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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
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Attention: Josie Parisi
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PROPOSAL TRUSTEE'S COUNSEL
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TABLE OF CONTENTS

PURPOSE	2
TERMS OF REFERENCE	5
BACKGROUND	6
CIRCUMSTANCES LEADING TO THE PROPOSAL PROCEEDINGS	7
SECURED LENDERS AND TRADE CREDITORS	8
PROPOSAL TRUSTEE’S ACTIVITIES TO DATE	10
CASH FLOW FORECAST	10
RELIEF SOUGHT BY THE COMPANY	11
EXTENSION OF STAY OF PROCEEDINGS	11
ADMINISTRATION CHARGE	12
DIP FINANCING AND RELATED DIP FINANCING CHARGE	13
ENHANCED PROPOSAL TRUSTEE POWERS	14
APPROVAL OF THE FIRST REPORT AND THE ACTIVITIES DESCRIBED HEREIN	16
SALES AGENT ENGAGEMENT LETTER	16
PROPOSED SALE PROCESS	18
CONCLUSIONS AND RECOMMENDATIONS	27

APPENDICES

Certificate of Filing a Notice of Intention to File a Proposal	A
Harmony Corporate Profile Report	B
Alberta PPR Search Results dated April 19, 2026	C
OPPSA Search Results dated March 27, 2026	D
13 Week Cash Flow and Management’s Report Thereon	E
Proposal Trustee’s Report on the Cash Flow	F
Term Sheet	G
Sales Agent Engagement Letter	H
Sale Process	I
Stalking Horse Agreement	J
Insolvency Insider Break Fee Tracker	K

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.

Unsecured Creditors

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.

Employees

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

Canada Revenue Agency (“CRA”)

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



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

Appendix “A”



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of: Alberta
Division No.: 02 - Calgary
Court No.: 25-3354154
Estate No.: 25-3354154

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

Harmony Heating and Air Conditioning Inc.

Insolvent Person

BDO CANADA LIMITED / BDO CANADA LIMITÉE

Licensed Insolvency Trustee

Date of the Notice of Intention:

March 31, 2026

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

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

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

Date: March 31, 2026, 15:20

E-File/Dépôt Electronique

Official Receiver

Harry Hays Building, 220 - 4th Ave SE, Suite 478, Calgary, Alberta, Canada, T2G4X3, (877)376-9902

Canada

Appendix “B”

Government Corporation/Non-Profit Search
of Alberta ■ Corporate Registration System

Date of Search: 2026/03/11
Time of Search: 02:52 PM
Search provided by: ELDOR-WAL REGISTRATIONS (1987) LTD
Service Request Number: 46705487
Customer Reference Number:

Corporate Access Number: 2013884644
Business Number: 811703552
Legal Entity Name: HARMONY HEATING AND AIR CONDITIONING INC.

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2008/03/18 YYYY/MM/DD
Date of Last Status Change: 2013/05/02 YYYY/MM/DD

Registered Office:
Street: 1100-225 6 AVE SW BROOKFIELD PLACE
City: CALGARY
Province: ALBERTA
Postal Code: T2P1N2

Records Address:
Street: 1100-225 6 AVE SW BROOKFIELD PLACE
City: CALGARY
Province: ALBERTA
Postal Code: T2P1N2

Email Address: CORPAB@LAWSONLUNDELL.COM

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
SIMPSON	CAROLYN	E.	LAWSON LUNDELL LLP	1100-225 6 AVE SW BROOKFIELD PLACE	CALGARY	ALBERTA	T2P1N2	CORPAB@LAWSONLUNDELL.COM

Directors:

Last Name: FISHER
First Name: ANTHONY
Street/Box Number: 726, 5319 - 3RD STREET SE
City: CALGARY
Province: ALBERTA
Postal Code: T2H1J7

Last Name: PHILLIPS
First Name: ARTHUR
Street/Box Number: 213 BEATRICE STREET

City: TORONTO
Province: ONTARIO
Postal Code: M6G3E9

Last Name: ROSS
First Name: SPENCER
Street/Box Number: 177 DEWBOURNE AVENUE
City: TORONTO
Province: ONTARIO
Postal Code: M6C1Z2

Voting Shareholders:

Last Name: FISHER
First Name: ANTHONY
Middle Name: JUSTIN
Street: 726, 5319 - 3RD STREET SE
City: CALGARY
Province: ALBERTA
Postal Code: T2H1J7
Percent Of Voting Shares: 40

Last Name: MECHCAN INC.
Street: 177 DEWBOURNE AVENUE
City: TORONTO
Province: ONTARIO
Postal Code: M6C1Z6
Percent Of Voting Shares: 60

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE ATTACHED
Share Transfers Restrictions: SEE ATTACHED
Min Number Of Directors: 1
Max Number Of Directors: 15
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: SEE ATTACHED

Associated Registrations under the Partnership Act:

Trade Partner Name	Registration Number
HARMONY CONTRACTING	TN17987686
HARMONY HEATING	TN17245887

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2025	2025/05/26

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2008/03/18	Incorporate Alberta Corporation
2013/05/02	Status Changed to Start for Failure to File Annual Returns
2020/02/19	Update BN
2024/08/21	Change Address
2024/08/21	Change Agent for Service
2024/08/21	Change Director / Shareholder
2025/05/26	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2008/03/18
Restrictions on Share Transfers	ELECTRONIC	2008/03/18
Other Rules or Provisions	ELECTRONIC	2008/03/18

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



Appendix “C”

Search ID #: Z19960398

Transmitting Party

BDO Canada Limited

920, 10130 - 103 St NW
EDMONTON, AB T5J 3N9

Party Code: 50046390

Phone #: 780 424 3434

Reference #:

Search ID #: Z19960398

Date of Search: 2026-Apr-19

Time of Search: 12:10:55

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.



Search ID #: Z19960398

Business Debtor Search For:

HARMONY HEATING AND AIR CONDITIONING INC

Search ID #: Z19960398

Date of Search: 2026-Apr-19

Time of Search: 12:10:55

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**

Current

1 HARMONY HEATING AND AIR CONDITIONING INC
BAY 113, 427 51 AVENUE SE
CALGARY, AB T2H0M8

Secured Party / Parties**Block****Status**

Current

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: abppsa_notifications@kaizenauto.com

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	54DC4W1D5MS205521	2021	ISUZU NPR HD EFI	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	16' ITB VAN BODY WITH RAMP, SERIAL # ITB 21 - 18167.	Current

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.

Search ID #: Z19960398

Business Debtor Search For:

HARMONY HEATING AND AIR CONDITIONING INC

Search ID #: Z19960398

Date of Search: 2026-Apr-19

Time of Search: 12:10:55

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

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	54DC4W1D5MS205521	2021	NPR ISUZU	MV - Motor Vehicle	Current

Search ID #: Z19960398

Business Debtor Search For:

HARMONY HEATING AND AIR CONDITIONING INC

Search ID #: Z19960398

Date of Search: 2026-Apr-19

Time of Search: 12:10:55

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

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTFW1E8XPFA10569	2023	FORD F150	MV - Motor Vehicle	Current

Search ID #: Z19960398

Business Debtor Search For:

HARMONY HEATING AND AIR CONDITIONING INC

Search ID #: Z19960398

Date of Search: 2026-Apr-19

Time of Search: 12:10:55

Registration Number: 24081511544

Registration Type: SECURITY AGREEMENT

Registration Date: 2024-Aug-15

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

Search ID #: Z19960398

Business Debtor Search For:

HARMONY HEATING AND AIR CONDITIONING INC

Search ID #: Z19960398

Date of Search: 2026-Apr-19

Time of Search: 12:10:55

Registration Number: 24100505265

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 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

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	KL79MRSL9SB024468	2025	Chevrolet Trailblazer	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	OUR SECURITY INTEREST IS LIMITED TO THE MOTOR VEHICLES LISTED ABOVE AND THE PROCEEDS OF THOSE VEHICLES	Current

Search ID #: Z19960398

Business Debtor Search For:

HARMONY HEATING AND AIR CONDITIONING INC

Search ID #: Z19960398

Date of Search: 2026-Apr-19

Time of Search: 12:10:55

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)

<u>Block</u>		<u>Status</u>
1	HARMONY HEATING AND AIR COND 427 51 AV SE SUITE 113SUITE 113 CALGARY, AB T2H0M8	Current

Secured Party / Parties

<u>Block</u>		<u>Status</u>
1	THE BANK OF NOVA SCOTIA 10 WRIGHT BOULEVARD STRATFORD, ON N5A7X9 Email: albertaprod@teranet.ca	Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	KL79MRSL9SB027063	2025	Chevrolet Trailblazer	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	OUR SECURITY INTEREST IS LIMITED TO THE MOTOR VEHICLES LISTED ABOVE AND THE PROCEEDS OF THOSE VEHICLES	Current

Search ID #: Z19960398

Business Debtor Search For:

HARMONY HEATING AND AIR CONDITIONING INC

Search ID #: Z19960398

Date of Search: 2026-Apr-19

Time of Search: 12:10:55

Registration Number: 24102310242

Registration Type: SECURITY AGREEMENT

Registration Date: 2024-Oct-23

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

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1GCWGAFP7R1207184	2024	Chevrolet Express Cargo	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	OUR SECURITY INTEREST IS LIMITED TO THE MOTOR VEHICLES LISTED ABOVE AND THE PROCEEDS OF THOSE VEHICLES	Current

Search ID #: Z19960398

Business Debtor Search For:

HARMONY HEATING AND AIR CONDITIONING INC

Search ID #: Z19960398

Date of Search: 2026-Apr-19

Time of Search: 12:10:55

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

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1GTW7BFP3R1260714	2024	GMC Savana Cargo	MV - Motor Vehicle	Current

Search ID #: Z19960398

Business Debtor Search For:

HARMONY HEATING AND AIR CONDITIONING INC

Search ID #: Z19960398

Date of Search: 2026-Apr-19

Time of Search: 12:10:55

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

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1GCWGAF71R1273312	2024	Chevrolet Express Cargo	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
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

Search ID #: Z19960398

Business Debtor Search For:

HARMONY HEATING AND AIR CONDITIONING INC

Search ID #: Z19960398

Date of Search: 2026-Apr-19

Time of Search: 12:10:55

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

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTBR1XG8RKB61740	2024	FORD T250	MV - Motor Vehicle	Current

Search ID #: Z19960398

Business Debtor Search For:

HARMONY HEATING AND AIR CONDITIONING INC

Search ID #: Z19960398

Date of Search: 2026-Apr-19

Time of Search: 12:10:55

Registration Number: 25042235428

Registration Type: SECURITY AGREEMENT

Registration Date: 2025-Apr-22

Registration Status: Current

Expiry Date: 2032-Apr-22 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

1 HARMONY HEATING AND AIR CONDITIONING INC.
SUITE 113 427 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

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	KL77LFE24SC207556	2025	Chevrolet Trax	MV - Motor Vehicle	Current

Search ID #: Z19960398

Business Debtor Search For:

HARMONY HEATING AND AIR CONDITIONING INC

Search ID #: Z19960398

Date of Search: 2026-Apr-19

Time of Search: 12:10:55

Registration Number: 25052729097

Registration Type: SECURITY AGREEMENT

Registration Date: 2025-May-27

Registration Status: Current

Expiry Date: 2031-May-27 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@trader.ca

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FDXE4FN4SDD16518	2025	Ford F450	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	23580104	Current

Search ID #: Z19960398

Business Debtor Search For:

HARMONY HEATING AND AIR CONDITIONING INC

Search ID #: Z19960398

Date of Search: 2026-Apr-19

Time of Search: 12:10:55

Registration Number: 25060312783

Registration Type: SECURITY AGREEMENT

Registration Date: 2025-Jun-03

Registration Status: Current

Expiry Date: 2030-Jun-03 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@trader.ca

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1GTW7AFP7S1169106	2025	GMC Savana Cargo	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
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

Search ID #: Z19960398

Business Debtor Search For:

HARMONY HEATING AND AIR CONDITIONING INC

Search ID #: Z19960398

Date of Search: 2026-Apr-19

Time of Search: 12:10:55

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**

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

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTBR2C80SKB20061	2025	FORD TRANSIT CARGO	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
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

Search ID #: Z19960398

Business Debtor Search For:

HARMONY HEATING AND AIR CONDITIONING INC

Search ID #: Z19960398

Date of Search: 2026-Apr-19

Time of Search: 12:10:55

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**

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

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTBR2C82SKB27447	2025	FORD TRANSIT CARGO	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
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

Search ID #: Z19960398

Business Debtor Search For:

HARMONY HEATING AND AIR CONDITIONING INC

Search ID #: Z19960398

Date of Search: 2026-Apr-19

Time of Search: 12:10:55

Registration Number: 25121120181

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**

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

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTBR2C85SKB19990	2025	FORD TRANSIT CARGO	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
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

Search ID #: Z19960398

Business Debtor Search For:

HARMONY HEATING AND AIR CONDITIONING INC

Search ID #: Z19960398

Date of Search: 2026-Apr-19

Time of Search: 12:10:55

Registration Number: 25121120333

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**

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

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTYE2C8XSKA80657	2025	FORD TRANSIT CARGO	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
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

Search ID #: Z19960398

Note:

The following is a list of matches closely approximating your Search Criteria,
which is included for your convenience and protection.

Debtor Name / Address

HARMANI WHITEHOUSE MANOR INC.
200 - 10310 JASPER AVENUE
EDMONTON, AB T5J 1Y8

Reg.#

23030733593

SECURITY AGREEMENT

Debtor Name / Address

HARMONY IN HEATH
4 4402 37 ST
STONY PLAIN, AB T7Z2A9

Reg.#

25052825368

SECURITY AGREEMENT

Result Complete

Appendix “D”

Your Ref No. PARISI
Liens : 5 Pages : 21

Searched :27MAR2026 00:46 PM
Printed :27MAR2026 00:49 PM

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 03/27/2026
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 12:45:24
ACCOUNT : 009233-0001 FAMILY : 1 OF 5 ENQUIRY PAGE : 1 OF 21
FILE CURRENCY : 26MAR 2026
SEARCH : BD : HARMONY HEATING AND AIR CONDITIONING INC

00 FILE NUMBER : 508251222 EXPIRY DATE : 15AUG 2031 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20240815 1218 1590 4613 REG TYP: P PPSA REG PERIOD: 7
02 IND DOB : IND NAME:
03 BUS NAME: HARMONY HEATING AND AIR CONDITIONING INC.

