

Court File No. BK-26-03354829-33
Estate File: 33-3354829

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

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

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF J.D. SWALLOW HEATING
CONTRACTORS INC., OF THE CITY OF GLOUCESTER, IN THE
PROVINCE OF ONTARIO**

MOTION RECORD
(Returnable on April 30, 2026)

April 28, 2026

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TO: THE SERVICE LIST

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

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

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF:
JD SWALLOW HEATING CONTRACTORS INC., OF THE CITY OF GLOUCESTER IN THE
PROVINCE OF ONTARIO**

**EMAIL SERVICE LIST
(As of April 28, 2026)**

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

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

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF J.D. SWALLOW HEATING
CONTRACTORS INC., OF THE CITY OF GLOUCESTER, IN THE
PROVINCE OF ONTARIO**

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TAB 1

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

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

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF J.D. SWALLOW HEATING
CONTRACTORS INC., OF THE CITY OF GLOUCESTER IN
THE PROVINCE OF ONTARIO**

Applicant

**NOTICE OF MOTION
(RE: Extension of Time to File Proposal, Stalking Horse Sale Process Approval, DIP
Financing & Charge, Administration Charge, Enhanced Powers of the Proposal Trustee
and Approval of Sales Agent Engagement)**

J.D. Swallow Heating Contractors Inc. (“**JD**” the “**Company**”) will make a motion before a Judge presiding over the Ontario Superior Court of Justice (Bankruptcy) at 161 Elgin Street, Ottawa, Ontario (the “**Court**”) on April 30, 2026 at 11:30 a.m. (Eastern Time), or as soon after that time as the motion can be heard by judicial videoconference via Zoom at Ottawa, Ontario.

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

in writing under subrule 37.12.1 (1) because it is on consent, unopposed or made without notice;

in writing as an opposed motion under subrule 37.12.1 (4);

In person;

By telephone conference;

✓ By video conference.

At the following location:

Zoom video conference details to follow

THE MOTION IS FOR:

1. an Order (the “**Initial Proposal Order**”), substantially in the form appended as tab 3 of the Company’s motion record that, among other things:
 - (a) abridges the time for service of this motion, validates the manner of service, and declares that this motion is properly returnable before the Court;
 - (b) extends the time for the filing of a proposal and extending the stay of proceedings for a period of 45 days up to and including June 15, 2026;
 - (c) grants the following priority charges (the “**Charges**”), which Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, in favour of any person:
 - (i) first - approves an administration charge up to a maximum of \$150,000 over the assets, property and undertaking of JD in favour of counsel to JD, the Proposal Trustee and counsel to the Proposal Trustee (the “**Administration Charge**”); and
 - (ii) second – approves a “**DIP Lender's Charge**” against the Property (as defined in the Initial Proposal Order), subordinate to the Administration Charge, as security for the Company’s obligations under the DIP Facility, in the maximum principal amount of \$150,000 plus interest, fees and costs;

- (d) approves a debtor-in-possession facility in the maximum amount of \$150,000 (the “**DIP Facility**”) provided by Ken Turner, on behalf of and in trust for a corporation to be incorporated (in such capacity, the “**DIP Lender**”);
- (e) approves a sale process in a form substantially similar to the form attached as Schedule “A” to the Initial Proposal Order (the “**Sale Process**”);
- (f) approves a sales agent engagement between the Proposal Trustee and BDO Canada Transaction Advisory Services (“**BDO Advisory**”) dated April 21, 2026 (the “**Engagement Letter**”) to carry out the Sale Process;
- (g) approves a stalking horse asset purchase agreement (the “**Stalking Horse Agreement**”) between JD, as vendor, and Ken Turner, on behalf of and in trust for a corporation to be incorporated (in such capacity, the “**Stalking Horse Bidder**”) solely for the purpose of constituting the “**Stalking Horse Bid**” under the Sale Process;
- (h) authorizes and directs the Company, BDO Canada Limited, as the proposal trustee of the Company (in such capacity, the “**Proposal Trustee**”), and their respective affiliates, partners, employees, advisors and agents (collectively, “**Agents**”), to take any and all actions as may be necessary or desirable to implement and carry out the Sale Process in accordance with its terms and the Initial Proposal Order;
- (i) approves the expansion of the Proposal Trustee’s powers;
- (j) approves the First Report of the Proposal Trustee, to be filed (the “**First Report**”), and the actions, conduct and activities described therein; and

2. such further and other relief as this Honourable Court deems just.

THE GROUNDS FOR THIS MOTION ARE:

Background

3. JD is a company incorporated under the laws of Ontario with a registered address located at 2759 Fenton Road, Gloucester, Ontario, K1T3T8.
4. The Company's principal creditor is National Bank of Canada ("**NBC**") which holds security over the Company's assets in respect of indebtedness owing of more than \$9 million secured by way of cross-guarantees against the assets of its other affiliates, comprising the "**MechCan Group**". The Company has no other generally secured creditors but does have equipment specific lessor/lenders.
5. The MechCan Group experienced financial difficulties due to reduced consumer spending, increased costs from trade and tariff pressures, and limited ability to pass those increases on in a saturated market. The group was also affected by a pandemic-related pull-forward in demand, as many households replaced equipment during COVID, reducing current repair and replacement activity. In summer 2025, management implemented a turnaround plan focused on a cross-staffed call centre, centralized cost reductions, and marketing initiatives. These efforts, combined with ongoing economic pressures, further strained liquidity and led of the companies within the MechCan Group to file Notices of Intention to Make a Proposal.
6. The Company filed its Notice of Intention to Make a Proposal on April 1, 2026 (the "**NOI**") pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**"). It now intends to pursue a going-concern sale of its business through the Sale Process with the Stalking Horse Bid.

7. Given the involvement of management of the Company in the Stalking Horse Bid, the Company proposes that the Proposal Trustee conduct the Sale Process and seek approval of the highest or otherwise best bid received in the Sale Process (the “**Successful Bid**”).

The Sale Process and the Sales Agent Engagement

8. The Sale Process contemplates a conventional bid deadline, followed by an auction for each bid that properly qualifies in the Sale Process along with the Stalking Horse Bidder.
9. The Proposal Trustee has received and reviewed several proposals and has engaged BDO Advisory as the Sales Agent to carry out the proposed Sale Process. The Proposal Trustee has selected BDO Advisory based on, among other things, BDO’s experience selling similar properties and its commission rate. NBC supports the retention of BDO.
10. Subject to the terms of the Sale Process or further Court Order, the Sale Process contemplates a hearing for the approval of the Successful Bid on or before June 15, with a closing to take place within 10 days thereafter.
11. The Sale Process is a fair and commercially reasonable process, which will broadly canvass the market with a view to obtaining a favourable outcome in these restructuring proceedings that will maximize value for the stakeholders of the Company.
12. The Sale Process satisfies the criteria in section 65.13 of the BIA which the Court considers in determining whether to approve a sale outside of the ordinary course of business.
13. The Proposal Trustee and the primary secured creditor of the Company, NBC, advised that they support the Sale Process.

The Stalking Horse Agreement

14. Approval of the Stalking Horse Agreement is sought solely for the purposes of approving it as the Stalking Horse Bid in the Sale Process.
15. The Stalking Horse Bid provides a stable floor price for the Sale Process and a clear path to a going-concern transaction. This is critical to the Company's efforts to preserve the value of its business as a going concern, including by providing greater stability for its employees and clients.
16. The Proposal Trustee supports the consideration provided under the Stalking Horse Agreement as fair and reasonable and that the agreement was negotiated in good faith.
17. The Proposal Trustee is supportive of the approval of the Stalking Horse Agreement for the purposes of acting as the Stalking Horse Bid in the Sale Process.
18. The purpose of the Sale Process is to solicit interest in and opportunities for a sale of the Company's assets and business operations in whole or in part.

Extension of Time to File a Proposal

19. In this motion, the Company is seeking an extension of time to file a proposal as is necessary to restructure JD's affairs.
20. An extension of time to file a proposal will provide JD with the necessary "breathing room" to allow the Company to carry out an orderly wind-down of operations while remaining projects are concluded.
21. The test for an extension of time under Section 50.4(9) of the BIA is met:

- (a) the Company intends to finalize the terms of the transaction following the Sale Process that will permit it to continue on a going concern basis and is likely to be able to make a viable proposal to its creditors if the extension requested is granted;
- (b) the Company has acted, and is acting, in good faith and with due diligence in engaging with potential clients and creditors; and
- (c) no creditor will be materially prejudiced if the extension requested is granted.

Administration Charge

- 22. The Company is seeking an administration charge to a maximum of \$150,000 to secure the professional fees incurred in relation to the NOI proceeding, including those of its counsel, the Proposal Trustee and counsel to the Proposal Trustee.
- 23. The Administration Charge is reasonably necessary to permit the Company to restructure his affairs and is supported by the cash flow projections prepared with the assistance of the Proposal Trustee and will rank superior to the DIP Lender's Charge.
- 24. It is just and appropriate under the circumstances to grant the proposed Administration Charge.

DIP Financing and DIP Lender's Charge

- 25. The Company's cash flow projections demonstrate that it should be able to meet its obligations through the projected revenues, but the Company seeks a modest amount of debtor-in-possession financing in order to ensure that any unforeseen cash flow developments do not prejudice the Company and its stakeholders.

26. The Company has secured a commitment from the DIP Lender in the maximum principal amount of \$150,000.
27. It would be just and appropriate under the circumstances to approve the proposed Term Sheet and DIP Lenders' Charge to maintain the Company as a going-concern while it continues to develop a viable restructuring proposal.
28. It is appropriate to authorize and empower the Company to borrow under the increased DIP Facility and grant the related DIP Lender's Charge up to a maximum of \$150,000 which will rank subordinate to the Administration Charge.
29. The Proposal Trustee is supportive of the approval of the DIP Facility and the DIP Lender's Charge.

Enhanced Powers of the Proposal Trustee

30. The Company is seeking to expand the powers of the Proposal Trustee to authorize and empower the Proposal Trustee to take all actions necessary to, among other things, take any and all actions necessary to implement the Sale Process and convey any part or the entire business to a purchaser.

Other Grounds

31. Sections 50.4(9), 64.2 and 65.13 of the BIA;
32. Rules 1.04, 2.03, 3.02 and 37 of the *Rules of Civil Procedure*, RSO 1990, Reg 194, as amended;
33. Section 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

34. Section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5.
35. Such further and other grounds as counsel may advise and this Honourable Court may permit.

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

36. The Affidavit of Spencer Ross, sworn April 28, 2026;
37. The First Report; and
38. Such further and other evidence as counsel may advise and this Honourable Court may permit.

April 28, 2026

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**Lawyers for J.D. Swallow Heating
Contractors Inc.**

TO: THE SERVICE LIST

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

Court File No. BK-26-03354829-33
Estate File: 33-3354829

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF J.D. SWALLOW HEATING CONTRACTS INC. OF THE
CITY OF GLOUCESTER IN THE PROVINCE OF ONTARIO

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
Proceedings commenced at Ottawa

NOTICE OF MOTION
(Returnable April 30, 2026)

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TAB 2

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

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
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A PROPOSAL OF J.D. SWALLOW HEATING CONTRACTORS INC.,
OF THE CITY OF GLOUCESTER IN THE PROVINCE OF ONTARIO**

Applicant

AFFIDAVIT OF SPENCER ROSS

(Sworn April 28, 2026)

I, **SPENCER ROSS**, of the City of Toronto, in the province of Ontario, **MAKE OATH AND SAY:**

1. I am the Chief Executive Officer and now the sole director of J.D. Swallow Heating Contractors Inc., (the “**Company**” or “**JD**”) and as such I have knowledge of the matters set out below. Where I have relied on information from others, I state the source of such information and verily believe it to be true.

I. OVERVIEW

2. This affidavit is submitted in support of a motion for an order (the “**Initial Proposal Order**”) that, among other things:

- (a) abridges the time for service of this motion, validates the manner of service, and declares that this motion is properly returnable before the Court;
- (b) extends the time for the filing of a proposal for a period of 45 days up to and including

June 15, 2026;

- (c) authorizes the Company to borrow up to \$150,000 under a credit facility (the “**DIP Facility**”) from 17891750 Canada Inc. (in its capacity as lender under the DIP Facility, the “**DIP Lender**”) to finance the Company’s working capital requirements and pay the costs and expenses of this proceeding, as more fully described in the commitment letter between the Company and DIP Lender dated April 26, 2026 (the “**DIP Term Sheet**”);
- (d) grants the following priority charges, which Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, in favour of any person:
 - i. first - approves an administration charge up to a maximum of \$150,000 over the assets, property and undertaking of JD in favour of the Sales Agent, counsel to JD, the Proposal Trustee and counsel to the Proposal Trustee (the “**Administration Charge**”); and
 - ii. second – approves a “**DIP Lender's Charge**” as security for the Company’s obligations under the DIP Term Sheet, in the maximum principal amount of \$150,000 plus interest, fees and costs;
- (e) approves a stalking horse asset purchase agreement (the “**Stalking Horse Agreement**”) between JD, as vendor, 17891750 Canada Inc. (the same company as the DIP Lender, and in such capacity, the “**Stalking Horse Bidder**”) solely for the purpose of constituting the “**Stalking Horse Bid**” under the Sale Process (as defined below);
- (f) approves a sale process in a form substantially similar to the form attached as Schedule “A” to the Initial Proposal Order (the “**Sale Process**”) and authorizing the

Proposal Trustee and the Sales Agent to immediately commence the Sale Process;

- (g) grants BDO Canada Limited as the Proposal Trustee for the Company pursuant to the BIA (in such capacity, the "**Proposal Trustee**"), enhanced powers to run the Sale Process, and approves a sales agent engagement between the Proposal Trustee and BDO Canada Transaction Advisory Services ("**BDO Advisory**") dated April 21, 2026 (the "**Engagement Letter**") to carry out the Sale Process;
- (h) authorizes and directs the Company, the Proposal Trustee, and their respective affiliates, partners, employees, advisors and agents (collectively, "**Agents**"), to take any and all actions as may be necessary or desirable to implement and carry out the Sale Process in accordance with its terms and the Initial Proposal Order;
- (i) approving the First Report of the Proposal Trustee, to be filed (the "**First Report**"), and the actions, conduct and activities described therein; and

3. such further and other relief as this Honourable Court deems just.

II. **BACKGROUND OF THE COMPANY**

4. The Company was initially formed in 1988 and underwent an amalgamation as of April 1, 2022 to be in its current form. A copy of the corporate profile report for the Company is attached as **Exhibit "A"**. I note that the corporate profile report shows Arthur Phillips as a director as well, but he resigned prior to the commencement of these proceedings such that I am now the sole director.

5. The Company carries on business as a heating, ventilation and air-conditioning contractor (the "**Business**").

6. The Company has 28 employees, who are not unionized. The Company is current on its wages owing to employees and on its source deduction obligations to CRA.

7. The Company's principal assets are accounts receivable, along with a small amount of inventory of parts that are not in high demand, some tools, and a number of vehicles that are subject to financing arrangements as noted below.

8. The Company's main creditor is National Bank of Canada ("**NBC**"), both as a direct lender and also through secured cross-guarantees that the Company gave in respect of other companies within the MechCan group (as discussed below). I am advised by Brendan Bissell of Reconstruct LLP, counsel for the Company, that the bank is owed more than \$9 million and is the first-ranking generally secured creditor of the Company.

9. The Company has no other generally secured creditors but does have equipment specific lessor/lenders, who are listed in the PPSA report for the Company is attached as **Exhibit "B"** and shown in the search summary prepared by Reconstruct LLP and attached as **Exhibit "C"**.

10. The Company's records show amounts owing to unsecured creditors in the amount of approximately \$365,000, as shown on the Statement of Affairs, filed with the NOI (defined below), a copy of which is attached hereto as **Exhibit "D"**.

11. The shares of the Company were acquired in 2023 by MechCan Inc., of which I was also a director and which expressed an interest in acquiring the Company as part of an aggregation of HVAC companies. Ultimately, eleven (11) companies like JD were acquired by MechCan in Ontario, Alberta and British Columbia.

12. The MechCan group began experiencing financial difficulties in 2025 due to challenges in the economic environment including:

- a) reduction in consumer spending;
- b) increased costs due to trade and tariff wars without a meaningful ability to pass on long price increases to consumers while remaining competitive in a saturated market;

- c) the expiry of the rebate programs; and
- d) pandemic pull forward whereby many households replaced equipment during COVID resulting in fewer repairs and replacements in the current market.

