIsaac:

Re: In the Matter of the Notice of Intention to Make a Proposal of MechCan Inc, et al Harmony Heating and Air Conditioning Inc. Sale Process

As you know, we are legal counsel to BDO Canada Limited in its capacity as Proposal Trustee (the "**Proposal Trustee**") of Harmony Heating and Air Conditioning Inc. (the "**Company**").

We write with respect to the conduct of your client, Anthony Fisher ("**Mr. Fisher**"), who is the sole director of the Company and the principal of 2811153 Alberta Ltd., the stalking horse bidder (the "**Stalking Horse Bidder**") in the ongoing Sale Process in respect of the Company approved by the Court of King's Bench of Alberta (the "**Court**") on April 29, 2026.

It has come to our attention that following a site visit at the Company's premises, your client informed a Qualified Bidder that he entered into a partnership arrangement with one of the Company's senior technicians and that, if your client is not the Successful Bidder, he intends to imminently lease the premises currently leased by the Company and hire the Company's staff, presumably to operate a competing business. Your client also informed the Qualified Bidder that the Company's employees would not work for the Qualified Bidder, and that the Company's value resided in the retention of its employees.

Your client is actively interfering with the ongoing Sale Process. If your client continues to interfere with the Sale Process, the Stalking Horse Bidder will not be permitted to participate in the Auction on Monday June 8, 2026. Further, if this conduct continues, the Proposal Trustee will raise your client's interference in its next report to the Court and will seek relief restraining such conduct. We trust that your client will not want an Order or Endorsement of the Court stating that he has interfered with the Sale Process or acted in bad faith during the proposal proceedings.

We expect that you will remind your client of his obligation to not interfere with the outcome of the Sale Process.

As a courtesy, we also wish to inform you that the Qualified Bidders have informed us of their intention to enforce the non-compete language in your client's independent contractor agreement with the Company.

This letter will be uploaded to the virtual data room to inform the Qualified Bidders of your client's conduct.

Yours truly,

FASKEN MARTINEAU DuMOULIN LLP

c. Brian Trainor and Ahmed Elsayed, BDO Canada Transaction Advisory Services Inc.

Josie Parisi and Nicole Sagolili, BDO Canada Limited in its capacity as Proposal Trustee of the Company and not in its personal or corporate capacity

PITTMAN
MacISAAC
& ROY
LAWYERS

Tel: 403.237.6566
Fax: 403.237.6594
Web: www.pmrlaw.ca

2140 North Tower, The Ampersand
140 – 4th Avenue S.W.
Calgary, Alberta, T2P 3N3

June 8, 2026

Shaun T. MacIsaac, K.C.
Direct: 403-457-9600
Email: stm@pmrlaw.ca
PMR File: 401279

Sent by email: cpiccinin@fasken.com

Fasken
333 Bay St
Toronto, Ontario M5K 1B2

Attention: Christina Piccinin

RE: Harmony Heating and Air Conditioning Inc. Auction
Conduct of Anthony Fisher

Thank you for your letters dated June 6, 2026 and June 8, 2026. It is unfortunate that a qualified bidder attended at the premises and followed up with a call to Anthony Fisher ("Fisher"). Fisher states that conclusions were drawn by the bidder that were not what was stated by Fisher.

Fisher had previously explained to BDO that he felt he was in a conflict of interest, and he did not want to speak directly to potential bidders. Despite being told that BDO would accompany any bidder, we do not think a BDO representative attended at the meeting. The bidder simply showed up on their own.

<u>Lease of premises Issue</u>

In your letter, you state that Fisher advised the bidder that Fisher would be leasing the premises to a competitive company in which he would be involved. Fisher disagrees that he stated this. Fisher states that he indicated to the bidder that the premises would be leased by Harmony Holdings Inc ("Holdings") to another tenant, that would be a HVAC company, and not the purchaser if the bid of 2811153 Alberta Ltd. ("281") was unsuccessful.

Fisher confirms that he will not be involved in a competitive company if the bid of another qualified bidder is successful. If another bidder is successful, all of the assets of Harmony Heating and Air Conditioning Inc. ("Harmony") will be transferred to the purchaser, but possession of the premises will not be available.

Fisher previously disclosed to the proposal trustee that the lease had been surrendered by the landlord and the tenant. Fisher is a shareholder of Harmony Holdings Inc., ("Holdings"). A copy of the Surrender of Lease document is attached. Holdings owns the land leased to Harmony. Holdings does not plan to lease the premises to a new owner of the assets of Harmony other than 281.

It may be useful for the proposal trustee to indicate to potential bidders that the premises will not be leased to them. They are entitled to all the assets of Harmony, but not the premises. We will leave it to you to decide how to disclose this to potential bidders.

<u>Conduct of Sale Process</u>

Fisher will let your client, the proposal trustee, conduct the sale process without any comment or involvement whatsoever. Fisher will continue for a very short period to operate Harmony until the process is complete on the basis that the process should be completed quickly. Fisher will continue to operating Harmony during this period. Fisher has financed Harmony's operations with his personal funds and credit cards. Fisher will not continue to do so much longer.

<u>Non-compete</u>

The disclosure sent to bidders refers to a "non-competes". The terms of the non-compete relating to Fisher state that "no party hereto may assign its respective rights or obligations hereunder without the prior written consent of all the other parties to this agreement, provided a Protected Party shall be able to assign to an Affiliate or a purchaser of all or substantially all its assets". Harmony is a protected party.

Fisher takes this to mean that unless the bid of 281 is successful, Fisher cannot be involved in a company operating a heating and air conditioning business for the term of the non-competition agreement.

<u>Employees of Harmony issue</u>

Other current employees of Harmony may well decide to form a new company without Fisher if the bid of 281 is not successful. Fisher did not indicate to the bidder that he would be competing with the purchaser. Fisher will not be involved in the business of heating and air conditioning if the purchaser is not 281 for the term of the non-competition agreement.

Possible Exclusion of 281 from sale process

If the proposal trustee proceeds with an auction, and does not include 281 in the process, then we will oppose any attempt to obtain a court order approving the process followed. Fisher will support a process that allows 281 a fair opportunity to bid on the assets of Harmony. Fisher will not communicate in any way with bidders. BDO staff may accompany bidders to the premises, but Fisher will not speak to them.

If you think it would be useful, we are very pleased to speak to you about the process, and any matters that you would like us to consider as you move forward with the process. We want our client to assist in moving the auction process along to a fair conclusion.

We trust that the foregoing is in order. However, if there are any questions, please do not hesitate to contact us.

Yours truly,
PMR LAW

SHAUN T. MacISAAC, K.C.

FASKEN

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

333 Bay Street, Suite 2400
P.O. Box 20
Toronto, Ontario M5H 2T6
Canada

T +1 416 366 8381
+1 800 268 8424
F +1 416 364 7813

fasken.com

June 8, 2026

Jennifer L. Caruso
Direct Line / Fax +1 416 865 4471
jcaruso@fasken.com

PMR Law

Attention: **Shaun T. MacIsaac K.C.**
stm@pmrlaw.ca

with a copy to:

2811153 Alberta Ltd.

Attention: **Anthony Fisher**
anthony@harmonyheating.ca

Dear Mr. MacIsaac:

Re: In the Matter of the Notice of Intention to Make a Proposal of Harmony Heating and Air Conditioning Inc.

As you know, we are legal counsel to BDO Canada Limited in its capacity as Proposal Trustee (the "**Proposal Trustee**") of Harmony Heating and Air Conditioning Inc. (the "**Company**").

We write further to our letter dated June 6, 2026 (the "**June 6 Letter**") regarding the conduct of your client, Anthony Fisher ("**Mr. Fisher**"), who is the sole director of the Company and the principal of 2811153 Alberta Ltd., the stalking horse bidder (the "**Stalking Horse Bidder**") in the ongoing Sale Process in respect of the Company approved by the Court of King's Bench of Alberta on April 29, 2026. A copy of the June 6 Letter is enclosed for your reference. Capitalized terms used but not defined in this letter have the meanings given to them in the Sale Process.

The Proposal Trustee is of the view that serious allegations have been raised against Mr. Fisher regarding his conduct throughout the Sale Process. These allegations are as follows:

- As set forth in the June 6 Letter:
    - Following a site visit at the Company's premises, your client informed a Qualified Bidder that he entered into a partnership arrangement with one of the Company's senior technicians and that, if your client is not the Successful Bidder, he intends to

imminently lease the premises currently leased by the Company and hire the Company's staff (presumably to operate a competing business); and

  - Your client informed the Qualified Bidder that the Company's employees would not work for the Qualified Bidder, and that the Company's value resided in the retention of its employees; and

- Your client has also requested that the Proposal Trustee notify all Qualified Bidders that the Company does not have a lease in place at its current premises and that the landlord of the current premises has entered into a lease with a new tenant.

In light of these allegations, the Proposal Trustee is considering whether to disqualify the Stalking Horse Bidder from the Sale Process. We request that by no later than **6:00 p.m. EST on June 8, 2026,** your client:

1. provides a response to the allegations described above;

2. confirms that he will assist the Company and the Proposal Trustee in closing any successful transaction arising from the Sale Process, regardless of whether that transaction is with the Stalking Horse Bidder; and

3. confirms that he will comply with his obligations to act in good faith during the proposal proceedings.

In the absence of a satisfactory response from your client, the Proposal Trustee intends to exclude the Stalking Horse Bidder from the Auction and disqualify the Stalking Horse Bidder from the Sale Process altogether.

This letter and your client's response will be uploaded to the virtual data room in the Sale Process.

Yours truly,

FASKEN MARTINEAU DuMOULIN LLP

c. Dylan Chochla, Fasken Martineau DuMoulin LLP

Brian Trainor and Ahmed Elsayed, BDO Canada Transaction Advisory Services Inc.

Josie Parisi and Nicole Sagolili, BDO Canada Limited in its capacity as Proposal Trustee of the Company and not in its personal or corporate capacity

APPENDIX F

<u>AMENDED AND RESTATED STALKING HORSE ASSET PURCHASE AGREEMENT</u>

This Agreement is made and entered into this 15th day of July, 2026 (the "**Effective Date**")

BETWEEN:

HARMONY HEATING AND AIR CONDITIONING INC., a corporation incorporated pursuant to the laws of the Province of Alberta, as vendor (the "**Company**")

– and –

2811153 ALBERTA LTD., a corporation incorporated pursuant to the laws of the Province of Alberta, as purchaser (the "**Purchaser**")

WHEREAS:

A. The Company filed a Notice of Intention to Make a Proposal (the "**NOI**") under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**") on March 31, 2026 (the "**Proposal Proceedings**"). BDO Canada Limited consented to act as proposal trustee of the Company (in such capacity, the "**Proposal Trustee**").

B. In connection with the Proposal Proceedings, the Company obtained an Order of the Court of King's Bench of Alberta (the "**Court**") dated April 29, 2026 that, *inter alia*: (a) approved and authorized the Company to conduct a sale investment and solicitation process (the "**Sale Process**"); and (b) approved an agreement dated as of April 24, 2026 (the "**Original Agreement**") as a Stalking Horse Bid (as defined herein) for the Purchased Assets (as defined herein) in the Sale Process (the "**Sale Process Order**").

C. The Original Agreement has been selected as the Successful Bid following the Auction (each as defined herein) held on June 10, 2026, subject to the amendments made to the Original Agreement during the Auction.

D. The Company has agreed to sell and transfer to the Purchaser, and the Purchaser has agreed to acquire from the Company the Purchased Assets, subject to and in accordance with the terms and conditions set forth in the Original Agreement and at the Auction.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged, the Parties hereby agree to amend and restate the Original Agreement as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement and the Recitals herein, the following terms shall have the meanings set out below:

(a) "**Accounts Receivable Payment**" means an amount equal to [redacted].

(b) "**Administration Charge**" means a court-ordered super-priority charge ranking in priority to all security interests, Claims and Encumbrances, including, without limitation, the Interim Lender's Charge, securing the payment of the fees and disbursements of the Company's legal counsel, the Proposal Trustee and the Proposal Trustee's legal counsel, in each case incurred in connection with the Proposal Proceedings.

(c) "**Affiliate**" has the meaning given to the term "affiliate" in the *Business Corporations Act*, R.S.O. 1990, c.B-16.

(d) "**Agreemen**t" means this asset purchase agreement, as may be amended and restated from time to time in accordance with the terms hereof, with the consent of the Proposal Trustee, and "**Article**" and "**Section**" mean and refer to the specified article, section and subsection of this Agreement.

(e) "**Applicable Law**" means, in respect of any Person, property, transaction or event, any: (i) domestic or foreign statute, law (including the common law), ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, by-law or order; (ii) judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, decisions, rulings, instruments or awards of any Governmental Authority; and (iii) policies, practices, standards, guidelines and protocols having the force of law, that applies in whole or in part to such Person, property, transaction or event.

(f) "**Approval and Vesting Order**" means an order of the Court, substantially in the form of **Schedule "E"**, that approves this Agreement and the transactions contemplated hereby and vesting, upon the delivery of the Proposal Trustee's Certificate to the Purchaser, all right, title and interest of the Company to the Purchased Assets in the Purchaser, free and clear of all Claims and Encumbrances pursuant to the terms and conditions of this Agreement

(g) "**Article**" or "**Section**" or "**Schedule**" means the specified Article, Section of or Schedule to this Agreement and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and not to any particular Section or other portion of this Agreement.

(h) "**Assignment Order**" means an order of the Court, in form and substance satisfactory to the Company, Proposal Trustee, and the Purchaser, acting reasonably, and obtained on a motion made on notice to such Persons as the Company and the Purchaser determine, to be sought by the Company, authorizing and approving the assignment to the Purchaser of any Assumed Contracts for which the consent, approval or waiver of the party or parties thereto (other than the Company) is required to assign such Assumed Contracts.

(i) "**Assumed Contracts**" means the Contracts listed in **Schedule "C"**, as the same may be modified by the Purchaser prior to the Closing Time in accordance with the terms hereof.

(j) "**Assumed Liabilities**" means: (i) Liabilities specifically and expressly designated by the Purchaser as Assumed Liabilities in **Schedule "D"**, as the same may be modified by the Purchaser no later than five (5) Business Days prior to the Sale Approval Hearing, in accordance with the terms hereof; (ii) any and all Cure Costs; (iii) amounts accrued during the period beginning on the Filing Date and ending on the Closing Date for ordinary course goods and services requested by the Vendor, including wages, trade payable and Taxes; and (iv) all Liabilities which relate to the Business under any Assumed Contracts; in each case, solely in respect of the period from and after the Closing Time and not relating to any default existing prior to or as a consequence of Closing.

(k) "**Auction**" has the meaning set out in the Section 4.1(b).

(l) "**BIA**" has the meaning set out in the preamble hereto.

(m) "**Bid Deadline**" has the meaning set out in the Sale Process.

(n) "**Books and Records**" means all of the Company's files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise) relating to the Purchased Assets, including copies of Taxes and accounting books and records to the extent they relate to the Purchased Assets, and including information, documents and records relating to the Assumed Contracts, customer lists, customer information and account records, sales records, computer files, data processing records, employment and personnel records, sales literature, advertising and marketing data and records, cost and pricing information, production reports and records, equipment logs, operating guides and manuals, credit records, records relating to present and former suppliers and contractors, plans and projections and all other records, data and information stored electronically, digitally or on computer-related media.

(o) "**Break Fee**" has the meaning set out in Section 4.2.

(p) "**Business**" means the business carried on by the Company.

(q) "**Business Day**" means a day on which banks are open for business in Calgary, Alberta, but does not include a Saturday, Sunday or statutory holiday in the Province of Alberta.

(r) "**Cash Consideration**" has the meaning set out in Section 3.3(b).

(s) "**Claim**" means any civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding and any claim of any nature or kind (including any cross-claim or counterclaim), demand, investigation, audit, chose in or cause of action, suit, default, assessment, litigation, prosecution, third party action, arbitral proceeding or proceeding, complaint or allegation, by or before any Person.

(t) "**Closing**" means the closing and consummation of the Transaction in accordance with the terms hereof.

(u) “**Closing Date**” means July 24, 2026, or such other date as the Parties may agree to in writing with the consent of the Proposal Trustee.

(v) “**Closing Time**” means the time on the Closing Date at which Closing occurs, as evidenced by the Proposal Trustee’s Certificate.

(w) “**Conditions Certificate**” has the meaning set out in Section 7.4.

(x) “**Contracts**” means all pending and executory contracts, agreements, leases, understandings and arrangements (whether oral or written) related to the Business to which the Company is a party or by which such entity is bound or in which such entity has, or will at Closing have, any rights or obligations, or by which any of its property or assets are or may be affected, including any Contracts in respect of Employees.

(y) “**Court**” has the meaning set out in the preamble hereto.

(z) “**Cure Costs**” means, in respect of the Assumed Contracts, all amounts, costs, fees and expenses: (i) required to be paid to remedy all of the Vendor’s monetary defaults in relation to the Assumed Contracts, other than those arising by reason only of the Vendor’s bankruptcy, insolvency or failure to perform a non-monetary obligation; (ii) necessary to secure a counterparty’s or any other necessary Person’s consent to the assignment of the Assumed Contracts; or (iii) as may be required pursuant to the Approval and Vesting Order or the Assignment Order, as applicable, and which for greater certainty, may be an amount agreed to by the Purchaser and the counterparty to an Assumed Contract.