OCN :

04 ADDRESS : 427 - 51 AVE. S.E., BAY 113
CITY : CALGARY PROV: AB POSTAL CODE: T2H 0M8
05 IND DOB : IND NAME:
06 BUS NAME: POPE & SONS REFRIGERATION LTD.

OCN :

07 ADDRESS : 12A - 1009 ALLSBROOK RD.
CITY : PARKSVILLE PROV: BC POSTAL CODE: V9P 2A9
08 SECURED PARTY/LIEN CLAIMANT :
NATIONAL BANK OF CANADA

09 ADDRESS : 130 KING ST. W., 29TH FL.
CITY : TORONTO PROV: ON POSTAL CODE: M5X 1J9
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X
YEAR MAKE MODEL V.I.N.

11
12
GENERAL COLLATERAL DESCRIPTION

13
14
15
16 AGENT: SCHNEIDER RUGGIERO SPENCER MILBURN LLP
17 ADDRESS : 1000-120 ADELAIDE STREET WEST
CITY : TORONTO PROV: ON POSTAL CODE: M5H 3V1

GENERAL COLLATERAL DESCRIPTION
13 PURSUANT TO LEASE AGREEMENT UNIT#FL7668, ALL PRESENT AND FUTURE
14 EQUIPMENT ENCOMPASSED BY LEASE AGREEMENT UNIT#FL7668 TOGETHER WITH
15 ALL ATTACHMENTS ACCESSORIES, ACCESSIONS, REPLACEMENTS,
16 AGENT: SOMERVILLE NATIONAL LEASING & RENTALS LTD.
17 ADDRESS : 75 ARROW ROAD
CITY : TORONTO PROV: ON POSTAL CODE: M9M2L4

13 LIMITATION TRADE-INS, EQUIPMENT, INVENTORY, GOODS, NOTES, CHATTEL,
14 PAPER, CONTRACT RIGHTS, ACCOUNTS, RENTAL PAYMENTS, SECURITIES,
15 INTANGIBLES, DOCUMENTS OF TITLE AND MONEY AND ALL PROCEEDS OF
16 AGENT: SOMERVILLE NATIONAL LEASING & RENTALS LTD.
17 ADDRESS : 75 ARROW ROAD
CITY : TORONTO PROV: ON POSTAL CODE: M9M2L4

13 PROCEEDS AND A RIGHT TO ANY INSURANCE PAYMENT AND ANY OTHER PAYMENT
14 THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR
15 DAMAGE TO THE COLLATERAL INCLUDING BUT NOT LIMITED TO THE FOLLOWING
16 AGENT: SOMERVILLE NATIONAL LEASING & RENTALS LTD.
17 ADDRESS : 75 ARROW ROAD
CITY : TORONTO PROV: ON POSTAL CODE: M9M2L4

14
15
16 AGENT: SOMERVILLE NATIONAL LEASING & RENTALS LTD.
17 ADDRESS : 75 ARROW ROAD
CITY : TORONTO PROV: ON PO

GENERAL COLLATERAL DESCRIPTION
13 PURSUANT TO LEASE AGREEMENT UNIT#FL7667, ALL PRESENT AND FUTURE
14 EQUIPMENT ENCOMPASSED BY LEASE AGREEMENT UNIT#FL7667 TOGETHER WITH
15 ALL ATTACHMENTS ACCESSORIES, ACCESSIONS, REPLACEMENTS,
16 AGENT: SOMERVILLE NATIONAL LEASING & RENTALS LTD.
17 ADDRESS : 75 ARROW ROAD
CITY : TORONTO PROV: ON POSTAL CODE: M9M2L4

13 SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS
14 OF EVERY TYPE, ITEM OR KIND IN ANY FORM DERIVED DIRECTLY OR
15 INDIRECTLY FROM ANY DEALING WITH COLLATERAL INCLUDING WITHOUT
16 AGENT: SOMERVILLE NATIONAL LEASING & RENTALS LTD.
17 ADDRESS : 75 ARROW ROAD
CITY : TORONTO PROV: ON POSTAL CODE: M9M2L4

13 LIMITATION TRADE-INS, EQUIPMENT, INVENTORY, GOODS, NOTES, CHATTEL,
14 PAPER, CONTRACT RIGHTS, ACCOUNTS, RENTAL PAYMENTS, SECURITIES,
15 INTANGIBLES, DOCUMENTS OF TITLE AND MONEY AND ALL PROCEEDS OF
16 AGENT: SOMERVILLE NATIONAL LEASING & RENTALS LTD.
17 ADDRESS : 75 ARROW ROAD
CITY : TORONTO PROV: ON POSTAL CODE: M9M2L4

13 PROCEEDS AND A RIGHT TO ANY INSURANCE PAYMENT AND ANY OTHER PAYMENT
14 THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR
15 DAMAGE TO THE COLLATERAL INCLUDING BUT NOT LIMITED TO THE FOLLOWING
16 AGENT: SOMERVILLE NATIONAL LEASING & RENTALS LTD.
17 ADDRESS : 75 ARROW ROAD
CITY : TORONTO PROV: ON POSTAL CODE: M9M2L4

14
15
16 AGENT: SOMERVILLE NATIONAL LEASING & RENTALS LTD.
17 ADDRESS : 75 ARROW ROAD
CITY : TORONTO PROV: ON PO

GENERAL COLLATERAL DESCRIPTION
13 PURSUANT TO LEASE AGREEMENT UNIT#FL7666, ALL PRESENT AND FUTURE
14 EQUIPMENT ENCOMPASSED BY LEASE AGREEMENT UNIT#FL7666 TOGETHER WITH
15 ALL ATTACHMENTS ACCESSORIES, ACCESSIONS, REPLACEMENTS,
16 AGENT: SOMERVILLE NATIONAL LEASING & RENTALS LTD.
17 ADDRESS : 75 ARROW ROAD
CITY : TORONTO PROV: ON POSTAL CODE: M9M2L4

13 SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS
14 OF EVERY TYPE, ITEM OR KIND IN ANY FORM DERIVED DIRECTLY OR
15 INDIRECTLY FROM ANY DEALING WITH COLLATERAL INCLUDING WITHOUT
16 AGENT: SOMERVILLE NATIONAL LEASING & RENTALS LTD.
17 ADDRESS : 75 ARROW ROAD
CITY : TORONTO PROV: ON POSTAL CODE: M9M2L4

13 LIMITATION TRADE-INS, EQUIPMENT, INVENTORY, GOODS, NOTES, CHATTEL,
14 PAPER, CONTRACT RIGHTS, ACCOUNTS, RENTAL PAYMENTS, SECURITIES,
15 INTANGIBLES, DOCUMENTS OF TITLE AND MONEY AND ALL PROCEEDS OF
16 AGENT: SOMERVILLE NATIONAL LEASING & RENTALS LTD.
17 ADDRESS : 75 ARROW ROAD
CITY : TORONTO PROV: ON POSTAL CODE: M9M2L4

13 PROCEEDS AND A RIGHT TO ANY INSURANCE PAYMENT AND ANY OTHER PAYMENT
14 THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR
15 DAMAGE TO THE COLLATERAL INCLUDING BUT NOT LIMITED TO THE FOLLOWING
16 AGENT: SOMERVILLE NATIONAL LEASING & RENTALS LTD.
17 ADDRESS : 75 ARROW ROAD
CITY : TORONTO PROV: ON POSTAL CODE: M9M2L4

14
15
16 AGENT: SOMERVILLE NATIONAL LEASING & RENTALS LTD.
17 ADDRESS : 75 ARROW ROAD
CITY : TORONTO PROV: ON PO

GENERAL COLLATERAL DESCRIPTION
13 PURSUANT TO LEASE AGREEMENT UNIT#FL7665, ALL PRESENT AND FUTURE
14 EQUIPMENT ENCOMPASSED BY LEASE AGREEMENT UNIT#FL7665 TOGETHER WITH
15 ALL ATTACHMENTS ACCESSORIES, ACCESSIONS, REPLACEMENTS,
16 AGENT: SOMERVILLE NATIONAL LEASING & RENTALS LTD.
17 ADDRESS : 75 ARROW ROAD
CITY : TORONTO PROV: ON POSTAL CODE: M9M2L4

13 SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS
14 OF EVERY TYPE, ITEM OR KIND IN ANY FORM DERIVED DIRECTLY OR
15 INDIRECTLY FROM ANY DEALING WITH COLLATERAL INCLUDING WITHOUT
16 AGENT: SOMERVILLE NATIONAL LEASING & RENTALS LTD.
17 ADDRESS : 75 ARROW ROAD
CITY : TORONTO PROV: ON POSTAL CODE: M9M2L4

13 LIMITATION TRADE-INS, EQUIPMENT, INVENTORY, GOODS, NOTES, CHATTEL,
14 PAPER, CONTRACT RIGHTS, ACCOUNTS, RENTAL PAYMENTS, SECURITIES,
15 INTANGIBLES, DOCUMENTS OF TITLE AND MONEY AND ALL PROCEEDS OF
16 AGENT: SOMERVILLE NATIONAL LEASING & RENTALS LTD.
17 ADDRESS : 75 ARROW ROAD
CITY : TORONTO PROV: ON POSTAL CODE: M9M2L4

13 PROCEEDS AND A RIGHT TO ANY INSURANCE PAYMENT AND ANY OTHER PAYMENT
14 THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR
15 DAMAGE TO THE COLLATERAL INCLUDING BUT NOT LIMITED TO THE FOLLOWING
16 AGENT: SOMERVILLE NATIONAL LEASING & RENTALS LTD.
17 ADDRESS : 75 ARROW ROAD
CITY : TORONTO PROV: ON POSTAL CODE: M9M2L4

END OF REPORT

Appendix “E”

IN THE MATTER OF THE PROPOSAL OF
HARMONY HEATING AND AIR CONDITIONING INC.
OF THE CITY OF CALGARY
IN THE PROVINCE OF ALBERTA

STATEMENT OF PROJECTED CASH FLOW

Week #	1	2	3	4	5	6	7	8	9	10	11	12	13	13-Week
Week Ending	10-Apr-26	17-Apr-26	24-Apr-26	1-May-26	8-May-26	15-May-26	22-May-26	29-May-26	5-Jun-26	12-Jun-26	19-Jun-26	26-Jun-26	3-Jul-26	Total
<u>Cash Receipts:</u>														
AR Collections	116,294	115,238	115,238	115,238	119,438	119,438	119,438	119,438	119,438	119,438	119,438	119,438	119,438	1,536,944
Other Receipts	52,602	-	-	-	-	-	-	-	-	-	-	-	-	52,602
Total Cash Receipts	168,896	115,238	115,238	115,238	119,438	119,438	119,438	119,438	119,438	119,438	119,438	119,438	119,438	1,589,546
<u>Cash Disbursements:</u>														
Direct Labour	38,250	-	38,250	-	38,250	-	38,250	-	38,250	-	-	38,250	-	229,500
Office Wages	19,000	-	19,000	-	19,000	-	19,000	-	19,000	-	-	19,000	-	114,000
Commissions	14,000	-	14,000	-	14,000	-	14,000	-	14,000	-	-	14,000	-	84,000
Benefits	8,040	10,000	-	10,000	-	15,000	-	15,000	-	20,000	-	20,000	-	98,040
Marketing	7,250	7,250	7,250	7,250	7,250	7,250	7,250	7,250	7,250	7,250	7,250	7,250	7,250	94,250
Equipment	26,250	26,250	26,250	26,250	26,250	26,250	26,250	26,250	26,250	26,250	26,250	26,250	26,250	341,250
Materials	13,125	13,125	13,125	13,125	13,125	13,125	13,125	13,125	13,125	13,125	13,125	13,125	13,125	170,625
Sommerville Leases	5,697	-	-	-	-	-	-	-	-	-	-	-	-	5,697
Truck Costs	5,428	4,350	6,445	3,250	7,710	3,250	5,558	7,710	5,710	4,250	5,540	7,087	4,350	70,638
Insurance	-	-	-	8,551	-	-	-	6,256	-	-	-	-	6,256	21,063
Rent	7,150	-	-	7,150	-	-	-	-	7,150	-	-	-	7,150	28,600
Software	11,847	-	-	8,000	-	-	-	-	8,000	-	-	-	8,000	35,847
Office Costs	4,570	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	28,570
Professional Fees	-	26,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	84,000
GST Remittances	-	-	-	15,000	-	-	-	-	15,000	-	-	-	15,000	45,000
Pre-NOI RRSP Contributions	2,160	-	-	-	-	-	-	-	-	-	-	-	-	2,160
Contingency	13,840	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	37,840
Total Cash Disbursements	176,607	91,225	133,570	107,826	134,835	74,125	132,683	84,841	162,985	80,125	61,415	154,212	96,631	1,491,080
Net Cash Flow	(7,711)	24,013	(18,333)	7,412	(15,398)	45,313	(13,246)	34,597	(43,548)	39,313	58,023	(34,775)	22,807	98,466

Harmony Heating and Air Conditioning Inc.

Per:

Anthony Fisher
Director

09-Apr-26
Date

BDO Canada Limited

Per:

David Lewis, CIRP, LIT
Senior Vice President

09-Apr-26
Date

This statement of projected cash flow for Harmony Heating and Air Conditioning Inc. has been prepared in accordance with section 50(6) of the *Bankruptcy and Insolvency Act*, and should be read in conjunction with the Trustee's Report on Cash Flow dated April 9, 2026.