13. During the summer of 2025 management undertook a turnaround plan which focused on operational initiatives in an effort to reduce costs. The turnaround plan initiatives included: i) implementing a common customer relationship and field service management software; (ii) a cross-staffed call centre; iii) cost cutting through the centralization of operations; and iv) the in-housing of the branches marketing programs. The cost of the initiatives together with the changed economic environment stressed the MechCan group's liquidity leading it to make the decision to file Notices of Intention to Make a Proposal for many of the companies within the group.

14. The Company filed a Notice of Intention to Make a Proposal on April 1, 2026, a copy of the certificate for which is attached as **Exhibit "E"**. It further filed its 13-week cash flow projections (the "**Cash Flow Forecast**"), a copy of which is attached as **Exhibit "F"**.

III. RELIEF REQUESTED

A. Extension of the Stay of Proceedings

15. The initial 30-day stay of proceedings under s. 50.4(8) of the BIA expires at the end of the day on May 1, 2026.

16. Since the filing of the NOI, the Company has been engaged in discussions regarding a restructuring proposal. I have been involved in those discussions.

17. The current time prescribed to file a proposal will run out as of May 1, 2026. The Company requires more time to file a proposal. Accordingly, the Company is requesting a 45-day extension of time pursuant to Section 50.4(9) of the BIA, up to June 15, 2026, to make a proposal (the "**Proposed Stay Period**").

18. Since the filing of the NOI on April 1, 2026, the Company has acted in good faith and with due diligence in engaging with management, creditors and potential clients to explore various restructuring options with the assistance of the Proposal Trustee. The extension of time will permit the Company to reach a viable going concern proposal. I am not aware of any creditors who will be materially prejudiced by the extension of time.

19. The Proposed Stay Period is critical to maximizing the realization of the Business for creditors and stakeholders and avoiding the destruction of value that would result from a shut-down of operations. If the Business is forced to shut down, the Company would immediately experience a loss of its customers and market share. The Company would also suffer an irreparable loss in asset value given the Company's primary assets – its account receivables, inventory and suppliers - require an operating Business to retain their value.

20. The Cash Flow Forecast demonstrates that the Company will have sufficient cash to operate over the Proposed Stay Period with the availability of the DIP Facility. In the meantime, the Company continues to work with due diligence and in good faith to implement the Sale Process, complete a transaction, and develop a proposal for the benefit of its general body of creditors.

B. Approval of the DIP Term Sheet and DIP Lender's Charge

21. The Cash Flow Forecast demonstrates that the Company requires approximately \$150,000 in interim financing to meet ordinary course of business expenses and to fund this NOI proceeding and the Sale Process. Any amounts advanced are expected to be used for payroll, supplier payments, and other ordinary course business expenses, as well as the payment of restructuring professionals in connection with this proceeding and the Sale Process.

22. The Company has obtained debtor-in-possession financing from the DIP Lender, which is a company controlled by Ken Turner, who is the general manager of JD, to fund the Company's

operational and restructuring expenses during the restructuring period subject to various terms and conditions as described in the DIP Term Sheet. An executed copy of the DIP Term Sheet is appended hereto as **Exhibit “G”**.

23. I believe that the DIP Term Sheet represents the best available interim financing arrangement that could be arranged by the Company within the time frame needed to meet the Company’s cash flow needs. Part of those attempts included a discussion with National Bank of Canada about whether it would be prepared to fund the required borrowing, but it advised that it preferred the DIP Lender to do so (in conjunction with its stalking horse asset purchase agreement as described further below).

24. The key terms and conditions of the DIP Term Sheet are as follows:

- (a) a maximum loan amount of \$150,000;
- (b) interest accruing at a rate of 9% per annum; and
- (c) advances under the DIP Facility are conditional upon Court approval of the DIP Term Sheet, and the granting of a super-priority DIP Lender’s Charge in favour of the DIP Lender over all of the Property of the Company, subordinate only to the Administration Charge.

25. As set out in the First Report of the Proposal Trustee the amount available under the DIP Facility is sufficient to permit the Company to operate up until June 15, 2026.

26. The Proposal Trustee has advised that it is supportive of the approval of the DIP Term Sheet and the corresponding DIP Lender’s Charge.

C. Approval of the Administration Charge

27. The Company seeks a Court-ordered first-priority Administration Charge over its Property, up to a maximum amount of \$150,000, to secure the fees and disbursements incurred by the Sales Agent, Proposal Trustee, counsel to the Proposal Trustee, and counsel to the Company in connection with this NOI proceeding. The Company requests that the Administration Charge rank in priority to all

other security interests, claims of secured creditors, trusts, liens, charges, and Encumbrances, statutory or otherwise in favour of any person.

28. The Company has relied heavily upon each of the restructuring professionals that are the beneficiaries of the Administration Charge during the NOI proceeding. Each of these professionals have contributed, and will continue to contribute, significant value to the advancement of the NOI proceeding and the completion of a successful restructuring.

29. The Administration Charge is necessary to ensure that the Company has the continued expertise, knowledge and participation of the restructuring professionals during the Proposed Stay Period, including implementing the Sale Process, effectively liaise with creditors, and assist in other restructuring initiatives. Each of the restructuring professionals who are the beneficiaries of the Administration Charge have a critical and discrete role in the restructuring of the Company.

30. The Company worked with the Proposal Trustee to estimate the quantum of the Administration Charge. Based on those discussions, the quantum of the Administration Charge is fair and reasonable in the circumstances as it is commensurate with the expected complexity of the Company's Business and anticipated restructuring.

D. Approval of the Sale Process

Overview of the Proposed Sale Process

31. A primary objective of the NOI proceeding is to provide the Company the breathing room necessary to develop a value-maximizing restructuring solution for stakeholders including creditors, employees, customers, and suppliers.

32. To complement the Company's prior and ongoing operational restructuring efforts, the Company has determined that the Sale Process is critical to developing a value-maximizing

restructuring solution. Accordingly, the Proposal Trustee, in consultation with the Company and NBC, developed the Sale Process. A copy of the Sale Process is attached hereto and marked as **Exhibit “H”**. Any capitalized terms not otherwise defined in this section shall have the meanings ascribed to them in the Sale Process and, to the extent of any differences between the summary description herein and the Sale Process, the Sale Process will prevail. I also understand that the Proposal Trustee will provide further commentary with respect to the Sale Process in its First Report.

33. The Sale Process is intended to widely expose the Company’s Business to the market and provide a structured and orderly process for interested parties to perform due diligence and submit offers for a potential transaction.

34. The Sale Process is a transparent and objective process that will be implemented and supervised by the Proposal Trustee as an officer of this Court. The Company will continue to operate in the normal course during the Sale Process in order to preserve and maximize going-concern value of the Business.

35. The Sale Process involves a Stalking Horse Bid, wherein the Stalking Horse Bidder has agreed to purchase substantially all of the assets of the Company. As noted above, the Stalking Horse Bidder does not have an arms-length relationship with the Company due to the involvement of Mr. Turner. A copy of the Stalking Horse Agreement dated as of April 26, 2026 is attached as **Exhibit “I”**.

36. The Stalking Horse Bid is intended to stimulate market interest by setting a “floor” price that bidders must bet against. It also provides comfort to stakeholders that value will be realized through the Sale Process and the Business will emerge as a going-concern.

37. I understand that the Proposal Trustee supports the approval of the Sale Process, recognizing that the Sale Process is fair and reasonable in the circumstances, and is in the best interest of creditors.

38. The Sale Process and Stalking Horse Agreement also mitigate the risk of employee resignations as a result of uncertainty around the outcome of the NOI proceeding and will increase the likelihood that the Company will be able to emerge from the NOI proceeding as a going concern.

Sale Process Milestones

39. In consultation with the Proposal Trustee, and with a view to balancing JD’s desire to maximize the solicitation of interest in the assets, the efficient resolution of these proceedings and the liquidity constraints, the Sale Process contemplates a 30-day, single phase process that will be managed by the Proposal Trustee and the Sales Agent. The following key milestones in the Sale Process are as follows (all times referenced being in the Eastern Time Zone):

Milestone	Deadline
Commencement of the Sale Process by placing a notice in certain publications, disseminating marketing materials to potentially interested parties, and opening a data room	April 30, 2026
“ Bid Deadline ” – interested parties to submit a binding offer that meets at least the requirements set forth in the Sale Process (“ Qualified Bid ”)	May 25, 2026
Holding of the auction, if necessary, or the selection of the highest or otherwise best bid (“ Successful Bid ”)	No later than May 30, 2026
Seek court approval of the Successful Bid	No later than June 15, 2026, subject to Court availability

Outside Date for the closing of the Successful Bid	10 days after the Sale Approval Hearing
--	---

40. The Proposal Trustee has the right to modify any of the dates set out in the Sale Process. If any extensions or amendments are made they will be communicated to all of the Known Potential Bidders (as defined in the Sale Process) in writing and posted on the Proposal Trustee’s website.

Key Terms of the Sale Process

41. The main elements of the Sale Process are summarized below:

- (a) **Bid Deadline** – Potential bidders who wish to make an offer pursuant to the Sale Process must email a Qualified Bid by no later than 5:00 p.m. on May 25, 2026, being the Bid Deadline.
- (b) **Determination of Qualified Bid** – To be considered a “Qualified Bid”, bids must satisfy certain criteria including, among other things:
 - (i) providing for cash consideration sufficient to pay in full on closing of the transaction a minimum incremental amount of \$40,000 in excess of the aggregate Purchase Price (as defined herein) contemplated by the Stalking Horse Agreement to, among other things, satisfy the Break Fee in the amount of \$20,000 as contemplated by the Stalking Horse Agreement (the “**Consideration Value**”);
 - (ii) being accompanied by a deposit of at least 10% of the Consideration Value, to be retained by the Proposal Trustee in trust;

- (iii) containing an executed binding transaction document(s), including all exhibits and schedules contemplated thereby, together with a blackline against the Stalking Horse Agreement (which shall be posted by the Company in the data room), describing the terms and conditions of the proposed transaction, including any liabilities proposed to be assumed, the Consideration Value, the structure and financing of the proposed transaction, and any regulatory or other third-party approvals required;
 - (iv) stating it is not conditional upon any condition or contingency relating to due diligence, financing or any other material conditions precedent to the bidder's obligation to complete the transaction;
 - (v) being submitted by the Bid Deadline;
 - (vi) providing evidence satisfactory to the Proposal Trustee of the financial ability of the bidder to consummate the transaction;
 - (vii) not requesting any break fee, expense reimbursement or similar type of payment;
 - (viii) acknowledging the offer is expressly made on an "As Is, Where Is" (as defined herein) basis in all respects; and
 - (ix) describing the intended treatment of the Company's stakeholders including secured creditors, unsecured creditors, employees, customers, suppliers, and contractual counterparties.
- c) **Selection of Successful Bid** – In the event that the Proposal Trustee, in consultation with the Company, determines that there are no Qualified Bids, the Proposal Trustee

shall promptly proceed to declare the Stalking Horse Bid as the Successful Bid. If the Proposal Trustee receives one or more Qualified Bids which are superior to the Stalking Horse Bid, it will proceed with an auction to select the highest or otherwise best bid in the Sale Process in accordance with the procedure delineated in the Sale Process.

- d) **Court Approval and Closing** – Upon selection of the Successful Bid, the Proposal Trustee will bring a motion to the Court on notice to the service list for an order approving the Successful Bid. The Company, with the assistance of the Proposal Trustee, will then proceed to close the transaction as soon as possible after Court approval is granted.

The Sale Process Should be Approved

42. The Sale Process was developed by the Company in consultation with the Proposal Trustee. It is designed to facilitate an efficient and robust market canvass that can be completed in the timeframe afforded by the Company's limited cash position. The Sale Process provides an outside date for closing of the transaction, which aligns with the financing available under the DIP Facility, and is the result of negotiations with the DIP Lender.

43. I believe that this timeframe strikes the appropriate balance between providing sufficient time to parties who may be interested in this opportunity and enabling the process to occur in the time available in light of the Company's limited liquidity and the need to complete a transaction promptly to minimize negative impacts on the Business.

44. I also expect that the Sale Process will be highly targeted and focused on a discrete group of potential buyers. I anticipate that there is a relatively discrete pool of parties who may be interested in

the opportunity and able to complete a transaction for JD’s Business or assets. JD does not own any material hard assets.

45. In all of the circumstances, I believe that the Sale Process will provide a flexible, efficient and fair process for canvassing potential buyers and maximizing recovery for the JD’s stakeholders in an appropriate timeframe and with the Proposal Trustee’s oversight. This timing and the structure of the Sale Process, with the certainty of the Stalking Horse Bid, is critical to preserving JD’s Business.

46. For all of these reasons, I believe the Sale Process, including the Stalking Horse Bid as a baseline bid in that process, is in the best interests of JD and its stakeholders and is far better than the alternative if a Sale Process cannot be completed.

E. Approval of the Stalking Horse Agreement

47. After considerable negotiation in the lead-up to the filing of these NOI proceedings, the Company entered into a Stalking Horse Agreement with the Stalking Horse Bidder on April 26, 2026.

48. At this time, the Company is only seeking approval of the Stalking Horse Agreement for purposes of acting as a Stalking Horse Bid. In the event that the Stalking Horse Bid is selected as the Successful Bid under the Sale Process (described further below), the Company will return to Court at that time to seek approval of the transactions contemplated therein.

49. The Stalking Horse Agreement contemplates that, if selected as the Successful Bidder (as defined in the Sale Process), the Stalking Horse Bidder would acquire substantially all of the Business and assets of the Company through an approval and vesting transaction.

50. The key terms of the Stalking Horse Agreement are summarized below:

Term	Details
Vendor	JD Swallow Heating Contractors Inc.
Purchaser	17891750 Canada Inc.

Transaction Structure	Approval and vesting structure for an asset purchase agreement.
Purchase Price	\$300,000 plus Cure Costs, if any.
Purchased Assets	Effective as of Closing Time, all of the Vendor's right, title and interest in the Assumed Contracts, Books and Records, Claims of the Company, Equipment, Vehicles owned by the Company, Inventory and Suppliers, Receivables, all customer lists and supplier lists, and any other assets that the Purchaser elects to include in writing to the Vendor, no less than five (5) Business Days prior to Closing in accordance with the terms of the Asset Purchase Agreement (collectively, the " Purchased Assets ").
Excluded Assets	The Excluded Assets include, among others: <ul style="list-style-type: none"> • the Purchase Price; • cash, bank balances, monies in possession banks and other depositories, term or time deposits and similar cash items of, owned or held by or for the account of the Vendor; and • any Contracts or Personal Property Leases that the Purchaser elects to identify as Excluded Assets in writing prior to Closing in accordance with the terms of this Agreement.
Assumed Liabilities	Only the Liabilities of the Vendor incurred under or in respect of (i) the Purchased Assets ; and (ii) the Assumed Contracts.
Excluded Liabilities	Other than the Assumed Liabilities, the Purchaser shall not be liable for any debts, liabilities or other obligations of the Vendor.
Key Conditions to Closing	The key conditions to the Closing of the Transaction are, among other things: <ol style="list-style-type: none"> (a) The Approval and Vesting Order shall have been granted by the Court and shall be Final. (b) The Vendor shall have terminated the employment of the Terminated Employees, and all liabilities owing to any such Terminated Employees in respect of such terminations,
Break Fee	\$20,000 (inclusive of HST)
Closing Date	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.

51. The Stalking Horse Bid is the product of significant negotiation and provides valuable consideration. It will also play a critical role in providing much-needed continuity and certainty to stabilize and protect the Business during the Sale Process. Among other things, I believe that entering into the Stalking Horse Agreement and approving it for purposes of acting as a Stalking Horse Bid is sensible in light of:

- (a) the value and scope of the proposed Stalking Horse Agreement, which provides a going concern solution for JD's Business, wind-down costs, and provides for retained liabilities as specified therein;
- (b) the certainty it provides for employees, clients and existing projects, which are critical JD "assets";
- (c) the reasonable nature of the Stalking Horse Agreement terms; and
- (d) JD's limited liquidity and limited alternative options in the circumstances and available timeframe.