(aa) “**Deposit**” has the meaning set out in Section 3.3(b)(i).

(bb) “**Effective Date**” has the meaning set out in the preamble hereto.

(cc) “**Employee**” means any individual who is employed by the Company as of the Closing Time, whether on a full-time or part-time basis, and “**Employees**” means all such individuals.

(dd) “**Employee Liabilities**” means any and all Liabilities having priority over registered security interests (whether by statute, contract, common law or otherwise) owed to any of the Employees, or otherwise arising out of, or resulting from, the relationship between the Company and any of the Employees, including any Liability arising as a result of such party being deemed to be a successor employer, related employer or otherwise responsible or liable for payment of any amounts owing to, on behalf of, or in respect of, any of the Employees (including, but not limited to, the Transferred Employees), whether pursuant to the *Employment Standards Code,* RSA 2000, c E-9, or the *Workers’ Compensation Act,* RSA 2000, c W-15.

(ee) “**Encumbrances**” means any and all security interests (whether contractual, statutory, or otherwise), mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, leases, title retention agreements, reservations of ownership, demands, executions, levies, charges, options or other rights to acquire any interest in any assets, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, and all contracts to create any of the foregoing, or encumbrances of any kind or character whatsoever.

(ff) "**Equipment**" means all equipment and personal property owned by the Company wherever located, including all fixed and tangible assets, machinery, chattels, tooling, furniture, computer hardware and other tangible assets.

(gg) "**Excluded Assets**" means the following:

(i) all cash, bank balances, deposits, moneys in possession of banks and other depositories, and similar cash items of, owned or held by, or for the account of, the Company;

(ii) the Purchase Price;

(iii) Excluded Contracts;

(iv) all minute books, share ledgers, corporate seals, capital stock, equity interests and stock certificates of the Company;

(v) all policies of insurance or assurance (including directors' and officers' insurance and claims against insurance and insurance settlements), except for the right to receive the proceeds of insurance in respect of Purchased Assets and all Books and Records related thereto which shall not constitute Excluded Assets;

(vi) original Tax records and Books and Records pertaining thereto, minute books, corporate seals, taxpayer and other identification numbers and other documents relating to the organization, maintenance, and existence of the Company, in each case that do not relate to the Business or the Purchased Assets;

(vii) any Books and Records that the Company is required by Applicable Law to retain in its possession, provided however, the Purchaser shall be provided with copies of all such Books and Records that pertain to the Business; and

(viii) any other assets that the Purchaser elects to exclude in writing prior to Closing pursuant to Section 2.3.

(hh) "**Excluded Contracts**" means those Contracts and other agreements of the Company that are not Assumed Contracts.

(ii) "**Excluded Liabilities**" has the meaning set out in Section 2.4.

(jj) "**Governmental Authorities**" means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law or regulation-making organizations or entities: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory, state or other geographic or political subdivision thereof; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power, and "**Governmental Authority**" means any one of them.

(kk) "**GST**" means all of the goods and services tax imposed under Part IX of the *Excise Tax Act*, R.S.C. 1985, c. E-15, amended, and the regulations promulgated thereunder, all as amended from time to time.

(ll) "**Interim Financing Agreement**" means the agreement between the Company and NBC (the "**Interim Lender**") by which the Interim Lender has agreed to loan funds to the Company and the Company has agreed to borrow funds from the Interim Lender subject to an Order of the Court approving such loan and granting a super priority charge over the assets of the Company in respect of all amounts advanced pursuant to that loan.

(mm) "**Interim Lender's Charge**" means a court ordered super priority charge in priority to all security interests, Claims and Encumbrances, but subordinate to the Administration Charge, securing the obligations of the Company under the Interim Financing Agreement.

(nn) "**Interim Period**" means the period beginning on the Effective Date and ending at the Closing Date.

(oo) "**Inventory and Supplies**" means all items that are held by the Company for sale, license, rental, lease, or other distribution (and includes all supplies used by the Company in the operation of the Business) on hand at Closing.

(pp) "**Liability**" means any debt, loss, damage, adverse claim, fines, penalties, liability or obligation (whether direct or indirect, known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, matured or unmatured, determined or determinable, disputed or undisputed, liquidated or unliquidated, or due or to become due, and whether in or under statute, contract, tort, strict liability or otherwise), and includes all costs and expenses relating thereto (including all fees, disbursements and expenses of legal counsel, experts, engineers and consultants and costs of investigation), and, "**Liabilities**" means the plural thereof.

(qq) "**Organizational Documents**" means any trust document, charter, certificate or articles of incorporation or amalgamation, articles of amendment, articles of association, articles of organization, articles of continuance, bylaws, as amended, partnership agreement or similar formation or governing documents of a Person (excluding individuals).

(rr) "**Original Agreement**" has the meaning set out in the preamble hereto;

(ss) "**Outside Date**" means July 30, 2026.

(tt) "**Parties**" means the Company and the Purchaser collectively, and "**Party**" means any one of them.

(uu) "**Person**" means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted.

(vv) "**Proposal Proceedings**" has the meaning set out in the preamble hereto.

(ww) "**Proposal Trustee**" has the meaning set out in the preamble hereto.

(xx) "**Proposal Trustee's Certificate**" means a certificate from the Proposal Trustee confirming the Closing of the Transaction, substantially in the form attached to the Approval and Vesting Order.

(yy) "**Purchase Price**" has the meaning set out in Section 3.1.

(zz) "**Purchased Assets**" has the meaning set out in Section 2.1.

(aaa) "**Qualified Bid**" has the meaning set out in the Sale Process.

(bbb) "**Qualified Bidders**" has the meaning set out in the Sale Process.

(ccc) "**Receivables**" means the right, title and interest of the Company to all accounts receivable, bills receivable, trade accounts, book debts, insurance claims, and choses-in-action, now or hereafter due or owing to the Company, related to the Business or the Purchased Assets, together with any unpaid interest accrued on such items and any security or collateral for such items, including recoverable deposits, attributable to the period prior to Closing, and without limiting the generality of the foregoing, includes all tax refunds and government subsidies.

(ddd) "**Sale Process**" has the meaning set out in the preamble hereto.

(eee) "**Sale Process Order**" has the meaning set out in the preamble hereto.

(fff) "**Stalking Horse Bid**" has the meaning ascribed hereto in Section 4.1(a).

(ggg) "**Successful Bid**" has the meaning set out in the Sale Process.

(hhh) "**Successful Bidder**" has the meaning set out in the Sale Process.

(iii) "**Taxes**" means, with respect to any Person, all national, federal, provincial, local or other taxes, including income taxes, capital gains taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, license taxes, excise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, pension plan premiums and contributions, workers compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST/HST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties and any Liability for the payment of any amounts of the type described in this paragraph as a result any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person.

(jjj) "**Terminated Employees**" means all individuals who are employed by any member of the Company but whose employment will be terminated at or prior to Closing, pursuant to Section 6.7.

(kkk) "**Transaction**" means the transaction of purchase and sale contemplated by this Agreement.

(lll) "**Transferred Employees**" Employees who have accepted an offer of employment from the Purchaser as of the Closing.

1.2 General Construction

The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular section hereof. The expression "Section" or reference to another subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

1.3 Currency

All references in this Agreement to dollars, monetary amounts, or to $, are expressed in Canadian currency unless otherwise specifically indicated.

1.4 Statues

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules, regulations and interpretations made under it, as it or they may have been or may from time to time be modified, amended or re-enacted.

1.5 Schedules

The following schedules are attached hereto and incorporated in and form part of this Agreement.

SCHEDULES

Schedule A	-	Purchased Assets
Schedule B	-	Excluded Assets
Schedule C	-	Assumed Contracts
Schedule D	-	Assumed Liabilities
Schedule E	-	Form of Approval and Vesting Order

ARTICLE 2
PURCHASE AND SALE

2.1 Purchase and Sale of Purchased Assets

At the Closing Time, subject to the terms and conditions of this Agreement and the Approval and Vesting Order, the Company shall sell, assign, transfer, and convey to the Purchaser and the Purchaser shall purchase and assume from the Vendor, all of the Vendor's right, title and interest in, to and under the tangible and intangible assets, properties and rights owned by the Vendor and necessary to operate the Business in the ordinary course, including those listed in **Schedule "A"**, attached hereto (collectively, the "**Purchased Assets**"), but excluding any Excluded Assets, free and clear of all Encumbrances pursuant to the Approval and Vesting Order.

2.2 Assumed Liabilities

Provided that Closing occurs and subject to the terms and conditions of this Agreement, possession, risk, legal and beneficial ownership of the Purchased Assets shall transfer from the Vendor to the Purchaser on the Closing Date, and the Purchaser agrees to assume, discharge, perform and fulfill all of the Assumed Liabilities from and after the Closing Date.

2.3 Excluded Assets and Excluded Contracts

Save and except as otherwise expressly set out herein, the Purchaser may, at its option, exclude any of the Purchased Assets from the transaction contemplated hereby, provided that the Purchaser shall deliver prior written notice to the Company and the Proposal Trustee no later than five (5) Business Days prior to the Sale Approval Hearing, whereupon such assets shall be deemed to form part of the Excluded Assets, provided, however, that there shall be no reduction in the Purchase Price as a result of such exclusion. Any changes, including exclusions, to the list of Purchased Assets agreed upon by the Parties shall be promptly updated in **Schedule "B"**, with the final version to be attached to this Agreement prior to Closing.

2.4 Excluded Liabilities

Other than the Assumed Liabilities, the Purchaser shall not assume and shall have no obligation to discharge, perform or fulfill:

(a) any Liability of or against the Company or relating to any Excluded Assets or Excluded Contracts as at the Closing Time;

(b) all Employee Liabilities that arise out of, or result from the employment or engagement by the Company (or any predecessor to the Company) of any of the Employees (including the Transferred Employees) (unless otherwise imposed by law) and/or the termination or severance of such engagement or employment; and

(c) all Encumbrances (collectively, the "**Excluded Liabilities**").

2.5 Assumed Contracts

(a) The Purchaser shall assume the Contracts which are listed in **Schedule "C"** (which Contracts shall be referred to as the **"Assumed Contracts"** and of which any one of them is an **"Assumed Contract"**).

(b) Save and except as hereinafter set out, the Purchaser shall be able to add or remove Contracts from **Schedule "C"** up until at least five (5) Business Days prior to the hearing date for the Approval and Vesting Order, by giving notice to the Company and Proposal Trustee in writing.

(c) Each of the Parties shall use reasonable commercial efforts to obtain, as may be required by the terms of such Assumed Contracts, all consents and approvals required to assign the Assumed Contracts to the Purchaser.

(d) To the extent that any Assumed Contract is not assignable without the consent or approval of the counterparty or any other Person, and such consent or approval has not been obtained prior to the Closing Date, the Company's interest in, to and under such Assumed Contract may be conveyed to the Purchaser pursuant to an Assignment Order, and the Company will use commercially reasonable efforts to obtain an Assignment Order in respect of such Assumed Contract on or prior to the Closing Date, provided that: (i) the Assignment Order must be obtained prior to the Outside Date; (ii) the Purchaser shall be solely responsible for any and all costs associated with obtaining the Assignment Order if obtained at a time other than the hearing of the Approval and Vesting Order; and (iii) if an Assignment Order is obtained in respect of such Assumed Contract, the Purchaser shall accept the assignment of such Assumed Contract on such terms.

(e) To the extent that any Cure Costs are payable with respect to any Assumed Contract, the Purchaser shall be responsible for and shall pay all such Cure Costs, which amounts shall be in addition to the Purchase Price and which shall be paid directly to the applicable counterparty. Unless the Parties otherwise agree, to the extent that any Cure Cost is payable with respect to any Assumed Contract, where such Assumed Contract is assigned pursuant to an Assignment Order, the Purchaser shall pay such Cure Costs in accordance with such Assignment Order, and where such Assumed Contract is not assigned pursuant to an Assignment Order, the Purchaser shall pay such Cure Costs in the manner set out in the consent of the applicable counterparty or as otherwise may be agreed to by the Purchaser and such counterparty.

(f) It shall be the sole obligation of the Purchaser, at the Purchaser's sole cost and expense, to provide any and all financial assurances, deposits or security, including without limitation any Cure Costs that may be required by Governmental Authorities or any third parties to permit the transfer of the Purchased Assets, including the Assumed Contracts, to the Purchaser.

ARTICLE 3
PURCHASE PRICE

3.1 Purchase Price

The purchase price payable by the Purchaser for the Purchased Assets shall be: (a) [redacted] plus (b) the Accounts Receivable Payment (collectively, the "**Purchase Price**"). The Purchaser shall pay, in addition to the Purchase Price, all applicable Taxes and Cure Costs, if any. The Purchase Price shall be paid and satisfied in accordance with Section 3.3.

3.2 Allocation of Purchase Price

The Purchaser and the Company agree that the Purchase Price and the Assumed Liabilities shall be allocated among the Purchased Assets for tax and financial accounting purposes in a manner to be agreed to by the Parties prior to the Closing Time.

3.3 Satisfaction of the Purchase Price

The Purchaser shall pay and satisfy the Purchase Price by:

(a) assumption of the Assumed Liabilities as of the Closing Date and shall satisfy such Assumed Liabilities by performing them as and when they become due; and

(b) payment of the Purchase Price by:

(i) a deposit in the amount of [redacted] (the "**Deposit**") which shall be paid by the Purchaser to the Proposal Trustee and shall be applied against the Purchase Price on Closing;

(ii) payment of the Accounts Receivable Payment to the Proposal Trustee on Closing by way of certified cheque, wire transfer or bank draft; and

(iii) the balance of the Purchase Price, after crediting the Deposit in Section 3.3(b)(i), on Closing to the Proposal Trustee by way of certified cheque, wire transfer or bank draft.

The Purchaser will pay the Cure Costs for all of the Assumed Contracts by electronic wire transfer to each counterparty to the Assumed Contract on the Closing Date. The wire transfer information shall be provided by the Company to the Purchaser at least three (3) days prior to Closing.

3.4 Taxes and Elections

(a) The Purchaser shall be responsible for the payment on Closing of all Taxes that are required to be paid or remitted in connection strictly with the consummation of the purchase contemplated in this Agreement.

(b) If applicable, at the Closing, the Company and the Purchaser shall jointly execute an election under Section 167 of the *Excise Tax Act* (Canada) to seek to cause the sale of the Purchased Assets to take place on a GST-free basis under Part IX of the *Excise Tax Act* (Canada) and the Purchaser shall file such election with its GST return for the applicable reporting period in which the sale of the Purchased Assets takes place.

(c) If applicable, at the Closing, the Company and the Purchaser shall execute jointly an election in prescribed form under Section 22 of the *Income Tax Act* (Canada) in respect of the Receivables and shall file such election with their respective tax returns for their respective taxation years that include the Closing Date.

(d) The Purchaser agrees to indemnify and save the Company harmless from and against all claims and demands for payment of all Taxes payable by Purchaser strictly in connection with the purchase of the Purchased Assets, including penalties and interest thereon and any liability or costs incurred as a result of any failure to pay such Taxes when due.

(e) The Purchaser shall, at all times, indemnify and hold harmless the Company's directors, officers, and employees, and the Proposal Trustee and its representatives against and in respect of any and all amounts assessed by any taxing authority in the event that any Tax exemption claimed by the Purchaser was inapplicable, invalid, or not properly made, including all taxes, interest, and penalties assessed and including all reasonable legal and professional fees incurred by the Company's directors, officers, and employees as a consequence of or in relation to any such assessment. Notwithstanding anything else in this Agreement, this indemnity shall survive the Closing Date in perpetuity and shall not be subject to any caps or restrictions.

ARTICLE 4
SALE PROCESS AND BIDDING PROCEDURES

4.1 Sale Process

(a) The Company filed an application to be heard by the Court on or before April 29, 2026. The Sale Process Order recognized the Original Agreement and the purchase price thereunder: (i) as a baseline or "stalking horse bid" in respect of the Purchased Assets (the "**Stalking Horse Bid**"); and (ii) as a deemed Qualified Bid with an attendant right on the part of the Purchaser to participate as a bidder in any Auction. The Purchaser acknowledges and agrees that the aforementioned process is in contemplation of determining whether a superior bid can be obtained for the Purchased Assets, and that the Stalking Horse Bid may be the Successful Bid for the Purchased Assets.

(b) In the event that one or more Persons submits a Qualified Bid on or before the Bid Deadline, the Proposal Trustee shall conduct an auction (the "**Auction**") for the determination and selection of the Successful Bid and the Successful Bidder in accordance with the Sale Process. The minimum incremental bid in an Auction shall be $50,000, or such other increment as the Proposal Trustee may determine appropriate.

(c) Upon the selection of a Successful Bidder, there shall be a binding agreement of purchase and sale between the Successful Bidder and the Company. The Company shall forthwith bring a motion following the selection of the Successful Bidder for an order approving the agreement reached with the Successful Bidder and, if such order is granted, shall proceed with closing the transaction contemplated by the Successful Bid forthwith.