**IN THE MATTER OF THE PROPOSAL OF
HARMONY HEATING AND AIR CONDITIONING INC.
OF THE CITY OF CALGARY
IN THE PROVINCE OF ALBERTA**

Report on Cash-flow Statement by the Person Making the Proposal

Harmony Heating and Air Conditioning Inc. (the "Company") has developed the assumptions and prepared the attached statement of projected cash-flow of the insolvent person, as of the 9th day of April, 2026, consisting of the Statement of Projected Cash-Flow and Notes and Assumptions to the Statement of Projected Cash-Flow.

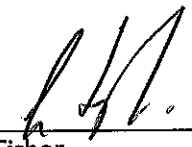
The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in Note 1, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions have been disclosed in Notes 2 and 3.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material.

The projection has been prepared solely for the creditors of the Company for the purpose described in Note 1, using a set of probable and hypothetical assumptions set out in Notes 2 and 3. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Calgary, Alberta this 9th day of April, 2026.

Harmony Heating and Air Conditioning Inc.
Per:



Anthony Fisher

IN THE MATTER OF THE PROPOSAL OF
HARMONY HEATING AND AIR CONDITIONING INC.
OF THE CITY OF CALGARY
IN THE PROVINCE OF ALBERTA

INSOLVENT PERSON'S ACKNOWLEDGEMENT
ON CASH-FLOW STATEMENT

TO: BDO CANADA LIMITED, Trustee

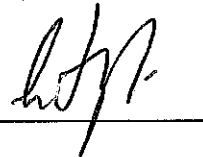
I/We, Harmony Heating and Air Conditioning Inc., hereby acknowledge the following:

1. The cash-flow statement is the responsibility of Harmony Heating and Air Conditioning Inc. (the "**Company**");
2. Every person who fails to comply with a provision of the *Bankruptcy and Insolvency Act*, General Rules or regulations is guilty of a summary conviction offence;
3. The Company's responsibility extends beyond ensuring that individual assumptions used to prepare the Cash-Flow Statement are appropriate in the circumstances to ensuring that the assumptions as a whole are appropriate; and
4. The Board of Directors has approved the cash-flow statement.

DATED at Calgary, Alberta, this 9th day of April, 2026.

Harmony Heating and Air Conditioning Inc.

Per:



Anthony Fisher

Appendix “F”

**IN THE MATTER OF THE PROPOSAL OF
HARMONY HEATING AND AIR CONDITIONING INC.
OF THE CITY OF CALGARY
IN THE PROVINCE OF ALBERTA**

**Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) of the Act)**

The attached statement of projected cash-flow of Harmony Heating and Air Conditioning Inc. (the "Company"), as of the 9th day of April, 2026, consisting of an unaudited monthly cash flow statement, has been prepared by the Company for the purpose described in Note 1, using the probable and hypothetical assumptions set out in Notes 2 and 3.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the Company. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by the insolvent person for the probable assumptions and the preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

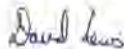
- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed by the insolvent person are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the creditors of the insolvent person for the purpose described in Note 1, and readers are cautioned that it may not be appropriate for other purposes.

Dated at Edmonton, Alberta, this 9th day of April, 2026.

BDO CANADA LIMITED,
Trustee
Per:



David Lewis, CIRP, LIT
Senior Vice President

Appendix “G”

April 24, 2026

VIA E-MAIL

Harmony Heating and Air Conditioning Inc.

427 51 Ave. S.E., Bay 113

Calgary, AB T2H 0M8

AND TO:

1100-225 6 Ave. SW Brookfield Place

Calgary, AB T2P 1N2

Attention: Anthony Fisher

Dear Mr. Fisher:

**Re: Interim Financing for Harmony Heating and Air Conditioning Inc. (the “Debtor”)
from 2811153 Alberta Ltd. (the “DIP Lender”)**

RECITALS:

1. The Debtor commenced a proposal proceeding under the BIA (the “**Proposal Proceeding**”) pursuant to a notice of intention to make a proposal filed on March 31, 2026 (the “**Filing Date**”). BDO Canada Limited consented to act as the trustee in the Proposal Proceeding (the “**Trustee**”).
2. The Debtor has filed a cash flow forecast within the Proposal Proceeding (the “**Forecast**”), attached hereto as Schedule “A”.
3. The Debtor will require additional funding in order to meet its projected disbursements as set out in the Forecast while it conducts a sale process with respect to its assets and business under the supervision of the Trustee during the Proposal Proceeding (the “**Sale Process**”). The Debtor has requested that the DIP Lender provide interim financing to the Debtor in an amount sufficient to permit the Debtor to meet its disbursements as projected in the Forecast during the pendency of the Proposal Proceeding.
4. Further to the Debtor’s request, the DIP Lender is prepared to provide interim financing to the Debtor subject to the terms of this agreement (the “**Agreement**”).

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the DIP Lender providing interim financing to the Debtor as described herein and for other good and valuable consideration, the parties covenant and agree as follows:

TERMS OF INTERIM FINANCING

5. **Interim Facility and Purpose:** Subject to the issuance of the Interim Financing Order (as defined below) by the Court of King's Bench of Alberta (the "**Court**"), the DIP Lender shall make available to the Debtor until the Maturity Date (as defined below) a temporary revolving credit facility limited to the maximum amount of \$25,000 (the "**Interim Facility**"). Advances under the Interim Facility ("**Interim Advances**") shall be approved by the Trustee and shall only be utilized by the Debtor to fund its projected disbursements as set out in the Forecast to the extent the Debtor does not have cash available to fund such disbursements. Interim Advances shall revolve in multiples of \$1,000 and the Debtor may only request and apply Interim Advances through the Debtor's existing cash management system with the DIP Lender or otherwise as agreed to with the DIP Lender, acting reasonably.

Subject to any statutory or Court-ordered obligation of the Trustee, Interim Advances may not be used to investigate, object to or challenge in any way any claims of the DIP Lender against the Debtor in respect of the Interim Facility. Nothing in this paragraph shall restrict the Debtor or the Trustee, including the engagement by the Trustee of independent legal counsel, from (and receiving their fees, costs and expenses therefor) (i) assessing the validity and enforceability of the Interim Financing Charge for advances under the Interim Facility, and (ii) conducting a claims process in accordance with any Court order.

6. **Fees and Interest Rate.** The amount outstanding from time to time under the Interim Facility shall bear interest at National Bank of Canada's Prime Rate plus 1% per annum, and shall be paid monthly on the 26th day of each month. No set up fee shall be payable by the Debtor in connection with the Interim Facility. The Debtor shall pay the DIP Lender's legal fees and disbursements incurred in connection with the Interim Facility, including the costs to prepare and enforce this Agreement and recover payment of the Interim Advances.
7. **Prepayment and Repayment.** Interim Advances may be repaid at any time without penalty. The Interim Facility shall be automatically cancelled and all Interim Advances shall be permanently repaid (without deduction or set-off of any kind) on the earliest to occur of the following, subject to any order of the Court: (i) the date that is three months from the Filing Date; (ii) the occurrence of any Event of Default (as defined below) which is continuing and has not been cured; (iii) the implementation of a proposal within the Proposal Proceeding (a "**Proposal**") which has been approved by the requisite majorities of the Debtor's creditors and by order entered by the Court; and (iv) the sale of all or substantially all of the Debtor's property; (the earliest of such dates being the "**Maturity Date**"). The order of the Court approving any Proposal shall not discharge or otherwise affect the obligations of the Debtor under the Interim Facility, other than providing for the permanent and indefeasible payment in cash to the DIP Lender of all obligations under the Interim Facility on or before the date the Proposal is implemented.
8. **Security and Priority:** The amount outstanding under the Interim Facility from time to time shall be secured by a Court-ordered interim financing charge ("**Interim Financing Charge**") over all present and after-acquired property of the Debtor that ranks in priority to all other secured claims, subject only to a charge to secure payment of the fees and

disbursements of the Trustee, the Trustee's counsel, and the Debtor's counsel in connection with the Proposal Proceeding in the maximum amount of \$100,000 (the "**Administration Charge**") and any permitted liens specifically approved by the DIP Lender.

9. **Conditions Precedent to Interim Advances:** Each Interim Advance is conditional upon the following: (i) the Court issuing an order on or before April 30, 2026 (the "**Interim Financing Order**"), in form and substance satisfactory to the DIP Lender, approving, *inter alia*, this Agreement and granting the Interim Financing Charge, and such Interim Financing Order shall not have been stayed, vacated or otherwise caused to be ineffective or amended, restated or modified in a way that adversely impacts the rights and interests of the DIP Lender in a material manner, without the consent of the DIP Lender; (ii) the requested Interim Advance shall not, if advanced to the Debtor, cause the amount outstanding under the Interim Facility to exceed the lesser of (x) \$25,000, and (y) the amount projected in the Forecast for the applicable period plus 10%; (iii) no default under this Agreement or Event of Default has occurred or will occur as a result of the requested Interim Advance; (iv) there are no security interests or trust claims against or affecting any of the Debtor's property ranking in priority to the Interim Financing Charge, other than the Administration Charge and any security interests or trust claims consented to by the DIP Lender in writing.
10. **Sale Process.** The Debtor or the Trustee shall conduct a Sale Process for the Debtor's property and business. The terms of the Sale Process shall be satisfactory to the DIP Lender in its sole discretion. On or before April 30, 2026, the Court shall issue an order, in form and substance satisfactory to the DIP Lender, pursuant to which the Sale Process is approved (the "**Sale Process Order**").
11. **Reporting Requirements:** On the Tuesday of each week for the week ending the immediately preceding Friday, the Debtor or the Trustee shall provide the DIP Lender a variance report comparing actual results to the Forecast. If requested by the DIP Lender, the Debtor will provide the DIP Lender with an updated cash flow forecast (an "**Updated Forecast**"), which must be approved by the Trustee (or prepared by the Trustee on behalf of the Debtor).
12. **Negative Covenants:** Until the Interim Facility has been permanently and indefeasibly repaid and cancelled, the Debtor covenants and agrees not to do any of the following, other than with the prior written consent of the DIP Lender:
 - (a) Other than in the ordinary course of business, transfer, lease or otherwise dispose of all or any part of its property, assets or undertakings (i) without the prior written consent of the DIP Lender, unless the proceeds of sale will be sufficient to permanently and indefeasibly repay the amount outstanding under the Interim Facility, and (ii) without an order of the Court approving any such disposition.
 - (b) Make any payment of principal or interest in respect of any existing debt or obligation outstanding as of the Filing Date other than as may be permitted by a Court order and that does not result in an Event of Default (as defined below), and is provided for in the Forecast.

- (c) Create or permit to exist indebtedness for borrowed money other than debt existing as of the Filing Date or debt contemplated by this Agreement.
- (d) Make any payments without the prior written consent of the Trustee or make any payments not consistent with the Forecast, other than with the prior written consent of the Trustee and the DIP Lender.
- (e) Make or give any additional financial assurances, in the form of bonds, letters of credit, financial guarantees or otherwise, to any person or governmental entity.
- (f) Create, permit to exist or seek or support a motion by another party to provide to any third party a lien on the Debtor's property that is senior to or *pari passu* with the Interim Financing Charge, other than the Administration Charge.
- (g) Change its name, amalgamate, consolidate with or merge into, or enter into any similar transaction with any other entity except as part of the Sale Process, and on terms and conditions satisfactory to the DIP Lender, acting reasonably.
- (h) Make any payment in respect of post-employment benefit payments, special or amortization payments, solvency deficiencies or wind-up shortfalls in relation to any pension plan.

EVENTS OF DEFAULT

13. **Events of Default.** The occurrence of any one or more of the following events without the prior consent of the DIP Lender shall constitute an event of default ("**Event of Default**") under this Agreement:
- (a) the failure by the Debtor to keep or perform any of the terms, obligations or covenants under this Agreement or any further default or event of default occurs under this Agreement;
 - (b) if the Sale Process is terminated or suspended or the DIP Lender reasonably determines in consultation with the Trustee that the Debtor or the Trustee will be unable to complete a transaction pursuant to which the amount outstanding under the Interim Facility will be repaid on or before the Maturity Date;
 - (c) the filing of any pleading that seeks, or the issuance of an order of the Court or any other court of competent jurisdiction that:
 - (i) dismisses the Proposal Proceeding or lifts the stay in the Proposal Proceeding to permit (A) the enforcement of any security interest or trust claim against the Debtor or a material portion of its property, assets or undertaking, or (B) the appointment of a receiver and manager, receiver, interim receiver or similar official (which for greater certainty shall not include the Trustee) or the making of a bankruptcy order against the Debtor;

- (ii) grants any lien or charge which is senior to or *pari passu* with the Interim Financing Charge, other than the Administration Charge; or
 - (iii) adversely impacts the rights and interests of the DIP Lender in a material manner, without the prior written consent of the DIP Lender;
- (d) the Interim Financing Order or the Sale Process Order is not granted by the Court by April 30, 2026 in a form satisfactory to the DIP Lender in its sole discretion;
- (e) an Updated Forecast is not approved by the Trustee or projects that the amount outstanding under the Interim Facility will exceed \$25,000 at any time;
- (f) the amount outstanding under the Interim Facility exceeds \$25,000 at any time;
- (g) an event occurs that will in the DIP Lender's judgment, acting reasonably and determined in consultation with the Trustee, materially further impair the Debtor's financial condition or ability to comply with its obligations under this Agreement, any order made in the Proposal Proceeding or to carry out a Proposal reasonably acceptable to the DIP Lender;
- (h) any representation or warranty by the Debtor herein shall be incorrect or misleading in any material respect;
- (i) any material violation or breach of any order of the Court made in the Proposal Proceeding;
- (j) any proceeding, motion or application is commenced or filed by the Debtor, or if commenced by another party, supported or otherwise consented to by the Debtor, seeking the invalidation, subordination or other challenging of the terms of the Interim Facility, the Interim Financing Charge, this Agreement, or, unless a Proposal or transaction involving the sale of substantially all of the Debtor's property provides for repayment in full of the amount outstanding under the Interim Facility, the approval of any Proposal or any transaction involving the sale of substantially all of the Debtor's property that does not have the prior written consent of the DIP Lender;
- (k) any Proposal is sanctioned or any transaction is consummated by the Debtor that is not consistent with or contravenes any provision of this Agreement in a manner that is adverse to the interests of the DIP Lender or would reasonably be expected to adversely affect the interests of the DIP Lender, unless the DIP Lender has consented thereto; and
- (l) if the Debtor pays or agrees to pay any of the legal, consulting or other professional fees and/or disbursements incurred by any other party in the Proposal Proceeding without the prior consent of the DIP Lender, other than the professional fees and disbursements of the Debtor, the Trustee, and the Trustee's legal counsel.