52. The Break Fee was negotiated and developed by the Stalking Horse Bidder in consultation with the Proposal Trustee and NBC. It reflects a commercially reasonable estimate of the substantial time and resources expended by the Stalking Horse Bidder in advancing its bid to a binding and executable form. These efforts included, among other things, the engagement of legal and financial advisors and the negotiation of definitive transaction documents. The Break Fee is intended to fairly compensate the Stalking Horse Bidder for these contributions and to incentivize the establishment of a credible floor price, thereby enhancing the overall integrity and value-maximizing potential of the Sale Process.

53. I believe that the Stalking Horse Bid has the potential to enhance the efficacy of the Sale Process and establish an appropriate floor for bids submitted in the Sale Process while also providing a degree of certainty and security for JD and its stakeholders in the process.

54. I also believe that the terms of the Stalking Horse Bid are reasonable for the purposes of acting as a Stalking Horse Bid in the Sale Process and that the terms of the Stalking Horse Bid will not unduly impede a robust canvassing of the market for potential sales, or investment in, the Business and property of JD.

55. To the contrary, without the Stalking Horse Bid and the DIP Facility provided by NBC, I am concerned that JD would be unable to complete any restructuring process at all in which case the value of JD's assets could dissipate leaving no realistic prospect of a going-concern solution.

F. Enhanced powers for the Proposal Trustee and approval of the sales agent

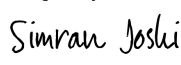
56. Mr. Turner is directly involved in the Stalking Horse Bid, and I have some involvement in it as well. As a result, the Company recognizes that it is important for the fair operation of the Sales Process that the Company does not administer it. The Company accordingly proposes that the Proposal Trustee be granted enhanced powers by the Court to administer the Sales Process largely independently of the Company.

57. I understand that the Proposal Trustee has engaged BDO Canada Transaction Advisory Services Inc. as sales agent in order to assist with the marketing contemplated under the Sale Process. The Company supports this engagement and agrees that the Proposal Trustee's actions in that regard should be approved.


V. CONCLUSION

58. For the reasons set out herein, the Company respectfully requests that this Court grant the relief requested herein.

SWORN REMOTELY by **Spencer Ross**)
stated as being located in the City of)
Toronto **BEFORE ME** at the City of)
Toronto, in the Province of Ontario this 28th)
day of April 2026, in accordance with O.)
Reg 431/20, *Administering Oath Or*)
Declaration Remotely)
)

Signed by:


SIMRAN JOSHI
LSO No. 89775A

DocuSigned by:


SPENCER ROSS

THIS IS **EXHIBIT "A"** REFERRED TO IN THE
AFFIDAVIT OF **SPENCER ROSS** SWORN REMOTELY BY **SPENCER ROSS** STATED AS
BEING LOCATED IN THE CITY OF TORONTO BEFORE ME AT THE CITY OF TORONTO,
IN THE PROVINCE OF ONTARIO THIS 28TH DAY OF APRIL 2026, IN ACCORDANCE
WITH O. REG 431/20, *ADMINISTERING OATH OR DECLARATION REMOTELY*



A COMMISSIONER FOR TAKING AFFIDAVITS



Profile Report

J.D. SWALLOW HEATING CONTRACTORS INC. as of March 11, 2026

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	J.D. SWALLOW HEATING CONTRACTORS INC.
Ontario Corporation Number (OCN)	1000156082
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Amalgamation	April 01, 2022
Registered or Head Office Address	2759 Fenton Road, Gloucester, Ontario, K1T3T8, Canada

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

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Minimum Number of Directors 1
Maximum Number of Directors 5

Active Director(s)

Name ARTHUR PHILLIPS
Address for Service 177 Dewbourne Avenue, Toronto, Ontario, M6C 1Z6,
Canada
Resident Canadian Yes
Date Began August 16, 2023

Name SPENCER ROSS
Address for Service 177 Dewbourne Avenue, Toronto, Ontario, M6C 1Z6,
Canada
Resident Canadian Yes
Date Began August 16, 2023

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Active Officer(s)

Name ARTHUR PHILLIPS
Position President
Address for Service 177 Dewbourne Avenue, Toronto, Ontario, M6C 1Z6,
Canada
Date Began August 16, 2023

Name SPENCER ROSS
Position Secretary
Address for Service 177 Dewbourne Avenue, Toronto, Ontario, M6C 1Z6,
Canada
Date Began August 16, 2023

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Corporate Name History

Name

J.D. SWALLOW HEATING CONTRACTORS INC.

Effective Date

April 01, 2022

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Additional historical information may exist in paper or microfiche format.

Amalgamating Corporations

Corporation Name
Ontario Corporation Number

J.D. SWALLOW HEATING CONTRACTORS INC.
760514

Corporation Name
Ontario Corporation Number

1686891 ONTARIO INC.
1686891

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Active Business Names

Name	JD SWALLOW HEATING AND COOLING CONTRACTORS
Business Identification Number (BIN)	251140919
Registration Date	November 25, 2015
Expiry Date	November 22, 2030

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Expired or Cancelled Business Names

Name	QUINNS QUALITY CONTRACTING
Business Identification Number (BIN)	181226556
Status	Inactive - Expired
Registration Date	December 02, 2008
Expired Date	December 01, 2013

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Director/Registrar

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Document List

Filing Name	Effective Date
Annual Return - 2025 PAF: ELLIOTT PARKE	October 28, 2025
Annual Return - 2024 PAF: ELLIOTT PARKE	October 28, 2025
Annual Return - 2022 PAF: ELLIOTT PARKE	April 26, 2024
Annual Return - 2023 PAF: ELLIOTT PARKE	April 26, 2024
CIA - Notice of Change PAF: WALTER WAGNLEITHNER	August 24, 2023
Annual Return - 2022 PAF: STEPHEN QUINN	July 17, 2023
CIA - Initial Return PAF: Stephen QUINN	April 07, 2022
BCA - Articles of Amalgamation	April 01, 2022

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

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Director/Registrar

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THIS IS **EXHIBIT "B"** REFERRED TO IN THE
AFFIDAVIT OF **SPENCER ROSS** SWORN REMOTELY BY **SPENCER ROSS** STATED AS
BEING LOCATED IN THE CITY OF TORONTO BEFORE ME AT THE CITY OF TORONTO, IN
THE PROVINCE OF ONTARIO THIS 28TH DAY OF APRIL 2026, IN ACCORDANCE WITH O.
REG 431/20, *ADMINISTERING OATH OR DECLARATION REMOTELY*

A handwritten signature in blue ink, appearing to be 'SR', is centered on the page.

A COMMISSIONER FOR TAKING AFFIDAVITS

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Enquiry Result

File Currency: 15APR 2026



All Pages



Show All Pages

Note: All pages have been returned.

Type of Search	Business Debtor								
Search Conducted On	J.D. SWALLOW HEATING CONTRACTORS INC.								
File Currency	15APR 2026								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	500775129	1	13	1	31	29NOV 2030			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
500775129		001	4		20231129 1437 1590 0254	P PPSA	7		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	1447095 B.C. LTD.								
	Address				City	Province	Postal Code		
	250 HOWE STREET, 20TH FLOOR				VANCOUVER	BC	V6C 3R8		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	B.R.'S PLUMBING & HEATING INC.								
	Address				City	Province	Postal Code		
	1 VANCE DRIVE				TILLSONBURG	ON	N4G 4M4		
Secured Party	Secured Party / Lien Claimant								
	NATIONAL BANK OF CANADA								
	Address				City	Province	Postal Code		
	350 BURNHAMTHORPE RD. W., SUITE 601				TORONTO	ON	L5B 3J1		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								

Registering Agent					
Registering Agent					
SCHNEIDER RUGGIERO SPENCER MILBURN LLP					
Address			City	Province	Postal Code
1000-120 ADELAIDE STREET WEST			TORONTO	ON	M5H 3V1

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	J.D. SWALLOW HEATING CONTRACTORS INC.						
File Currency	15APR 2026						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	500775129	1	13	2	31	29NOV 2030	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
500775129		002	4		20231129 1437 1590 0254		

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	COMFORT ZONE HEATING & AIR CONDITIONING INC.			
	Address	City	Province	Postal Code
	727 WILLIAM ST.	COBOURG	ON	K9A 3A7

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	HY-MARK MECHANICAL INC.			
	Address	City	Province	Postal Code
	177 DEWBOURNE AVENUE	TORONTO	ON	M6C 1Z6

Secured Party	Secured Party / Lien Claimant			
	Address	City	Province	Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent					
Registering Agent					
Address			City	Province	Postal Code

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	J.D. SWALLOW HEATING CONTRACTORS INC.								
File Currency	15APR 2026								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
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FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
500775129		003	4		20231129 1437 1590 0254				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	J.D. SWALLOW HEATING CONTRACTORS INC.								
	Address				City	Province	Postal Code		
	177 DEWBOURNE AVENUE				TORONTO	ON	M6C 1Z6		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	MECHCAN INC.								
	Address				City	Province	Postal Code		
	177 DEWBOURNE AVENUE				TORONTO	ON	M6C 1Z6		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	J.D. SWALLOW HEATING CONTRACTORS INC.						
File Currency	15APR 2026						

	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	500775129	1	13	4	31	29NOV 2030			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
500775129		004	4		20231129 1437 1590 0254				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	THES ACQUISITION INC.								
Address					City	Province	Postal Code		
177 DEWBOURNE AVENUE					TORONTO	ON	M6C 1Z6		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	TOTAL HOME ENERGY SYSTEMS INC.								
Address					City	Province	Postal Code		
177 DEWBOURNE AVENUE					TORONTO	ON	M6C 1Z6		
Secured Party	Secured Party / Lien Claimant								
Address					City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
Address					City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor									
Search Conducted On	J.D. SWALLOW HEATING CONTRACTORS INC.									
File Currency	15APR 2026									
	File Number	Family	of Families	Page	of Pages					
	500775129	1	13	5	31					
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT										
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under				
		001	1		20240125 1608 1590 8143					

Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period			
	500775129		X	A AMNDMNT					
Reference Debtor/ Transferor	First Given Name		Initial	Surname					
	Business Debtor Name								
	1447095 B.C. LTD.								
Other Change	Other Change								
Reason / Description	Reason / Description								
	TO CHANGE NAME OF THE DEBTOR FROM "1447095 B.C. LTD." TO "PRO ACE HEATING & AIR CONDITIONING SERVICES LTD." PURSUANT TO A CERTIFICATE OF CHANGE OF NAME DATED NOVEMBER 30, 2023.								
Debtor/ Transferee	Date of Birth	First Given Name		Initial	Surname				
	Business Debtor Name					Ontario Corporation Number			
	PRO ACE HEATING & AIR CONDITIONING SERVICES LTD.								
	Address			City	Province	Postal Code			
	250 HOWE STREET, 20TH FLOOR			VANCOUVER	BC	V6C 3R8			
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
	Address			City	Province	Postal Code			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	SCHNEIDER RUGGIERO SPENCER MILBURN LLP								
	Address				City	Province	Postal Code		
	1000-120 ADELAIDE STREET WEST				TORONTO	ON	M5H 3V1		

END OF FAMILY

Type of Search	Business Debtor
Search Conducted On	J.D. SWALLOW HEATING CONTRACTORS INC.
File Currency	15APR 2026

	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	502205886	2	13	6	31	25JAN 2031			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
502205886		001	4		20240125 1049 1590 8032	P PPSA	7		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	J.D. SWALLOW HEATING CONTRACTORS INC.								
	Address			City	Province	Postal Code			
	177 DEWBOURNE AVENUE			TORONTO	ON	M6C 1Z6			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	B.R.'S PLUMBING & HEATING INC.								
	Address			City	Province	Postal Code			
	1 VANCE DRIVE			TILLSONBURG	ON	N4G 4M4			
Secured Party	Secured Party / Lien Claimant								
	NATIONAL BANK OF CANADA								
	Address			City	Province	Postal Code			
	350 BURNHAMTHORPE RD. W., SUITE 601			TORONTO	ON	L5B 3J1			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	SCHNEIDER RUGGIERO SPENCER MILBURN LLP								
	Address			City	Province	Postal Code			
	1000-120 ADELAIDE STREET WEST			TORONTO	ON	M5H 3V1			

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	J.D. SWALLOW HEATING CONTRACTORS INC.								
File Currency	15APR 2026								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	502205886	2	13	7	31	25JAN 2031			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		

502205886		002	4		20240125 1049 1590 8032				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	COMFORT ZONE HEATING & AIR CONDITIONING INC.								
	Address			City	Province	Postal Code			
	727 WILLIAM ST.			COBOURG	ON	K9A 3A7			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	HY-MARK MECHANICAL INC.								
	Address			City	Province	Postal Code			
	177 DEWBOURNE AVENUE			TORONTO	ON	M6C 1Z6			
Secured Party	Secured Party / Lien Claimant								
	Address			City	Province	Postal Code			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address			City	Province	Postal Code			

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	J.D. SWALLOW HEATING CONTRACTORS INC.								
File Currency	15APR 2026								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	502205886	2	13	8	31	25JAN 2031			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
502205886		003	4		20240125 1049 1590 8032				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			

MECHCAN INC.										
Address		City		Province		Postal Code				
177 DEWBOURNE AVENUE		TORONTO		ON		M6C 1Z6				
Individual Debtor	Date of Birth	First Given Name		Initial		Surname				
Business Debtor	Business Debtor Name		Ontario Corporation Number							
	THES ACQUISITION INC.									
Address		City		Province		Postal Code				
177 DEWBOURNE AVENUE		TORONTO		ON		M6C 1Z6				
Secured Party	Secured Party / Lien Claimant									
Address		City		Province		Postal Code				
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
Motor Vehicle Description	Year	Make		Model		V.I.N.				
General Collateral Description	General Collateral Description									
Registering Agent	Registering Agent									
Address		City		Province		Postal Code				

CONTINUED

Type of Search	Business Debtor									
Search Conducted On	J.D. SWALLOW HEATING CONTRACTORS INC.									
File Currency	15APR 2026									
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status			
	502205886	2	13	9	31	25JAN 2031				
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN										
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period			
502205886		004	4		20240125 1049 1590 8032					
Individual Debtor	Date of Birth	First Given Name		Initial		Surname				
Business Debtor	Business Debtor Name		Ontario Corporation Number							
	TOTAL HOME ENERGY SYSTEMS INC.									
Address		City		Province		Postal Code				
177 DEWBOURNE AVENUE		TORONTO		ON		M6C 1Z6				
Individual Debtor	Date of Birth	First Given Name		Initial		Surname				

Business Debtor	Business Debtor Name				Ontario Corporation Number				
	PRO ACE HEATING & AIR CONDITIONING SERVICES LTD.								
	Address			City	Province	Postal Code			
	250 HOWE STREET, 20TH FLOOR			VANCOUVER	BC	V6C 3R8			
Secured Party	Secured Party / Lien Claimant								
	Address			City	Province	Postal Code			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address			City	Province	Postal Code			

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	J.D. SWALLOW HEATING CONTRACTORS INC.								
File Currency	15APR 2026								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	506000142	3	13	10	31	03JUN 2032			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
506000142		001	1		20240603 1806 1532 9692	P PPSA	08		
Individual Debtor	Date of Birth		First Given Name		Initial	Surname			
Business Debtor	Business Debtor Name				Ontario Corporation Number				
	J.D. SWALLOW HEATING CONTRACTORS INC.								
	Address			City	Province	Postal Code			
	2759 FENTON ROAD UNIT 14			OTTAWA	ON	K1T3T8			
Individual Debtor	Date of Birth		First Given Name		Initial	Surname			
	15APR1987		SPENCER		R	ROSS			
Business Debtor	Business Debtor Name				Ontario Corporation Number				
	Address			City	Province	Postal Code			
	2759 FENTON ROAD, 14			GLOUCESTER	ON	K1T3T8			
Secured Party	Secured Party / Lien Claimant								

ROYAL BANK OF CANADA									
Address					City	Province	Postal Code		
10 YORK MILLS ROAD 3RD FLOOR					TORONTO	ON	M2P 0A2		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X					X	66118.71	31MAY2032	
Motor Vehicle Description	Year	Make			Model		V.I.N.		
	2024	TESLA			MODEL 3		LRW3E7EB3RC101026		
General Collateral Description	General Collateral Description								
	THE FULL DEBTOR NAME IS - SPENCER RICHTER ROSS								
Registering Agent	Registering Agent								
	D + H LIMITED PARTNERSHIP								
Address					City	Province	Postal Code		
2 ROBERT SPECK PARKWAY, 15TH FLOOR					MISSISSAUGA	ON	L4Z 1H8		

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	J.D. SWALLOW HEATING CONTRACTORS INC.								
File Currency	15APR 2026								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	508246596	4	13	11	31	15AUG 2031			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
508246596		001	4		20240815 1028 1590 4569	P PPSA	7		
Individual Debtor	Date of Birth		First Given Name			Initial	Surname		
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	J.D. SWALLOW HEATING CONTRACTORS INC.								
Address					City	Province	Postal Code		
177 DEWBOURNE AVENUE					TORONTO	ON	M6C 1Z6		
Individual Debtor	Date of Birth		First Given Name			Initial	Surname		
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	B.R.'S PLUMBING & HEATING INC.								
Address					City	Province	Postal Code		
1 VANCE DRIVE					TILLSONBURG	ON	N4G 4M4		
Secured Party	Secured Party / Lien Claimant								
	NATIONAL BANK OF CANADA								
Address					City	Province	Postal Code		
350 BURNHAMTHORPE RD. W., SUITE 601					TORONTO	ON	L5B 3J1		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

		X	X	X	X	X			
Motor Vehicle Description	Year	Make	Model			V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	SCHNEIDER RUGGIERO SPENCER MILBURN LLP (45722 MD/HJ)								
	Address				City	Province	Postal Code		
	1000-120 ADELAIDE STREET WEST				TORONTO	ON	M5H 3V1		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	J.D. SWALLOW HEATING CONTRACTORS INC.								
File Currency	15APR 2026								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	508246596	4	13	12	31	15AUG 2031			

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period	
508246596		002	4		20240815 1028 1590 4569			

Individual Debtor	Date of Birth	First Given Name			Initial	Surname		
Business Debtor	Business Debtor Name					Ontario Corporation Number		
	COMFORT ZONE HEATING & AIR CONDITIONING INC.							
	Address				City	Province	Postal Code	
	727 WILLIAM ST.				COBOURG	ON	K9A 3A7	

Individual Debtor	Date of Birth	First Given Name			Initial	Surname		
Business Debtor	Business Debtor Name					Ontario Corporation Number		
	HY-MARK MECHANICAL INC.							
	Address				City	Province	Postal Code	
	177 DEWBOURNE AVENUE				TORONTO	ON	M6C 1Z6	

Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model			V.I.N.			