(d) Notwithstanding anything contained herein to the contrary, in the event that the Purchaser is not the Successful Bidder under the Sale Process, then upon the selection of the Successful Bid and consummation of the transaction(s) comprising the Successful Bid: (i) the Original Agreement shall be terminated in accordance with ARTICLE 9; (ii) the Purchaser shall be entitled to the Break Fee in accordance with Section 4.2; and (iii) neither Party hereto shall have any further Liability or obligation hereunder, except as expressly provided for in the Original Agreement.

(e) If no Qualified Bids are received by the Bid Deadline (other than the Stalking Horse Bid), the Stalking Horse Bid shall be deemed to be the Successful Bid and the Parties shall, as soon as reasonably practical, bring a motion to the Court to obtain the Approval and Vesting Order and, if granted, shall proceed with completing the Transaction contemplated hereby.

4.2 Break Fee

(a) In consideration for the Purchaser's expenditure of time and money and agreement to act as the initial bidder through the Stalking Horse Bid, and the preparation of this Agreement, and in performing due diligence pursuant to this Agreement, and subject to Court approval, the Purchaser shall be entitled to a break fee in the amount of $10,000 (inclusive of GST, if any) (the "**Break Fee**"), which Break Fee shall be payable to the Purchaser in the event that the Purchaser is not the Successful Bidder in the Sale Process.

(b) The payment of the Break Fee shall be approved in the Sale Process Order and shall, if payable pursuant to Section 4.2(a), be payable to the Purchaser, on behalf of the Company, out of the sale proceeds immediately upon closing of the Successful Bid.

(c) The Parties acknowledge and agree that the aggregate foregoing Break Fee amount represents a fair and reasonable estimate of the costs and damages that will be incurred by the Purchaser as a result of preparing and entering into, and not completing the Transactions contemplated by this Agreement, and is not intended to be punitive in nature nor to discourage competitive bidding for the Purchased Assets. For certainty, the Break Fee does not form part of the Purchase Price. Upon payment of the Break Fee to the Purchaser, the Purchaser shall be precluded from any other remedy against the Company in respect of the disclaimer, repudiation, breach or termination of this Agreement; provided that nothing herein shall preclude any Party from seeking injunctive relief to restrain any breach or threatened breach of the covenants or agreements set forth in this Agreement or to compel specific performance of this Agreement.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of the Company

The Company hereby represents and warrants as of the date hereof and as of the Closing Time as follows, and acknowledges that the Purchaser is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

(a) <u>Incorporation and Status.</u> The Company is a corporation incorporated and existing under the *Business Corporations Act* (Ontario), is in good standing under such act and, subject to the granting of the Sale Process Order, has the power and authority to enter into, deliver and perform its obligations under this Agreement.

(b) <u>Execution and Binding Obligation.</u> This Agreement and all other documents contemplated hereunder to which the Company is or will be a party have been or will be, as at the Closing Time, duly and validly executed and delivered by the Company and constitute or will, as at the Closing Time, constitute legal, valid and binding obligations of the Vendor enforceable in accordance with the terms hereof or thereof.

(c) <u>No Authorizations and Consents.</u> The Sale Process Order and the Approval and Vesting Order, execution, delivery and performance of this Agreement by the

Vendor does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority.

(d) Residency. The Company is not a non-resident of Canada for purposes of the *Income Tax Act* or the *Excise Tax Act*, as applicable.

(e) No other Agreements to Purchase. Except for the Purchaser's rights under this Agreement or the rights of third parties under any Assumed Contracts, immediately prior to the Closing Time, no Person will have any contractual right, option or privilege for the purchase or acquisition of all or substantially all of the Purchased Assets.

5.2 Representations and Warranties of the Purchaser

The Purchaser hereby represents and warrants as of the date hereof and as of the Closing Time as follows, and acknowledges that the Purchaser is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

(a) Incorporation and Status. The Purchaser is a corporation incorporated and existing under the *Business Corporations Act* (Ontario), is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.

(b) Corporate Authorization. The Purchaser has taken all necessary corporate action to authorize the entering into and performance by it of this Agreement and completion of the Transaction contemplated herein, any agreement binding upon it or any Applicable Laws.

(c) No Conflict. The execution, delivery and performance by the Purchaser of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Purchaser.

(d) Execution and Binding Obligation. This Agreement and all other documents contemplated hereunder to which the Purchaser is or will be a party have been or will be, as at the Closing Time, duly and validly executed and delivered by the Purchaser and constitute or will, as at the Closing Time, constitute legal, valid and binding obligations of the Purchaser enforceable in accordance with the terms hereof or thereof.

(e) Proceedings. There are no proceedings pending, or to the knowledge of the Purchaser, threatened, against the Purchaser before any Governmental Authority, which prohibit or seek to enjoin delay, restrict or prohibit the Closing of the Transaction, as contemplated by this Agreement, or which would reasonably be expected to delay, restrict or prevent the Purchaser from fulfilling any of its obligations set forth in this Agreement.

(f) No Order. The Purchaser is not subject to any order of any Governmental Authority, nor are there any such orders threatened to be imposed by any

Governmental Authority, which could affect the legality, validity or enforceability of this Agreement or the consummation of the transactions contemplated hereby by the Purchaser.

(g) Financial Wherewithal. The Purchaser has sufficient cash on hand or other sources of immediately available funds to enable it to make payment of the Purchase Price and consummate the Transaction.

(h) Residency. The Purchaser is not a non-resident of Canada for purposes of the *Income Tax Act* or the *Excise Tax Act*, as applicable.

5.3 As Is, Where Is

The Purchaser acknowledges and agrees that it has conducted to its satisfaction an independent investigation and verification of the Business, the Purchased Assets (including the state of title thereto and/or the state of any Encumbrances and permitted Encumbrances), the Assumed Liabilities and all related operations of the Company, and, based solely thereon and the advice of its financial, legal and other advisors, has determined to proceed with the Transaction contemplated by this Agreement. The Purchaser has relied solely on the results of its own independent investigation and verification and, except for the representations and warranties of the Company expressly set forth herein, the Purchaser understands, acknowledges and agrees that all other representations, warranties, conditions and statements of any kind or nature, expressed or implied (including any relating to the future or historical financial condition, results of operations, prospects, assets or liabilities of the Company or the Business, or the quality, quantity or condition of the Purchased Assets) are specifically disclaimed by the Vendor and its representatives and advisors. THE PURCHASER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES OF THE COMPANY EXPRESSLY AND SPECIFICALLY SET FORTH HEREIN: (A) THE PURCHASER IS ACQUIRING THE PURCHASED ASSETS ON AN “AS IS, WHERE IS” BASIS; AND (B) NONE OF THE COMPANY OR ANY OTHER PERSON (INCLUDING ANY REPRESENTATIVE OF THE VENDOR WHETHER IN ANY INDIVIDUAL, CORPORATE OR ANY OTHER CAPACITY) IS MAKING, AND THE PURCHASER IS NOT RELYING ON, ANY REPRESENTATIONS, WARRANTIES, CONDITIONS OR OTHER STATEMENTS OF ANY KIND WHATSOEVER, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, AS TO ANY MATTER CONCERNING THE COMPANY, THE BUSINESS, THE PURCHASED ASSETS, THE ASSUMED LIABILITIES, THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THE AGREEMENT, OR THE ACCURACY OR COMPLETENESS OF ANY INFORMATION PROVIDED TO (OR OTHERWISE ACQUIRED BY) THE PURCHASER OR ANY OF ITS REPRESENTATIVES, INCLUDING WITH RESPECT TO TITLE, MERCHANTABILITY, PHYSICAL OR FINANCIAL CONDITION, DESCRIPTION, FITNESS FOR A PARTICULAR PURPOSE, OR IN RESPECT OF ANY OTHER MATTER OR THING WHATSOEVER, INCLUDING ANY AND ALL CONDITIONS, WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, PURSUANT TO ANY APPLICABLE LAWS IN ANY JURISDICTION, WHICH THE PURCHASER CONFIRMS DO NOT APPLY TO THIS AGREEMENT, AND ARE HEREBY WAIVED IN THEIR ENTIRETY BY THE PURCHASER.

ARTICLE 6
COVENANTS

6.1 Closing Date

If the Purchaser is selected as the Successful Bidder, the Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing on or before the Outside Date.

6.2 Authorization and Consents

The Parties shall cooperate and work together in good faith, assist with submissions, share information and make any other efforts required to obtain any approval, Authorization and Consents, or third-party consent necessary to effect the Closing.

6.3 Motion for Approval and Vesting Order

As soon as practicable after the selection of this Agreement as the Successful Bid in the Sale Process, the Company shall serve and file with the Court a motion for the issuance of the Approval and Vesting Order, seeking relief that will, *inter alia*, approve this Agreement and the Transaction. The Purchaser shall cooperate with the Proposal Trustee in its efforts to obtain the issuance and entry of the Approval and Vesting Order.

6.4 Interim Period

During the Interim Period, except as otherwise expressly contemplated or permitted by this Agreement (including the Approval and Vesting Order), the Company shall comply with the terms of the Interim Financing Agreement and continue to maintain the Business and operations of the Company and the Purchased Assets in substantially the same manner as conducted on the Effective Date and in material compliance with all Applicable Laws. The Company shall not enter into any new Contracts, renew or extend the term of any existing Contracts or amend any of the Contracts or terminate or disclaim any Contracts or terminate any Employees except any such new Contract or any such renewal or extension of an existing Contract or termination or disclaimer that the Purchaser and the Proposal Trustee approve in writing (such approval not to be unreasonably withheld, conditioned or delayed).

6.5 Access During Interim Period

During the Interim Period, the Company shall give to the Purchaser's personnel engaged in the Transactions contemplated by this Agreement and their accountants, legal advisors, consultants, financial advisors, and its representatives, reasonable access during normal business hours to the Purchased Assets, including the Books and Records, to conduct such investigations, inspections, surveys or tests thereof and of the financial and legal condition of the Business and the Purchased Assets as the Purchaser reasonably deems necessary or desirable. Without limiting the generality of the foregoing: (a) the Purchaser and its representatives shall be permitted reasonable access during normal business hours to all documents relating to information scheduled or required to be disclosed under this Agreement and to the Employees, provided that the Purchaser shall provide the Company with no less than 24 hours advance notice of any on-site inspection or investigation; and (b) the Purchaser and its representatives shall be permitted to contact and discuss the Transactions contemplated herein with the customers and contractual counterparties of the Company. Such investigations, inspections, surveys and tests shall be carried out at the Purchaser's sole and exclusive risk and cost, during normal business hours, and without undue interference with the operations of the Company, and the Company shall co-operate reasonably in facilitating such investigations, inspections, surveys and tests and shall furnish copies of all such documents and materials relating to such matters as may be reasonably requested by or on behalf of the Purchaser. The Purchaser acknowledges that the foregoing access rights are not exclusive, and the same rights shall be granted to other Qualified Bidders in the Sale Process.

6.6 Insurance Matters

Until Closing, the Company shall keep in full force and effect all insurance policies existing as of the Effective Date and give any notice or present any claim under any such insurance policies consistent with past practice of the Company in the ordinary course of business.

6.7 Employee Matters

The Purchaser shall provide to the Company a list five (5) Business Days before Closing, indicating:

(a) those Employees to whom offers of employment or expressions of interest have been made;

(b) those Employees who have accepted any such offer; and

(c) those Employees who the Purchaser has determined will not be offered employment with the Purchaser.

The Purchaser shall assume and be responsible for all Employee Liabilities in respect of Transferred Employees following the Closing Date.

6.8 Covenants Relating to this Agreement

(a) Each of the Parties shall perform all obligations required to be performed by the applicable Party under this Agreement, co-operate with the other Parties in connection therewith and do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the Transactions contemplated by this Agreement and, without limiting the generality of the foregoing, during the Interim Period, each Party shall and, where appropriate, shall cause each of its Affiliates to:

(i) negotiate in good faith and use its commercially reasonable efforts to take or cause to be taken all actions and to do, or cause to be done, all things necessary, proper or advisable to satisfy the conditions precedent to the obligations of such Party hereunder (including, where applicable, negotiating in good faith with the applicable Governmental Authorities and/or third Persons in connection therewith), and to cause the fulfillment at the earliest practicable date of all of the conditions precedent to the other Party's obligations to consummate the Transactions contemplated hereby; and

(ii) not take any action, or refrain from taking any action, or permit any action to be taken or not taken, which would reasonably be expected to prevent, materially delay or otherwise impede the consummation of the Transactions contemplated by this Agreement.

(b) Each of the Company and the Purchaser agree to execute and deliver such other documents, certificates, agreements and other writings, reasonably necessary for the consummation of the Transactions contemplated by this Agreement following the selection of this Agreement as the Successful Bid, and to take such other actions to consummate or implement as soon as reasonably practicable, the Transactions contemplated by this Agreement.

ARTICLE 7
CLOSING

7.1 Closing

Closing shall take place on the Closing Date effective as of the Closing Time electronically (or as otherwise determined by mutual agreement of the Parties in writing), by the exchange of deliverables (in counterparts or otherwise) by electronic transmission in PDF format.

7.2 Closing Deliverables of the Company

At or before the Closing Time, the Company shall deliver or cause to be delivered to the Purchaser the following documents:

(a) a copy of the Approval and Vesting Order, issued by the Court;

(b) a copy of the Assignment Order, if any;

(c) the Books and Records;

(d) if applicable, the elections referred to in Section 3.4;

(e) a general conveyance with respect to the Purchased Assets;

(f) a bring down certificate dated as of the Closing Date, confirming that all of the representations and warranties of the Company contained in this Agreement are true and correct as of the Closing Date, with the same effect as though made on and as of the Closing Date; and

(g) such further and other documentation as is referred to in this Agreement or as the Purchaser or its lawyers may reasonably require to complete the Transactions contemplated by this Agreement.

7.3 Closing Deliverables of the Purchaser

At or before the Closing Time, the Purchaser shall deliver or cause to be delivered to the Company the following documents:

(a) the balance of the Purchase Price;

(b) a bring down certificate dated as of the Closing Date, confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true and correct as of the Closing Date, with the same effect as though made on and as of the Closing Date;

(c) a general conveyance with respect to the Purchased Assets;

(d) a certified resolution of the Purchaser authorizing the Agreement and the purchase of the Purchased Assets;

(e) a certificate of status of the Purchaser;

(f) if applicable, the elections referred to in Section 3.4; and

(g) such further and other documentation as is referred to in this Agreement or as the Company or its lawyers may reasonably require to complete the transactions provided for in this Agreement.

7.4 Proposal Trustee's Certificate

When the conditions to Closing set out in Sections 8.1, 8.2 and 8.3 have been satisfied and/or waived by the Company or the Purchaser, as applicable, each of the Company and the Purchaser or their respective counsel will deliver to the Proposal Trustee confirmation in writing that the conditions of Closing have been satisfied and/or waived, as applicable, and that the Parties are prepared for the Closing to commence (the **"Conditions Certificates"**). Upon receipt of the Conditions Certificates and the receipt of the Purchase Price, the Proposal Trustee will: (a) issue forthwith its Proposal Trustee's Certificate concurrently to the Company and counsel to the Purchaser, at which time the Closing will be deemed to commence and be completed in the order set out herein and in the Approval and Vesting Order, and Closing will be deemed to have occurred; and (b) file as soon as practicable a copy of the Proposal Trustee's Certificate with the Court (and will provide a true copy of the filed certificate to the Company and counsel to the Purchaser). In the case of (a) and (b) above, the Proposal Trustee will be relying exclusively on the Conditions Certificates without any obligation whatsoever to verify or inquire into the satisfaction or waiver of the applicable conditions, and the Proposal Trustee will have no liability to the Company or the Purchaser as a result of filing the Proposal Trustee's Certificate in accordance herewith.

ARTICLE 8
CONDITIONS TO CLOSING

8.1 Conditions Precedent in Favour of the Parties

The obligations of the Parties to complete the Transaction is subject to the following mutual conditions being satisfied, fulfilled or performed on or prior to the Closing Date:

(a) <u>Successful Bid.</u> This Agreement shall have been designated as a Successful Bid in accordance with the terms of the Sale Process.

(b) <u>Approval and Vesting Order.</u> The Court shall have issued and entered the Approval and Vesting Order that among other things, approves the Purchase Price herein, which Approval and Vesting Order shall not have been stayed, set aside, vacated, subject to appeal, or leave to appeal and no application, motion or other proceeding shall have been commenced seeking the same, in each case which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably.

(c) No Order. No Applicable Law and no judgment, injunction, order or decree shall have been issued by a Governmental Authority or otherwise in effect that restrains or prohibits the completion of the Transaction.

(d) No Restraint. No motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction contemplated by this Agreement.

The foregoing conditions are for the mutual benefit of the Parties. If any condition set out in this Section 8.1 is not satisfied, performed or mutually waived on or prior to the Outside Date, any Party may elect on written notice to the other Parties to terminate this Agreement.