14. **Remedies.** Upon the occurrence of an Event of Default, and subject to any order of the Court, the DIP Lender may, in its sole discretion, elect to terminate the DIP Lender's commitment to make Interim Advances available to the Debtor hereunder and declare the obligations in respect of the Interim Facility to be immediately due and payable and cease making any further Interim Advances available. Without limiting the foregoing remedies, upon the occurrence of an Event of Default, and subject to any order of the Court, the DIP Lender may, in its sole discretion, elect to permanently reduce the credit available under the Interim Facility by such amount as determined by the DIP Lender in its sole discretion. In addition, upon the occurrence of an Event of Default, the DIP Lender may, in its sole discretion, subject to any order of the Court, (i) apply to the Court for the appointment of a receiver, an interim receiver or a receiver and manager over the Debtor or its property, or for the appointment of a trustee in bankruptcy of the Debtor; (ii) set-off or combine any amount recorded as a credit balance in any account maintained by the Debtor with the DIP Lender or any amount then owing by the DIP Lender to the Debtor against the obligations of the Debtor to the DIP Lender under the Interim Facility, provided that, for greater certainty, such rights do not apply to any obligations arising prior to the Filing Date; (iii) apply to the Court for an order, on terms satisfactory to the Trustee and the DIP Lender, providing the Trustee with the power, in the name of and on behalf of the Debtor, to take all necessary steps in the Proposal Proceeding; and (iv) subject to obtaining prior approval from the Court, exercise all such other rights and remedies available to the DIP Lender under the Interim Financing Order or any other order of the Court in the Proposal Proceeding or under applicable law.

MISCELLANEOUS

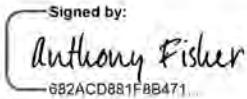
15. **Further Assurances.** The Debtor shall, at its expense, from time to time do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits, reports and opinions) and things as the DIP Lender may reasonably request for the purpose of giving effect to this Agreement.
16. **Governing Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Alberta and the federal laws of Canada applicable therein. Any disputes arising in respect of this Agreement shall be heard by the Court.
17. **Entire Agreement.** This Agreement (including the schedules hereto) constitutes the entire agreement between the parties relating to the subject matter hereof. To the extent that there is any inconsistency between this Agreement and any other agreement, this Agreement shall govern.
18. **Amendments and Waivers.** No waiver or delay on the part of the DIP Lender in exercising any right or privilege hereunder or under any of the DIP Lender will operate as a waiver hereof or thereof unless made in writing by the DIP Lender and delivered in accordance with the terms of this Agreement, and then such waiver shall be effective only in the specific instance and for the specific purpose given.

19. **Assignment.** The DIP Lender may assign this Agreement and its rights and obligations hereunder, in whole or in part, or grant a participation in its rights and obligations hereunder at any time to any party acceptable to the DIP Lender in its sole discretion (subject to providing the Trustee with reasonable evidence that such assignee has the financial capacity to fulfill the obligations of the DIP Lender hereunder). Neither this Agreement nor any right or obligation hereunder may be assigned by the Debtor.
20. **Severability.** Any provision in this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction
21. **No Third Party Beneficiary.** No person, other than the Debtor and the DIP Lender, is entitled to rely upon this Agreement and the parties expressly agree that this Agreement does not confer rights upon any party not a signatory hereto.

If you agree to be bound by the terms contained in this Agreement, please execute a copy of this Agreement and return to the undersigned by **April 24, 2026 at 5:00 p.m. (EST)**. The parties may execute this Agreement in counterparts.

Yours truly,

2811153 ALBERTA LTD.

Signed by:

682ACD881F8B471...

Anthony Fisher

Agreed to this 24th day of April, 2026.

HARMONY HEATING AND AIR CONDITIONING INC.

By:

Signed by:

Anthony Fisher

Name: Anthony Fisher

Title: Director

I have authority to bind the
Corporation.

Appendix “H”



Tel: (416) 865-0200
Fax: (416) 865-0887
www.bdo.ca

BDO Canada Transaction Advisory Services Inc.
222 Bay Street
Suite 2200
Toronto, Ontario
M5K 1H1

April 21, 2026

CONFIDENTIAL

BDO Canada Limited as Proposal Trustee of the MechCan Group
20 Wellington Street E, Suite 500
Toronto, ON M5E 1C5

Dear Josie,

BDO Canada Transaction Advisory Services Inc. ("BDO M&A") understands that National Bank of Canada has engaged BDO Business Restructuring and Turnaround Services ("BDO BRTS" or the "Consultant") in connection with a review of the operations, financial position, and strategic alternatives of MechCan Inc. ("MechCan", or the "Company") together with its direct and indirect subsidiaries and affiliated entities, (collectively, the "Affiliated Entities"), relating to all of the assets, properties, and undertakings of the Company and, where applicable, the Affiliated Entities (collectively, the "Property").

The Company is a holding company for a group of Canadian HVAC and plumbing contractors carried on through the Affiliated Entities which are listed in Appendix "B". With the assistance of BDO M&A, BDO BRTS is seeking to evaluate and pursue a potential transaction involving all or a portion of the Property (the "Transaction").

BDO BRTS wishes to engage BDO M&A as its exclusive financial advisor with respect to the Transaction, and BDO M&A desires to assist the Company in connection therewith on the following terms, including the Standard Terms and Conditions attached hereto as Appendix "A".

Capitalized terms used herein and not otherwise defined have the meanings given to them in the Standard Terms and Conditions.

1. Definitions

- a. Transaction Source - For purposes of this Agreement, a "Transaction Source" is defined as a financial source, corporation and/or other potential acquirer that is an individual or entity of any kind that is submitted in writing by BDO M&A to the Consultant and approved by the Consultant from time to time during the term of this Agreement as well as any such person or entity with which BDO M&A engages in dialogue with respect to the Transaction.
- b. Transaction Closing - For purposes of this Agreement, "Transaction Closing" shall mean the closing of the Transaction with the Transaction Source including but not limited to, a sale in whole or in part, or merger, consolidation, recapitalization or the like of a substantial portion of the Company's assets or business.

2. Scope of Services

BDO M&A will complete the key activities listed below (the "Services"):

- a. BDO M&A will use its commercially reasonable efforts to support the Consultant to complete the Transaction with potential Transaction Sources contacted by the Consultant. The terms of any Transaction shall be as negotiated between the Consultant and the Transaction Source, with BDO M&A's assistance, but BDO M&A cannot guarantee a successful conclusion to the negotiations with any such sources.
- b. BDO M&A will provide assistance to the Consultant throughout the Transaction process as follows:
 - i) Review the objectives and constraints of the Consultant in conducting the engagement to determine a specific and detailed strategy for executing the Transaction that best meets the objectives;
 - ii) Assist the Consultant to identify, obtain, assemble, and organize all of the necessary information required to complete the Transaction;
 - iii) Provide input to and assist with the preparation and completion of a teaser and Confidential Information Summary ("CIS") that shall contain a description of the Property, historical financial performance, and projections (if applicable) and industry overview for submission to interested Transaction Sources;
 - iv) Help establish and maintain a list of prospective Transaction Sources;
 - v) Provide the Consultant with a standard template confidentiality agreement to be reviewed and approved by the Consultant;
 - vi) Coordinate and manage the distribution of the CIS to prospective Transaction Sources, with the Consultant's prior approval, to obtain confirmation of their interest in pursuing a Transaction on terms consistent with the transaction objectives;
 - vii) Assist Consultant evaluate all offers from interested Transaction Sources and facilitate site visits as required;
 - viii) Manage the online data room and facilitate the due diligence process as required by the Transaction Source; and
 - ix) Provide assistance and advice as requested by the Consultant on the review of legal agreements.

In connection with this Agreement, the Consultant represents and warrants that, to the best of its knowledge, all information given to BDO M&A, or otherwise contained in the CIS or any other transaction document it approves, shall be complete and correct in all material respects, and shall not otherwise contain any materially misleading statements or omissions.

BDO M&A may utilize member firms of BDO M&A International in connection with the engagement hereunder.

3. Professional Fees

In consideration of the foregoing:



- a. **Hourly Fees:** Hourly Fees will be based on the time invested at our standard hourly rates and will be billed monthly. The following are our standard hourly rates:

Staff	Hourly rate (CAD\$)
Partner	\$725
Senior Manager	\$600
Manager	\$550
Senior Associate	\$400
Associate/Analyst	\$300

We estimate that the fees to complete an expedited, two-month sale process will be approximately \$225,000. Should the transaction process extend beyond two months, we will provide you with an updated Work Fee estimate to Close the Transaction.

- b. **Disbursements and Expenses:** In addition to any fees payable by the Consultant to BDO M&A hereunder, the Consultant shall, whether or not a Transaction is consummated, reimburse BDO M&A for its travel and other reasonable out-of-pocket expenses (including any database usage costs and all fees, disbursements and other charges incurred by BDO M&A with the Consultant's consent) incurred in connection with any actual or proposed Transaction, or otherwise arising out of BDO M&A's activities under or contemplated by, this engagement. These expenses shall not exceed \$2,500 unless approved by the Consultant in writing.
- c. **Administration Fee:** We will also bill you for our administrative and technology charge, which is calculated as 7% of our professional fee and represents an allocation of estimated costs associated with our technology infrastructure and support staff time costs. Our billing rates may be subject to change from time to time at our discretion with or without notice to you.
- d. **Taxes:** BDO M&A will apply all applicable provincial and federal taxes to all fees.

In the event that this Agreement is terminated prior to a Transaction Closing, BDO M&A shall be entitled to (i) the entire cash sum paid (and then due and payable) to it as provided for in Paragraphs (a), (b), (c) and (d) above.

4. Engagement Team

This engagement will be under the direction of Brian Trainor, who will maintain overall responsibility on behalf of BDO M&A. Adnan Shahid, Director, will lead the day-to-day execution of the engagement. The team will include other professionals, as necessary, to complete the engagement.

5. Standard Terms and Conditions

By signing this Agreement, you acknowledge that you have read and understood the Standard Terms and Conditions attached hereto as Appendix "A", and agree to be bound by those terms in respect of the Services described above, including without limitation, the limitations of liability contained therein that limit our professional liability.

If the above engagement and Agreement relating thereto are acceptable, please execute the acceptance and acknowledgment of this Agreement as hereinafter provided.

Very truly yours,

BDO Canada Transaction Advisory Services Inc.

Brian Trainor

By:

Brian Trainor, Managing Director

ACCEPTANCE AND ACKNOWLEDGMENT:

BDO Business Restructuring and Turnaround Services in its capacity as an insolvency trustee of the Property and not in its personal or corporate capacity, hereby accepts the above engagement and agrees to the terms and provisions set forth above with respect to such engagement.

BDO Business Restructuring and Turnaround Services

J. Parisi

By:

Josie Parisi, Partner

Date: April 21, 2026



Appendix A - Standard Terms and Conditions

1. Overview and Interpretation

- 1.1 This Agreement sets forth the entire agreement between the parties in relation to Services and it supersedes all prior agreements, negotiations or understandings, whether oral or written, with respect to Services, including without limitation any non-disclosure agreements entered into in advance of this Agreement. This Agreement applies to Services whenever performed (including before the date of this Agreement). To the extent that any of the provisions of the accompanying letter conflict with these Standard Terms and Conditions, these Standard Terms and Conditions shall prevail. This Agreement may not be changed, modified or waived in whole or part except by an instrument in writing signed by both parties.
- 1.2 In this Agreement, the following words and expressions have the meanings set out below:
- **This Agreement** – these Standard Terms and Conditions, the letter to which they are attached, and any supporting schedules or other appendices to the letter
 - **Services** – the services provided or to be provided under this Agreement, and any other services which we agree to provide to you subsequent to the date of this Agreement that are not covered by a separate engagement letter
 - **We, us, our, BDO** – refer to BDO Canada Transaction Advisory Services Inc., a corporation organized under the federal laws of Canada
 - **You, your** – the party or parties contracting with BDO under this Agreement. You and your does not include BDO, its affiliates or BDO Member Firms
 - **BDO Member Firm or Firms** – any firm or firms that form part of the international network of independent firms that are members of BDO International Limited
 - **Confidential Information** - all non-public proprietary or confidential information and Personal Information, including Client Documents

- **Personal Information** - information relating to identified or identifiable natural persons or that is otherwise considered to be 'personal data' or 'personal information' under applicable data protection laws
- **Usage Data** - data generated through the use or operation of BDO's systems, platforms, personnel, or tools in connection with the engagement. This includes, without limitation, system logs, feature interaction data, tool performance metrics, metadata, and information regarding how BDO personnel interact with or engage with Client matters—and excludes any Client Documents and Confidential Information. BDO retains exclusive rights to Usage Data
- **Client Documents – information (including internal financial information and internal records and reports) provided to us by you or on your behalf in connection with the performance of the Services**
- **Working Papers** – documents or advice, prepared by us or for us, in connection with our Services
- **Deliverables** – the output of our Services

Other capitalized terms used herein and not defined shall have the meaning given to them in the accompanying letter.