General Collateral Description	General Collateral Description			
Registering Agent	Registering Agent			
	Address	City	Province	Postal Code

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	J.D. SWALLOW HEATING CONTRACTORS INC.						
File Currency	15APR 2026						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	508246596	4	13	13	31	15AUG 2031	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
508246596		003	4		20240815 1028 1590 4569		

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	MECHCAN INC.			
	Address	City	Province	Postal Code
	177 DEWBOURNE AVENUE	TORONTO	ON	M6C 1Z6

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	THES ACQUISITION INC.			
	Address	City	Province	Postal Code
	177 DEWBOURNE AVENUE	TORONTO	ON	M6C 1Z6

Secured Party	Secured Party / Lien Claimant			
	Address	City	Province	Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description			

Registering Agent	Registering Agent			
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	Address	City	Province	Postal Code

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	J.D. SWALLOW HEATING CONTRACTORS INC.						
File Currency	15APR 2026						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	508246596	4	13	14	31	15AUG 2031	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
508246596		004	4		20240815 1028 1590 4569		

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name			Ontario Corporation Number
	TOTAL HOME ENERGY SYSTEMS INC.			
	Address	City	Province	Postal Code
	177 DEWBOURNE AVENUE	TORONTO	ON	M6C 1Z6

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name			Ontario Corporation Number
	PRO ACE HEATING & AIR CONDITIONING SERVICES LTD.			
	Address	City	Province	Postal Code
	250 HOWE STREET, 20TH FLOOR	VANCOUVER	BC	V6C 3R8

Secured Party	Secured Party / Lien Claimant			
	Address	City	Province	Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent			
	Address	City	Province	Postal Code

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	J.D. SWALLOW HEATING CONTRACTORS INC.								
File Currency	15APR 2026								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	508829049	5	13	15	31	04SEP 2026			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
508829049		001	1		20240904 1122 1901 1620	P PPSA	02		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	J.D. SWALLOW HEATING CONTRACTORS								
	Address			City	Province	Postal Code			
	14 - 2759 FENTON ROAD			GLOUCESTER	ON	K1T 3T8			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	SCHERER LEASING INC								
	Address			City	Province	Postal Code			
	1225 COURTLAND AVE E			KITCHENER	ON	N2C 2N8			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
			X			X	15504	15AUG2026	
Motor Vehicle Description	Year	Make			Model		V.I.N.		
	2020	RAM			PROMASTER		3C6TRVVG2LE146442		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	ESC CORPORATE SERVICES LTD.								
	Address				City	Province	Postal Code		
	201-1325 POLSON DR.				VERNON	BC	V1T 8H2		

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	J.D. SWALLOW HEATING CONTRACTORS INC.						
File Currency	15APR 2026						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	508829094	6	13	16	31	04SEP 2026	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
508829094		001	1		20240904 1122 1902 5677	P PPSA	02		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	J.D. SWALLOW HEATING CONTRACTORS								
	Address				City	Province	Postal Code		
	14 - 2759 FENTON ROAD				GLOUCESTER	ON	K1T 3T8		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	SCHERER LEASING INC								
	Address				City	Province	Postal Code		
	1225 COURTLAND AVE E				KITCHENER	ON	N2C 2N8		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
			X			X	15203	15AUG2026	
Motor Vehicle Description	Year	Make			Model		V.I.N.		
	2020	RAM			PROMASTER		3C6TRVVG9LE146437		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	ESC CORPORATE SERVICES LTD.								
	Address				City	Province	Postal Code		
	201-1325 POLSON DR.				VERNON	BC	V1T 8H2		

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	J.D. SWALLOW HEATING CONTRACTORS INC.								
File Currency	15APR 2026								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	508829103	7	13	17	31	04SEP 2026			

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
508829103		001	1		20240904 1123 1902 5678	P PPSA	02		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			

Business Debtor	Business Debtor Name					Ontario Corporation Number			
	J.D. SWALLOW HEATING CONTRACTORS								
	Address			City	Province	Postal Code			
	14 - 2759 FENTON ROAD			GLOUCESTER	ON	K1T 3T8			
Individual Debtor	Date of Birth		First Given Name		Initial		Surname		
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	SCHERER LEASING INC								
	Address			City	Province	Postal Code			
	1225 COURTLAND AVE E			KITCHENER	ON	N2C 2N8			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
			X			X	20723	15AUG2026	
Motor Vehicle Description	Year	Make		Model		V.I.N.			
	2021	RAM		PROMASTER		3C6LRVVG5ME531012			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	ESC CORPORATE SERVICES LTD.								
	Address			City	Province	Postal Code			
	201-1325 POLSON DR.			VERNON	BC	V1T 8H2			

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	J.D. SWALLOW HEATING CONTRACTORS INC.								
File Currency	15APR 2026								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	513959355	8	13	18	31	05MAR 2027			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
513959355		001	1		20250305 1509 1902 9180	P PPSA	02		
Individual Debtor	Date of Birth		First Given Name		Initial		Surname		
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	J.D. SWALLOW HEATING CONTRACTORS								
	Address			City	Province	Postal Code			
	14 - 2759 FENTON ROAD			GLOUCESTER	ON	K1T 3T8			

Individual Debtor	Date of Birth	First Given Name			Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number				
	Address				City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant									
	SCHERER LEASING INC									
	Address				City	Province	Postal Code			
	1225 COURTLAND AVE E				KITCHENER	ON	N2C 2N8			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
			X			X	18167	17FEB2027		
Motor Vehicle Description	Year	Make			Model		V.I.N.			
	2021	RAM			PROMASTER 2500		3C6LRVVG9ME543888			
General Collateral Description	General Collateral Description									
Registering Agent	Registering Agent									
	ESC CORPORATE SERVICES LTD.									
	Address				City	Province	Postal Code			
	201-1325 POLSON DR.				VERNON	BC	V1T 8H2			

END OF FAMILY

Type of Search	Business Debtor									
Search Conducted On	J.D. SWALLOW HEATING CONTRACTORS INC.									
File Currency	15APR 2026									
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status			
	513959382	9	13	19	31	05MAR 2027				

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN							
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
513959382		001	1		20250305 1510 1901 6778	P PPSA	02

Individual Debtor	Date of Birth	First Given Name			Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number				
	J.D. SWALLOW HEATING CONTRACTORS									
	Address				City	Province	Postal Code			
	14 - 2759 FENTON ROAD				GLOUCESTER	ON	K1T 3T8			

Individual Debtor	Date of Birth	First Given Name			Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number				
	Address				City	Province	Postal Code			

Secured Party	Secured Party / Lien Claimant								
	SCHERER LEASING INC								
	Address	City	Province	Postal Code					
	1225 COURTLAND AVE E	KITCHENER	ON	N2C 2N8					
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
			X			X	17245	18FEB2027	
Motor Vehicle Description	Year	Make			Model		V.I.N.		
	2021	RAM			PROMASTER 2500		3C6LRVVG1ME532397		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	ESC CORPORATE SERVICES LTD.								
	Address	City	Province	Postal Code					
	201-1325 POLSON DR.	VERNON	BC	V1T 8H2					

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	J.D. SWALLOW HEATING CONTRACTORS INC.						
File Currency	15APR 2026						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	513959409	10	13	20	31	05MAR 2027	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
513959409		001	1		20250305 1510 1902 9183	P PPSA	02

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name			Ontario Corporation Number
	J.D. SWALLOW HEATING CONTRACTORS			
	Address	City	Province	Postal Code
	14 - 2759 FENTON ROAD	GLOUCESTER	ON	K1T 3T8

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name			Ontario Corporation Number
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	SCHERER LEASING INC			
	Address	City	Province	Postal Code
	1225 COURTLAND AVE E	KITCHENER	ON	N2C 2N8

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
			X			X	18759	18FEB2027		
Motor Vehicle Description	Year	Make	Model			V.I.N.				
	2021	RAM	PROMASTER 2500			3C6LRVVG7ME543887				
General Collateral Description	General Collateral Description									
Registering Agent	Registering Agent									
ESC CORPORATE SERVICES LTD.										
Address						City	Province	Postal Code		
201-1325 POLSON DR.						VERNON	BC	V1T 8H2		

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	J.D. SWALLOW HEATING CONTRACTORS INC.								
File Currency	15APR 2026								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	518647527	11	13	21	31	28JUL 2031			

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
518647527		01	001		20250728 1002 1462 5914	P PPSA	6

Individual Debtor	Date of Birth	First Given Name	Initial	Surname	
Business Debtor	Business Debtor Name			Ontario Corporation Number	
	J.D. SWALLOW HEATING CONTRACTORS INC.				
Address			City	Province	Postal Code
2759 FENTON ROAD UNIT #14			OTTAWA	ON	K1T3T8

Individual Debtor	Date of Birth	First Given Name	Initial	Surname	
Business Debtor	Business Debtor Name			Ontario Corporation Number	
Address			City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant								
ADDISON LEASING OF CANADA LTD									
Address						City	Province	Postal Code	
2233 ARGENTIA ROAD SUITE 303 EAST TOWER						MISSISSAUGA	ON	L5N2X7	

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X					X	59473		X

Motor Vehicle Description	Year	Make	Model			V.I.N.				
	2025	CHEVROLET	SILVERADO 1500			3GCUKFED4SG271264				

General Collateral Description				
General Collateral Description				
Registering Agent				
Registering Agent				
ADDISON LEASING OF CANADA LTD				
Address				
2233 ARGENTIA ROAD SUITE 303 EAST TOWER		City	Province	Postal Code
		MISSISSAUGA	ON	L5N2X7

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	J.D. SWALLOW HEATING CONTRACTORS INC.						
File Currency	15APR 2026						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	521733816	12	13	22	31	05NOV 2031	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
521733816		01	005		20251105 1406 1462 7673	P PPSA	6

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	J.D. SWALLOW HEATING CONTRACTORS INC.			
	Address	City	Province	Postal Code
	14-2759 FENTON ROAD	OTTAWA	ON	K1T3T8

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	SOMERVILLE NATIONAL LEASING & RENTALS LTD.			
	Address	City	Province	Postal Code
	75 ARROW ROAD	TORONTO	ON	M9M2L4

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
			X		X	X	92000		X

Motor Vehicle Description	Year	Make	Model	V.I.N.
	2025	FORD	TRANSIT	1FTBR1C87SKA33462

General Collateral Description	General Collateral Description
	PURSUANT TO LEASE AGREEMENT UNIT#FL7663, ALL PRESENT AND FUTURE
	EQUIPMENT ENCOMPASSED BY LEASE AGREEMENT UNIT#FL7663 TOGETHER WITH
	ALL ATTACHMENTS ACCESSORIES, ACCESSIONS, REPLACEMENTS,

Registering Agent	Registering Agent			
	PPSA CANADA INC. - (7926)			
	Address	City	Province	Postal Code
	110 SHEPPARD AVE EAST, SUITE 303	TORONTO	ON	M2N6Y8

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	J.D. SWALLOW HEATING CONTRACTORS INC.						
File Currency	15APR 2026						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	521733816	12	13	23	31	05NOV 2031	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
521733816		02	005		20251105 1406 1462 7673	P PPSA	6

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	Address	City	Province	Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description
	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

Registering Agent	Registering Agent			
	PPSA CANADA INC. - (7926)			
	Address	City	Province	Postal Code
	110 SHEPPARD AVE EAST, SUITE 303	TORONTO	ON	M2N6Y8

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	J.D. SWALLOW HEATING CONTRACTORS INC.								
File Currency	15APR 2026								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	521733816	12	13	24	31	05NOV 2031			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
521733816		03	005		20251105 1406 1462 7673	P PPSA	6		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	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								
Registering Agent	Registering Agent								
	PPSA CANADA INC. - (7926)								
	Address				City	Province	Postal Code		
	110 SHEPPARD AVE EAST, SUITE 303				TORONTO	ON	M2N6Y8		

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	J.D. SWALLOW HEATING CONTRACTORS INC.						
File Currency	15APR 2026						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status

	521733816	12	13	25	31	05NOV 2031			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule		Registration Number	Registered Under	Registration Period	
521733816		04	005			20251105 1406 1462 7673	P PPSA	6	
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name						Ontario Corporation Number		
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name						Ontario Corporation Number		
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	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								
Registering Agent	Registering Agent								
	PPSA CANADA INC. - (7926)								
	Address				City	Province	Postal Code		
	110 SHEPPARD AVE EAST, SUITE 303				TORONTO	ON	M2N6Y8		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	J.D. SWALLOW HEATING CONTRACTORS INC.								
File Currency	15APR 2026								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	521733816	12	13	26	31	05NOV 2031			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule		Registration Number	Registered Under	Registration Period	
521733816		05	005			20251105 1406 1462 7673	P PPSA	6	

Individual Debtor	Date of Birth	First Given Name			Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number				
	Address				City	Province	Postal Code			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number				
	Address				City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant									
	Address				City	Province	Postal Code			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
Motor Vehicle Description	Year	Make			Model		V.I.N.			
General Collateral Description	General Collateral Description									
	2025 FORD TRANSIT CARGO									
Registering Agent	Registering Agent									
	PPSA CANADA INC. - (7926)									
	Address				City	Province	Postal Code			
	110 SHEPPARD AVE EAST, SUITE 303				TORONTO	ON	M2N6Y8			

END OF FAMILY

Type of Search	Business Debtor									
Search Conducted On	J.D. SWALLOW HEATING CONTRACTORS INC.									
File Currency	15APR 2026									
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status			
	521733825	13	13	27	31	05NOV 2031				

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN							
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
521733825		01	005		20251105 1406 1462 7674	P PPSA	6

Individual Debtor	Date of Birth	First Given Name			Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number				
	J.D. SWALLOW HEATING CONTRACTORS INC.									
	Address				City	Province	Postal Code			
	14-2759 FENTON ROAD				OTTAWA	ON	K1T3T8			