8.2 Conditions Precedent in Favour of the Purchaser

The obligations of the Purchaser to complete the Transaction is subject to the following mutual conditions being satisfied, fulfilled or performed on or prior to the Closing Date:

(a) Company's Deliverables. The Company shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 7.2.

(b) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or Transactions specifically contemplated by this Agreement, each of the representations and warranties contained in Section 5.1 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.

(c) No Breach of Covenants. The Company shall have performed, in all material respects, all covenants, obligations and agreements contained in this Agreement required to be performed by the Company on or before the Closing Date.

(d) Employees. The Company shall have terminated the employment of any Employees identified by the Purchaser in its sole discretion to be Terminated Employees and all Liabilities owing to any such Terminated Employees in respect of such terminations, including all amounts owing on account of statutory notice, termination payments, individual or group notice of termination (as applicable), severance, wages, overtime pay, vacation pay, benefits, bonuses or other compensation or entitlements, including any amounts deemed owing pursuant to statute or common law, shall be Excluded Liabilities or shall be discharged pursuant to the Approval and Vesting Order.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in this Section 8.2 may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing. If any condition set out in Section 8.2 is not satisfied or performed on or prior to the Outside Date, the Purchaser may elect on written notice to the Company to terminate this Agreement.

8.3 Conditions Precedent in Favour of the Company

The obligations of the Company to complete the Transaction is subject to the following mutual conditions being satisfied, fulfilled or performed on or prior to the Closing Date:

(a) Purchaser's Deliverables. The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Company or the Proposal Trustee, as applicable, at the Closing all the documents and payments contemplated in Section 7.3.

(b) No Breach of Representation and Warranties. Each of the representations and warranties contained in Section 5.2 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.

(c) No Breach of Covenants. The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing.

The foregoing conditions are for the exclusive benefit of the Company. Any condition in this Section 8.3 may be waived by the Company in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Company only if made in writing. If any condition set out in Section 8.3 is not satisfied or performed on or prior to the Outside Date, the Company may elect on written notice to the Company to terminate this Agreement.

ARTICLE 9
TERMINATION

9.1 Grounds for Termination

This Agreement may be terminated on or prior to the Closing Date:

(a) automatically upon the selection of a Successful Bidder in accordance with the Sale Process in the event that the Purchaser is not a Successful Bidder;

(b) by mutual written agreement of the Company and the Purchaser;

(c) by the Company or the Purchaser, if the conditions set forth in Article 8 are not satisfied or waived on or before the Outside Date, provided that the failure to satisfy such conditions by such deadline is not caused by a breach of this Agreement by the Party proposing to terminate the Agreement;

(d) by the Purchaser, if there has been a material violation or breach by the Company of any agreement, covenant, representation or warranty of the Company in this Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in Sections 8.1 or 8.2, by the Outside Date and such violation or breach has not been waived by the Purchaser or cured within five (5) Business Days after written notice thereof from the Purchaser to the Company; or

(e) by the Company, if there has been a material violation or breach by the Purchaser of any agreement, covenant, representation or warranty of the Purchaser in this Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in Sections 8.1 or 8.3, by the Outside Date and such violation or breach has not been waived by the Company or cured within five (5) Business Days after written notice thereof from the Purchaser to the Company.

9.2 Treatment of Deposit

(a) In the event that this Agreement is terminated by the Company pursuant to (i) Section 9.1(c) or (ii) Section 9.1(e) and the reason that Closing did not occur by the Outside Date was the result of a breach by the Purchaser of any agreement, covenant, representation or warranty of the Purchaser in this Agreement, the Deposit shall be forfeited by the Purchaser and retained by the Proposal Trustee, for and on behalf of the Company, as a genuine estimate of liquidated damages, and not as a penalty.

(b) In the event that this Agreement is terminated pursuant to any Section of this Agreement other than (i) Section 9.1(c) or (ii) Section 9.1(e) and the reason that Closing did not occur by the Outside Date was the result of a breach by the Company of any agreement, covenant, representation or warranty of the Purchaser in this Agreement, the Deposit shall be promptly returned to the Purchaser by the Proposal Trustee. The return of the Deposit shall be the Purchaser's sole and exclusive remedy for any termination of this Agreement.

9.3 Effect of Termination

If this Agreement is terminated pursuant to Section 9.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder; except for the provisions of: (a) this Section 9.3; and (b) Section 4.2 with respect to the Purchaser's entitlement to the Break Fee. Notwithstanding the foregoing, if this Agreement is terminated by the Company pursuant to Section 9.1(b), 9.1(c), or 9.1(e), the Purchaser shall not be entitled to receive the Break Fee and nothing in this Agreement shall absolve the Purchaser of liability for the violation or breach giving rise to such termination.

ARTICLE 10
GENERAL

10.1 Access to Books and Records

For a period of two (2) years from and after the Closing Date or for such longer period as may be required by any Applicable Law, the Purchaser shall retain all original Books and Records that are transferred to the Purchaser under this Agreement, but the Purchaser is not responsible or liable for any accidental loss or destruction of, or damage to, any such Books and Records. So long as any such Books and Records are retained by the Purchaser pursuant to this Agreement, the Purchaser shall make such Books and Records, as well as electronic copies of such Books and Records (to the extent such electronic copies exist), available to the Monitor and the Vendor, its successors, any trustee in bankruptcy or any receiver of the Vendor, each who shall have the right to inspect and to make copies (at their own expense) of them at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of the Purchaser.

10.2 Notice

Any notice or other communication under this Agreement shall be in writing and may be delivered by read-receipted email, addressed:

(a) in the case of the Purchaser, as follows:

2811153 Alberta Ltd.

Attention: Anthony Fisher
Email; anthony@harmonyheating.ca

with a copy to:

PMR Law
2140, 140-4th Avenue SW
Calgary, AB T2P 3N3

Attention: Shaun T. MacIsaac K.C.

Email: stm@pmrlaw.ca

(b) in the case of the Company, as follows:

Harmony Heating and Air Conditioning Inc.

Attention: Anthony Fisher

Email: anthony@harmonyheating.ca

with a copy to:

Reconstruct LLP
80 Richmond Street W, Suite 1700

Toronto, Ontario M5 2A4

Attention: Brendan Bissell

Email: bbissell@reconllp.com

(c) in each case, with a further copy to the Proposal Trustee as follows:

BDO Canada Limited
222 Bay Street, Suite 2200

Toronto, ON M5K 1H1

Attention: Josie Parisi

Email: jparisi@bdo.ca

with a copy to:

Fasken Martineau DuMoulin LLP
333 Bay Street, Suite 2400

Toronto, Ontario M5H 2T6

Attention: Dylan A. Chochla / Jessica Cameron

Email: dchochla@fasken.com / jcameron@fasken.com

Any such notice or other communication, if transmitted by email before 5:00 p.m. (Calgary time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by email after 5:00 p.m. (Calgary time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission. In the case of a communication by email or other electronic means, if an autoreply is received indicating that the email is no longer monitored or in use, delivery must be followed by the dispatch of a copy of such communication pursuant to one of the other methods described above; provided, however, that any communication originally delivered by electronic means shall be deemed to have been given on the date stipulated above for electronic delivery.

Sending a copy of a notice or other communication to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that Party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a Party. A Person may change its address for service by notice given in accordance with the foregoing and any subsequent communication must be sent to such Person at its changed address.

10.3 Public Announcements

The Proposal Trustee and the Company shall be entitled to disclose this Agreement to the Court and parties in interest in the Proposal Proceedings, and this Agreement may be posted on the Proposal Trustee's website maintained in connection with the Proposal Proceedings. Other than as provided in the preceding sentence or statements made in Court (or in pleadings filed therein) or where required to meet timely disclosure obligations of the Vendor under Applicable Laws, the Proposal Trustee and the Company shall not issue (prior to or after the Closing) any press release or make any public statement or public communication with respect to this Agreement or the Transactions contemplated hereby without the prior consent of the Purchaser, which shall not be unreasonably withheld or delayed.

10.4 Time

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Parties or their respective solicitors.

10.5 Survival

The representations and warranties of the Parties contained in this Agreement shall merge on Closing, provided that the representations, warranties and covenants of the Parties contained herein to be performed after the Closing shall survive Closing and remain in full force and effect.

10.6 Benefit of Agreement

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. Subject to the prerogatives of the Proposal Trustee expressly provided under this Agreement, each Party intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the Parties and their successors and permitted assigns, and no Person, other than the Parties and their successors and their permitted assigns, shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum.

10.7 Entire Agreement

This Agreement and the Schedules attached hereto constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior negotiations, understandings and agreements. Unless as provided for by this Agreement, this Agreement may not otherwise be amended or modified in any respect except by written instrument executed by the Purchaser and the Company, with the consent of the Proposal Trustee.

10.8 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement and any other agreement, document or instrument executed or delivered in connection with this Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

10.9 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and each of the Parties irrevocably attorns to the exclusive jurisdiction of the Court, and any appellate courts of the Province of Alberta therefrom.

10.10 Assignment

This Agreement may be assigned by the Purchaser prior to the issuance of the Approval and Vesting Order, in whole or in part, without the prior written consent of the Company or the Proposal Trustee, provided that: (i) such assignee is a related party, Affiliate or subsidiary of the Purchaser; (ii) the Purchaser provides prior notice of such assignment to the Company and the Proposal Trustee; and (iii) such assignee agrees to be bound by the terms of this Agreement to the extent of the assignment; provided, however, that any such assignment shall not relieve the Purchaser of its obligations hereunder.

10.11 Further Assurances

Each of the Parties shall, at the request and expense of the requesting Party, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such conveyances, transfers, documents and further assurances as may be reasonably necessary or desirable to give effect to this Agreement.

10.12 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by email of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

10.13 Severability

Notwithstanding any provision herein, if a condition to complete the Transaction, or a covenant or an agreement herein is prohibited or unenforceable pursuant to Applicable Law, then such condition, covenant or agreement shall be ineffective to the extent of such prohibition or unenforceability without invalidating the other provisions hereof.

[Signature pages to follow]

HARMONY HEATING AND AIR CONDITIONING INC.

DocuSigned by:

Josie Parisi

F9723072D48F4E0...

Per:____________________________________c/s

BDO Canada Limited in its capacity as Proposal Trustee of Harmony Heating and Air Conditioning Inc., and not in its personal or corporate capacity

Name: Josie Parisi
Title: Partner and Senior Vice President
I have authority to bind the corporation

2811153 ALBERTA LTD.

Per:____________________________________c/s

Name: Anthony Fisher
Title: Director and President
I have authority to bind the corporation

HARMONY HEATING AND AIR CONDITIONING INC.

Per:______________________________________c/s

BDO Canada Limited in its capacity as Proposal Trustee of Harmony Heating and Air Conditioning Inc., and not in its personal or corporate capacity

Name: Josie Parisi
Title: Partner and Senior Vice President
I have authority to bind the corporation

2811153 ALBERTA LTD.

Per:______________________________________c/s

Name: Anthony Fisher
Title: Director and President
I have authority to bind the corporation

Schedule "A"
Purchased Assets

(a) Assumed Contracts;

(b) Books and Records;

(c) Claims of the Company;

(d) Equipment;

(e) Vehicles owned by the Company;

(f) Inventory and Supplies;

(g) Receivables;

(h) all customer lists and supplier lists;

(i) all rights and interests under or pursuant to all warranties, representations and guarantees, express implied or otherwise, of or made by suppliers or others in connection with the Purchased Assets or otherwise related to the Business; and

(j) all other property, assets and undertakings of the Company used or related to the Business of whatsoever nature or kind.

Schedule "B"
Excluded Assets

(a) all cash, bank balances, deposits, moneys in possession of banks and other depositories, and similar cash items of, owned or held by, or for the account of, the Company on the Closing Date;

(b) the Purchase Price;

(c) Excluded Contracts;

(d) all minute books, share ledgers, corporate seals, capital stock, equity interests and stock certificates of the Company;

(e) all policies of insurance or assurance (including directors' and officers' insurance and claims against insurance and insurance settlements), except for the right to receive the proceeds of insurance in respect of Purchased Assets and all Books and Records related thereto which shall not constitute Excluded Assets;

(f) original Tax records and Books and Records pertaining thereto, minute books, corporate seals, taxpayer and other identification numbers and other documents relating to the organization, maintenance, and existence of the Company, in each case that do not relate to the Business or the Purchased Assets;

(g) any Books and Records that the Company is required by Applicable Law to retain in its possession, provided however, the Purchaser shall be provided with copies of all such Books and Records that pertain to the Business; and

(h) any other assets that the Purchaser elects to exclude in writing prior to Closing pursuant to Section 2.3.

Schedule "C"
Assumed Contracts

(a) Vehicle leases in accordance with the lease particulars set forth below:

Year	Make	Model	Vin #	KMs	Lease/Purchase Date	Status	Lender	Branch Number	Loan/Account Number
2023	Ford	F150 Platinum	1FTFW1E8XP FA10569	75218	Apr-23	Lease	Ford Credit		62136591
2025	Chev	Trailblazer	KL79MRSL9S B024468	55818	Sep-24	Finance	Scotiabank		25199714522
2025	Chev	Trailblazer	KL79MRSL9S B027063	50457	Sep-24	Finance	Scotiabank		25199720116
2024	Chev	Express RV	1GCWGAFP7R 1207184	20831	Oct-24	Finance	Scotiabank		25199729142
2024	GMC	Savanna	1GTW7BFP3R 1260714	34438	Nov-24	Finance	RBC		04993-04630598-001
2024	Chev	Express RV	1GCWGAF71R 1273312	42116	Dec-24	Finance	TD	3333	6015591-03
2024	Ford	Transit Van	1FTBR1XG8R KB61740	15502	Feb-25	Finance	Ford Credit		64182582
2025	Ford	Eseries	1FDXE4FN4S DD16518	9023	Mar-25	Finance	Ford Credit		64464956
2025	GMC	Savanna	1GTW7AFP7S 1169106	21327	May-25	Finance	TD	3333	6015591-04

Schedule "D"
Assumed Liabilities

(a) all Liabilities from and after the Closing Date associated with the Assumed Contracts but only to the extent that such Liabilities thereunder are incurred after the Closing Time and do not relate to any failure to perform, improper performance, warranty or other breach, default or violation by the Company on or before the Closing Time;

(b) any Cure Costs in connection with an Assumed Contract to the extent that an Assignment Order or consent in respect of the Assumed Contract, as applicable, is obtained in respect of such Assumed Contract but, for greater certainty, excluding any amount on account of Liabilities incurred as ordinary course obligations by the Company after the commencement of the Proposal Proceedings in connection with such Assumed Contract;

(c) any lease transfer fees required to be paid on account of the assignment of the leased vehicles by the Company to the Purchaser provided that the Purchaser agrees that, in the event that an assignment of the lease in respect of any of the leased vehicles cannot be effected, the Purchaser shall pay the amount outstanding under the applicable leases and purchase the vehicle; and

(d) all Liabilities and Claims arising or accruing from the use of the Purchased Assets from and after the Closing.

Schedule "E"
Form of Approval and Vesting Order

COURT FILE NUMBER / BANKRUPTCY ESTATE NUMBER	25-3354154
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
PROCEEDING	IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF HARMONY HEATING AND AIR CONDITIONING INC.
DOCUMENT	**APPROVAL AND VESTING ORDER**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**Fasken Martineau DuMoulin LLP** 350 – 7th Avenue SW, Suite 3400 Calgary, Alberta T2P 3N9 Attention: Dylan Chochla / Jessica Cameron Telephone: (416) 868-3425 / (403) 261-9468 E-Mail: dchochla@fasken.com / jcameron@fasken.com

DATE ON WHICH ORDER WAS PRONOUNCED: **[●], 2026**

NAME OF JUSTICE WHO MADE THIS ORDER: **Honourable Justice [●]**

LOCATION OF HEARING: **Edmonton, Alberta**

UPON THE APPLICATION of Harmony Heating and Air Conditioning Inc. (the "**Vendor**") pursuant to the *Bankruptcy and Insolvency Act,* R.S.C. 1985, c B-3, as amended (the "**BIA**") for an order that, among other things, (i) approves the sale transaction (the "**Transaction**") contemplated by an amended and restated stalking horse purchase agreement (the "**Sale Agreement**") between the Company, as vendor, and 2811153 Alberta Ltd., as purchaser (in such capacity, the **"Purchaser**"), dated June [●] 2026; and (ii) vesting in the Purchaser the Vendor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**");

AND UPON HAVING READ the Affidavit of [●], sworn on [●], 2026, and the [●] Report of the Proposal Trustee BDO Canada Limited, dated [●], 2026, and the Affidavit of Service of [●], filed;

AND UPON HAVING HEARD the submissions of counsel for the Vendor, counsel for the Proposal Trustee, counsel for the Purchaser, and any other counsel or interested parties present at the hearing of the within Application;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

APPROVAL OF TRANSACTION

2. The Transaction is hereby approved and execution of the Sale Agreement by the Vendor is hereby authorized and approved, with such minor amendments as the Vendor and the Purchaser, with the approval of the Proposal Trustee, 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 completion of the Transaction and conveyance of the Purchased Assets to the Purchaser (or its nominee).