2. BDO Network and Sole Recourse

- 3.1 BDO is an affiliate of BDO Canada LLP, a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international network of independent member firms (i.e. BDO Member Firms), each of which is a separate legal entity.
- 3.2 We may use other BDO Member Firms or subcontractors to provide Services; however, we remain solely responsible for the Services. You agree not to bring any claim or action against another BDO Member Firm (or their partners, members, directors, employees or subcontractors) or our subcontractors in respect of any liability relating to the provision of Services.
- 3.3 You agree that any of our affiliates, subcontractors, and other BDO Member Firms and any subcontractors thereof whom we directly or indirectly involve in providing Services have the right

to rely on and enforce Section 2.2 above, as well as all liability protections contained herein, as if they were a party to this Agreement. For greater certainty, you agree that other BDO Member Firms that are subcontractors may enforce any limitations or exclusions of liability available to us under this Agreement.

3. Respective Responsibilities

- 3.1 We will use reasonable efforts to complete, within any agreed-upon time frame, the performance of our Services.
- 3.2 We will perform our Services in accordance with applicable professional standards.
- 3.3 We will provide Services to you as an independent contractor and not as your employee, agent, partner, or joint venture. Neither you nor we have any right, power, or authority to bind the other.
- 3.4 You shall be responsible for your personnel's compliance with your obligations under this Agreement. We will not be responsible for any delays or other consequences arising from you not fulfilling your obligations.
- 3.5 You are responsible for all decisions relating to our Services, the use or implementation of the output of our Services and for determining whether the Services are appropriate for your purposes.
- 3.6 You shall promptly provide (or cause others to provide) to us, the information, resources and assistance (including access to records, systems, premises and people) that we reasonably require to perform our Services.
- 3.7 To the best of your knowledge, all Client Documents will be accurate and complete in all material respects. The provision of Client Documents to us will not infringe any copyright or other third-party rights.
- 3.8 We will rely on Client Documents made available to us and, unless we expressly agree otherwise, will have no responsibility to evaluate or verify it.

4. Working Papers and Deliverables

- 4.1 **Ownership** – Any Working Papers prepared by us, or for us, in connection with the Services belong solely to us. These documents constitute Confidential Information, and will be retained by us in accordance with BDO policies and procedures, as necessary to comply with professional and regulatory standards. Upon our receipt of full payment of all amounts

owing under the Agreement, you will own all right, title and interest to the Deliverables, save and except for any BDO intellectual property incorporated therein, which remains the sole and exclusive property of BDO.

- 4.2 **Oral advice and draft deliverables** – You should not rely upon any draft deliverables or oral advice provided by us. Should you wish to rely upon something we have said to you, please let us know and, if possible, we will provide the information that you require in writing.
- 4.3 **Update of Deliverables** - We shall not be required to update any final Deliverables for circumstances of which we become aware, or events occurring, after its delivery.
- 4.4 **Reliance by Third Parties** - Our Services will not be planned or conducted in contemplation of or for the purpose of reliance by any party other than you, and are intended for the benefit of only you. Items of possible interest to a third party will not be addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction. The receipt by any third parties of any advice, opinions, reports or other work product is not intended to create any duty of care, professional relationship or any present or future liability between such third parties and us. For greater certainty, we expressly disclaim any liability of any nature or kind resulting from the disclosure to or unauthorized reliance by any third party on our advice, opinions, reports or other work product.

5. Confidentiality

- 5.1 We will use Confidential Information provided by you only in relation to the Services or for internal and administrative purposes. You agree, however, that we may use such Confidential Information for predictive analytics to provide you with key performance indicators and other analysis and insights. We will not disclose any Confidential Information, except where required by law, regulation or professional obligation. You agree, however, that we may disclose Confidential Information to other BDO Member Firms or other subcontractors assisting us in providing Services, provided that such parties are bound by reasonable confidentiality obligations no less stringent than in this Agreement.
- 5.2 Neither of us may use or reference the other's name, logos, or trademarks publicly without the other's prior written consent, although we may publicly

identify you as a client in connection with specific Services or generally.

- 5.3 BDO, upon Closing a Transaction, shall have the right to place advertisements in financial newspapers, journals and other marketing materials at its own expense describing non-confidential information of its Services to the Company hereunder. Without limiting the foregoing, BDO may also publicize its Services in connection herewith, including, without limitation, providing non-confidential information to the financial press and other media.

6. Analytics

- 6.1 You agree that BDO may use data provided or generated in the course of this engagement, including Usage Data, Confidential Information and Client Documents, to perform analytics, develop insights, and enhance, improve, or develop BDO's methodologies, tools, and services. This includes the use of such data to train, test, and refine technology, systems and applications. Notwithstanding the foregoing, BDO will not use your Confidential Information or Client Documents, or data derived therefrom, in a way that would permit you to be identified.

BDO will implement appropriate technical and organizational safeguards to ensure the confidentiality, security, and privacy of data used for these purposes, including de-identification or aggregation where appropriate to prevent re-identification. In all such matters, BDO will comply with applicable laws and professional regulations.

7. Privacy and Consent for Use of Personal Information

- 7.1 In connection with the Services, we may need to access and process Personal Information about individuals that is in your custody. You agree that such Personal Information may be collected, used, stored, disclosed, and transferred by BDO, other BDO Member Firms, and their service providers ("Support Providers") as reasonably required to perform the Services.

Personal Information may be processed in various jurisdictions in which BDO, BDO Member Firms, or Support Providers operate, and may therefore be

subject to the laws of those jurisdictions. Personal Information will be handled in accordance with applicable privacy laws and professional obligations, and BDO will take appropriate technical and organizational measures designed to protect such information. BDO will require Support Providers acting on BDO's behalf to provide a level of protection consistent with applicable legal and regulatory requirements. Any collection, use, storage, transfer or disclosure of Personal Information is subject to BDO's Privacy Statement available at <https://www.bdo.ca/en-ca/legal-privacy/legal/privacy-policy/>. Transfer of Personal Information between BDO member firms is subject to the BDO Binding Corporate Rules available at <https://www.bdo.global/en-gb/bcrs>.

7.2 You represent and warrant that:

- (a) you have the authority to provide the Personal Information to us in connection with the performance of our Services, and
- (b) the Personal Information provided to us has been provided in accordance with applicable law, and where required by applicable law, you have obtained consent of the individuals to whom such Personal Information relates in order to permit BDO to collect, use and disclose the Personal Information in the course of providing the Services.

8. Independence

- 8.1 Professional and certain regulatory standards may require us to be independent, in both fact and appearance, with respect to our clients in the performance of certain services. If required, we will communicate to you any relationships between BDO (including its related entities) and you that, in our professional judgment, may reasonably be thought to bear on our independence.

9. Professional and Regulatory Oversight and Legal processes

- 9.1 As required by legal, regulatory, or professional authorities (both in Canada and abroad) and by BDO policy, our client files may be periodically be reviewed by practice inspectors to ensure that we are adhering to professional and BDO standards. It is understood that by entering into this Agreement, you provide your consent to us providing our files relating to the Services to the practice inspectors for the sole purpose of their inspection.
- 9.2 Certain law enforcement, regulatory and other governmental bodies may also have the right under law or regulation to conduct investigations of you, including the Services provided by us. To the extent practicable and permitted by law or regulation, we will advise you of any such document request or production order we receive in connection with any such investigation prior to providing any documents in response to such request or order.
- 9.3 We are sometimes required by law, regulation, subpoena or other legal process, or upon your request, to produce documents or personnel as witnesses in connection with legal or regulatory proceedings. Where BDO is not a party to such proceedings, you shall reimburse us at our then current standard billing rates for professional time and expenses, including without limitation, reasonable legal fees, expenses and taxes incurred in responding to such compelled assistance or request by you.

10. Electronic Communications

- 10.1 Both parties recognize and accept the security risks associated with email communications, including but not limited to the lack of security, unreliability of delivery and possible loss of confidentiality and privilege. Unless you request in writing that we do not communicate by internet email, you assume all responsibility and liability in respect of risk associated with its use.

11. Limitation of Liability

- 11.1 In any dispute, action, claim, demand for losses or damages arising out of the Services performed by BDO pursuant to this Agreement, BDO's liability will be several, and not joint and several, and BDO shall only be liable for its proportionate share of the total liability based on degree of fault as determined by a court of competent jurisdiction or by an independent arbitrator, notwithstanding the

provisions of any statute or rule of common law which create, or purport to create, joint and several liability.

- 11.2 In no event shall BDO be liable for indirect, consequential special, incidental, aggravated, punitive or exemplary damages, losses or expenses, or for any loss of revenues or profits, loss of opportunity, loss of data, or other commercial or economic loss or failure to realize expected savings, including without limitation expected tax savings, whether or not the likelihood of such loss or damage was contemplated.
- 11.3 BDO shall in no event be liable under this Agreement or otherwise in connection with the Services for any actions, damages, claims, fines, penalties, complaints, demands, suits, proceedings, liabilities, costs, expenses, or losses (collectively, "Liabilities") in any way arising out of or relating to the Services performed hereunder for an aggregate amount of more than the higher of:
- (a) the fees paid to BDO by you, in a twelve consecutive month period, for the Services provided pursuant to this Agreement giving rise to the claim; and
 - (b) \$10,000.
- 11.4 The limitations of liability in this section apply whether or not the Liabilities asserted by you against BDO are incurred by you directly or as a result of a claim or demand against you by a third party.
- 11.5 No exclusion or limitation on the liability of other responsible persons imposed or agreed at any time shall affect any assessment of our proportionate liability hereunder, nor shall settlement of or difficulty enforcing any claim, or the death, dissolution or insolvency of any such other responsible persons or their ceasing to be liable for the loss or damage or any portion thereof, affect any such assessment.
- 11.6 You agree claims or actions relating to the delivery of the Services shall be brought against us alone, and not against any individual. Where our individuals are described as partners, they are acting as one of our members.
- 11.7 For purposes of this Section, the term "BDO" shall include BDO Canada Transaction Advisory Services Inc and its subsidiaries, associated and affiliated entities and their respective current and former partners, directors, officers, employees, agents and representatives. The provisions of this Section shall apply to the fullest extent of the law, regardless of the form of the claim, whether in contract, statute,

tort (including without limitation, negligence) or otherwise.

12. Indemnity

- 12.1 To the fullest extent permitted by applicable laws, in the event of a claim or demand by a third party against BDO that arises out of or relates to the Services, you agree to indemnify and hold harmless BDO from and against all losses, costs (including solicitors' fees), damages, or expenses resulting from such third party claim or demand, except to the extent that the same is finally determined to have resulted from BDO's negligence or intentional misconduct.

13. Alternative Dispute Resolution

- 13.1 Both parties agree that they will first attempt to settle any dispute arising out of or relating to this Agreement, including any question regarding its existence, interpretation, validity, breach or termination, or the Services provided hereunder, through good faith negotiations.
- 13.2 In the event that the parties are unable to settle or resolve their dispute through negotiation, such dispute shall be subject to mediation using a mediator chosen by mutual agreement of the parties.
- 13.3 All disputes remaining unsettled for more than 60 days following the parties first mediation session with a mediator, or such longer period as the parties mutually agree upon shall be exclusively and finally resolved by arbitration. The parties agree that one arbitrator shall be appointed within twenty (20) days of receipt of the request for arbitration. If the parties cannot agree on the appointment of an arbitrator in such period then either party may immediately apply for the appointment of an arbitrator to a court of competent jurisdiction in the Province of the governing law as contained herein pursuant to such Province's applicable *Arbitration Act*. The place of arbitration shall be in the capital of the Province of the governing law as contained herein. Unless the arbitrator otherwise determines, the fees of the arbitrator and the costs and expenses of the arbitration will be borne and paid equally by the parties. Such arbitration shall be final, conclusive, and binding upon the parties, and the parties shall have no right of appeal or judicial review of the decision whatsoever. The parties hereby waive any such right of appeal or judicial

review which may otherwise be provided for in any provincial arbitration statute. Judgement upon the award, including any interim award, rendered by the arbitrator may be entered in any court having jurisdiction. The arbitration shall be kept confidential and the existence of the arbitration proceeding and any element thereof (including but not limited to any pleadings, briefs or other documents submitted and exchanged and testimony and other oral submissions and any awards made) shall not be disclosed beyond the arbitrator(s), the parties, their counsel and any person to whom disclosure is necessary to the conduct of the proceeding except as may be lawfully required in judicial proceedings relating to the arbitration or otherwise.

14. Limitation Period

- 14.1 You shall make any claim relating to the Services or otherwise under this Agreement no later than one year after you became aware or ought reasonably to have become aware of the facts giving rise to any such claim.
- 14.2 You shall in no event make any claim relating to the Services or otherwise under this Agreement later than four years after the completion of the Services under this Agreement.
- 14.3 To the extent permitted by law, the parties to this Agreement agree that the limitation periods established in this Agreement replace any limitation periods under any limitations act and/or any other applicable legislation and any limitation periods under any limitations act and/or any other applicable legislation shall not alter the limitation periods specified in this Agreement.

15. Québec Personnel

- 15.1 We may sometimes have individual partners and employees performing the Services within the Province of Québec who are members of the Ordre des comptables professionnels agréés du Québec. Any such members performing professional services hereunder assume full personal civil liability arising from the practice of their profession, regardless of their status within our partnership. They may not

invoke the liability of our partnership as grounds for excluding or limiting their own liability. Any limitation of liability clause in this Agreement shall therefore not apply to limit the personal civil liability of partners and employees who are members of the Ordre des comptables professionnels agréés du Québec.

16. Termination

- 16.1 This Agreement applies to the Services whenever performed (including before the date of this Agreement).
- 16.2 This Agreement shall terminate upon the completion of the Services. You or we may terminate this Agreement at any time upon 10 days' prior written notice of such termination to the other party. In addition, we may terminate this Agreement, or any particular Services, immediately upon written notice to you if we reasonably determine that we can no longer provide the Services in accordance with applicable law or professional obligations.
- 16.3 We will not be liable for any loss, cost, or expense arising from such termination. You agree to pay us for all Services performed up to the date of termination, including Services performed, work-in-progress, and expenses incurred by us up to and including the effective date of the termination of this Agreement. Payment is due upon receipt of our invoice for these amounts.