Individual Debtor	Date of Birth	First Given Name			Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number				
	Address				City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant									
	SOMERVILLE NATIONAL LEASING & RENTALS LTD.									
	Address				City	Province	Postal Code			
	75 ARROW ROAD				TORONTO	ON	M9M2L4			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
			X		X	X	92000		X	
Motor Vehicle Description	Year	Make			Model		V.I.N.			
	2025	FORD			TRANSIT		1FTBR1C88SKA33163			
General Collateral Description	General Collateral Description									
	PURSUANT TO LEASE AGREEMENT UNIT#FL7662, ALL PRESENT AND FUTURE									
	EQUIPMENT ENCOMPASSED BY LEASE AGREEMENT UNIT#FL7662 TOGETHER WITH									
	ALL ATTACHMENTS ACCESSORIES, ACCESSIONS, REPLACEMENTS,									
Registering Agent	Registering Agent									
	PPSA CANADA INC. - (7926)									
	Address				City	Province	Postal Code			
	110 SHEPPARD AVE EAST, SUITE 303				TORONTO	ON	M2N6Y8			

CONTINUED

Type of Search	Business Debtor									
Search Conducted On	J.D. SWALLOW HEATING CONTRACTORS INC.									
File Currency	15APR 2026									
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status			
	521733825	13	13	28	31	05NOV 2031				

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
521733825		02	005		20251105 1406 1462 7674	P PPSA	6

Individual Debtor	Date of Birth	First Given Name			Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number				
	Address				City	Province	Postal Code			

Individual Debtor	Date of Birth	First Given Name			Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number				
	Address				City	Province	Postal Code			

Secured Party										Secured Party / Lien Claimant																			
Address										City					Province					Postal Code									
Collateral Classification		Consumer Goods			Inventory			Equipment			Accounts			Other			Motor Vehicle Included			Amount			Date of Maturity or			No Fixed Maturity Date			
Motor Vehicle Description		Year			Make						Model						V.I.N.												
General Collateral Description		General Collateral Description																											
		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																											
Registering Agent		Registering Agent																											
		PPSA CANADA INC. - (7926)																											
Address										City					Province					Postal Code									
110 SHEPPARD AVE EAST, SUITE 303										TORONTO					ON					M2N6Y8									

CONTINUED

Type of Search		Business Debtor																													
Search Conducted On		J.D. SWALLOW HEATING CONTRACTORS INC.																													
File Currency		15APR 2026																													
		File Number			Family			of Families			Page			of Pages			Expiry Date			Status											
		521733825			13			13			29			31			05NOV 2031														
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN																															
File Number		Caution Filing			Page of			Total Pages			Motor Vehicle Schedule			Registration Number			Registered Under			Registration Period											
521733825					03			005						20251105 1406 1462 7674			P PPSA			6											
Individual Debtor		Date of Birth						First Given Name						Initial			Surname														
Business Debtor		Business Debtor Name																								Ontario Corporation Number					
Address										City					Province					Postal Code											
Individual Debtor		Date of Birth						First Given Name						Initial			Surname														
Business Debtor		Business Debtor Name																								Ontario Corporation Number					
Address										City					Province					Postal Code											
Secured Party		Secured Party / Lien Claimant																													
Address										City					Province					Postal Code											

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	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								
Registering Agent	Registering Agent								
	PPSA CANADA INC. - (7926)								
	Address					City	Province	Postal Code	
	110 SHEPPARD AVE EAST, SUITE 303					TORONTO	ON	M2N6Y8	

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	J.D. SWALLOW HEATING CONTRACTORS INC.								
File Currency	15APR 2026								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	521733825	13	13	30	31	05NOV 2031			

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
521733825		04	005		20251105 1406 1462 7674	P PPSA	6

Individual Debtor	Date of Birth	First Given Name			Initial	Surname
Business Debtor	Business Debtor Name					Ontario Corporation Number
	Address			City	Province	Postal Code

Individual Debtor	Date of Birth	First Given Name			Initial	Surname
Business Debtor	Business Debtor Name					Ontario Corporation Number
	Address			City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant								
	Address					City	Province	Postal Code	

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.
General Collateral Description	General Collateral Description			
	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			
Registering Agent	Registering Agent			
	PPSA CANADA INC. - (7926)			
	Address	City	Province	Postal Code
	110 SHEPPARD AVE EAST, SUITE 303	TORONTO	ON	M2N6Y8

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	J.D. SWALLOW HEATING CONTRACTORS INC.								
File Currency	15APR 2026								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	521733825	13	13	31	31	05NOV 2031			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
521733825		05	005		20251105 1406 1462 7674	P PPSA	6		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	Address			City	Province	Postal Code			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make	Model	V.I.N.					
General Collateral Description	General Collateral Description								
	2025 FORD TRANSIT CARGO								

Registering Agent	Registering Agent			
	PPSA CANADA INC. - (7926)			
	Address	City	Province	Postal Code
	110 SHEPPARD AVE EAST, SUITE 303	TORONTO	ON	M2N6Y8

LAST PAGE

Note: All pages have been returned.

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THIS IS **EXHIBIT "C"** REFERRED TO IN THE
AFFIDAVIT OF **SPENCER ROSS** SWORN REMOTELY BY **SPENCER ROSS** STATED AS
BEING LOCATED IN THE CITY OF TORONTO BEFORE ME AT THE CITY OF TORONTO, IN
THE PROVINCE OF ONTARIO THIS 28TH DAY OF APRIL 2026, IN ACCORDANCE WITH O.
REG 431/20, *ADMINISTERING OATH OR DECLARATION REMOTELY*



A COMMISSIONER FOR TAKING AFFIDAVITS

PPSA SUMMARY OF J.D. SWALLOW CONTRACTORS INC.

	Secured Party	Prov.	Reg. No.	Reg. Date	Reg. Period	Collateral
1.	National Bank of Canada	ON	20231129 1437 15900254	11/29/2023	7	Inventory, Equipment, Accounts, Other, Motor Vehicle
2.			20240125 1049 1590 8032	01/25/2024	7	Inventory, Equipment, Accounts, Other, Motor Vehicle
3.			20240815 1028 1590 4569	08/15/2024	7	Inventory, Equipment, Accounts, Other, Motor Vehicle
4.	Royal Bank of Canada	ON	20240603 1806 1532 9692	06/03/2024	8	Consumer Goods, Motor Vehicle 2024 Tesla Model 3 LRW3E7EB3RC101026
5.	Scherer Leasing Inc.	ON	20240904 1122 1901 1620	09/04/2024	2	Equipment, Motor Vehicle 2020 Dodge RAM Promaster 3C6TRVVG2LE146442
6.			20240904 1122 1902 5677	09/04/2024	2	Equipment, Motor Vehicle 2020 Dodge RAM Promaster 3C6TRVVG9LE146437
7.			20240904 1123 1902 5678	09/04/2024	2	Equipment, Motor Vehicle 2021 Dodge RAM Promaster 3C6LRVVG5ME531012
8.			20250305 1509 1902 9180	09/04/2024	2	Equipment, Motor Vehicle 2021 Dodge RAM Promaster 2500 3C6LRVVG9ME543888

	Secured Party	Prov.	Reg. No.	Reg. Date	Reg. Period	Collateral
9.			20250305 1510 1901 6778	03/05/2025	2	Equipment, Motor Vehicle 2021 Dodge RAM Promaster 2500 3C6LRVVG1ME532397
10.			20250305 1510 1902 9183	03/05/2025	2	Equipment, Motor Vehicle 2021 Dodge RAM Promaster 2500 3C6LRVVG7ME543887
11.	Addison Leasing of Canada Ltd.	ON	20250728 1002 1462 5914	07/28/2025	6	Consumer Goods., Motor Vehicle 2025 Chevrolet Silverado 1500 3GCUKFED4SG271264
12.	Sommerville National Leasing & Rentals Ltd.	ON	20251105 1406 1462 7673	11/05/2025	6	Equipment, Motor Vehicle 2025 Ford Transit 1FTBR1C87SKA33462 Pursuant to lease agreement unit#fl7663, all present and future equipment encompassed by lease agreement unit#fl7663 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

	Secured Party	Prov.	Reg. No.	Reg. Date	Reg. Period	Collateral
						rights, accounts, rental payments, securities, intangibles, documents of title and money and all proceeds of 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.
13.			20251105 1406 1462 7674	11/05/2025	6	Equipment, Other, Motor Vehicle 2025 Ford Transit 1FTBR1C88SKA33163 GC description same as above.

THIS IS **EXHIBIT "D"** REFERRED TO IN THE
AFFIDAVIT OF **SPENCER ROSS** SWORN REMOTELY BY **SPENCER ROSS** STATED AS
BEING LOCATED IN THE CITY OF TORONTO BEFORE ME AT THE CITY OF TORONTO, IN
THE PROVINCE OF ONTARIO THIS 28TH DAY OF APRIL 2026, IN ACCORDANCE WITH O.
REG 431/20, *ADMINISTERING OATH OR DECLARATION REMOTELY*



A COMMISSIONER FOR TAKING AFFIDAVITS

District of: Ontario
 Division No. 12 - Ottawa
 Court No.
 Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 J.D. Swallow Heating Contractors Inc.
 of the City of Gloucester, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Addison Leasing of Canada Ltd. Bob Loucks	2233 Argentia Road. Suite 303 East Tower Mississauga ON L5N 2X7		250.00
Advanced Prefabs/Fireplace Center	819 Boyd Avenue Ottawa ON K2A 2C8		2,184.77
B&N Transmission	1086 Gladstone Avenue Ottawa ON K1Y 3G9		7,890.37
Bell Canada - Fibe	P. O. Box 3650 Toronto ON Toronto ON M3C 3X9		250.00
Bell Media Inc - CFGO -AM	87 George Street Ottawa ON CA Ottawa ON K1N 9H7		7,712.26
Bluenose Maintenance	1-197 Nancy Elliott Gatineau QC J9H 0K3		250.00
BOONE	1282 Algoma Road Ottawa ON K1B 3W8		93,699.65
Capital Sports & Entertainment	1000 Palladium Dr. Kanata ON K2V 1A5		7,076.63
Carrier Enterprise Canada L.P.	PO Box 57421 Station A Toronto ON M5W 5M5		1,220.51
City Electric Supply	10 Perdue Court Unit 6 Toronto ON L7C 3M6		11,410.98
Compass Group Canada Operations Ltd.	1 Prologis Blvd Mississauga Mississauga ON L5W 0G2		491.44
CONVEX	1771 WOODWARD DRIVE Ottawa ON K2C 0P9		9,146.66
CRA - Tax - Ontario	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-Sud QC G9P 5H9		250.00

District of: Ontario
 Division No. 12 - Ottawa
 Court No.
 Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 J.D. Swallow Heating Contractors Inc.
 of the City of Gloucester, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Daikin Comfort Technologies	Post Office Box 15171, Station A Toronto ON M5W 1C1		4,625.79
Davidson Fire Extinguishers Sales & Service	144 Percy Street Ottawa ON K1R 6E3		589.64
DigelAir HVAC Supply Inc.	49 Grenfell Crescent Ottawa ON K2G 0G3		26,380.62
Electrical Safety Authority	400 Sheldon Unit 1 Cambridge ON N1T 2H9		250.00
Employees of J.D. Swallow Heating Contractors Inc.	20 Wellington Street East, Suite 500 Toronto ON M5E 1C5		250.00
Furlong SEO Marketing Corp.	22 Holland Rd Landsdowne ON K0E 1L0		864.45
Great Canadian Oil Change	540 Unit 3 Laderoute Ave. Ottawa ON K1Z 5V8		673.03
Heating Parts Central Inc.	1305 Meyerside Drive Mississauga ON L5T 1C9		3,901.63
J.R. Willis Electrical Contracting Ltd.	1020 Allen Road Osgoode ON K0A2W0		2,615.95
KalTire	1780 Queensdale Ave Ottawa ON K1T1J8		4,228.08
King Home Canada	51 Four Valley Dr Concord ON L4K 4V8		30,135.97
Lennox Industries (Canada) ULC	P.O. Box 3509 STA A Toronto ON M5W 3G4		80,038.38
Master Group	25H North Side Road Nepean Ontario Nepean ON K2H 8S1		18,780.32
National Bank of Canada	130 King Street West, Exchange Tower 29th Floor Toronto ON M5X 1J9		477,595.30
NeoLore Networks Inc.	2781 Lancaster Rd Ottawa ON K1B 1A7		4,585.01

District of: Ontario
Division No. 12 - Ottawa
Court No.
Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
J.D. Swallow Heating Contractors Inc.
of the City of Gloucester, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Noble Corporation	7171 Jane Street Concord ON L4K 1A7		5,074.23
Petro Canada	P.O. Box 8500 Don Mills ON M3C 3B2		6,998.80
Royal Bank of Canada	10 York Mills Road, 3rd Floor Toronto ON M2P 0A2		250.00
Scherer Leasing Inc.	1225 Courtland Ave. E Kitchener ON N2C 2N8		250.00
Service Titan	800 N Brand Blvd #100 Glendale CA 91203		250.00
Somerville National Leasing & Rentals Ltd. Manager on Duty	75 Arrow Road Toronto ON M8M 2L4		250.00
Stagra Automotive Ltd	1375 Greely Lane Greely ON K4P 1A1		367.68
TML Supply Company	1517 Laperriere Avenue Ottawa ON K1Z 7T1		26,164.20
Tomlinson Enviromental Services Ltd.	100 Citigate Drive Ottawa ON K2J 6K7		3,363.70
Wolseley	PO Box 4220 Stn Main Concord ON L4K 0L6		3,768.83
Total			844,048.88



J.D. Swallow Heating Contractors Inc.
Insolvent Person

THIS IS **EXHIBIT "E"** REFERRED TO IN THE
AFFIDAVIT OF **SPENCER ROSS** SWORN REMOTELY BY **SPENCER ROSS** STATED AS
BEING LOCATED IN THE CITY OF TORONTO BEFORE ME AT THE CITY OF TORONTO, IN
THE PROVINCE OF ONTARIO THIS 28TH DAY OF APRIL 2026, IN ACCORDANCE WITH O.
REG 431/20, *ADMINISTERING OATH OR DECLARATION REMOTELY*

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A COMMISSIONER FOR TAKING AFFIDAVITS



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of: Ontario
Division No.: 12 - Ottawa
Court No.: 33-3354829
Estate No.: 33-3354829

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

J.D. Swallow Heating Contractors Inc.