VESTING OF PROPERTY

3. Upon delivery of a Proposal Trustee's certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule "A"** hereto (the "**Proposal Trustee's Closing Certificate**"), all of the Vendor's right, title and interest in and to the Purchased Assets listed in **Schedule "B"** hereto shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, "**Claims**") including, without limiting the generality of the foregoing:

   (a) (i) any encumbrances or charges created by the Order of the Honourable Justice Bourque dated April 29, 2026 in the within proceedings (the "**Initial Order**");

(b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;

(c) any liens or claims of lien under the *Builders' Lien Act* (Alberta); and

(d) those Claims listed in **Schedule "C"** hereto,

all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule "D"** (collectively, "**Permitted Encumbrances**"), and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets.

4. Upon delivery of the Proposal Trustee's Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities, in the province of Alberta or any other province (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Proposal Trustee's Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing the Registrar of the Alberta Personal Property Registry shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Vendor in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.

5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Proposal Trustee's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.

6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement.

7. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (the "**Net Proceeds**") shall stand in the place and stead of the Purchased Assets from and after delivery of the Proposal Trustee's Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the Net Proceeds from 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. Unless otherwise ordered (whether before or after the date of this Order), neither the Vendor nor the Proposal Trustee shall make any distributions to creditors of Net Proceeds from sale of the Purchased Assets without further order of this Court, provided however the Vendor may apply any part of such Net Proceeds to repay any amounts secured by either the Administration Charge or the Interim Lender's Charge, as granted by the Initial Order.

8. Except as expressly provided for in the Sale Agreement or by section 5 of the Alberta *Employment Standards Code*, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Vendor.

9. Upon completion of the Transaction, the Vendor and all persons who claim by, through or under the Vendor in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to

the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

10. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Vendor, or any person claiming by, through or against the Vendor.

11. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Proposal Trustee.

12. The Proposal Trustee is directed to file with the Court a copy of the Proposal Trustee's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).

13. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the Alberta *Personal Information Protection Act*, the Vendor or the Proposal Trustee, as the case may be, is authorized and permitted to disclose and transfer to the Purchaser (or its nominee) all human resources and payroll information in the Vendor's records pertaining to the Vendor's past and current employees. The Purchaser (or its nominee) 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) to which the Vendor was entitled.

MISCELLANEOUS MATTERS

14. Notwithstanding:

(a) the pendency of these proceedings and any declaration of insolvency made herein;

(b) the pendency of 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;

(c) any assignment in bankruptcy made in respect of the Vendor; and

(d) the provisions of any federal or provincial statute,

the vesting of the Purchased Assets in the Purchaser (or its nominee) 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 transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, 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.

15. The Vendor, the Proposal Trustee, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.

16. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, 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 order and to provide such assistance to the Proposal Trustee, as an officer of the 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.

17. Service of this Order shall be deemed good and sufficient by:

(a) Serving the same on:

(i) the persons listed on the service list created in these proceedings;

(ii) any other person served with notice of the application for this Order;

(iii) any other parties attending or represented at the application for this Order; and

(iv) the Purchaser or the Purchaser's solicitors; and

(b) Posting a copy of this Order on the Proposal Trustee's website at: https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/mechcangroup, and service on any other person is hereby dispensed with.

18. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

____

Justice of the Court of King's Bench of Alberta

SCHEDULE "A"
FORM OF PROPOSAL TRUSTEE'S CERTIFICATE

COURT FILE NUMBER / BANKRUPTCY ESTATE NUMBER	25-3354154
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
PROCEEDING	IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF HARMONY HEATING AND AIR CONDITIONING INC.
DOCUMENT	**PROPOSAL TRUSTEE'S CERTIFICATE**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**Fasken Martineau DuMoulin LLP** 350 – 7th Avenue SW, Suite 3400 Calgary, Alberta T2P 3N9 Attention: Dylan Chochla / Jessica Cameron Telephone: (416) 868-3425 / (403) 261-9468 E-Mail: dchochla@fasken.com / jcameron@fasken.com

RECITALS

A. Pursuant to a notice of intention ("**NOI**") by Harmony Heating and Air Conditioning Inc. (the "**Vendor**") to make a proposal filed on March 29, 2026 under section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada), the NOI proceedings were commenced by the Vendor and BDO Canada Limited was appointed as the proposal trustee (the "**Proposal Trustee**") of the Vendor.

B. Pursuant to an Order of the Court dated [●], 2026, the Court approved the asset purchase agreement dated [●], 2026 (the "**Sale Agreement**") between the Vendor and 2811153 Alberta Ltd. (the "**Purchaser**") and provided for the vesting in the Purchaser (or its nominee) of the Vendor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Proposal Trustee to the Purchaser (or its nominee) of a certificate confirming (i) the payment by the Purchaser (or its nominee) of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Proposal Trustee and the Purchaser (or its nominee); and (iii) the Sale Transaction has been completed to the satisfaction of the Proposal Trustee.

C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Purchaser (or its nominee) has paid and the Proposal Trustee has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;

2. The conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Proposal Trustee and the Purchaser (or its nominee); and

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

4. This Certificate was delivered by the Proposal Trustee at **[Time]** on **[Date]**.

BDO CANADA LIMITED, solely in its capacity as Proposal Trustee of the Vendor and not in its personal capacity:

Per: ______________________________

Name:
Title:

APPENDIX G

Court File No. B301 354154

District of Alberta

SUPERIOR COURT OF JUSTICE

(COMMERCIAL LIST)

AFFIDAVIT OF Josie Parisi

I, Josie Parisi, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY** that:

1. I am a Partner of BDO Canada Limited, and as such have personal knowledge of the matters referred to herein.

2. By Order of the Honourable Justice Bourque, dated April 29, 2026 (the "Order"), BDO Canada Limited was appointed as Proposal Trustee (the "Trustee") of Harmony Heating & Air Conditioning Inc.

3. Pursuant to the Order, the Trustee has provided services and incurred disbursements which are more particularly described in the detailed accounts attached hereto and marked as **Exhibit "A"**

4. The time shown in the detailed accounts attached as **Exhibit "A"** are a fair and accurate description of the services provided and the amounts charged by the Trustee, which reflect the Receiver's time as billed at its standard billing rates.

5. The Receiver requests that the Court approve its account for the period from April 1, 2026 to July 14, 2026 in the amount of $49,736.68 inclusive of HST of $5,721.92 for the services set out in **Exhibit "A"**

6. This affidavit is sworn in support of the Trustee's motion for, among other things, approval of its fees and disbursements and those of its legal representatives and for no other or improper purpose.

SWORN BEFORE ME at the City of London, in the Province of Ontario, this 15 th day of July, 2026.	)))))	
M. Finnegan		J. Parisi
Commissioner for Taking Affidavits, *etc*	))	**Josie Parisi, CPA, CA, CBV, CIRP, LIT**

Maxine Beverly Finnegan, a Commissioner, etc.,
Province of Ontario, for BDO Canada Limited and BDO Canada LLP.
Expires May 14, 2027

This is Exhibit "A" referred to in the affidavit of

Josie Parisi

Sworn before me this 15th day of July, 2026

M Finnegan

A COMMISSIONER FOR TAKING AFFIDAVITS

Maxine Beverly Finnegan, a Commissioner, etc.,
Province of Ontario, for BDO Canada Limited and BDO Canada LLP.
Expires May 14, 2027

Summary of Receiver's Accounts for the period

April 8, 2026 to June 29, 2026

Invoice Date	Invoice Number	Hours Expended	Fees & Disbursements	HST	Invoice Total
July 15, 2026	CINV4008446	59.3	$44,014.76	$5,721.92	$49,736.68

Tel: 416 865 0210
Fax: 416 865 0904
www.bdo.ca

BDO Canada Limited
20 Wellington Street E., Suite 500
Toronto ON M5E 1C5 Canada

INVOICE

Strictly Private & Confidential

Harmony Heating & Air Conditioning Inc
c/o BDO Canada Limited
500-20 Wellington Street
Toronto, ON M5E 1C5

Date
July 15, 2026

Invoice No.
CINV4008446

Re: **Harmony Heating & Air Conditioning Inc – *Proposal***

FOR PROFESSIONAL SERVICES RENDERED for the period April 1, 2026 to July 14, 2026

For Professional Services	$ 36,540.00
Disbursements: Newspaper ad, registered letters	7,474.76
Sub Total	44,014.76
HST - 13.0% (#R101518124)	5,721.92
Total Due	$ 49,736.68

Summary of Time Charges:	Hours	Rate	Amount
J. Parisi, Partner	26.5	725.00	19,212.50
D. Lewis, Partner	0.2	725.00	145.00
B. Warga, Partner	0.5	725.00	362.50
M. Marchand, Partner	1.8	725.00	1,305.00
N. Sagolili, Sr. Manager	21.9	600.00	13,140.00
J. Furneaux, Sr. Analyst	4.1	300.00	1,230.00
J. Hue, Administrator	1.3	250.00	325.00
T. Montesano, Administrator	2.3	300.00	690.00
L. Demchuk, Admin	0.2	200.00	40.00
F. Iannilli, Admin	0.5	200.00	90.00
TOTAL	59.3		$ 36,540.00

Staff	Date	Comments	Hours
J. Furneaux	1-Apr-26	Preparing and sending creditors packages, opening court file.	2.5
N. Sagolili	8-Apr-26	E-mail to A. Fisher and S. Minshull re: updates required to 13-week cash flow. Correspond with J. Parisi re: status of cash flow from the company.	0.2
N. Sagolili	9-Apr-26	Discussion with J. Parisi re: cash flow filing and other matters. Follow-up with A. Fisher re: updated cash flow. Receipt and review of revised 13-week cash flow. Compile and send follow-up questions on cash flow to S. Minshull, and e-mails and phone call re: same. Finalized 13-week cash flow and related documents, and e-mail to A. Fisher for signature. Coordinate filing of cash flow documents with D. Lewis.	1.6
J. Furneaux	9-Apr-26	Efiling cash-flow and reports, (entering report info into ascend for efiling).	1.0
N. Sagolili	13-Apr-26	Receipt and review of various e-mails. Respond to creditor inquiry. Receipt and review of cash flow filing confirmation from OSB.	0.6
J. Parisi	15-Apr-26	Discussions with Anthony regarding Elavon and CMP lease disclaimer. Prepare lease disclaimer. Call with Somerville regarding withholding funds related to sale of vehicle.	0.7
N. Sagolili	16-Apr-26	Receipt and review of various e-mails. Review of media agreement, prepare agreement disclaimer, and e-mail same to A. Fisher. Receipt of signed agreement disclaimer, and coordinate e-mail and mailing of same.	0.9
F. Iannilli	16-Apr-26	Send registered letters to CMP Automotive Ltd, and RBC.	0.5
J. Parisi	17-Apr-26	Calls with Anthony, call with Brendan regarding filing of report.	0.6
N. Sagolili	17-Apr-26	Review and respond to creditor inquiries.	0.2
J. Parisi	19-Apr-26	Prepare proposal trustees First report.	2.0
J. Furneaux	19-Apr-26	Pulling PPR search, reviewing to see if any secured creditors were omitted from NOI.	0.5
N. Sagolili	20-Apr-26	Review of numerous e-mails. Respond to creditor e-mails. Discussion with J. Parisi re: various matters. Call with E. Parke re: various matters, monitoring, document requests, etc. Review and save various documents. Review of tax return and prior year external financial statements.	0.7
J. Parisi	20-Apr-26	Call with Anthony to discuss court materials, funds from Somerville and stalking horse.	0.4
T. Montesano	20-Apr-26	Send NOI notices to creditors.	0.6
N. Sagolili	21-Apr-26	Review of e-mail from creditor.	0.1
J. Parisi	21-Apr-26	Call with TGF, Fasken and Reconstruct to discuss next steps for filing materials.	0.4

Staff	Date	Comments	Hours
N. Sagolili	22-Apr-26	Respond to creditor e-mails. Various e-mails re: Court report, DIP financing, etc. Preparation of cash flow monitoring template. E-mail to E. Parke re: cash flow monitoring template and process. Attend call re: sales process. Receipt and review of e-mails re: various matters.	2.0
J. Parisi	22-Apr-26	Review DIP financing agreement and provide comments. Call with A. Fisher regarding stalking horse bid. Review changes to court report.	1.4
T. Montesano	22-Apr-26	Work on updating website, e-mail copy of NOI - Notice to Creditors to S. Cancilla at Lennox Industries.	0.2
N. Sagolili	23-Apr-26	E-mails re: DIP financing and other matters. Respond to creditor e-mail.	0.3
T. Montesano	23-Apr-26	Update mailing address for Lennox Industries (Canada) ULC in ascend.	0.1
J. Parisi	23-Apr-26	Review Interim Financing agreement. Review stalking horse agreement.	0.8
N. Sagolili	24-Apr-26	Various e-mails re: sale process. Review of draft order and various e-mails re: same. Review of draft stalking horse agreement. Respond to e-mails from creditors. E-mails re: contract to be disclaimed. Draft and revise contract disclaimer and e-mail same to A. Fisher for review and signature. Attend call with National Bank and its counsel, and BDO's legal counsel re: various matters. Discussion with J. Parisi re: various matter.	1.2
J. Parisi	24-Apr-26	Finalize court report, review draft orders, review draft agreements (DIP).	0.7
M. Marchand	24-Apr-26	Review Court report.	0.8
J. Parisi	27-Apr-26	Review final report and motion materials.	0.4
T. Montesano	27-Apr-26	Prepare courier to disclaim lease.	0.2
N. Sagolili	27-Apr-26	Various e-mails re: Trustee's Report, Court matters, sales process, etc. Finalize and send out contract disclaimer and coordinate mailing of same. Follow-up with E. Parke re: status of cash flow monitoring.	0.5
N. Sagolili	28-Apr-26	E-mail to E. Parke re: cash-flow monitoring. E-mails re: auto-debit from account.	0.2
N. Sagolili	29-Apr-26	Respond to creditor inquiries. Review of completed cash flow monitoring template, make revisions, and e-mail re: same to E. Parke.	0.7
N. Sagolili	29-Apr-26	Numerous e-mails re: sales process, Court documents, etc.	0.1
J. Parisi	29-Apr-26	Court attendance for stay extension and sale process approval. Review advertisement. Call with Fasken.	0.5
N. Sagolili	30-Apr-26	Various phone calls and e-mails from creditors, provide instructions to T. Montesano re: updating creditors listing. Attend call with National Bank and legal counsel. Review of updated cash	0.9

Staff	Date	Comments	Hours
		flow monitoring template and e-mail to E. Parke re: same. Numerous e-mails re: sales process, court matters, etc.	
T. Montesano	30-Apr-26	Contact Globe & Mail re notice to inserted in national edition, send copy of draft notice to Globe & Mail.	0.2
J. Parisi	30-Apr-26	Correspondence with Noble regarding status of proceeding. Correspondence with A. Fisher regarding agreement disclaimers.	0.2
T. Montesano	1-May-26	Correspond with G&M re newspaper notice, review of same, send approval to proceed with inserting notice in newspaper.	0.2
N. Sagolili	1-May-26	E-mails from legal counsel re: sales process and other matters. E-mails re: newspaper advertisement.	0.2
N. Sagolili	2-May-26	Various e-mails re: lease payments and bank transactions.	0.1
N. Sagolili	4-May-26	E-mails re: newspaper advertisement. E-mails from/to National Bank and the company re: lease payments. Review of creditor e-mail. Compile Court documents and coordinate update of website. Review and respond to creditor e-mail. Correspond with S. Minshull re: contract disclaimer. Review of calculation of equity in vehicles.	0.8
T. Montesano	4-May-26	Send request to IT re upload documents to website.	0.2
N. Sagolili	5-May-26	Receipt and review of non-compete agreement. Various e-mails from the company re: creditor matters. Return messages from and respond to e-mails from various creditors. Receipt and review of completed cash flow monitoring template.	1.6
T. Montesano	5-May-26	Submit payment of newspaper notice in workday.	0.3
J. Parisi	6-May-26	Call with Ammolite regarding their outstanding invoices.	0.5
N. Sagolili	6-May-26	Phone call with and e-mails to/from WCB Alberta, discussion with J. Parisi, and e-mails to/from S. Minshull re: same. E-mails from the company re: creditor matters.	0.5
L. Demchuk	6-May-26	Emails.	0.1
N. Sagolili	7-May-26	E-mail from legal counsel re: website. Look into documents missing from website. Review of e-mails from creditors. Receipt and review of notice from Canada Revenue Agency, discussion with J. Parisi and e-mails re: same.	0.6
L. Demchuk	7-May-26	Phone call with D. Lewis.	0.1
J. Parisi	9-May-26	Review emails from Anthony and respond to Anthony. Send email to Telus regarding pre-filing costs.	0.2
N. Sagolili	11-May-26	Various e-mails from A. Fisher and S. Minshull re: creditor matters. Review of lease disclaimer and e-mail to A. Fisher re: same. Attend call with National Bank. Review of revised lease disclaimer, and review of various e-mails re: Somerville leases.	0.7
N. Sagolili	14-May-26	Various e-mails re: creditor matters.	0.2
N. Sagolili	19-May-26	Various e-mails to/from creditors.	0.2
N. Sagolili	20-May-26	Various e-mails to/from creditors.	0.2