17. Governing Laws

- 17.1 The terms of our engagement shall remain operative until amended, terminated, or superseded in writing. They shall be interpreted according to the laws of the province or territory in which BDO's principal Canadian office performing the engagement is located, without regard to such province/territory's rules on conflicts of law. The Courts of Canada shall have exclusive jurisdiction in relation to any claim,

dispute, or difference concerning the Services and any matter arising from it.

18. Survival

- 18.1 The provisions of this Agreement that give either of us rights or obligations beyond its termination shall continue indefinitely following the termination of this Agreement. Any clause that is meant to continue to apply after termination of this Agreement will do so.

19. Force Majeure

- 19.1 We will not be liable for any delays or failures in performance or breach of contract due to events or circumstances beyond our reasonable control, including acts of God, war, acts by governments and regulators, acts of terrorism, accident, fire, flood or storm or civil disturbance.

20. Assignment

No party may assign, transfer, or delegate any of the rights or obligations hereunder without the written consent of the other party or parties. BDO may engage independent contractors and BDO Member Firms to assist us in performing the Services in this Agreement without your consent.

21. Severability

- 22. The provisions of this Agreement shall only apply to the extent that they are not prohibited by a mandatory provision of applicable law, regulation or professional standards. If any of these provisions shall be held to be invalid, void or unenforceable, then the remainder of this Agreement shall not be affected, impaired or invalidated, and each such remaining provision shall be valid and enforceable to the fullest extent permitted by law.

23.



B.R.'s Plumbing & Heating Inc.
Comfort Zone Heating & Air Conditioning Inc.
Total Home Energy Systems Inc.
J.D. Swallow Heating Contractors Inc.
Pro Ace Heating & Air Conditioning Services Ltd.
THES Acquisition Inc.
Hy-Mark Mechanical Inc.
Pope & Sons Refrigeration Ltd.
Harmony Heating and Air Conditioning Inc.

Appendix “I”

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 Court of King's Bench of Alberta (the "**Court**") granted an order (the "**Initial Proposal Order**") which approved, 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 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 Initial Proposal Order
Distribution of the Notice	Within five (5) Business Days of issuance of 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)	10 days after Sale Approval Hearing

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 19, 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 between the Company, on the one hand, and any Potential Bidder or Qualified Bidder, on the

other, 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.

Due Diligence

15. 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.
16. 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.
17. 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.

18. 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

19. 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 Proposal Trustee at the address specified in Schedule "A" hereto (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 (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) 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;
- (k) 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;
- (l) the Bid does not include any request for or entitlement to any break fee, expense reimbursement, or similar type of payment;
- (m) 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;

- (n) it contemplates the closing of the transaction by no later than the Outside Date; and
 - (o) 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.
20. The Proposal Trustee may, in its discretion, request revisions or supplements to any Bid received prior to the Bid Deadline.

Designating Qualified Bids

21. 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) the identity, circumstances, and ability of the 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.
22. The Proposal Trustee may contact any Bidder to clarify the terms of any Bid, and the applicable Bidder may amend, modify or vary such Bid for the purpose of clarification.
23. 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.

24. 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.
25. The Proposal Trustee may waive strict compliance with any one or more of the requirements set forth in paragraph 19 and deem any such non-compliant Bid to be a Qualified Bid.
26. The Proposal Trustee, with the assistance of the Sales Agent, may aggregate separate Bids from unaffiliated Qualified Bidders to create one Qualified Bid.
27. 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.
28. 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

29. 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"**).
30. 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.

AUCTION PROCESS AND SELECTION OF SUCCESSFUL BID

31. 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”.

32. 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.
33. 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

34. 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**”).
35. 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

36. 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.
37. 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 Trustee.

CONFIDENTIALITY AND ACCESS TO INFORMATION

38. 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.

39. 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.
40. 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

41. 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.
42. 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, 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.
43. Without limiting the generality of paragraph 41, 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.
44. 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.

45. 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.
46. 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.
47. 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 : iparisi@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, 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**”). 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.

Appendix “J”

STALKING HORSE ASSET PURCHASE AGREEMENT

This Agreement is made and entered into this 24th day of April, 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 intends to bring a motion before a Judge of the Court of King's Bench of Alberta (the “**Court**”) for an Order that, *inter alia*: (a) approves and authorizes the Company to conduct a sale investment and solicitation process (the “**Sale Process**”); and (b) approves this 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. In the event that this Agreement is selected as the Successful Bid (as defined herein) pursuant to the Sale Process, 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 this Agreement.

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 acknowledge and agree 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) “**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.

- (b) **"Affiliate"** has the meaning given to the term "affiliate" in the *Business Corporations Act*, R.S.O. 1990, c.B-16.
- (c) **"Agreement"** 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.
- (d) **"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.
- (e) **"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
- (f) **"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.
- (g) **"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.
- (h) **"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.
- (i) **"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.

- (j) **"Auction"** has the meaning set out in the Section 4.1(b).
- (k) **"BIA"** has the meaning set out in the preamble hereto.
- (l) **"Bid Deadline"** has the meaning set out in the Sale Process.
- (m) **"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.
- (n) **"Break Fee"** has the meaning set out in Section 4.2.
- (o) **"Business"** means the business carried on by the Company.
- (p) **"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.
- (q) **"Cash Consideration"** has the meaning set out in Section 3.3(b).
- (r) **"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.
- (s) **"Closing"** means the closing and consummation of the Transaction in accordance with the terms hereof.
- (t) **"Closing Date"** means the date that is ten (10) Business Days following the date on which the Approval and Vesting Order becomes a final order or such other date as the Parties may agree to in writing with the consent of the Proposal Trustee.
- (u) **"Closing Time"** means the time on the Closing Date at which Closing occurs, as evidenced by the Proposal Trustee's Certificate.

- (v) **"Conditions Certificate"** has the meaning set out in Section 7.4.
- (w) **"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.
- (x) **"Court"** has the meaning set out in the preamble hereto.
- (y) **"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.
- (z) **"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.
- (aa) **"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.
- (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 Period**" means the period beginning on the Effective Date and ending at the Closing Date.
- (mm) "**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.
- (nn) "**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.
- (oo) "**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).
- (pp) "**Outside Date**" means June 25, 2026.
- (qq) "**Parties**" means the Company and the Purchaser collectively, and "**Party**" means any one of them.
- (rr) "**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.
- (ss) "**Proposal Proceedings**" has the meaning set out in the preamble hereto.
- (tt) "**Proposal Trustee**" has the meaning set out in the preamble hereto.
- (uu) "**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.

- (vv) **"Purchase Price"** has the meaning set out in Section 3.1.
- (ww) **"Purchased Assets"** has the meaning set out in Section 2.1.
- (xx) **"Qualified Bid"** has the meaning set out in the Sale Process.
- (yy) **"Qualified Bidders"** has the meaning set out in the Sale Process.
- (zz) **"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.
- (aaa) **"Sale Process"** has the meaning set out in the preamble hereto.
- (bbb) **"Sale Process Order"** has the meaning set out in the preamble hereto.
- (ccc) **"Stalking Horse Bid"** has the meaning ascribed hereto in Section 4.1(a).
- (ddd) **"Successful Bid"** has the meaning set out in the Sale Process.
- (eee) **"Successful Bidder"** has the meaning set out in the Sale Process.
- (fff) **"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.
- (ggg) **"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.
- (hhh) **"Transaction"** means the transaction of purchase and sale contemplated by this Agreement.
- (iii) **"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 Statutes

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 \$375,000.00 (the "**Purchase Price**") plus 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) cash on Closing to the Proposal Trustee by way of certified cheque, wire transfer or bank draft (the "**Cash Consideration**").

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 has filed an application to be heard by the Court on or before April 29, 2026. The Sale Process Order shall recognize this Agreement and the Purchase Price: (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 within 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) this 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 this 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) Incorporation and Status. 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) Execution and Binding Obligation. 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) No Authorizations and Consents. 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) Successful Bid. This Agreement shall have been designated as a Successful Bid in accordance with the terms of the Sale Process.
- (b) Approval and Vesting Order. 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 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 9.2; 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.**

Signed by:
Anthony Fisher
Per: _____ c/s
Name: Anthony Fisher
Title: Director
I have authority to bind the corporation

2811153 ALBERTA LTD.

Signed by:
Anthony Fisher
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, including account 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.

Schedule "D"
Assumed Liabilities

- (a) all Liabilities from and after the Closing Date associated with the Assumed Contracts; and
- (b) 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	CALGARY
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	Reconstruct LLP 80 Richmond Street West, Suite 1700 Toronto, Ontario M5H 2A4 Attention: Brendan Bissell Telephone: 416-613-0066 E-Mail: bbissell@reconllp.com

DATE ON WHICH ORDER WAS PRONOUNCED: [●], 2026

NAME OF JUSTICE WHO MADE THIS ORDER: Honourable Justice [●]

LOCATION OF HEARING: Calgary, 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 agreement of purchase and sale (the "**Sale Agreement**") between the Company, as vendor, and ●, as purchaser (in such capacity, the "**Purchaser**"), dated April ●, 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 April [●], 2026, and the First Report of the Proposal Trustee BDO Canada Limited, dated April [●], 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: [●],
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	CALGARY
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 an Order of the Honourable Justice [REDACTED] of the Court of King's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated [REDACTED], 2026, BDO Canada Limited was appointed as the proposal trustee (the "**Proposal Trustee**") of all the assets, undertaking and property of Harmony Heating and Air Conditioning Inc. (the "**Vendor**").
- B. Pursuant to an Order of the Court dated [REDACTED], 2026, the Court approved the asset purchase agreement dated [REDACTED], 2026 (the "**Sale Agreement**") between the Vendor and [REDACTED] (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 “K”



**Stalking Horse Break Fee Analysis
Current as at April 20, 2026**

Debtor	Purchaser	Proceeding Type	Trustee	APA date	Jurisdiction	Industry	A Termination Fee	B Expense Reimbursement*	C = A + B Total Break Fee ("BF")	Estimated Transaction Value ("TV")	BF as a % of TV	Note
XTM Inc. (CSE:PAID) and Everyday People Payments Inc.	Pateno Payments Inc.	CCAA	Fuller Landau	8-Apr-26	Ontario	Financial Services	200,000	-	200,000	Credit bid of DIP indebtedness (~9, 500,000) plus assumed liabilities	2.1	
Darwynn Ltd.	2379338 Ontario Inc.	CCAA	EY	3-Apr-26	Ontario	Distribution	150,000	-	150,000	7,500,000 plus assumed liabilities	2	
15132738 Canada Inc. (Stephenville Airport)	BTG Critical Infrastructure Co-invest L.P. I	Receivership	Janes & Noseworthy	26-Feb-26	Newfoundland & Labrador	Transportation	500,000	-	500,000	Priority payables plus BTG pre-filing indebtedness plus amounts owed to BTG as interim lender	-	
Labatt Village LP, Labatt Village GP Inc., and Labatt Village Holdings Inc.	KingSett Mortgage Corporation	Receivership	PwC	10-Feb-26	Ontario	Real Estate	-	-	-	84,150,000	-	
Ayurcann Holdings Corp. and Ayurcann Inc.	Auxly Cannabis Group Inc.	CCAA	Alvarez & Marsal	8-Feb-26	Ontario	Cannabis	139,200	125,000	264,200	4,640,000	5.6	
Factory Tile Depot Inc.	1001505876 Ontario Inc.	NOI	Rosen Goldberg	30-Jan-26	Ontario	Retail	50,000	-	50,000	775,000	6.5	
Spring Loaded Technology Incorporated	4782489 Nova Scotia Limited	CCAA	Grant Thornton	30-Jan-26	Nova Scotia	Technology	90,000	-	90,000	900,000 in cash plus retained liabilities	10	
R-Chad Investment Inc.	Noreen Asghar	Receivership	MNP	22-Jan-26	Ontario	Real Estate	110,000	-	110,000	11,000,000	1	
JointCraft Inc.	1158667 Ontario Inc.	NOI	Harris & Partners	9-Feb-26	Ontario	Cannabis	50,000	-	50,000	Credit bid of 5,330,160.95 plus administrative amounts plus assumed liabilities	0.9	



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Vandyk Group of Companies	KingSett Mortgage Corporation	Receivership	KSV	29-Dec-25	Ontario	Real Estate	-	-	-	Receiver's borrowings (~85,000,000) plus post closing reserve plus KingSett mortgage charges (~253,000,000) plus priority payables plus assumed Lakeview mortgage (~43,000,000)	-	
Wasaga Heights Inc.	KCAP Holdings Corporation	Receivership	Rosen Goldberg	19-Dec-25	Ontario	Real Estate	187,500	-	187,500	7,150,000	2.6	
AgraCity Crop & Nutrition Ltd. et al.	United Farmers of Alberta Co-operative Limited	CCAA	EY	5-Dec-25	Alberta	Agriculture	1,000,000	-	1,000,000	20,000,000	5	
177 Cross Argus Development Inc.	915643 Ontario Inc.	Receivership	Albert Gelman	30-Nov-25	Ontario	Real Estate	-	-	-	Receiver's charge plus priority payables plus the amount owing under the VTB Mortgages plus receiver's borrowing charge	-	
Voxtur Analytics Corp. et al	HCP-FVY, LLC and HCP Fund V-FVY, LLC	CCAA	PwC	13-Nov-25	Ontario	Technology	250,000	-	250,000	Credit bid of \$25,000,000 plus retained liabilities	1	
759 Winston Churchill GP Inc., et al	KingSett Mortgage Corporation	Receivership	KSV	6-Nov-25	Ontario	Real Estate	-	-	-	Receiver's borrowings (~93,000) plus 100,000 for post-closing costs plus KingSett's mortgage charges plus priority payables		