Insolvent Person

BDO CANADA LIMITED / BDO CANADA LIMITÉE

Licensed Insolvency Trustee

Date of the Notice of Intention:

April 01, 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: April 01, 2026, 13:38

E-File/Dépôt Electronique

Official Receiver

CD Howe Building A/S Ottawa Division, 235 Queen St., Ottawa, Ontario, Canada, K1A0H5, (877)376-9902

Canada

THIS IS **EXHIBIT "F"** REFERRED TO IN THE
AFFIDAVIT OF **SPENCER ROSS** SWORN REMOTELY BY **SPENCER ROSS** STATED AS
BEING LOCATED IN THE CITY OF TORONTO BEFORE ME AT THE CITY OF TORONTO, IN
THE PROVINCE OF ONTARIO THIS 28TH DAY OF APRIL 2026, IN ACCORDANCE WITH O.
REG 431/20, *ADMINISTERING OATH OR DECLARATION REMOTELY*

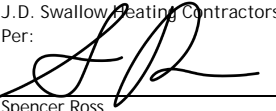
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A COMMISSIONER FOR TAKING AFFIDAVITS

IN THE MATTER OF THE PROPOSAL OF
J.D. SWALLOW HEATING CONTRACTORS INC.
IN THE CITY OF GLOUCESTER
IN THE PROVINCE OF ONTARIO

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	65,614	65,614	65,614	65,614	87,486	87,486	87,486	87,486	131,229	147,632	147,632	147,632	103,343	1,289,870
Total Cash Receipts	65,614	65,614	65,614	65,614	87,486	87,486	87,486	87,486	131,229	147,632	147,632	147,632	103,343	1,289,870
<u>Cash Disbursements:</u>														
Direct Labour	-	29,796	-	31,026	-	35,948	-	40,869	-	50,711	-	50,711	-	239,061
Office Wages	-	26,667	-	26,667	-	26,667	-	26,667	-	26,667	-	26,667	-	160,000
Commissions	-	7,044	-	7,350	-	8,575	-	9,800	-	9,800	-	9,800	-	52,369
Benefits	-	7,845	-	7,845	-	9,847	-	9,344	-	13,007	-	13,007	-	60,896
Marketing	6,589	6,589	6,589	6,589	6,896	6,896	6,896	6,896	7,510	7,510	7,510	7,510	5,824	89,804
Equipment	18,342	18,342	18,342	18,342	22,935	22,935	22,935	22,935	32,121	35,566	35,566	35,566	21,702	325,626
Materials	7,874	7,874	7,874	7,874	10,498	10,498	10,498	10,498	15,747	17,716	17,716	17,716	12,401	154,784
Subcontractors	984	984	984	984	1,312	1,312	1,312	1,312	1,968	2,214	2,214	-	-	15,583
Truck Costs	-	-	3,473	4,571	-	-	3,473	4,571	-	-	3,473	4,571	3,737	27,869
Fuel & Other Truck Costs	4,212	4,212	4,212	4,212	4,212	4,212	4,212	4,212	4,212	4,212	4,212	4,212	4,212	54,753
Insurance	-	-	-	-	759	-	-	-	759	-	-	-	759	2,276
Rent	-	-	-	-	7,741	-	-	-	7,741	-	-	-	7,741	23,224
Software	-	-	-	14,000	-	-	-	-	14,000	-	-	-	14,000	42,000
Office Costs	1,618	1,618	1,618	1,618	1,618	1,618	1,618	1,618	1,618	1,618	1,618	1,618	1,294	20,711
HST Remittances	-	-	-	15,000	-	-	-	-	15,000	-	-	-	15,000	45,000
Critical Vendor Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring Fees	20,000	5,000	-	5,000	-	5,000	-	5,000	-	5,000	-	5,000	-	50,000
Total Cash Disbursements	59,618	115,970	43,091	151,078	55,971	133,508	50,944	143,721	100,677	174,021	72,309	176,378	86,670	1,363,956
Net Cash Flow	5,996	(50,356)	22,523	(85,463)	31,515	(46,022)	36,542	(56,235)	30,552	(26,389)	75,323	(28,745)	16,672	(74,086)
Opening Cash Balance	-	5,996	(44,359)	(21,836)	(107,300)	(75,785)	(121,806)	(85,265)	(141,500)	(110,948)	(137,337)	(62,013)	(90,758)	-
Net Cash Flow	5,996	(50,356)	22,523	(85,463)	31,515	(46,022)	36,542	(56,235)	30,552	(26,389)	75,323	(28,745)	16,672	(74,086)
Ending Cash Balance	5,996	(44,359)	(21,836)	(107,300)	(75,785)	(121,806)	(85,265)	(141,500)	(110,948)	(137,337)	(62,013)	(90,758)	(74,086)	(74,086)

J.D. Swallow Heating Contractors Inc.
Per: 
Spencer Ross
Director

10-Apr-26
Date

BDO Canada Limited
Per: 
Josie Parisi, CPA, CA, CBV, CIRP, LIT
Senior Vice President

10-Apr-26
Date

This statement of projected cash flow for J.D. Swallow Heating Contractors 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 10, 2026.

THIS IS **EXHIBIT "G"** REFERRED TO IN THE
AFFIDAVIT OF **SPENCER ROSS** SWORN REMOTELY BY **SPENCER ROSS** STATED AS
BEING LOCATED IN THE CITY OF TORONTO BEFORE ME AT THE CITY OF TORONTO, IN
THE PROVINCE OF ONTARIO THIS 28TH DAY OF APRIL 2026, IN ACCORDANCE WITH O.
REG 431/20, *ADMINISTERING OATH OR DECLARATION REMOTELY*

A handwritten signature in blue ink, appearing to be 'SR', is centered on the page.

A COMMISSIONER FOR TAKING AFFIDAVITS

April 28, 2026

VIA E-MAIL

J.D. Swallow Heating Contractors Inc.

2759 Fenton Road

Gloucester, ON K1T 3T8

Attention: Spencer Ross

Dear Mr. Ross:

**Re: Interim Financing for J.D. Swallow Heating Contractors Inc. (the “Debtor”) from
17891750 Canada Inc. (the “DIP Lender”)**

RECITALS:

1. The Debtor commenced a proposal proceeding under the *Bankruptcy and Insolvency Act* (the “**Proposal Proceeding**”) pursuant to a notice of intention to make a proposal filed on April 1, 2026 (the “**Filing Date**”). BDO Canada Limited has been appointed as the proposal 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 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 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:

ACKNOWLEDGMENTS BY DEBTOR

5. **Acknowledgments by Debtor.** To induce the DIP Lender to enter into this Agreement, the Debtor represents, warrants, acknowledges and agrees that each of the Recitals to this Agreement is true and correct.

TERMS OF INTERIM FINANCING

6. **Interim Facility and Purpose.** Subject to the issuance of the Interim Financing Order (as defined below) by the Ontario Superior Court of Justice (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 \$150,000 (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 \$10,000.

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) conducting a claims process in accordance with any Court order.

7. **Fees and Interest Rate.** The amount outstanding from time to time under the Interim Facility shall bear interest at a rate equal to 9% 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.
8. **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.
9. **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 \$150,000 (the “**Administration Charge**”) and any permitted liens specifically approved by the DIP Lender.

10. **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, *inter alia*, approving 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) \$150,000, 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.
11. **Sale Process.** The Debtor or the Trustee shall conduct a sale process for the Debtor's property and business (the "**Sale Process**"). 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**").
12. **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).
13. **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 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

14. **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;
 - (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 \$150,000 at any time;
 - (f) the amount outstanding under the Interim Facility exceeds \$150,000 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, or 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.
15. **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, 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) 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 (iii) 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

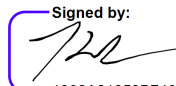
16. **Further Assurances.** The Debtor shall, at its expense, from time to time do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits, reports and opinions) and things as the DIP Lender may reasonably request for the purpose of giving effect to this Agreement.
17. **Governing Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein. Any disputes arising in respect of this Agreement shall be heard by the Court.
18. **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.
19. **Amendments and Waivers.** No waiver or delay on the part of the DIP Lender in exercising any right or privilege hereunder 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.
20. **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.
21. **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

22. 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 28, 2026 at 5:00 p.m. (EST)**. The parties may execute this Agreement in counterparts.

Yours truly,

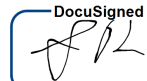
17891750 Canada Inc.

Signed by:

1302A21853B746D...
Ken Turner

Agreed to this 28th day of April, 2026.

J.D. SWALLOW HEATING CONTRACTORS INC.

By:

DocuSigned by:

D31400A7E7344D9...
Name: Spencer Ross
Title: Director

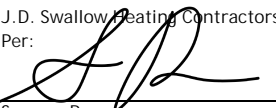
I have authority to bind the
Corporation.

SCHEDULE "A"

IN THE MATTER OF THE PROPOSAL OF
J.D. SWALLOW HEATING CONTRACTORS INC.
IN THE CITY OF GLOUCESTER
IN THE PROVINCE OF ONTARIO

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
Cash Receipts:														
AR Collections	65,614	65,614	65,614	65,614	87,486	87,486	87,486	87,486	131,229	147,632	147,632	147,632	103,343	1,289,870
Total Cash Receipts	65,614	65,614	65,614	65,614	87,486	87,486	87,486	87,486	131,229	147,632	147,632	147,632	103,343	1,289,870
Cash Disbursements:														
Direct Labour	-	29,796	-	31,026	-	35,948	-	40,869	-	50,711	-	50,711	-	239,061
Office Wages	-	26,667	-	26,667	-	26,667	-	26,667	-	26,667	-	26,667	-	160,000
Commissions	-	7,044	-	7,350	-	8,575	-	9,800	-	9,800	-	9,800	-	52,369
Benefits	-	7,845	-	7,845	-	9,847	-	9,344	-	13,007	-	13,007	-	60,896
Marketing	6,589	6,589	6,589	6,589	6,896	6,896	6,896	6,896	7,510	7,510	7,510	7,510	5,824	89,804
Equipment	18,342	18,342	18,342	18,342	22,935	22,935	22,935	22,935	32,121	35,566	35,566	35,566	21,702	325,626
Materials	7,874	7,874	7,874	7,874	10,498	10,498	10,498	10,498	15,747	17,716	17,716	17,716	12,401	154,784
Subcontractors	984	984	984	984	1,312	1,312	1,312	1,312	1,968	2,214	2,214	-	-	15,583
Truck Costs	-	-	3,473	4,571	-	-	3,473	4,571	-	-	3,473	4,571	3,737	27,869
Fuel & Other Truck Costs	4,212	4,212	4,212	4,212	4,212	4,212	4,212	4,212	4,212	4,212	4,212	4,212	4,212	54,753
Insurance	-	-	-	-	759	-	-	-	759	-	-	-	759	2,276
Rent	-	-	-	-	7,741	-	-	-	7,741	-	-	-	7,741	23,224
Software	-	-	-	14,000	-	-	-	-	14,000	-	-	-	14,000	42,000
Office Costs	1,618	1,618	1,618	1,618	1,618	1,618	1,618	1,618	1,618	1,618	1,618	1,618	1,294	20,711
HST Remittances	-	-	-	15,000	-	-	-	-	15,000	-	-	-	15,000	45,000
Critical Vendor Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring Fees	20,000	5,000	-	5,000	-	5,000	-	5,000	-	5,000	-	5,000	-	50,000
Total Cash Disbursements	59,618	115,970	43,091	151,078	55,971	133,508	50,944	143,721	100,677	174,021	72,309	176,378	86,670	1,363,956
Net Cash Flow	5,996	(50,356)	22,523	(85,463)	31,515	(46,022)	36,542	(56,235)	30,552	(26,389)	75,323	(28,745)	16,672	(74,086)
Opening Cash Balance	-	5,996	(44,359)	(21,836)	(107,300)	(75,785)	(121,806)	(85,265)	(141,500)	(110,948)	(137,337)	(62,013)	(90,758)	-
Net Cash Flow	5,996	(50,356)	22,523	(85,463)	31,515	(46,022)	36,542	(56,235)	30,552	(26,389)	75,323	(28,745)	16,672	(74,086)
Ending Cash Balance	5,996	(44,359)	(21,836)	(107,300)	(75,785)	(121,806)	(85,265)	(141,500)	(110,948)	(137,337)	(62,013)	(90,758)	(74,086)	(74,086)

J.D. Swallow Heating Contractors Inc.
Per: 
Spencer Ross
Director

10-Apr-26
Date

BDO Canada Limited
Per: 
Josie Parisi, CPA, CA, CBV, CIRP, LIT
Senior Vice President

10-Apr-26
Date

This statement of projected cash flow for J.D. Swallow Heating Contractors 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 10, 2026.

THIS IS **EXHIBIT "H"** REFERRED TO IN THE
AFFIDAVIT OF **SPENCER ROSS** SWORN REMOTELY BY **SPENCER ROSS** STATED AS
BEING LOCATED IN THE CITY OF TORONTO BEFORE ME AT THE CITY OF TORONTO, IN
THE PROVINCE OF ONTARIO THIS 28TH DAY OF APRIL 2026, IN ACCORDANCE WITH O.
REG 431/20, *ADMINISTERING OATH OR DECLARATION REMOTELY*

A handwritten signature in blue ink, appearing to be 'SR', is centered on the page. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

A COMMISSIONER FOR TAKING AFFIDAVITS

SALE PROCESS J.D. SWALLOW HEATING CONTRACTORS INC.

INTRODUCTION

On April 1, 2026, J.D. Swallow Heating Contractors Inc. (“**J.D.S**” 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 30, 2026, the Company intends to seek an order (the “**Initial Proposal Order**”) from the Ontario Superior Court of Justice (the “**Court**”) that approves, among other things:

- the Sale Process (the “**Sale Process**”) for the marketing and sale of the Company’s business and assets (together, the “**Property**”);
- the engagement of BDO Canada Transaction Advisory Services Inc. as sales agent (the “**Sales Agent**”) to assist the Proposal Trustee with carrying out the Sale Process;
- a stalking horse asset purchase agreement (the “**Stalking Horse Agreement**”) between the Company, as vendor, and 17891750 Canada Inc., 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 Toronto, Ontario. If any deadline date referred to in the Sale Process falls on a day that is not a Business Day, then such date shall be extended until the next Business Day; and (ii) the words “include”, “includes” and “including” shall be deemed to be followed by the phrase, “without limitation”.

THE OPPORTUNITY

1. The Sale Process is intended to solicit interest in, and opportunities for, a sale of all or substantially all or part of the Property as a going concern or otherwise, or some combination thereof that is superior to the Stalking Horse Bid (the “**Opportunity**”).
2. In the context of the Sale Process, a bid that is superior to the Stalking Horse Bid (a “**Superior Bid**”) means a credible, reasonably certain and financially viable Qualified Bid (as defined below), the terms of which are, as determined by the Proposal Trustee (in consultation with the Sales Agent), acting reasonably, no less favourable and no more burdensome or conditional than the terms contained in the Stalking Horse Agreement, and which has a proposed purchase price that is equal to or greater than the Purchase Price (as defined in the Stalking Horse Agreement) plus a minimum additional amount of \$40,000.
3. The Initial Proposal Order, the procedures in respect of the Sale Process as contained herein (the “**Sale Process Procedures**”) and any subsequent orders issued by the Court pertaining to the Sale Process Procedures shall exclusively govern the process for soliciting and selecting bids in respect of the Opportunity.
4. The Sale Process contemplates a one stage process that involves the submission by interested parties of binding offers by the Bid Deadline (as defined below).

“AS IS, WHERE IS”

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

TIMELINE

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

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

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

SOLICITATION OF INTEREST

8. As soon as reasonably practicable:
- (a) the Sales Agent, with the approval of the Proposal Trustee, will prepare a list of potential bidders, including: (i) parties that have approached the Proposal Trustee or the Sales Agent indicating an interest in the Opportunity; (ii) any parties identified by the Company and/or its advisors as potential bidders; and (iii) domestic and international strategic and financial parties who the Proposal Trustee believes may be interested in the Opportunity (collectively, “**Known Potential Bidders**”);
 - (b) the Proposal Trustee will arrange for a notice of the Sale Process (and such other relevant information which the Proposal Trustee considers appropriate) (the “**Notice**”) to be published in *The Globe and Mail* (National Edition) and any other newspaper or journal as the Proposal Trustee

considers appropriate, if any, as soon as possible and by no later than five (5) Business Days after issuance of the Initial Proposal Order; and

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

POTENTIAL BIDDERS

Delivery of Confidential Information Package

- 9. Any party who wishes to participate in the Sale Process (a “**Potential Bidder**”) must provide to the Sales Agent, the following:
 - (a) an executed NDA;
 - (b) a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder, and full disclosure of the direct and indirect principals of the Potential Bidder; and
 - (c) subject to the request of the Proposal Trustee, such form of financial disclosure and credit quality support or enhancement that allows the Proposal Trustee to make a reasonable determination as to the Potential Bidder’s financial and other capabilities to consummate a transaction in respect of the Opportunity.
- 10. If the Proposal Trustee determines, exercising its reasonable business judgment, that a Potential Bidder has: (i) delivered the documents contemplated in paragraph 9; (ii) the financial capability based on the availability of financing, experience and other considerations, to be able to consummate a transaction in respect of the Opportunity pursuant to the Sale Process; and (iii) complies with all requirements set forth in paragraph 24, then such Potential Bidder shall be deemed to be a “**Qualified Bidder**.” For greater certainty, no Potential Bidder shall be deemed to be a Qualified Bidder without the approval of the Proposal Trustee.
- 11. The Sales Agent, with the approval of the Proposal Trustee, will prepare and share with each Qualified Bidder a confidential information package providing additional information considered relevant to the potential transaction (the “**Confidential Information Package**”) and a copy of the Stalking Horse Agreement.

12. Without limiting the generality of any term or condition of any NDA, unless otherwise agreed by the Sales Agent and the Proposal Trustee, no Potential Bidder or Qualified Bidder shall be permitted to have any discussions with: (a) any counterparty to any contract with the Company, any creditor of the Company, any current or former director, manager, shareholder, officer, member or employee of the Company (or any of them), other than in the normal course of business and which discussions shall be wholly unrelated to the Company, the potential transaction, the confidential information, the Sale Process or the NOI Proceedings; and (b) any other Potential Bidder or Qualified Bidder regarding the Sale Process or any bids submitted or contemplated to be submitted pursuant thereto. Notwithstanding the foregoing, where any such communications are agreed to with the consent of the Sales Agent and the Proposal Trustee, such discussions shall be made in the presence of one or both of the Sales Agent and the Proposal Trustee.
13. The Sales Agent, Proposal Trustee, and each of their advisors make no representation or warranty as to the completeness and accuracy of the information contained in the Confidential Information Package or otherwise made available pursuant to the Sale Process, except to the extent expressly contemplated in any definitive transaction document between the Successful Bidder (defined below) and the Company. None of the Sales Agent, the Proposal Trustee or the Company is responsible for, and will bear no liability with respect to, any information provided and obtained by any party in connection with the Company or the sale of the Property.
14. Qualified Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property in connection with their participation in the Sale Process and any transaction they enter into with the Company.