Staff	Date	Comments	Hours
N. Sagolili	21-May-26	E-mails re: creditor matters. Respond to inquiries from Jim Pattison Leasing. E-mail to legal counsel re: motion materials. Review of various Court documents and coordinate update of website. Review of completed cash flow monitoring template.	1.1
J. Parisi	22-May-26	Correspondence with Sara regarding internet interruption.	0.2
T. Montesano	22-May-26	Call with Sara Minshull from Harmony Heating re issue with internet service, contact Rogers re advise of NOI and request to have the service reconnected.	0.3
N. Sagolili	22-May-26	Respond to creditor inquiry.	0.1
N. Sagolili	25-May-26	Receipt of various creditor e-mails.	0.1
J. Parisi	26-May-26	Review correspondence from Sommerville regarding return of vehicles. Prepare response. Discussions with Anthony regarding same.	0.2
N. Sagolili	26-May-26	Receipt and review of completed cash flow template.	0.3
N. Sagolili	28-May-26	E-mail from creditor.	0.1
J. Parisi	29-May-26	Correspondence with Sara regarding vehicles. Review correspondence from Harmony. Email to google.	0.3
J. Parisi	1-Jun-26	Call with Sommerville regarding return of vehicles. Review offers. Correspondence with company.	0.6
J. Parisi	2-Jun-26	Call with A. Fisher regarding HST, accounting issues and bidding.	0.4
N. Sagolili	3-Jun-26	Various e-mails re: sales process and auction process letters. Review of creditor e-mail.	0.3
N. Sagolili	4-Jun-26	Review of completed cash flow monitoring template.	0.3
N. Sagolili	5-Jun-26	E-mail to/from S. Minshull re: vehicles.	0.1
N. Sagolili	6-Jun-26	Numerous e-mails from legal counsel and M&A team re: sales process.	0.2
J. Parisi	7-Jun-26	Prepare court report.	1.8
J. Parisi	8-Jun-26	Review letter to A. Fisher regarding breach of good faith and provide comments. Review response from Anthony's counsel and provide comments to Fasken. Correspondence with B. Trainor regarding same.	0.8
N. Sagolili	8-Jun-26	Discussion with J. Parisi re: various matters. E-mails from legal counsel. E-mail re: creditor matter. Review of completed cash flow monitoring template.	0.5
N. Sagolili	9-Jun-26	Numerous e-mails re: sales process.	0.1
J. Hue	9-Jun-26	Follow up with Rogers regarding reconnecting internet.	0.4
N. Sagolili	10-Jun-26	E-mail re: creditor matter. Numerous e-mails re: sales process and auction.	0.3
J. Parisi	10-Jun-26	Attend Harmony bid Auction.	2.5

Staff	Date	Comments	Hours
J. Hue	10-Jun-26	Follow up with Rogers regarding reconnecting internet and email status with S. Minshull, J. Parisi.	0.5
N. Sagolili	11-Jun-26	Various e-mails re: sales process. Call with J. Parisi and legal counsel re: Court report. Prepare and compile appendices for Court report. Respond to e-mail from creditor. Receipt and review of updated cash flow projection. Compile follow-up questions on cash flow projection and correspond with E. Parke and the company re: same. Revise and finalize cash flow projection.	1.5
J. Parisi	11-Jun-26	Complete second report for Harmony.	0.9
B. Warga	11-Jun-26	QAR of Second Report.	0.5
J. Parisi	12-Jun-26	Review correspondence between Harmony and Sommerville.	0.2
J. Hue	12-Jun-26	Case website update.	0.4
N. Sagolili	15-Jun-26	Receipt and review of stay extension order and e-mails re: same. E-mail re: creditor matter.	0.2
J. Parisi	15-Jun-26	Call with Anthony to discuss transition issues.	0.4
N. Sagolili	16-Jun-26	Various correspondence re: request for lease payout statements.	0.1
N. Sagolili	18-Jun-26	E-mail re: creditor matter.	0.1
D. Lewis	19-Jun-26	Emails.	0.2
J. Furneaux	19-Jun-26	Efiling court order approving extension.	0.1
N. Sagolili	22-Jun-26	Respond to creditor inquiry and various e-mails re: same. Receipt and review of completed cash flow monitoring template.	0.4
N. Sagolili	23-Jun-26	Various e-mails re: leased vehicles.	0.2
J. Parisi	25-Jun-26	Discussion with Fasken regarding A/R collection agreement.	0.3
N. Sagolili	26-Jun-26	Correspond with M&A and J. Parisi team re: status of AR collections and requirement for copies of invoices.	0.1
N. Sagolili	3-Jul-26	Receipt and download of AR invoices.	0.3
N. Sagolili	7-Jul-26	Receipt and review of cash flow monitoring template.	0.2
J. Parisi	10-Jul-26	Call with Anthony regarding NRV analysis, receivable collections and closing. Prepare 3rd report.	1.8
J. Parisi	11-Jul-26	Prepare confidential supplement. Prepare NRV calculation.	2.4
J. Parisi	12-Jul-26	Prepare Third Report to Court.	3.6
M. Marchand	13-Jul-26	Review court report and confidential supplemental report.	1.0
J. Parisi	14-Jul-26	Review notice of motion, review AVO and review ancillary order. Review changes to court report and supplement to court report.	1.3

APPENDIX H

NATIONAL BANK

GENERAL SECURITY AGREEMENT
(All present and future assets)
(Canada except Quebec)

GRANTED BY: HARMONY HEATING AND AIR CONDITIONING INC. (hereafter called the "Debtor")

TO NATIONAL BANK OF CANADA (hereafter called the "Bank").

1. GRANT OF SECURITY INTEREST

1.1 Security Interest

As general and continuing security for the payment and performance of all Obligations of the Debtor to the Bank, the Debtor hereby grants to the Bank a security interest in all of the Debtor's present and after-acquired property and undertaking (collectively, the "Collateral") and also mortgages, charges and assigns the Collateral to the Bank. Without limitation, the Collateral includes all right, title and interest that the Debtor now has or may hereafter have or acquire in any manner whatsoever (including by way of an amalgamation) in all property of the following kinds:

(a) Receivables: all debts, accounts, claims and choses in action for monetary amounts (collectively, the "Receivables");
(b) Inventory: all inventory of whatever kind and wherever situated (collectively, the "Inventory");
(c) Equipment: all machinery, equipment, fixtures, furniture, vehicles and other goods which are not Inventory (collectively, the "Equipment");
(d) Securities: all shares, bonds, debentures and other securities (collectively, the "Securities");
(e) Instruments and Money: all bills, notes, cheques and other instruments (collectively, the "Instruments") and all money;
(f) Documents of Title and Chattel Paper: all warehouse receipts, bills of lading and other documents of title, whether negotiable or not, and all chattel paper;
(g) Intangibles: all intangibles not otherwise described in this Section 1.1 including, without limitation, all goodwill and all patents, trademarks, copyrights and other intellectual property;
(h) Real Property: all real and immovable property, both freehold and leasehold, together with all buildings and fixtures (collectively, the "Real Property"), and all rights under any lease or agreement relating to Real Property;
(i) Books and Records: all books, invoices, documents and other records in any form evidencing or relating to the Collateral; and
(j) Proceeds: all proceeds of any Collateral in any form derived directly or indirectly from any dealing with the Collateral or that indemnifies or compensates for the loss of or damage to the Collateral.

1.2 Obligations Secured

The obligations secured by this Agreement include all debts and liabilities of the Debtor to the Bank, present and future, direct and indirect, absolute and contingent, matured and unmatured, wherever and however incurred, and whether arising from dealings between the Bank and the Debtor or from other dealings by which the Bank may be or become a creditor of the Debtor and whether incurred by the Debtor alone or with another and whether as principal or guarantor or otherwise (collectively, the "Obligations").

1.3 Certain definitions

(a) The terms "accessions", "accounts", "chattel paper", "documents of title", "equipment", "goods", "instruments", "intangibles", "inventory", "money", "proceeds" and "securities" whenever used herein have the meanings given to those terms in the Personal Property Security Act currently in effect in the province referred to in Section 6.12 below;
(b) Any reference in this Agreement to the security granted hereby refers collectively to the security interest, mortgage, charge and assignment hereby granted in favour of the Bank.
(c) Any reference to "Debtor" refers to the undersigned, if one, or to each undersigned, if more than one. When the term "Debtor" designates more than one person or entity, each one shall be jointly and severally liable for the obligations stipulated herein.

1.4 Attachment of Security

The Debtor acknowledges that value has been given and agrees that the security granted hereby attaches upon the execution of this Agreement (or, in the case of any after-acquired property, at the time of acquisition by the Debtor of any rights therein).

1.5 Real Property

(a) With respect to (and only to) Real Property, the security granted hereby is constituted by way of floating charge, but will become a fixed charge upon the earlier of (i) the Obligations becoming immediately payable, and (ii) the occurrence of any other event which by operation of law would result in such floating charge becoming a fixed charge;
(b) The security granted hereby will not extend to the last day of the term of any lease or agreement relating to Real Property, but the Debtor will hold such last day in trust for the Bank and, upon the enforcement by the Bank of its security, will assign such last day as directed by the Bank.

2. REPRESENTATIONS, WARRANTIES AND COVENANTS

2.1 Representations and Warranties

The Debtor hereby represents and warrants to the Bank that:

(a) the principal residence, chief executive office and registered office of the Debtor (as applicable) are located at the addresses specified in Schedule A; for the purposes of the Ontario and the British Columbia *Personal Property Security Act*, the Debtor is governed by the law of the jurisdiction specified in Schedule A, if applicable;
(b) the Inventory and Equipment of the Debtor are located at the addresses specified in Schedule A, except for goods in transit or on lease or consignment; and
(c) all motor vehicles, trailers, mobile or manufactured homes, aircraft, boats and outboard motors ("Serial Numbered Goods") in which the Debtor has rights and used as equipment are fully and accurately described in Schedule "A"; the Debtor will advise the Bank promptly, in writing, of any other Serial Numbered Goods that are held as Equipment and will provide the Bank with full and complete descriptions of such Serial Numbered Goods.

2.2 Covenants

The Debtor covenants with the Bank that the Debtor will:

(a) not change the location of its principal residence, chief executive office, registered office or its governing law, or move any of the Inventory or Equipment from the locations specified in Schedule A hereto, without the written consent of the Bank;
(b) not change its name without first giving written notice to the Bank of its proposed new name and, if the Debtor is a corporation, not amalgamate with any other corporation without the prior written consent of the Bank;
(c) preserve the value of the Collateral, and carry on its business in compliance with all applicable laws and regulations;
(d) not permit any Collateral consisting of personal property to be affixed to real property or to other personal property so as to become a fixture or accession without the written consent of the Bank;
(e) keep the Collateral free and clear of all liens, security interests, mortgages, charges, assignments and other encumbrances or interests except as permitted in writing by the Bank;

(f) pay all taxes, levies, assessments and government fees or dues payable in respect of the Collateral as and when the same become due, and furnish to the Bank, when requested, evidence of such payment;
(g) whenever requested by the Bank, furnish to the Bank in writing all information requested relating to the Collateral, and the Bank will be entitled from time to time to inspect the Collateral and make copies of all information relating to the Collateral and for such purposes the Bank will have access to all premises occupied by the Debtor or where the Collateral may be found;
(h) ensure that the security granted hereby is at all times fully enforceable and perfected in respect of any Collateral; and
(i) pay to the Bank forthwith upon demand all costs, fees and expenses (including, without limitation, all legal, receiver, consulting and accounting fees and expenses) incurred or charged by the Bank in connection with the preparation, perfection, administration and discharge of this Agreement and the preservation and exercise of the rights, powers and remedies of the Bank; and all such costs, fees and expenses will bear interest at the highest rate borne by any of the Obligations and will form part of the Obligations.

2.3 Schedule A
Each schedule referred to in this Agreement and attached hereto shall form part of this Agreement. Any subsequent modifications to a schedule will be deemed to replace and supersede the earlier version and form part of this Agreement.

3. INSURANCE

3.1 Insurance Covenant
The Debtor must obtain and maintain, at its own expense, insurance against loss or damage to the Collateral including, without limitation, loss by fire, theft, collision and such other risks as are customarily insured against for each type of Collateral, in an amount not less than the full insurable value thereof, with such insurers as are reasonably satisfactory to the Bank.

3.2 Bank loss payee
All insurance policies must name the Bank as an additional insured and loss payee and must provide that the insurer will give the Bank at least 15 days written notice of intended cancellation or non-renewal. At the Bank's request, the Debtor must furnish the Bank with evidence satisfactory to the Bank that the required insurance coverage is in effect. The Debtor must forthwith give the Bank notice of any loss or damage to the Collateral.

4. DEALING WITH COLLATERAL

4.1 Disposition of Collateral by the Debtor
The Debtor must not sell, lease or otherwise dispose of any of the Collateral without the prior written consent of the Bank, except that the Debtor may, until an Event of Default occurs hereunder, dispose of Inventory in the ordinary course of its business, but all proceeds of any such disposition will continue to be subject to the security granted hereby and Section 4.4 below will apply to all such proceeds received by the Debtor.

4.2 Notification of Account Debtors
The Bank may at any time (i) give notice of this Agreement and the security granted hereby to any account debtor of the Debtor or to any other person liable to the Debtor and (ii) give notice to any such account debtor or other person to make all further payments to the Bank. Any payment or other proceeds of Collateral received by the Debtor from account debtors or from any other person liable to the Debtor, whether before or after any notice is given by the Bank will continue to be subject to the security granted hereby and Section 4.4 below will apply to all such proceeds.

4.3 Securities
The Bank may have any Securities registered in its name or in the name of its nominee and will be entitled, but not required, to exercise any of the rights that any holder of such Securities may at any time have. However, until an Event of Default occurs, the Debtor will be entitled to exercise, in a manner not prejudicial to the interests of the Bank or which would not violate this Agreement, all voting power from time to time exercisable in respect of the Securities. The Bank will not be responsible for any loss occasioned by its exercise of any of such rights. Before or after an Event of Default occurs hereunder, the Debtor must deliver forthwith to the Bank those Securities requested by the Bank duly endorsed for transfer.

4.4 Proceeds held in Trust for the Bank
All proceeds received by the Debtor from the collection or disposition of Collateral or otherwise will be received by the Debtor as trustee for the Bank, must be held separate and apart from other property and must be paid over to the Bank upon request.

4.5 Application of Funds
All sums collected or received by the Bank in respect of the Collateral may be applied to such parts of the Obligations as the Bank in its sole discretion determines, or may be held unappropriated in a collateral account, or in the discretion of the Bank may be released to the Debtor, all without prejudice to the Bank's rights against the Debtor.

4.6 Collateral held by the Bank
In the holding of any Collateral, the Bank and any agent on its behalf is only bound to exercise the same degree of care as it would exercise with respect to similar property of its own of similar value held in the same place. The Bank and any agent on its behalf will be deemed to have exercised reasonable care with respect to the custody and preservation of the Collateral if it takes such action for that purpose as the Debtor reasonably requests in writing, but failure of the Bank or its agent to comply with any such request will not of itself be deemed a failure to exercise reasonable care.

5. DEFAULT AND REMEDIES

5.1 Events of Default
The Debtor will be in default under this Agreement upon the occurrence of any of the following events (herein referred to as an "Event of Default"):
(a) the Debtor does not pay to the Bank when payable any sum owing under the Obligations;
(b) the Debtor does not perform any of its covenants or obligations under this Agreement;
(c) any representation or warranty made by the Debtor herein or in any document provided at any time to the Bank in connection with this Agreement is incorrect or misleading in any material respect;
(d) the Debtor is in default under any other agreement with the Bank;
(e) the Debtor ceases or threatens to cease to carry on the business currently being carried on by it or a substantial portion thereof;
(f) the Debtor is insolvent;
(g) the commencement of any proceeding or the taking of any step by or against the Debtor (i) for the bankruptcy, reorganization, liquidation, dissolution or winding-up of the Debtor, (ii) for an arrangement or compromise with its creditors, or (iii) for the appointment of a trustee, receiver, custodian, liquidator or any other person with similar powers with respect to the Debtor or any part of the Collateral;
(h) the Collateral or any part thereof is seized or otherwise attached or is subject to a taking of possession by anyone and the same is not released or discharged within the shorter of a period of (i) 30 days and (ii) 10 days less than such period as would permit such property to be sold pursuant thereto; or
(i) the Bank believes in good faith that the prospect of payment or performance of any of the Obligations is impaired or that the Collateral is in danger of being lost, damaged or confiscated, or of being encumbered by the Debtor or seized or otherwise attached.

5.2 Consequences of a Default
On or after the occurrence of any Event of Default, at the option of the Bank, (i) any or all of the Obligations not yet payable will become immediately payable, without notice; (ii) the obligation, if any, of the Bank to extend further credit to the Debtor will cease; and (iii) the security granted hereby will become immediately enforceable.