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Local First Media Group Inc.	Alaska First Media Inc.	Receivership	FTI	16-Oct-25	Alberta	Media	19,211	-	19,211	US \$1,280,798	1.5	
B+H Architects Corp.	Surbana Jurong Holdings (Canada) Ltd	CCAA	KSV	16-Oct-25	Ontario	Professional Services	-	-	-	Credit bid of amounts outstanding under the DIP loan plus any unpaid amounts under the priority charges and the	-	
Magnum Worldwide Holdings Inc. and Magnum Nutraceuticals Inc.	1001325230 Ontario Inc.	Receivership	MNP	21-Oct-25	Ontario	Manufacturing	150,000	-	150,000	Credit bid of the \$6.2 million plus a cash payment sufficient to cover professional fees	2.4	
2690044 Ontario Inc.	1001180045 Ontario Inc. and Kanterra Science Inc.	Receivership	Crowe Soberman	19-Aug-25	Ontario	Cannabis	200,000	-	-	-	-	
Green World Construction Inc.	Aggregated Investments Inc.	Receivership	KSV	5-Sep-25	Ontario	Real Estate	855,000	-	855,000	34,220,000	2.5	
King David Inc.	Home Trust Company	Receivership	TDB	8-Aug-25	Ontario	Real Estate	-	-	-	-	-	
The Second Cup Coffee Company Inc.	Arbat Capital Group Ltd.	CCAA	Grant Thornton	15-Aug-25	Ontario	Food & Accommodation	150,000	-	150,000	3,000,000-3,500,000	4.3%-5%	
Northern Pulp Nova Scotia Corporation	Macer Forest Holdings Inc.	CCAA	EY	19-Aug-25	Nova Scotia	Agriculture	2,080,000	1,000,000	3,080,000	104,000,000	3	
Bucephalus Stables Corp. o/a Indie Alehouse Brewing Co.	1001279208 Ontario Ltd.	NOI	Fuller Landau	15-Jul-25	Ontario	Food & Accommodation	40,000	-	40,000	-	-	
Hakim Optical	Chiaro Ottico Ltd.	CCAA	KSV	21-Aug-25	Ontario	Retail	600,000	-	600,000	22,000,000	2.7	
San Industries Ltd. et al.	Existing lenders	CCAA	KSV	-	British Columbia	Distribution	-	-	-	1,168,343	-	
Inspira Development (Insignia) Ltd	Bannatyne Asset Management Inc.	Receivership	EY	23-Jun-25	British Columbia	Real Estate	-	100,000	100,000	16,750,000-17,250,000	0.6	
Kroeger Inc.	1001166783 Ontario Inc.	NOI	B. Riley Farber	6-Mar-25	Ontario	Distribution	75,000	50,000	125,000	1,600,000	7.8	
Li-Cycle Corp. et al.	Glencore Canada Corporation	CCAA	A&M	14-May-25	Ontario	Cleantech	1,000,000	200,000	1,200,000	40,000,000	3	
Galactic Propeller Holdings Ltd. and Jumbleberry Interactive Group Ltd.	1000739703 Ontario Inc.	NOI	Baigel Corp.	15-May-25	Ontario	Professional Services	23,367	-	23,367	1,168,350	2	
Comark Holdings Inc. et al.	16751598 Canada Inc. (WarehouseOne)	CCAA	A&M	17-Feb-25	Ontario	Retail	-	-	-	-	-	



**Stalking Horse Break Fee Analysis
Current as at April 20, 2026**

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Mobi724 Global Solutions Inc.	9538-5613 Quebec Inc.	NOI	Richter	1-Jul-25	Quebec	Technology	-	-	-	1.6 million	-	
Indeed Laboratories Inc.	1000481370 Ontario Inc.	NOI	BDO	29-Apr-25	Ontario	Distribution	-	50,000	50,000	Credit bid of 4,900,000 plus priority payables	1	
Freedom Cannabis	2644323 Alberta Ltd. (a subsidiary of JL Legacy)	CCAA	KPMG	19-Apr-25	Alberta	Cannabis	400,000	-	400,000	16.5 million to 20.5 million	1.95-2.42	
Myra Falls Mine Ltd.	Trafigura Holding S.a r.l.	CCAA	FTI	31-Mar-25	British Columbia	Mining	-	500,000	500,000	Outstanding DIP facility plus certain priority payables	Unclear	
Noya Cannabis Inc. and Noya Holdings Inc.	Lending Stream Inc.	CCAA	BDO	11-Nov-24	Ontario	Cannabis	175,000	100,000	275,000	3,850,000	7.14	
Indian Head Consumers Co-operative Society Ltd.	95748 Newfoundland and Labrador Ltd.	NOI	Grant Thornton	1-Sep-24	Newfoundland	Retail	-	50,000	50,000	350,000	14.29	
Motryx Inc.	Aerocom GMBH & Co.	NOI	BDO	13-Dec-24	Nova Scotia	Healthcare	-	35,000	35,000	400,000	8.75	
Wholly Veggie	Windermere Investment Corp.	NOI	PwC	20-Aug-24	Ontario	Food & Accommodation	132,000	25,000	157,000	6,600,000	2.38	
Worldplay Communications Inc. and Worldplay (Canada) Inc.	Todd Grenier, Kevin Reinhart, Joel Van Dusen, Ashley	NOI	EY	31-Jul-24	Alberta	Media	-	-	-	Payment of priority charges plus 200,000	-	
Brands International Corporation	AMG Global Holdings ULC	NOI	KPMG	18-Dec-24	Ontario	Manufacturing	100,000	125,000	225,000	2,250,000	10	
Rokstad Holdings Corporation et al.	1501841 B.C. Ltd. and Stellex Power Line Opco LLC	Receivership	FTI	5-Dec-24	British Columbia	Construction	-	-	-	(a) the Credit Bid; plus (b) the Priority Claims, if	-	
IntelGenx Corp.	Atai Life Sciences	CCAA	EY	25-May-24	Quebec	Healthcare	-	150,000	150,000	Unclear - credit bid - secured debt	-	
Nevada Copper et al.	Southwest Critical Minerals LLC	Foreign Order Recognition	A&M	9-Aug-24	British Columbia	Mining	-	-	3,840,000	128,000,000	3	
2675970 Ontario Inc. et al. (Tokyo Smoke)	TS Investments Corp.	CCAA	A&M	12-Sep-24	Ontario	Cannabis	390,000	-	390,000	77,000,000	1	
Long Run Exploration Ltd.	Hiking Group Shandong Jinyue Int't Trading Corporation	CCAA	FTI	23-Jul-24	Alberta	Oil & Gas	500,000	-	500,000	Unclear	-	
Indiva Limited	SNDL Inc.	CCAA	PwC	28-Jun-24	Ontario	Cannabis	-	-	300,000	Unclear	-	
Pioneer Balloon Canada Limited	1488108 B.C. Ltd.	NOI	KPMG	20-Jun-24	Ontario	Manufacturing	75,000	25,000	100,000	\$2,300,000 less the "Cure Costs" of any	-	
Humble & Fume Inc.	1000760498 Ontario Inc.	CCAA	Deloitte	23-Jan-24	Ontario	Cannabis	-	-	-	3,700,000	-	
Clarkson Road Holdings Inc. et al.	1000861289 Ontario Inc.	CCAA	PwC	13-May-24	Ontario	Real Estate	150,000	-	150,000	31,000,000	0.5	
Heritage Cannabis Holdings Corp.	BJK Holdings Ltd. and HAB Cann Holdings Ltd.	CCAA	KPMG	10-Apr-24	Ontario	Cannabis	400,000		400,000	approximately \$7.7 million to \$11.1 million	5.19	
Canadian Overseas Petroleum Limited	Summit Partners Credit Fund II, L.P., Summit	CCAA	KSV	8-Apr-24	Alberta	Oil & Gas	US\$350,000	reasonable expenses	-	-	-	
1000093910 Ontario Inc.	2557904 Ontario Inc.	Receivership	KSV	13-Nov-23	Ontario	Real Estate	200,000	50,000	250,000	24,255,000	1	
BZAM Ltd.	1000816625 Ontario Inc.	CCAA	KSV	1-Mar-24	British Columbia	Cannabis	750,000	100,000	850,000	Unclear	3.6-5.2	
Athabasca Minerals Inc.	JMAC Energy Services LLC	NOI	KSV	5-Dec-23	Alberta	Distribution	-	200,000	200,000	13,000,000	1.5	



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Current as at April 20, 2026**

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Midnight Integrated Financial Inc.	2593054 Alberta Ltd.	CCAA	EY	4-Mar-24	Alberta	Financial Services	-	-	-	11,000,000	-	
Garibaldi at Squamish Limited	Aquilini Development LP, Garibaldi	Receivership	EY	13-Mar-24	British Columbia	Other	500,000	-	500,000	approximately \$80.41 million	0.6	
Free Rein Resources Limited	Invico Diversified Income Limited Partnership	NOI	FTI	1-Aug-23	Alberta	Oil & Gas	-	-	-	-	-	
Humble & Fume Inc.	1000760498 Ontario Inc.	CCAA	Deloitte	1-Jan-24	Ontario	Cannabis	-	-	-	3,700,000	-	
Lighthouse Immersive Inc. and Lighthouse Immersive USA	SCS Finance, Inc.	CCAA	B. Riley Farber	5-Oct-23	Ontario	Other	-	-	-	-	-	
Validus Power Corp. et al.	Macquarie Equipment Finance Limited and Far North Power Corp.	CCAA	KSV	19-Oct-23	Ontario	Professional Services	1,260,000	1,000,000	2,260,000	59,000,000	3.85%	
Aleafia Health Inc. et al.	RWB (PV) Canada Inc.	CCAA	KSV	10-Aug-23	Ontario	Cannabis	-	500,000	500,000	25,000,000 - 29,000,000	1.72-2%	
NextPoint Financial Inc. et al.	Certain lenders to NextPoint	CCAA	FTI	1-Jul-23	British Columbia	Financial Services	700,000	Reasonable expenses also covered	700,000	175,000,000	0.4	
DecisionOne	STC Lender LP	NOI	KPMG	22-May-23	New Brunswick	Technology	-	-	-	US 3,000,000	-	
Datatax Business Services Limited	2872802 Ontario Inc.	NOI	KPMG	11-Aug-23	Alberta	Professional Services	400,000	-	400,000	40,700,000	1%	
Edward Collins Contracting Ltd.	92712 Newfoundland & Labrador Inc.	CCAA	Grant Thornton	17-May-23	Newfoundland	Construction	144,800	30,000	144,800	7,240,000	2.40%	
Digital Orthodontic Care Inc.	Ortho Studios Express, Inc.	Receivership	Richter	10-Aug-23	Ontario	Healthcare	85,000	-	85,000	\$3 million credit bid	2.83%	
Pathway Health Corp. (TSV: PHC) and Pathway Health Services Corp.	AvonleaDrewry Holdings Inc.	Interim Receivership	KSV	2-Oct-23	Ontario	Healthcare			62,500	1,250,000	5%	
Aereus Technologies Inc.	1000608245 Ontario Inc.	NOI	B. Riley Farber	4-Aug-23	Ontario	Manufacturing	21,600	-	21,600	Credit bid plus assumed liabilities	-	



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IE CA 3 Holdings Limited	NYDIG ABL LLC	Receivership	PwC	7-Jun-23	British Columbia	Financial Services	USD 630,000	-	USD 630,000	USD 21,000,000	3%	
Fire & Flower Inc. et al.	2707031 Ontario Inc. (the DIP lender)	CCAA	FTI	15-Jun-23	Ontario	Cannabis	650,000	100,000	750,000	Credit bid (release of all obligations owing under DIP loan and bridge loan)	3.40%	
1194038 Alberta Ltd.	2262576 Alberta Ltd.	Receivership	EY	5-Jun-23	Alberta	Real Estate	125,000		125,000	4,375,000	2.80%	
GreenSpace Brands Inc.	2762454 Ontario Inc.	Ontario	PwC	5-Apr-23	Ontario	Food & Accommodation	150,000	-	150,000	~9 million, plus certain assumed liabilities and other amounts	1.70%	
FlexiTy Solutions Inc. and FlexiTy Holdings Inc.	BHG-BC Holdings Ltd	NOI	Farber	29-Mar-23	Ontario	Technology	-	-	-	11.1 million		
LoyaltyOne Co. (dba AIR MILES®)	BMO	CCAA	KSV	10-Mar-23	Ontario	Other	3 million	1 million	4 million	US 160 million	2.50%	
DCL Corporation	Pigments Holdings, Inc.	CCAA	A&M	21-Dec-22	Ontario	Distribution	-	-	-	\$166.2 million to \$170.9 million	0.00%	



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11157353 Canada Corporation	ReFlourish Capital Limited	NOI	EY	14-Feb-23	Ontario	Cannabis	20,000	25,000	45,000	400,000 euros		
Tehama Inc.	14667913 Canada Inc.	CCAA	Deloitte	7-Feb-23	Ontario	Technology	-	-	-	2.8 million credit bid, plus assumed liabilities, for total consideration of approximately 3 million		
Trichome Financial Corp.	L5 Capital Inc.	CCAA	KSV	12-Dec-22	Ontario	Cannabis	-	200,000	200,000	5,000,000 and certain deferred consideration payable pursuant to secured limited recourse promissory notes	4.00%	
Westoak Naturals Inc.	Avena Foods Limited	Receivership	BDO	9-Nov-22	Ontario	Distribution	30,000	25,000	55,000	1,000,000 credit bid plus the costs of the receivership	5.50%	
Robus Resources Inc.	Robus Equity Acquisition Corporation, as nominee of Blue Fin Group LLP and Robus Services LLC	Receivership	A&M	8-Dec-22	Alberta	Oil & Gas	182,000		182,000	USD\$9,100,000	2.00%	
The Flowr Corporation et al.	1000343100 Ontario Inc.	CCAA	EY	31-Oct-22	Ontario	Cannabis	185,000		185,000	\$3,888,888.88 plus the Closing DIP Loan (as defined below) and Assumed Liabilities	4.76%	