Insider Participation

15. Neither the Sales Agent nor the Proposal Trustee shall furnish any information to any officer, director, or employee of, or other non-arms' length party in relation to, the Company (each, an "**Insider**") where the Insider's receipt of such information might create an unfair advantage or jeopardize the integrity of the Sale Process, unless such Insider irrevocably confirms in writing to the Sales Agent that he, she or it will not submit or participate directly or indirectly in the submission of a Bid (an "**Insider Notice**") by no later than May 8, 2026 (the "**Insider Notice Deadline**").
16. Any Insider who has delivered an Insider Notice by the Insider Notice Deadline shall not be entitled to participate directly or indirectly as a Potential Bidder, Qualified Bidder, or Successful Bidder in the Sale Process and shall thereafter be entitled to receive such updates and information regarding the status of the Sale Process as the Proposal Trustee, in consultation with the Sales Agent deems appropriate.

17. The Stalking Horse Bidder is an Insider within the meaning of paragraph 15.
18. For greater certainty, any Insider who participates in the submission of a Bid, including the Stalking Horse Bidder: (i) shall not be provided with information about the identities of other Potential Bidders or Qualified Bidders or the terms of any Bid or Qualified Bid; and (ii) shall not participate in the review or consideration by the Proposal Trustee, with the assistance of the Sales Agent, of any Bids, the determination of any Qualified Bids, the selection of a Successful Bid(s), or the negotiation of final transaction document(s).
19. Despite the restrictions described in paragraph 18 above, the Proposal Trustee may communicate with, disclose necessary information to, or seek information from any Insider who participates in the submission of a Bid, including the Stalking Horse Bidder, for the purposes of administering the Sale Process and finalizing transaction document(s).

Due Diligence

20. The Sales Agent, with the approval of the Proposal Trustee, shall, in its reasonable business judgment and subject to competitive and other business considerations, afford each Qualified Bidder such access to due diligence materials and information relating to the Property as they reasonably request. Due diligence access may include management presentations, access to electronic data rooms, on-site inspections, and other matters which a Qualified Bidder may reasonably request and as to which the Proposal Trustee, in its reasonable business judgment, may agree.
21. The Proposal Trustee will designate a representative of the Sales Agent to coordinate all reasonable requests for additional information and due diligence access from a Qualified Bidder and the manner in which such requests must be communicated.
22. None of the Sales Agent, the Proposal Trustee or the Company will be obligated to furnish any information relating to the Property to any person other than a Qualified Bidder. Further, and for the avoidance of doubt, selected due diligence materials may be withheld from certain Qualified Bidders if the Proposal Trustee determines such information to represent proprietary, privileged, or sensitive competitive information.
23. The Proposal Trustee, the Sales Agent, and the Company are not responsible for, and will bear no liability with respect to, any information obtained by any party in connection with the Opportunity.

QUALIFIED BIDS

Qualified Bid Requirements

24. Qualified Bidders that wish to make a formal offer to purchase all or a portion of the Property shall submit a binding offer (a “**Bid**”) on substantially the same terms and conditions as the terms and conditions contained in the Stalking Horse Agreement. In order to be considered a “**Qualified Bid**”, a Bid must meet the following minimum criteria:
- (a) the Bid must be received by the Sales Agent at the address specified in Schedule “A” hereto (including by email), so as to be received by the Sales Agent no later than 5:00 PM (Eastern 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) 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 includes an acknowledgment and representation that the bidder: (i) has had an opportunity to conduct any and all required due diligence prior to making its bid, and has relied solely upon its own independent review,

investigation and inspection in making its bid; (ii) is not relying upon any written or oral statements, representations, promises, warranties, conditions, or guaranties whatsoever, whether express or implied (by operation of law or otherwise), made by any person or party, including the Company, the Proposal Trustee, and their respective employees, officers, directors, agents, advisors (including legal counsel) and other representatives, regarding the proposed transaction, this Sale Process, or any information (or the completeness of any information) provided in connection therewith, except as expressly stated in the proposed transaction documents; (iii) is making its bid on an “as is, where is” basis and without surviving representations or warranties of any kind, nature, or description by the Company, the Proposal Trustee, or any of their respective employees, officers, directors, agents, advisors and other representatives, except to the extent set forth in the proposed transaction documents; (iv) is bound by this Sale Process and the Initial Proposal Order; and (v) is subject to the exclusive jurisdiction of the Court with respect to any disputes or other controversies arising under or in connection with the Sale Process or its bid;

- (i) the Bid must include a description of those liabilities and obligations (including operating liabilities) which the Qualified Bidder intends to assume and such liabilities and obligations it does not intend to assume;
- (j) where the Bid is submitted on an aggregated or combined basis across one or more Affiliate Sales Processes (as defined below), the Bid must include a purchase price allocation meeting the requirements set out in paragraph 36;
- (k) the Bid must be accompanied by written evidence of a commitment for financing or other evidence of the Qualified Bidder’s ability to consummate the transaction contemplated by the Bid;
- (l) the Bid includes a statement that the bidder will bear its own costs and expenses (including all legal and advisor fees) in connection with the proposed transaction;
- (m) the Bid does not include any request for or entitlement to any break fee, expense reimbursement, or similar type of payment;
- (n) the Bid includes details of the bidder’s intended treatment of the Company’s stakeholders under or in connection with the proposed bid, including the Company’s secured creditors, unsecured creditors, employees, customers, suppliers, contractual counterparties and equity holders;
- (o) it contemplates the closing of the transaction by no later than the Outside Date; and

- (p) the Bid must be for a purchase price equal to or greater than the sum of the Purchase Price (as defined in the Stalking Horse Agreement) plus a minimum additional amount of \$40,000.
25. The Proposal Trustee may, in its discretion, request revisions or supplements to any Bid received prior to the Bid Deadline.

Designating Qualified Bids

26. Following the Bid Deadline, the Proposal Trustee will assess the Bids received, in consultation with the Sales Agent. Bids shall be evaluated based upon several factors, including the following considerations:
- (a) the proposed purchase price and the net value provided to the Company by such Bid;
 - (b) where applicable, the purchase price allocation provided with a Bid submitted on an aggregated or combined basis across one or more Affiliate Sales Processes;
 - (c) the identity, circumstances, and ability of the Potential Bidder to successfully complete the transaction contemplated under the Bid;
 - (d) the proposed transaction documents;
 - (e) factors affecting the speed, certainty and value of the transaction;
 - (f) the assets included or excluded from the Bid;
 - (g) the liabilities to be assumed in the transaction;
 - (h) the likelihood and timing of consummating such transaction; and
 - (i) whether the transaction results in a Superior Bid.
27. The Proposal Trustee may contact any Potential Bidder to clarify the terms of any Bid, and the applicable Potential Bidder may amend, modify or vary such Bid for the purpose of clarification.
28. The Proposal Trustee may designate the most competitive Bids that comply with the requirements set out herein as “**Qualified Bids**.” The transaction contemplated by the Stalking Horse Agreement shall be deemed to be a Qualified Bid. The Proposal Trustee shall be under no obligation to deem any Bids as Qualified Bids.
29. Only Qualified Bidders (including the Stalking Horse Bidder) whose bids have been designated as a Qualified Bid are eligible to participate in the Auction (if any) and/or become the Successful Bidder.

30. The Proposal Trustee may waive strict compliance with any one or more of the requirements set forth in paragraph 24 and deem any such non-compliant Bid to be a Qualified Bid.
31. The Proposal Trustee, with the assistance of the Sales Agent, may aggregate separate Bids from unaffiliated Qualified Bidders to create one Qualified Bid.
32. The Proposal Trustee shall notify each Qualified Bidder in writing as to whether its Bid constituted a Qualified Bid within four (4) Business Days following the Bid Deadline, or at such later time as the Proposal Trustee deems appropriate, in consultation with the Sales Agent.
33. If no Qualified Bid(s) other than the Stalking Horse Agreement have been received by the Bid Deadline, then the Stalking Horse Bid will be declared to be the **"Successful Bid"** and, in such situation, the Stalking Horse Bidder shall be the **"Successful Bidder"**. The determination of any Successful Bid by the Proposal Trustee shall be subject to approval by the Court.

Aggregation of Qualified Bids

34. The Proposal Trustee, in consultation with the Sales Agent shall be entitled to consider, evaluate and aggregate or combine one or more Bids or components of Bids submitted in respect of the assets or businesses of the Company and any of its affiliates that are subject to contemporaneous or related sales processes, including MechCan Inc. and Harmony Heating and Air Conditioning Inc. (each, an **"Affiliate Sales Process"** and together, the **"Affiliate Sales Processes"**).
35. The Proposal Trustee, in consultation with the Sales Agent may: (i) permit bidders to submit Bids on an individual, combined, or alternative basis across one or more Affiliate Sales Processes, and (ii) evaluate such Bids on a standalone or aggregated basis.
36. Where a bidder submits a bid on an aggregated or combined basis across one or more Affiliate Sales Processes, such bidder shall include with its Bid a purchase price allocation, in form and substance satisfactory to the Proposal Trustee (in consultation with the Sales Agent), that allocates the aggregate purchase price among the applicable entities and/or assets (including any allocation as between assets and assumed liabilities, if applicable).

AUCTION PROCESS AND SELECTION OF SUCCESSFUL BID

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

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

38. Save and except for the Stalking Horse Bid, the Proposal Trustee shall be under no obligation to accept the highest or best offer, or any offer, as the Successful Bid, and the Proposal Trustee reserves the right to reject any or all Qualified Bids.
39. The closing of the transaction contemplated in the Successful Bid is expressly conditional upon the approval of the Successful Bid by the Court at the Sale Approval Motion (defined below).

SALE APPROVAL MOTION HEARING

40. The Proposal Trustee shall bring a motion (the "**Sale Approval Motion**") to the Court seeking one or more orders approving the Successful Bid and granting any necessary related relief required to consummate the transaction(s) contemplated therein, including the granting of a vesting order, as applicable, to the extent such relief is contemplated by the Successful Bid (the "**Sale Approval Order**").
41. All Qualified Bids (other than the Successful Bid) shall be deemed rejected on and as of the date of the closing of the Successful Bid, with no further or continuing obligation of the Proposal Trustee, Sales Agent, or Company to any unsuccessful Qualified Bidders except for the return of the deposits, described below.

DEPOSIT

42. All deposits shall be held by the Proposal Trustee in a single non-interest-bearing account designated solely for such purpose. A deposit paid by a Successful Bidder shall be dealt with in accordance with the definitive transaction document contemplated by the Successful Bid.
43. Deposits paid by Qualified Bidders who are not selected as the Successful Bidder shall be returned to such Qualified Bidder within three (3) Business Days after the date upon which the Successful Bid is approved pursuant to a Sale Approval Order or such earlier date as may be determined by the Proposal Trustee.

CONFIDENTIALITY AND ACCESS TO INFORMATION

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

45. Unless expressly provided for herein, participants and prospective participants in the Sale Process shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Potential Bidders, Qualified Bidders, or Successful Bidder(s), or the details of any Bids submitted or the details of any confidential discussions or correspondence between the Sales Agent, the Proposal Trustee, and such other Potential Bidders, Qualified Bidders, or Successful Bidder(s) in connection with the Sale Process, except to the extent that the Proposal Trustee are seeking to combine separate Bids to form a Qualified Bid.
46. Other than as shall be required in connection with any Sale Approval Motion, neither the Sales Agent or the Proposal Trustee shall share any material information concerning any of the Bids with any person other than the Company.

SUPERVISION OF THE SALE PROCESS

47. The Proposal Trustee, in consultation and with the assistance of the Sales Agent, shall be responsible for conducting the Sale Process in the manner set out herein.
48. The Sale Process does not, and will not be interpreted to, create any contractual or other legal relationship between the Sales Agent, the Proposal Trustee, or the Company, or any one or more of them, and any Known Potential Bidder, Potential Bidder, or Qualified Bidder or any other party, other than as specifically set forth in a definitive agreement that may be entered into between the Successful Bidder and the Company. Each Potential Bidder, Qualified Bidder, or Successful Bidder expressly acknowledges and agrees that the Sales Agent, Proposal Trustee, and the Company have not made any commitment or otherwise incurred any obligation to consider or conclude any transaction with that party.
49. Without limiting the generality of paragraph 48, the Sales Agent and the Proposal Trustee shall not have any liability whatsoever to any person or party, including, without limitation, any Known Potential Bidder, Qualified Bidder, the Successful Bidder, the Company or any other creditor or other stakeholder of the Company, for any act or omission related to the process contemplated by the Sale Process Procedures. By submitting a Bid, each Known Potential Bidder, Qualified Bidder or Successful Bidder shall be deemed to have agreed that it has no claim against the Sales Agent or the Proposal Trustee in respect of the Sale Process for any reason whatsoever.
50. Any consent, approval or confirmation to be provided by the Sales Agent and/or the Proposal Trustee pursuant to the terms of the Sale Process Procedures is ineffective unless provided in writing and any approval required pursuant to the terms hereof is in addition to, and not in substitution for, any other approvals required by the BIA or as otherwise required at law in order to implement a Successful Bid. For the avoidance of doubt, a consent, approval or confirmation provided by email shall be deemed to have been provided in writing for the purposes of this paragraph.

51. Participants in the Sale Process are solely responsible for all costs, expenses and liabilities, including, without limitation, finder's fees, broker's fees or any similar fees, incurred by them in connection with the submission of any Bid, due diligence activities, the Auction, and any further negotiations or other actions, whether or not they lead to the consummation of a transaction.
52. Notwithstanding the process and deadlines outlined above with respect to the Sale Process, the Sales Agent and the Proposal Trustee may at any time: (i) pause, terminate, amend or modify the Sale Process; (ii) remove any portion of the Property from the Sale Process; (iii) bring a motion to the Court to seek approval of a sale of all or part of the Property or the Company, whether or not such sale is in accordance with the terms or timelines set out in the Sale Process Procedures; and (iv) establish further or other procedures for the Sale Process, if, in their reasonable business judgment, such modification will enhance the process or better achieve the objectives of the Sale Process, provided that the service list in the NOI Proceedings shall be advised of any substantive modification to the procedures set forth herein.
53. At any time during the Sale Process, the Proposal Trustee may apply to the Court for advice and directions with respect to any aspect of this Sale Process including, but not limited to, the continuation of the Sale Process or with respect to the discharge of its powers and duties hereunder.

Schedule "A"

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

BDO Canada Limited

20 Wellington Street East, Suite 500
Toronto, ON M5E 1C5

Attention: Josie Parisi and Nicole Sagolili

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

With copies to:

Fasken Martineau DuMoulin LLP

333 Bay Street Suite 2400 Place,
Toronto, ON M5H 2T6

Attention: Dylan Chochla and Jennifer L. Caruso

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

and to:

BDO Canada Transaction Advisory Services Inc.

222 Bay Street, Suite 2200
Toronto, ON M5K 1H6

Attention: Brian Trainer and Adnan Shahid

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

Schedule “B”

Auction Procedures

1. On or before May 28, 2026, the Proposal Trustee will confirm in writing to the Qualified Bidders who have submitted Qualified Bids that they will be invited to attend the Auction.
2. Unless otherwise ordered by the Court, only the authorized representatives, professional advisors or agents of the Stalking Horse Bidder and each Qualified Bidder shall be eligible to attend at the Auction and make any Subsequent Bid (as defined below) at the Auction.
3. All Qualified Bidders and the Stalking Horse Bidder at the Auction must have at least one individual representative with authority to bind such Qualified Bidders and the Stalking Horse Bidder present at the Auction.
4. The identity of each Qualified Bidder participating in the Auction will be disclosed, on a confidential basis, to each other Qualified Bidder.
5. The Auction, if any, shall be conducted by the Proposal Trustee, on or before May 30, 2026 at 10:00 a.m. (ET) via video conference.
6. Each Qualified Bidder and the Stalking Horse Bidder participating in the Auction shall be required to confirm on the record at the Auction that: (i) it has not engaged in any collusion with respect to the Auction and the bid process; (ii) any and all bids submitted at the Auction are good-faith *bona fide* offers; and (iii) it intends to consummate the proposed transaction if selected as the Successful Bid. For greater certainty, communications between the Stalking Horse Bidder and the Proposal Trustee with respect to and in preparation of the Stalking Horse Agreement will not represent collusion or communications prohibited by this paragraph.
7. At the Auction, all Qualified Bidders and the Stalking Horse Bidder shall be permitted to increase their Qualified Bids and the bid contemplated by the Stalking Horse Agreement in accordance with the procedures set forth herein (each, a “**Subsequent Bid**”). Where a Subsequent Bid is submitted on an aggregated or combined basis across one or more Affiliate Sales Processes, the bidder shall confirm or, as applicable, update the purchase price allocation previously provided in accordance with the Sale Process. All Subsequent Bids presented during the Auction shall be made and received via video conference on an open basis. All participating Qualified Bidders and the Stalking Horse Bidder shall be entitled to be present for all bidding with the understanding that the true identity of each participating Qualified Bidder shall be fully disclosed to all other Qualified Bidders and the Stalking Horse Bidder and that all material terms of each Subsequent Bid presented during the Auction will be fully disclosed to the Stalking Horse Bidder and all other participating Qualified Bidders throughout the entire Auction.