5.3 Remedies
In addition to any right or remedy otherwise provided herein or by law, on or after the occurrence of any Event of Default, the Bank will have the rights and remedies set out below, all of which may be enforced successively or concurrently:

(a) the Bank may take possession of the Collateral and require the Debtor to assemble the Collateral and deliver or make the Collateral available to the Bank at such places as may be specified by the Bank;
(b) the Bank may take such steps as it considers desirable to maintain, preserve or protect the Collateral;
(c) the Bank may carry on all or any part of the business of the Debtor;
(d) the Bank may enforce any rights of the Debtor in respect of the Collateral;
(e) the Bank may sell, lease or otherwise dispose of the Collateral at public auction, by private tender, by private sale or otherwise either for cash or upon credit, upon such terms and conditions as the Bank may determine and without notice to the Debtor unless required by law;
(f) the Bank may accept the Collateral in total or partial satisfaction of the Obligations in the manner provided by law;
(g) the Bank may, for any purpose specified herein, borrow money on the security of the Collateral, which security will rank in priority to the security granted hereby;
(h) the Bank may occupy and use all or any of the premises, buildings and plants occupied by the Debtor and use all or any of the Equipment and other property of the Debtor for such time as the Bank requires to facilitate the realization of the Collateral, free of charge; the Bank will not be liable for any rent, charges, depreciation or damages in connection with such actions; or
(i) the Bank may appoint a receiver or receiver and manager (each herein referred to as the "Receiver") of the whole or any part of the Collateral and may remove or replace such Receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of the Collateral.

5.4 Powers of the Receiver
Any Receiver will have all of the rights and powers that the Bank is entitled to exercise pursuant to Section 5.3, but the Bank will not be in any way responsible for any misconduct or negligence of any such Receiver.

5.5 Liability of Bank
The Bank will not be liable or responsible for any failure to seize, collect, realize, or obtain payment with respect to the Collateral and is not bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment with respect to the Collateral or for the purpose of preserving any rights of the Bank, the Debtor or any other person in respect of the Collateral. This Agreement and the security granted hereby will not render the Bank liable to observe or perform any covenant or obligation of the Debtor in any agreement or document to which the Debtor is a party or by which it is bound. In the exercise of its rights and the performance of its obligations, the Bank will only be liable for gross negligence or wilful misconduct.

5.6 Proceeds of Realization
The Bank may apply any proceeds of realization of the Collateral to payment of costs, fees and expenses mentioned in Section 2.2(i), including those related to the realization of the Collateral, and the Bank may apply any balance to payment of all other Obligations in such order as the Bank sees fit. If there is any surplus remaining, the Bank may pay it to any person entitled thereto by law of whom the Bank has knowledge and any balance remaining may be paid to the Debtor. If the realization of the Collateral fails to satisfy the Obligations, the Debtor will be liable to pay any deficiency to the Bank.

6. GENERAL

6.1 Failure of Debtor to Perform
If the Debtor fails to perform any of its covenants or obligations under this Agreement, the Bank may, in its absolute discretion, but without being required to do so, perform any such covenant or obligation. If any such covenant or obligation requires the payment of monies, the Bank may make such payment. All sums so paid by the Bank will be payable by the Debtor to the Bank and, for greater certainty, Section 2.2(i) will apply to such sums. No such performance or payment will relieve the Debtor from any default under this Agreement or any consequences of such default.

6.2 Power of Attorney
The Debtor hereby irrevocably appoints the Bank to be the attorney of the Debtor for and in the name of the Debtor to do all things and execute and deliver, documents, financing statements, demands and assignments which the Debtor is obliged to do or execute or deliver hereunder and generally to act in the name of the Debtor in the exercise of any of the powers hereby conferred on the Bank.

6.3 Appointment of Consultant
The Bank will be entitled to appoint a consultant to provide such services and advice as the Bank may determine in its sole discretion, with power to enter the Debtor's premises, to inspect and evaluate the Collateral, to make copies of the Debtor's records, to review the Debtor's business plans and projections, to assess the conduct and viability of the Debtor's business, to prepare reports on the Debtor's affairs and to distribute such reports to the Bank or to other such persons as the Bank may direct. Such consultant will act as an agent for the Bank and will owe no duty to the Debtor. The consultant is to have no managerial or advisory capacity and will have no decision making responsibility. The Debtor authorizes the Bank to provide confidential information to the consultant. All fees and expenses in connection with the engagement of a consultant are payable by the Debtor to the Bank and, for greater certainty, Section 2.2(i) will apply to such fees and expenses.

6.4 Waivers by Debtor
The Bank may (i) grant extensions of time, (ii) take and perfect or abstain from taking and perfecting security, (iii) give up any security, (iv) accept compositions or compromises, (v) grant releases and discharges, and (vi) otherwise waive rights against the Debtor, debtors of the Debtor, guarantors and others and with respect to the Collateral and other security as the Bank sees fit. No such action or omission will reduce the Obligations or affect the Bank's rights hereunder.

6.5 Waivers of Legal Limitations
To the fullest extent permitted by law, the Debtor waives all of the rights, benefits and protections given by the provisions of any law which imposes limitations upon the powers, rights or remedies of a secured party, including any law which limits the rights of a secured party to both seize collateral and sue for any deficiency following realization of collateral. Without limitation, the Debtor (if a corporation) agrees that the *Limitation of Civil Rights Act* and Part IV of the *Saskatchewan Farm Securities Act* of the Province of Saskatchewan will not apply to this Agreement or any of the rights, remedies or powers of the Bank or any Receiver hereunder.

6.6 Copy of Documents and Consent to Filings
The Debtor acknowledges having received a copy of this Agreement and waives all rights to receive from the Bank a copy of any financing statement, financing change statement, or verification statement, filed or issued at any time in respect of this Agreement. The Debtor confirms its consent to the filing by the Bank or on its behalf of any such financing statement or financing change statement.

6.7 Notices
Any notice to be given to a party in connection with this Agreement will be given in writing and will be given by personal delivery, by registered mail or by electronic means, addressed to the recipient at its address specified at the end of this Agreement or such other address as may be notified by any party to the other.

6.8 Additional Security and Other Remedies
This Agreement and the security granted hereby are in addition to and not in substitution for any other security or right now or hereafter held by the Bank. This Agreement is a continuing agreement and security that will remain in full force and effect until discharged by the Bank. The Bank may sue the Debtor and enforce all of its other rights and remedies in respect of the Obligations without being required to exercise or exhaust any of its rights and remedies hereunder.

6.9 Further Assurances
The Debtor must at its expense do all things and execute and deliver all such financing statements, further assignments and documents as may be reasonably requested by the Bank for the purpose of giving effect to this Agreement and establishing compliance with the obligations of the Debtor hereunder.

6.10 Discharge
The Debtor will be entitled to a discharge of this Agreement upon written request by the Debtor and full payment, performance and satisfaction of the Obligations. No discharge will be effective unless in writing and executed by the Bank.

6.11 Severability
If any provision of this Agreement were to be found invalid or unenforceable, the remaining terms and provisions of this Agreement will remain in full force and effect.

6.12 Governing Law
This Agreement will be governed by and construed in accordance with the laws of the province in which the office of the Bank specified below is located, except that if such office is located in the province of Quebec, then this Agreement will be governed by and construed in accordance with the laws of the province of Ontario.

IN WITNESS WHEREOF the parties have executed this Agreement.

HARMONY HEATING AND AIR CONDITIONING INC.

Date of Execution (YYYY MM DD)

By: Signed by: 8347098317054C3...
(Authorized signature)

NATIONAL BANK OF CANADA

2024-08-15
Date of Execution (YYYY MM DD)

By: Signed by: sagar sethi 9BA5B9839CB34B0...
(Authorized signature)

ADDRESS OF DEBTOR FOR NOTICE PURPOSES:

427 51 Ave. S.E., Bay 113

Calgary, AB T2H 0M8

ADDRESS OF BANK FOR NOTICE PURPOSES:

130 King Street West, 29th Floor

Toronto, ON M5X 1J8

SCHEDULE A

[The information required on this Schedule must be repeated for each additional Debtor if applicable]

To a General Security Agreement made as of August ___, 2024 between HARMONY HEATING AND AIR CONDITIONING INC., as Debtor and National Bank of Canada, as Bank.

1. ADDRESS(ES) OF PLACE(S) OF BUSINESS (Section 2.1(a))

Principal residence (for individuals only): ______

Chief executive office (for businesses only)[1]: 427 51 Ave. S.E., Bay 109 and 113, Calgary, AB T2H 0M8

Registered office (for businesses only)[2]: 1100-225 6 Ave SW Brookfield Place, Calgary, AB T2P 1N2

Other place(s) of business[3]: None

Governing law[4]: N/A

[indicate governing law for a trust or partnership (other than a limited partnership), otherwise indicate N/A]:

2. LOCATION OF INVENTORY AND EQUIPMENT (Section 2.1(b))

Address(es)[5]: 427 51 Ave. S.E., Bay 109 and 113, Calgary, AB T2H 0M8

Leased Premises

Wherever situate

3. EQUIPMENT CONSISTING OF SERIAL NUMBER GOODS (Section 2.1(c))[6]

2017 GMC Savana Cargo 2500, Serial No. 1GTW7AFFXH1346635
2020 GMC Savana Cargo, Serial No. 1GT27HFG2L1272294
2022 Ram 1500, Serial No. 1C6SRFTT1NN183417

1 If the Debtor has only one place of business, indicate the address of that place of business. If the Debtor has more than one place of business, indicate the address of its place of business which is its principal decision-making centre.

2 Indicate “same as above” if the registered office (legal head office) is at the same address as the chief executive office.

3 Indicate “none” if the Debtor has no other place of business.

[4] If the Debtor is a partnership (other than a limited partnership) or a trust, indicate the stated governing law in the partnership agreement or deed of trust.
[5] Indicate "same as above" if the inventory and equipment of the Debtor are all located at the address(es) specified in 1.
[6] Indicate make, model, year of manufacture, serial number and any registration or governmental mark or number.

APPENDIX I

Government of Alberta

Personal Property Registry
Search Results Report

Search ID #: Z20290565

Transmitting Party

FASKEN MARTINEAU DUMOULIN LLP

3400, 350 7 Avenue SW
Calgary, AB T2P 3N9

Party Code: 60008049
Phone #: 403 261 5359
Reference #: 240198.00061

Search ID #: Z20290565 **Date of Search:** 2026-Jul-10 **Time of Search:** 13:57:36

Business Debtor Search For:

HARMONY HEATING AND AIR CONDITIONING INC.

Both Exact and Inexact Result(s) Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.

REGISTRAR OF PERSONAL PROPERTY

Business Debtor Search For:

HARMONY HEATING AND AIR CONDITIONING INC.

Search ID #: Z20290565 **Date of Search:** 2026-Jul-10 **Time of Search:** 13:57:36

Registration Number: 21110600292 Registration Type: SECURITY AGREEMENT
Registration Date: 2021-Nov-06 Registration Status: Current
Expiry Date: 2029-Nov-06 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	HARMONY HEATING AND AIR CONDITIONING INC BAY 113, 427 51 AVENUE SE CALGARY, AB T2H0M8	Current

Secured Party / Parties

Block		Status
1	SUMMIT ACCEPTANCE CORP 1260 HIGHFIELD CRES SE CALGARY, AB T2G5M3 Email: abppsa_notifications@kaizenauto.com	Current

Collateral: Serial Number Goods

Block	Serial Number	Year	Make and Model	Category	Status
1	54DC4W1D5MS205521	2021	ISUZU NPR HD EFI	MV - Motor Vehicle	Current

Collateral: General

Block	Description	Status
1	16' ITB VAN BODY WITH RAMP, SERIAL # ITB 21 - 18167. ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	Current

Business Debtor Search For:
HARMONY HEATING AND AIR CONDITIONING INC.
Search ID #: Z20290565 **Date of Search:** 2026-Jul-10 **Time of Search:** 13:57:36

Registration Number: 21111720945 Registration Type: SECURITY AGREEMENT
Registration Date: 2021-Nov-17 Registration Status: Current
Expiry Date: 2029-Nov-17 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	HARMONY HEATING AND AIR CONDITIONING INC BAY 113 427 51 AVE SE CALGARY, AB T2H0M8	Current

Secured Party / Parties

Block		Status
1	SUMMIT ACCEPTANCE CORP 1260 HIGHFIELD CRES SE CALGARY, AB T2G5M3 Email: abppsa_notifications@kaizenauto.com	Current

Collateral: Serial Number Goods

Block	Serial Number	Year	Make and Model	Category	Status
1	54DC4W1D5MS205521	2021	NPR ISUZU	MV - Motor Vehicle	Current

Business Debtor Search For:
HARMONY HEATING AND AIR CONDITIONING INC.
Search ID #: Z20290565 **Date of Search:** 2026-Jul-10 **Time of Search:** 13:57:36

Registration Number: 23042613800 Registration Type: SECURITY AGREEMENT
Registration Date: 2023-Apr-26 Registration Status: Current
Expiry Date: 2027-Apr-26 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	HARMONY HEATING AND AIR CONDITIONING INC. BAY 113 427 51 AVE SE CALGARY, AB T2H0M8	Current

Secured Party / Parties

Block		Status
1	FORD CREDIT CANADA LEASING, DIVISION OF CANADIAN ROAD LEASING COMPANY BOX 1800 RPO LAKESHORE WEST OAKVILLE, ON L6K 0J8 Email: albertaprod@teranet.ca	Current

Collateral: Serial Number Goods

Block	Serial Number	Year	Make and Model	Category	Status
1	1FTFW1E8XPFA10569	2023	FORD F150	MV - Motor Vehicle	Current

Business Debtor Search For:

HARMONY HEATING AND AIR CONDITIONING INC.

Search ID #: Z20290565 **Date of Search:** 2026-Jul-10 **Time of Search:** 13:57:36

Registration Number: 24081511544
Registration Date: 2024-Aug-15

Registration Type: SECURITY AGREEMENT
Registration Status: Current
Expiry Date: 2031-Aug-15 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	HARMONY HEATING AND AIR CONDITIONING INC. 427-51 AVENUE SE BAY 113 CALGARY, AB T2H 0M8	Current

Secured Party / Parties

Block		Status
1	NATIONAL BANK OF CANADA 130 KING STREET W, 29TH FLOOR TORONTO, ON M5X 1J8 Email: SAGAR.SETHI@NBC.CA	Current

Collateral: General

Block	Description	Status
1	ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY	Current

Business Debtor Search For:

HARMONY HEATING AND AIR CONDITIONING INC.

Search ID #: Z20290565 **Date of Search:** 2026-Jul-10 **Time of Search:** 13:57:36

Registration Number: 24100505265
Registration Date: 2024-Oct-05

Registration Type: SECURITY AGREEMENT
Registration Status: Current
Expiry Date: 2030-Oct-05 23:59:59

Inexact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	HARMONY HEATING AND AIR CONDITIONING 427 51 AV SE SUITE 113SUITE 113 CALGARY, AB T2H0M8	Current

Secured Party / Parties

Block		Status
1	THE BANK OF NOVA SCOTIA 10 WRIGHT BOULEVARD STRATFORD, ON N5A7X9 Email: albertaprod@teranet.ca	Current

Collateral: Serial Number Goods

Block	Serial Number	Year	Make and Model	Category	Status
1	KL79MRSL9SB024468	2025	Chevrolet Trailblazer	MV - Motor Vehicle	Current

Collateral: General

Block	Description	Status
1	OUR SECURITY INTEREST IS LIMITED TO THE MOTOR VEHICLES LISTED ABOVE AND THE PROCEEDS OF THOSE VEHICLES	Current

Business Debtor Search For:

HARMONY HEATING AND AIR CONDITIONING INC.

Search ID #: Z20290565 **Date of Search:** 2026-Jul-10 **Time of Search:** 13:57:36

Registration Number: 24100506177 Registration Type: SECURITY AGREEMENT
Registration Date: 2024-Oct-05 Registration Status: Current
Expiry Date: 2030-Oct-05 23:59:59

Inexact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	HARMONY HEATING AND AIR COND 427 51 AV SE SUITE 113SUITE 113 CALGARY, AB T2H0M8	Current

Secured Party / Parties

Block		Status
1	THE BANK OF NOVA SCOTIA 10 WRIGHT BOULEVARD STRATFORD, ON N5A7X9 Email: albertaprod@teranet.ca	Current

Collateral: Serial Number Goods

Block	Serial Number	Year	Make and Model	Category	Status
1	KL79MRSL9SB027063	2025	Chevrolet Trailblazer	MV - Motor Vehicle	Current

Collateral: General

Block	Description	Status
1	OUR SECURITY INTEREST IS LIMITED TO THE MOTOR VEHICLES LISTED ABOVE AND THE PROCEEDS OF THOSE VEHICLES	Current

Business Debtor Search For:

HARMONY HEATING AND AIR CONDITIONING INC.