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Current as at April 20, 2026

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Solvagua Inc.	2464525 Alberta Ltd.	Receivership	MNP	1-Oct-22	Alberta	Other	175,000		175,000	A cash payment sufficient to cover various security interests, a CRA claim and a holdback, plus the payment of the balance of the purchase price being \$2.5 million, to be paid by way of set-off against (as a non-cash credit reduction of) the Arnaki Claim.	7.00%	
Cannapiece Group Inc. et al.	Cardinal Advisory Limited	CCAA	BDO	8-Nov-22	Ontario	Cannabis	175,000	25,000	200,000	\$3.5 million cash, plus Assumed Liabilities, if any	5.70%	
i55 Communications Inc.	Elektrophoenix GmbH	NOI	Grant Thornton	17-Oct-22	Ontario	Technology	USD \$200,000	USD \$200,000	USD \$250,000	USD \$5 million, a portion of which will be comprised of a "credit bid" of amounts owing under the DIP Term Sheet	5.00%	
Go-To Developments Holdings Inc.	2357616 Ontario Inc.	Receivership	KSV	8-Aug-22	Ontario	Real Estate	-	60,000	60,000	9.5 million or greater	1.00%	
Just Energy Group	The DIP lenders and one of their affiliates	CCAA	FTI	4-Aug-22	Ontario	Oil & Gas	US\$14.66 million	-	US\$14.66 million	US\$184.9 million in cash, plus up to an additional \$10 million, a credit bid of US\$252.7 million, plus the assumption of certain liabilities	3.40%	
Zenabis Group	2657408 Ontario Inc.	CCAA	EY	16-Jun-22	Quebec	Cannabis	-	750,000	750,000	Unclear - confidential	Unclear	



Stalking Horse Break Fee Analysis
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Freshlocal Solutions Inc.	Third Eye Capital Corporation	CCAA	EY	17-Jun-22	British Columbia	Retail	Unclear - confidential	Unclear - confidential	Unclear - confidential	Unclear - confidential	2.50%	
Cura-Can Health Corp. and its wholly-owned subsidiary The Clinic Network Canada Inc.	Avonlea-Drewry Holdings Inc.	Receivership	KPMG	14-Mar-22	Alberta	Cannabis	325,000		325,000	Approximately \$6,750,000 of which \$6,500,000 will be credited against the indebtedness owing to the purchaser	4.8	
Jam Hospitality Inc. et al.	2424115 Alberta Ltd.	Receivership	PwC		Alberta	Food & Accommodation	500,000			18.5 million		
Balanced Energy Oilfield Services Inc. et al.	XDI Energy Solutions Inc.	Receivership	FTI	21-Mar-22	Alberta	Oil & Gas	250,000			(i) CA \$11,250,000 in cash; (ii) such amount as it required to pay out and satisfy, in full, the first charge held by Laurentian Bank over	Unclear	
BlackRock Metals Inc. et al.	OMF Fund II H Ltd. and Investissement Québec	CCAA	Deloitte	22-Dec-21	Quebec	Mining	2.5 million		2.5 million	Credit bid of \$90,759M	2.75	
Behr Technologies Inc.	13486826 Canada Inc.	NOI	Farber	19-Jan-22	Ontario	Technology	75,000		75,000	Purchase price comprised of a credit bid of \$1,000,000 in debt owing under the DIP Facility plus cash in a to-be-determined amount for priority payables and any assumed contract cure payments plus the assumption of certain liabilities	Unclear	



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Harte Gold Corp.	1000025833 Ontario Inc.	CCAA	FTI	15-Dec-21	Ontario	Mining	-	-	-	-	0	
McEwan Enterprises Inc.	2864785 Ontario Corp.	CCAA	A&M		Ontario	Food & Accommodation	390,000		390,000	(A) \$2,200,000, plus (B) an amount equal to Cure Costs, plus (C) the assumption of the Assumed Obligations by the Purchaser	Unclear	
Junction Craft Brewing Inc.	1000003509 Ontario Limited	NOI	Richter	5-Nov-21	Ontario	Food & Accommodation	50,000	25,000	75,000	400,000 cash plus the assumption of certain liabilities	Unclear	
Nimbus Water Systems Inc.	2752837 Ontario Inc.	Receivership	BDO	6-Sep-21	Ontario	Professional Services	250,000	50,000	300,000	13,000,000	2.31%	
O2 Industries Inc.	2841551 Ontario Limited	Receivership	RSM	2021	Ontario	Healthcare	-	-	-	-	0.00%	
Turuss (Canada) Industry Co. Ltd.	Westmount Park Investments Inc.	Receivership	MNP	13-Apr-21	Ontario	Manufacturing	Combined break fee and expense reimbursement amount of \$175,000	Combined break fee and expense reimbursement amount of \$175,000	175,000	6,500,000	2.69%	



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Salt Bush Energy Ltd.	Ironbark Energy Ltd.	NOI	Deloitte	2-Feb-21	Alberta	Oil & Gas	50,000	25,000	75,000	Unclear	Unclear	
Allied Track Services Inc.	2806401 Ontario Inc.	NOI	KSV	21-Jan-21	Ontario	Professional Services	-	-	-	104,800,000	0.00%	
Family Fitness Inc.	BTA Real Estate Group Inc.	Receivership	A&M	15-Jan-21	Saskatchewan	Other	40,000		40,000	800,000 plus the assumption of assumed liabilities	5.00%	
Avenir Sports Entertainment Limited	Avina Acquisition Corp.	Receivership	KSV	15-Dec-20	Alberta	Entertainment	186,000		186,000	4,650,000	4.00%	
Urthecast Corp. (TSX:UR)	Antarctica Infrastructure Partners, LLC, an affiliate of Antarctica Capital LLC	CCAA	EY	15-Oct-20	British Columbia	Technology	2,070,000	1,000,000	3,070,000	69,000,000	4.45%	
110-112 Avenue Road; 114 Avenue Road and 116 Avenue Road	SC Land Inc.	Receivership	RSM	9-Oct-20	Ontario	Financial Services	-	385,000	385,000	16,100,000	2.39%	



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Fun and Fitness Trampolines Inc.	2786323 Ontario Inc.	NOI	Crowe Soberman Inc.	26-Oct-20	Ontario	Entertainment	10,000	-	10,000	Purchase price confidential		Unclear - purchase price confidential
Muskoka Grown	Arthur Zwingenberger, in trust for a corporation to be formed under the laws of the Province of Ontario, and 2685164 Ontario Inc.	NOI	Farber	27-Jul-20	Ontario	Cannabis	-	113,000	113,000	11,961,394	<1%	
Wire IE (Canada) Inc.	Crown Capital Private Credit Fund, LP	NOI	Farber	20-Jul-20	Ontario	Technology	-	200,000	200,000	\$9.5 million plus the assumption or satisfaction of certain liabilities	-%	
Bow River Energy Ltd.	2270943 Alberta Ltd.	CCAA	BDO	17-Jul-20	Alberta	Oil & Gas	175,000	-	175,000	4,290,221	4.08%	
Cirque du Soleil	Spectacle Bidco LP	CCAA	EY	15-Jul-20	Quebec	Media	-	-	-	US\$1,215 million	-%	APA is called Exhibit 23a in the Document Library
Dominion Diamond Mines	Washington Diamond Investments Holdings II, LLC	CCAA	FTI	21-May-20	Alberta	Mining	US2, 522,000	US2,250,000	4,772,000	US\$126.1 million in cash, plus up to US\$5.0 million in respect of any incremental amounts outstanding, plus the assumption of certain liabilities	2.0%	
Penady (Barrie) Ltd.	Choice Properties Limited Partnership	Receivership	RSM	2-Jun-20	Ontario	Real Estate	-	400,000	400,000	Unclear - credit bid	Unclear	



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James E. Wagner Cultivation Corporation	Trichome Financial Corp.	CCAA	KSV	31-Mar-20	Ontario	Cannabis	-	100,000	100,000	11,700,000	0.9%	
Traverse Energy Ltd.	Barrel Oil Corp.	Receivership	EY	5-Feb-20	Alberta	Oil & Gas	97,500	-	97,500	3,250,000	3.0%	
Viafoura Inc.	Intercap Equity Inc.	NOI	KSV	22-Jan-20	Ontario	Technology	25,000	45,000	70,000	1,491,000	4.7%	
Waves E-Gaming Inc.	Amulka Ventures Inc.	Receivership	Dodick Landau	16-Jan-20	Ontario	E-gaming	-	-	-	370,000	0.0%	
Trade Secret Web Printing Inc.	B&Y Property Holdings Inc.	NOI	Crowe Soberman Inc.	13-Dec-19	Ontario	Printing	-	50,000	50,000	1,800,000	2.8%	
Clover Leaf Seafoods	Certain affiliates of FCF Co. Ltd	CCAA	Alvarez & Marsal	21-Nov-19	Ontario	Distribution	US \$27.75 million	US \$2.5 million	\$30.25 million	US \$925.6 million to \$930.6 million	3.0%	6
3070 Ellesmere Developments Inc.	CoStone Development Inc. and Campus Suites Inc.	NOI	Crowe Soberman Inc.	19-Aug-19	Ontario	Real Estate	400,000		400,000	16,000,000	2.5%	
Orbcare Inc.	iGan Partners Inc.	NOI	MNP	8-Aug-19	Ontario	Technology	60,000		60,000	1,200,000	5.0%	
Octopus Holdings Ltd.	East Winds Caribbean Limited Partnership	Receivership	Hardie & Kelly	3-Jun-19	Alberta	Hospitality	-	-	-	2,600,000	0.0%	
Argex Titanium Inc.	Mr. Mazen Alnaimi and other investors	NOI	PwC	21-Jun-19	Quebec	Technology					5.0%	5
Strategic Oil & Gas Ltd.	GMT Exploration Zama Inc.	CCAA	KPMG	3-May-19	Alberta	Oil & Gas	75,000		75,000	1,500,000	5.0%	
Strategic Oil & Gas Ltd.	GMT Exploration Zama Inc.	CCAA	KPMG	3-May-19	Alberta	Oil & Gas	75,000		75,000	1,500,000	5.0%	



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Divestco Inc.	2179602 Alberta Ltd.	CCAA	Grant Thornton	19-Mar-19	Alberta	Oil & Gas	425,000	-	425,000	15,410,517	2.8%	
Versaccounts Limited	Seale Atlantic, Inc.	NOI	Farber	23-Jan-19	Ontario	Technology	25,000	25,000	50,000	250,000	20.0%	
Vari-Form Inc.	11032569 Canada Inc.	CCAA	PwC	7-Jan-19	Ontario	Automotive	1,500,000	-	1,500,000	50,000,000	3.0%	4
Stantive Technologies Group Inc.	2671682 Ontario Inc.	NOI	EY	14-Dec-18	Ontario	Technology	93,000	25,000	118,000	5,400,000	2.2%	
1033803 Ontario Inc., operating as Forma-Con Construction and Forma Finishing	2657897 Ontario Inc.	Receivership	KSV	6-Dec-18	Ontario	Real Estate	-	-	-	16,500,000	0.0%	
Ladacor AMS Ltd., Nomads Pipeline Consulting Ltd., and 2367147 Ontario Inc.	Sioux Lookout First Nations Health Authority	Receivership	A&M	16-Oct-18	Alberta	Real Estate			125,000	5,000,000	2.5%	3
Purewal Blueberry Farms	0801226 B.C. Ltd.	CCAA	FTI	10-Oct-18	British Columbia	Agriculture			275,000	8,000,000	3.4%	3
2301132 Ontario and 2309840 Ontario	E. Manson Investments Limited	NOI	KSV	5-Oct-18	Ontario	Real Estate	175,000	50,000	125,000	6,700,000	1.9%	
Aralez Pharmaceuticals Inc.	Nuvo Pharmaceuticals Inc.	CCAA	Richter	18-Sep-18	Ontario	Pharmaceutical	2,187,500	575,000	2,762,500	62,500,000	4.4%	
1760184 Ontario Ltd. (Surface Heat Treat &	Rampart Steel Treating Ltd.	NOI	Farber	18-Jun-18	Ontario	Manufacturing	42,500		42,500	850,000	5.0%	1, 3
3291745 Nova Scotia	3308949 Nova Scotia Limited	Receivership	KSV	14-Jun-18	Nova Scotia	Real Estate	100,000	25,000	125,000	3,225,000	3.9%	
Discovery Air	Various	CCAA	KSV	21-Mar-18	Ontario	Aviation	-	-	-	-	0.0%	2

Notes

- Purchase price equal to the sum of \$191,000 in cash plus 90% of the inventory value as at the closing date, plus the purchaser's agreement to the AR collection agreement appended to the APA. Estimated TV is reported in Farber's first report.
- Four separate stalking horse agreements were entered into for various of the debtor's business units. The stalking horse bidder in each agreement is a corporation related to the debtor's 95.5% shareholder and most significant secured creditors. The purchase price in each case is in the form of a credit bid or assumption of debt. No break fees are contemplated in any of the stalking horse agreements.
- APA did not split break fee between termination fee and expense reimbursement amounts
- Estimated transaction value consists only of the cash portion of the purchaser's bid.
- Estimated transaction value equal to an amount sufficient to satisfy i) repayment of the amounts secured by the administration charge; ii) repayment of the DIP loan; iii) payment of amounts secured by KERF charge; and iv) funding of a proposal which will provide for payment of, among other things, the outstanding secured debentures and preferred claims.
- Transaction is for assets of both Canadian and US entities.
Most stalking horse purchase agreements provide an expense reimbursement for the stalking horse bidder for out-of-pocket reasonable costs and expenses. This is not noted in this tracker. The expense reimbursement column is only filled in if there is a specific amount that's noted for the expense reimbursement.