Search ID #: Z20290565 **Date of Search:** 2026-Jul-10 **Time of Search:** 13:57:36

Registration Number: 24102310242
Registration Date: 2024-Oct-23

Registration Type: SECURITY AGREEMENT
Registration Status: Current
Expiry Date: 2031-Oct-23 23:59:59

Inexact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	HARMONY HEATING AND AIR CONDITIONING 427 51 AV SE SUITE 113SUITE 113 CALGARY, AB T2H0M8	Current

Secured Party / Parties

Block		Status
1	THE BANK OF NOVA SCOTIA 10 WRIGHT BOULEVARD STRATFORD, ON N5A7X9 Email: albertaprod@teranet.ca	Current

Collateral: Serial Number Goods

Block	Serial Number	Year	Make and Model	Category	Status
1	1GCWGAFP7R1207184	2024	Chevrolet Express Cargo	MV - Motor Vehicle	Current

Collateral: General

Block	Description	Status
1	OUR SECURITY INTEREST IS LIMITED TO THE MOTOR VEHICLES LISTED ABOVE AND THE PROCEEDS OF THOSE VEHICLES	Current

Business Debtor Search For:

HARMONY HEATING AND AIR CONDITIONING INC.

Search ID #: Z20290565 **Date of Search:** 2026-Jul-10 **Time of Search:** 13:57:36

Registration Number: 24112129633 Registration Type: SECURITY AGREEMENT
Registration Date: 2024-Nov-21 Registration Status: Current
Expiry Date: 2030-Nov-21 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	HARMONY HEATING AND AIR CONDITIONING INC. 427 51 AVENUE SE CALGARY, AB T2H0M8	Current

Secured Party / Parties

Block		Status
1	ROYAL BANK OF CANADA 10 YORK MILLS ROAD 3RD FLOOR TORONTO, ON M2P 0A2 Email: albertaprod@teranet.ca	Current

Collateral: Serial Number Goods

Block	Serial Number	Year	Make and Model	Category	Status
1	1GTW7BFP3R1260714	2024	GMC Savana Cargo	MV - Motor Vehicle	Current

Business Debtor Search For:

HARMONY HEATING AND AIR CONDITIONING INC.

Search ID #: Z20290565 **Date of Search:** 2026-Jul-10 **Time of Search:** 13:57:36

Registration Number: 24121730218 Registration Type: SECURITY AGREEMENT
Registration Date: 2024-Dec-17 Registration Status: Current
Expiry Date: 2029-Dec-17 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	HARMONY HEATING AND AIR CONDITIONING INC. 427 42 AVENUE SW SUITE 112 CALGARY, AB T2T 0B7	Current

Secured Party / Parties

Block		Status
1	TD AUTO FINANCE (CANADA) INC. PO BOX 4086, STATION A TORONTO, ON M5W 5K3 Email: albertaprod@teranet.ca	Current

Collateral: Serial Number Goods

Block	Serial Number	Year	Make and Model	Category	Status
1	1GCWGAF71R1273312	2024	Chevrolet Express Cargo	MV - Motor Vehicle	Current

Collateral: General

Block	Description	Status
1	ALL ATTACHMENTS, ACCESSORIES, ADDITIONS, ALTERNATIONS, REPLACEMENTS AND REPAIRS (WHETHER PRESENT OR FUTURE) TO THE VEHICLE COLLATERAL. PROCEEDS: ALL CASH AND NON-CASH PROCEEDS OF THE VEHICLE COLLATERAL, INCLUDING, WITHOUT LIMITATION, PROCEEDS DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE VEHICLE COLLATERAL OR THAT INDEMNIFIES OR COMPENSATES THE DEBTOR(S) FOR THE DESTRUCTION OR DAMAGE TO OR LOSS OF THE VEHICLE COLLATERAL. THE PROCEEDS MAY TAKE THE FORM OF ANY ONE OR MORE OF THE FOLLOWING: GOODS, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY, INVESTMENT PROPERTY OR INTANGIBLES. ACCORDINGLY, ANY OF THE DEBTOR (S) AFTER ACQUIRED PROPERTY MAY BE PROCEEDS AND THEREFORE SUBJECT TO THE SECURED PARTY'S SECURITY INTEREST.	Current

Business Debtor Search For:
HARMONY HEATING AND AIR CONDITIONING INC.
Search ID #: Z20290565 **Date of Search:** 2026-Jul-10 **Time of Search:** 13:57:36

Registration Number: 25021006450 Registration Type: SECURITY AGREEMENT
Registration Date: 2025-Feb-10 Registration Status: Current
Expiry Date: 2031-Feb-10 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	HARMONY HEATING AND AIR CONDITIONING INC. 113 - 427 51 AVE SE CALGARY, AB T2H0M8	Current

Secured Party / Parties

Block		Status
1	FORD CREDIT CANADA COMPANY PO BOX 8651 STN MAIN CONCORD, ON L4K 0N8 Email: albertaprod@teranet.ca	Current

Collateral: Serial Number Goods

Block	Serial Number	Year	Make and Model	Category	Status
1	1FTBR1XG8RKB61740	2024	FORD T250	MV - Motor Vehicle	Current

Business Debtor Search For:
HARMONY HEATING AND AIR CONDITIONING INC.
Search ID #: Z20290565 **Date of Search:** 2026-Jul-10 **Time of Search:** 13:57:36

Registration Number: 25052729097
Registration Date: 2025-May-27
Registration Type: SECURITY AGREEMENT
Registration Status: Current
Expiry Date: 2031-May-27 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
		Current
1	HARMONY HEATING AND AIR CONDITIONING INC. 113 427 51 AVE SE CALGARY, AB T2H0M8	

Secured Party / Parties

Block		Status
		Current
1	FORD CREDIT CANADA COMPANY PO BOX 8651 STN MAIN CONCORD, ON L4K 0N8 Email: albertaprod@trader.ca	

Collateral: Serial Number Goods

Block	Serial Number	Year	Make and Model	Category	Status
1	1FDXE4FN4SDD16518	2025	Ford F450	MV - Motor Vehicle	Current

Collateral: General

Block	Description	Status
1	23580104	Current

Business Debtor Search For:

HARMONY HEATING AND AIR CONDITIONING INC.

Search ID #: Z20290565 **Date of Search:** 2026-Jul-10 **Time of Search:** 13:57:36

Registration Number: 25060312783
Registration Date: 2025-Jun-03

Registration Type: SECURITY AGREEMENT
Registration Status: Current
Expiry Date: 2030-Jun-03 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
		Current
1	HARMONY HEATING AND AIR CONDITIONING INC. 427 42 AVENUE SW SUITE 112 CALGARY, AB T2T 0B7	

Secured Party / Parties

Block		Status
		Current
1	TD AUTO FINANCE (CANADA) INC. PO BOX 4086, STATION A TORONTO, ON M5W 5K3 Email: albertaprod@trader.ca	

Collateral: Serial Number Goods

Block	Serial Number	Year	Make and Model	Category	Status
1	1GTW7AFP7S1169106	2025	GMC Savana Cargo	MV - Motor Vehicle	Current

Collateral: General

Block	Description	Status
1	ALL ATTACHMENTS, ACCESSORIES, ADDITIONS, ALTERNATIONS, REPLACEMENTS AND REPAIRS (WHETHER PRESENT OR FUTURE) TO THE VEHICLE COLLATERAL. PROCEEDS: ALL CASH AND NON-CASH PROCEEDS OF THE VEHICLE COLLATERAL, INCLUDING, WITHOUT LIMITATION, PROCEEDS DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE VEHICLE COLLATERAL OR THAT INDEMNIFIES OR COMPENSATES THE DEBTOR(S) FOR THE DESTRUCTION OR DAMAGE TO OR LOSS OF THE VEHICLE COLLATERAL. THE PROCEEDS MAY TAKE THE FORM OF ANY ONE OR MORE OF THE FOLLOWING: GOODS, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY, INVESTMENT PROPERTY OR INTANGIBLES. ACCORDINGLY, ANY OF THE DEBTOR (S) AFTER ACQUIRED PROPERTY MAY BE PROCEEDS AND THEREFORE SUBJECT TO THE SECURED PARTY'S SECURITY INTEREST.	Current

Business Debtor Search For:

HARMONY HEATING AND AIR CONDITIONING INC.

Search ID #: Z20290565 **Date of Search:** 2026-Jul-10 **Time of Search:** 13:57:36

Registration Number: 25121119667 Registration Type: SECURITY AGREEMENT
Registration Date: 2025-Dec-11 Registration Status: Current
Expiry Date: 2031-Dec-11 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	HARMONY HEATING AND AIR CONDITIONING INC. 427 51 AVENUE SE CALGARY, AB T2H0M8	Current

Secured Party / Parties

Block		Status
1	SOMERVILLE NATIONAL LEASING & RENTALS LTD. 75 ARROW ROAD TORONTO, ON M9M2L4 Email: cfoster@somervilleauto.com	Current

Collateral: Serial Number Goods

Block	Serial Number	Year	Make and Model	Category	Status
1	1FTBR2C80SKB20061	2025	FORD TRANSIT CARGO	MV - Motor Vehicle	Current

Collateral: General

Block	Description	Status
1	PURSUANT TO LEASE AGREEMENT UNIT#FL7666, ALL PRESENT AND FUTURE EQUIPMENT ENCOMPASSED BY LEASE AGREEMENT UNIT#FL7666 TOGETHER WITH ALL ATTACHMENTS ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS OF EVERY TYPE, ITEM OR KIND IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH COLLATERAL INCLUDING WITHOUT LIMITATION TRADE-INS, EQUIPMENT, INVENTORY, GOODS, NOTES, CHATTEL, PAPER, CONTRACT RIGHTS, ACCOUNTS, RENTAL PAYMENTS, SECURITIES, INTANGIBLES, DOCUMENTS OF TITLE AND MONEY AND ALL PROCEEDS OF PROCEEDS AND A RIGHT TO ANY INSURANCE PAYMENT AND ANY OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL INCLUDING BUT NOT LIMITED TO THE FOLLOWING 2025 FORD TRANSIT CARGO	Current

Business Debtor Search For:

HARMONY HEATING AND AIR CONDITIONING INC.

Search ID #: Z20290565 **Date of Search:** 2026-Jul-10 **Time of Search:** 13:57:36

Registration Number: 25121119961 Registration Type: SECURITY AGREEMENT
Registration Date: 2025-Dec-11 Registration Status: Current
Expiry Date: 2031-Dec-11 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	HARMONY HEATING AND AIR CONDITIONING INC. 427 51 AVENUE SE CALGARY, AB T2H0M8	Current

Secured Party / Parties

Block		Status
1	SOMERVILLE NATIONAL LEASING & RENTALS LTD. 75 ARROW ROAD TORONTO, ON M9M2L4 Email: cfoster@somervilleauto.com	Current

Collateral: Serial Number Goods

Block	Serial Number	Year	Make and Model	Category	Status
1	1FTBR2C82SKB27447	2025	FORD TRANSIT CARGO	MV - Motor Vehicle	Current

Collateral: General

Block	Description	Status
1	PURSUANT TO LEASE AGREEMENT UNIT#FL7667, ALL PRESENT AND FUTURE EQUIPMENT ENCOMPASSED BY LEASE AGREEMENT UNIT#FL7667 TOGETHER WITH ALL ATTACHMENTS ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS OF EVERY TYPE, ITEM OR KIND IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH COLLATERAL INCLUDING WITHOUT LIMITATION TRADE-INS, EQUIPMENT, INVENTORY, GOODS, NOTES, CHATTEL, PAPER, CONTRACT RIGHTS, ACCOUNTS, RENTAL PAYMENTS, SECURITIES, INTANGIBLES, DOCUMENTS OF TITLE AND MONEY AND ALL PROCEEDS OF PROCEEDS AND A RIGHT TO ANY INSURANCE PAYMENT AND ANY OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL INCLUDING BUT NOT LIMITED TO THE FOLLOWING 2025 FORD TRANSIT CARGO	Current

Business Debtor Search For:

HARMONY HEATING AND AIR CONDITIONING INC.

Search ID #: Z20290565 **Date of Search:** 2026-Jul-10 **Time of Search:** 13:57:36

Registration Number: 25121120181
Registration Date: 2025-Dec-11

Registration Type: SECURITY AGREEMENT
Registration Status: Current
Expiry Date: 2031-Dec-11 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
		Current
1	HARMONY HEATING AND AIR CONDITIONING INC. 427 51 AVENUE SE CALGARY, AB T2H0M8	

Secured Party / Parties

Block		Status
		Current
1	SOMERVILLE NATIONAL LEASING & RENTALS LTD. 75 ARROW ROAD TORONTO, ON M9M2L4 Email: cfoster@somervilleauto.com	

Collateral: Serial Number Goods

Block	Serial Number	Year	Make and Model	Category	Status
1	1FTBR2C85SKB19990	2025	FORD TRANSIT CARGO	MV - Motor Vehicle	Current

Collateral: General

Block	Description	Status
1	PURSUANT TO LEASE AGREEMENT UNIT#FL7668, ALL PRESENT AND FUTURE EQUIPMENT ENCOMPASSED BY LEASE AGREEMENT UNIT#FL7668 TOGETHER WITH ALL ATTACHMENTS ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS OF EVERY TYPE, ITEM OR KIND IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH COLLATERAL INCLUDING WITHOUT LIMITATION TRADE-INS, EQUIPMENT, INVENTORY, GOODS, NOTES, CHATTEL, PAPER, CONTRACT RIGHTS, ACCOUNTS, RENTAL PAYMENTS, SECURITIES, INTANGIBLES, DOCUMENTS OF TITLE AND MONEY AND ALL PROCEEDS OF PROCEEDS AND A RIGHT TO ANY INSURANCE PAYMENT AND ANY OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL INCLUDING BUT NOT LIMITED TO THE FOLLOWING 2025 FORD TRANSIT CARGO	Current

Business Debtor Search For:

HARMONY HEATING AND AIR CONDITIONING INC.

Search ID #: Z20290565 **Date of Search:** 2026-Jul-10 **Time of Search:** 13:57:36

Registration Number: 25121120333
Registration Date: 2025-Dec-11

Registration Type: SECURITY AGREEMENT
Registration Status: Current
Expiry Date: 2031-Dec-11 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	HARMONY HEATING AND AIR CONDITIONING INC. 427 51 AVENUE SE CALGARY, AB T2H0M8	Current

Secured Party / Parties

Block		Status
1	SOMERVILLE NATIONAL LEASING & RENTALS LTD. 75 ARROW ROAD TORONTO, ON M9M2L4 Email: cfoster@somervilleauto.com	Current

Collateral: Serial Number Goods

Block	Serial Number	Year	Make and Model	Category	Status
1	1FTYE2C8XSKA80657	2025	FORD TRANSIT CARGO	MV - Motor Vehicle	Current

Collateral: General

Block	Description	Status
1	PURSUANT TO LEASE AGREEMENT UNIT#FL7665, ALL PRESENT AND FUTURE EQUIPMENT ENCOMPASSED BY LEASE AGREEMENT UNIT#FL7665 TOGETHER WITH ALL ATTACHMENTS ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS OF EVERY TYPE, ITEM OR KIND IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH COLLATERAL INCLUDING WITHOUT LIMITATION TRADE-INS, EQUIPMENT, INVENTORY, GOODS, NOTES, CHATTEL, PAPER, CONTRACT RIGHTS, ACCOUNTS, RENTAL PAYMENTS, SECURITIES, INTANGIBLES, DOCUMENTS OF TITLE AND MONEY AND ALL PROCEEDS OF PROCEEDS AND A RIGHT TO ANY INSURANCE PAYMENT AND ANY OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL INCLUDING BUT NOT LIMITED TO THE FOLLOWING 2025 FORD TRANSIT CARGO	Current

Personal Property Registry
Search Results Report

Search ID #: Z20290565

Business Debtor Search For:

HARMONY HEATING AND AIR CONDITIONING INC.

Search ID #: Z20290565 **Date of Search:** 2026-Jul-10 **Time of Search:** 13:57:36

Registration Number: 26051505939 Registration Type: WORKERS' COMPENSATION BOARD CHARGE

Registration Date: 2026-May-15 Registration Status: Current

Registration Term: Infinity

The WCB Charge Amount is $5,595.96

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	HARMONY HEATING AND AIR CONDITIONING INC. 113-427 51 AVE SE CALGARY, AB T2H 0M8	Current

Secured Party / Parties

Block		Status
1	WORKERS' COMPENSATION BOARD/COLLECTION UNIT 9912 107 STREET EDMONTON, AB T5K 1G5 Phone #: 780 498 3999 Fax #: 780 498 7999	Current

Collateral: General

Block	Description	Status
1	ALL PRESENT AND AFTER-ACQUIRED PROPERTY AND ALL PROPERTY USED IN CONNECTION, PURSUANT TO WCB ACT S129	Current

Particulars

Block	Additional Information	Status
1	WCB ACCOUNT # 11020272	Current

Search ID #: Z20290565

Note:

The following is a list of matches closely approximating your Search Criteria, which is included for your convenience and protection.

Debtor Name / Address	Reg.#
HARMANI WHITEHOUSE MANOR INC. 200 - 10310 JASPER AVENUE EDMONTON, AB T5J 1Y8	23030733593

SECURITY AGREEMENT

Debtor Name / Address	Reg.#
HARMONY IN HEATH 4 4402 37 ST STONY PLAIN, AB T7Z2A9	25052825368

SECURITY AGREEMENT

Result Complete