8. The Auction shall be recorded by the Proposal Trustee for its exclusive use and shall not be recorded by any other party.
9. At least one (1) Business Day(s) prior to the Auction, the Proposal Trustee will advise the Stalking Horse Bidder and all other Qualified Bidders which of the Qualified Bidders or the Stalking Horse Bidder the Proposal Trustee has determined, in its reasonable business judgment, after consultation with its advisors, constitutes the then highest or otherwise best offer (the “**Starting Bid**”).
10. Bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding, so long as during each round at least one Subsequent Bid is submitted by a Qualified Bidder or the Stalking Horse Bidder that: (i) improves upon such Qualified Bidder’s immediately prior bid or the bid contemplated by the Stalking Horse Agreement, as the case may be, and meets the overbid requirement set forth in paragraphs 11 and 12 below; and (ii) the Proposal Trustee determines, in its reasonable business judgment, after consultation with its advisors, such Subsequent Bid is a higher or otherwise better offer than the then current leading Qualified Bid.
11. Bidding at the Auction shall be in minimum cash increments of \$50,000 and shall continue until such time as the highest and best bid is determined by the Proposal Trustee, in its reasonable business judgment after consultation with its advisors. For the purpose of evaluating the value of the consideration provided by each bid (including any Subsequent Bid by the Stalking Horse Bidder) presented at the Auction, the value will: (i) be deemed to be the net consideration payable to the Company; and (ii) take into account any additional liabilities of the Company to be assumed by a Qualified Bidder or the Stalking Horse Bidder.
12. After the first round of bidding and between each subsequent round of bidding, the Proposal Trustee shall announce the Subsequent Bid that the Proposal Trustee has determined, in its reasonable business judgment, after consultation with its advisors, to be the then highest or best bid (the “**Leading Bid**”). A round of bidding will conclude after each participating Qualified Bidder and the Stalking Horse Bidder has had an opportunity to submit a Subsequent Bid with full knowledge of the Leading Bid.
13. If no Qualified Bidder or the Stalking Horse Bidder submits a Subsequent Bid (as determined by the Proposal Trustee) after a period of 15 minutes following the Proposal Trustee’s acceptance of a Subsequent Bid as the Leading Bid, and the Proposal Trustee chooses not to adjourn the Auction further, then such Leading Bid shall be the “**Successful Bid**” and the Qualified Bidder or the Stalking Horse Bidder who submitted such Successful Bid, the “**Successful Bidder**”. The Proposal Trustee shall enter into a definitive transaction document substantially on the same terms as the Successful Bid.
14. No bids will be considered for any purpose after the Auction has concluded.

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

THIS IS **EXHIBIT "I"** REFERRED TO IN THE
AFFIDAVIT OF **SPENCER ROSS** SWORN REMOTELY BY **SPENCER ROSS** STATED AS
BEING LOCATED IN THE CITY OF TORONTO BEFORE ME AT THE CITY OF TORONTO, IN
THE PROVINCE OF ONTARIO THIS 28TH DAY OF APRIL 2026, IN ACCORDANCE WITH O.
REG 431/20, *ADMINISTERING OATH OR DECLARATION REMOTELY*



A COMMISSIONER FOR TAKING AFFIDAVITS

STALKING HORSE ASSET PURCHASE AGREEMENT

This Agreement is made and entered into this 26th day of April, 2026 (the “**Effective Date**”)

BETWEEN:

J.D. SWALLOW HEATING CONTRACTORS INC., a corporation incorporated pursuant to the laws of the Province of Ontario, as vendor (the “**Company**”)

– and –

17891750 CANADA INC., a corporation incorporated pursuant to the federal laws of Canada, 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 April 1, 2026 (the “**Proposal Proceedings**”). BDO Canada Limited was appointed 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 Ontario Superior Court of Justice (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 Financing 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 Company, 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 Sale Process.
- (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 Toronto, Ontario, but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario.
- (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 Company’s monetary defaults in relation to the Assumed Contracts, other than those arising by reason only of the Company’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) **“Effective Date”** has the meaning set out in the preamble hereto.
- (aa) **“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.
- (bb) **“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 Act, 2000* (Ontario), the *Pay Equity Act* (Ontario) or the *Workplace Safety and Insurance Act, 1997* (Ontario).
- (cc) **“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.

- (dd) **“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.
- (ee) **“Excluded Assets”** means the following:
 - (i) all cash, bank balances, deposits, monies 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.
- (ff) **“Excluded Contracts”** means those Contracts and other agreements of the Company that are not Assumed Contracts.
- (gg) **“Excluded Liabilities”** has the meaning set out in Section 2.4.
- (hh) **“Filing Date”** means April 1, 2026.
- (ii) **“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.

- (jj) "**HST**" means all of the harmonized sales tax imposed under Part IX of the *Excise Tax Act* (Canada).
- (kk) "**Interim Financing 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.
- (ll) "**Interim Financing Agreement**" means the agreement between the Company and 17891750 Canada Inc., as lender (the "**Interim Lender**"), dated as of April 28, 2026 by which the Interim Lender has agreed to loan funds to the Company and the Company has agreed to borrow funds from the Interim Lender subject to an Order of the Court approving such loan and granting a super priority charge over the assets of the Company in respect of all amounts advanced pursuant to that loan.
- (mm) "**Interim Period**" means the period beginning on the Effective Date and ending at the Closing Date.
- (nn) "**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.
- (oo) "**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.
- (pp) "**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).
- (qq) "**Outside Date**" means June 25, 2026.
- (rr) "**Parties**" means the Company and the Purchaser collectively, and "**Party**" means any one of them.

- (ss) **“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.
- (tt) **“Proposal Proceedings”** has the meaning set out in the preamble hereto.
- (uu) **“Proposal Trustee”** has the meaning set out in the preamble hereto.
- (vv) **“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.
- (ww) **“Purchase Price”** has the meaning set out in Section 3.1.
- (xx) **“Purchased Assets”** has the meaning set out in Section 2.1.
- (yy) **“Qualified Bid”** has the meaning set out in the Sale Process.
- (zz) **“Qualified Bidders”** has the meaning set out in the Sale Process.
- (aaa) **“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.
- (bbb) **“Sale Process”** has the meaning set out in the preamble hereto.
- (ccc) **“Sale Process Order”** has the meaning set out in the preamble hereto.
- (ddd) **“Stalking Horse Bid”** has the meaning ascribed hereto in Section 4.1(a).
- (eee) **“Successful Bid”** has the meaning set out in the Sale Process.
- (fff) **“Successful Bidder”** has the meaning set out in the Sale Process.
- (ggg) **“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.

- (hhh) **“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.
- (iii) **“Transaction”** means the transaction of purchase and sale contemplated by this Agreement.
- (jjj) **“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 Company, all of the Company's right, title and interest in, to and under the tangible and intangible assets, properties and rights owned by the Company 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 Company 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 Motion, 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 \$300,000.00 (the "**Purchase Price**") plus applicable taxes and Cure Costs, if any. The Purchase Price shall be paid and satisfied in accordance with Section 3.3.

3.2 Allocation of Purchase Price

The Purchaser and the Company agree that the Purchase Price and the Assumed Liabilities shall be allocated among the Purchased Assets for tax and financial accounting purposes in a manner to be agreed to by the Parties prior to the Closing Time.

3.3 Satisfaction of the Purchase Price

The Purchaser shall pay and satisfy the Purchase Price by:

- (a) assumption of the Assumed Liabilities as of the Closing Date and shall satisfy such Assumed Liabilities by performing them as and when they become due; and
- (b) payment of the Purchase Price by:
 - (i) a credit bid of all amounts owing by the Company pursuant to the Interim Financing Agreement (the “**Credit Bid Consideration**”), and
 - (ii) payment of the balance by 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 an HST-free basis under Part IX of the *Excise Tax Act* (Canada) and the Purchaser shall file such election with its HST 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 shall bring a motion for the Sale Process Order to be heard on or before April 30, 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 \$20,000 (inclusive of HST, 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 Company 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 Company 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 Company 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 COMPANY 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 Proposal Trustee 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 cooperate 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, cooperate 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 credit bid release for the Credit Bid Consideration;

- (c) 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;
- (d) a general conveyance with respect to the Purchased Assets;
- (e) a certified resolution of the Purchaser authorizing the Agreement and the purchase of the Purchased Assets;
- (f) a certificate of status of the Purchaser;
- (g) if applicable, the elections referred to in Section 3.4; and
- (h) 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.

9.3 Proposal Trustee's Liability

In addition to all of the protections granted to the Proposal Trustee under the BIA, the Sale Process, the Sale Process Order, and any other order of the Court in this Proposal Proceeding, the Company and the Purchaser acknowledge and agree that the Proposal Trustee, acting in its capacity as Proposal Trustee of the Company and not in its personal capacity, will have no liability, in its personal capacity or otherwise, in connection with this Agreement or the Transaction whatsoever except liability from its willful misconduct, fraud or gross negligence. This Section **Error! Reference source not found.** shall survive Closing.

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 Proposal Trustee and the Company, its successors, any trustee in bankruptcy or any receiver of the Company, 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:

17891750 Canada Inc.
176 Sunset Cres
Russell, ON K4R 0E4

Attention: Ken Turner
Email: ken@jdswallow.com

(b) in the case of the Company, as follows:

J.D. Swallow Heating Contractors Inc.
Attention: Spencer Ross
Email: sr@mechcan.ca

with a copy to:

Reconstruct LLP
80 Richmond Street W, Suite 1700
Toronto, Ontario M5H 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
20 Wellington St. E, Suite 500
Toronto, ON M5E 1C5

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 / Jennifer Caruso
Email: dchochla@fasken.com / jcaruso@fasken.com

Any such notice or other communication, if transmitted by email before 5:00 p.m. (Toronto 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. (Toronto 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 Company 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 Ontario 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 Ontario 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

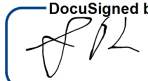
This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by email of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

10.13 Severability

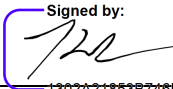
Notwithstanding any provision herein, if a condition to complete the Transaction, or a covenant or an agreement herein is prohibited or unenforceable pursuant to Applicable Law, then such condition, covenant or agreement shall be ineffective to the extent of such prohibition or unenforceability without invalidating the other provisions hereof.

[Signature pages to follow]

J.D. SWALLOW HEATING CONTRACTORS INC.

Per:  _____ c/s
Name: Spencer Ross
Title: Director
I have authority to bind the corporation

17891750 CANADA INC.

Per:  _____
Name: Ken Turner
Title: Director
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) Inventory and Supplies;
- (f) Receivables;
- (g) all customer lists and supplier lists;
- (h) 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
- (i) 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;
- (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

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

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE) WEEKDAY, THE #
)
JUSTICE) DAY OF MONTH, 2026

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

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
J.D. SWALLOW HEATING CONTRACTORS INC. OF THE CITY OF GLOUCESTER IN THE
PROVINCE OF ONTARIO

APPROVAL AND VESTING ORDER

THIS MOTION, made by J.D. Swallow Heating Contractors 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 17891750 Canada Inc., 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**"), was heard this day by judicial videoconference.

ON READING the affidavit of ●, sworn ●, 2026 (the "**Affidavit**"), and the exhibits thereto, and the Second Report of BDO Canada Limited in its capacity as proposal trustee of the Vendor (the "**Proposal Trustee**").

ON HEARING the submissions of counsel for the Vendor, the Proposal Trustee, and such other counsel that were present, no one else appearing for any other person although duly served:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the materials filed, as set out in the Affidavit of Service of ● sworn ●, 2026, is hereby deemed adequate notice so that this Motion is properly returnable today and hereby dispenses with further service thereof.

APPROVAL AND VESTING

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the 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 the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Proposal Trustee's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "**Proposal Trustee's Certificate**"), all of the Vendor's right, title and interest in and to the Purchased Assets shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice ● dated April ●, 2026; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets (the "**Net Proceeds**") shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Proposal Trustee's Certificate all Claims and Encumbrances shall attach to the Net Proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold

and remained in the possession or control of the person having that possession or control immediately prior to the sale.

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

6. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Vendor is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Vendor's records pertaining to the Vendor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Vendor.

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

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the BIA in respect of the Vendor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Vendor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Vendor and shall not be void or voidable by creditors of the Vendor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

GENERAL

8. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada and as against all Persons against whom it may otherwise be enforced.

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal,

regulatory or administrative body having jurisdiction in Canada, the United States or in any other foreign jurisdiction to give effect to this Order and to assist the Company, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Company and the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to recognize and give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Company, the Proposal Trustee and their respective agents in carrying out the terms of this Order.

10. **THIS COURT ORDERS** that each of the Vendor, the Proposal Trustee and the Purchaser be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

11. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.

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

Court File No. BK-26-03354829-0033
Estate File: 33-3354829

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF J.D. SWALLOW HEATING CONTRACTORS INC.**

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
Proceedings commenced at Ottawa

AFFIDAVIT OF SPENCER ROSS
(Sworn April 28, 2026)

RECONSTRUCT LLP
80 Richmond Street West
Suite 1700
Toronto, ON M5H 2A4

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Tel: 416.304.6589

Lawyers for J.D. Swallow Heating Contractors Inc.

TAB 3

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

THE HONOURABLE

JUSTICE

)
)
)

THURSDAY, THE 30TH

DAY OF APRIL, 2026

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

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF J.D. SWALLOW HEATING
CONTRACTORS INC., OF THE CITY OF GLOUCESTER IN THE
PROVINCE OF ONTARIO**

Applicant

**INITIAL PROPOSAL ORDER
(re Extension of Time to File Proposal, Granting Charges, Enhanced Powers, Approving
Sale Process, Approving Stalking Horse Agreement, Approving First Report)**

THIS MOTION, made by J.D. Swallow Heating Contractors Inc. (the “**Applicant**”) pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “**BIA**”) for an order that, among other things: (i) extends the time for the Applicant to make a proposal to its creditors, (ii) grants an Administration Charge, (iii) approves the Term Sheet (as defined herein) between the Applicant and Ken Turner, on behalf of and in trust for a corporation to be incorporated (the “**DIP Lender**”) and grants the DIP Lender’s Charge as defined below; (iv) approves a sale process including approving a Stalking Horse Agreement, as defined below, and the sale process procedures, including its auction procedures, attached hereto as Schedule “A” (the “**Sale Process**”); (v) approving a Sales Agent Engagement Letter; (vi) approving the First Report of BDO Canda Limited, in its capacity as the Proposal Trustee (the “**Proposal**”)

Trustee") dated April ●, 2026 (the "**First Report**"); and (vii) granting the Proposal Trustee certain enhanced powers, was heard this day by judicial videoconference;

ON READING the Affidavit of Spencer Ross sworn April 28, 2026 and the exhibits thereto (the "**Ross Affidavit**") and the First Report, and on hearing the submissions of counsel for the Applicant, counsel for the Proposal Trustee, counsel for National Bank of Canada, and such other parties as listed on the participant information form, with no one appearing for any other person although duly served as appears from the affidavit of service of ● dated April ●, 2026, filed,

SERVICE

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

EXTENSION OF TIME TO FILE A PROPOSAL

2. **THIS COURT ORDERS** that, pursuant to Section 50.4(9) of the BIA, the deadline for the Applicant to file a proposal be and is hereby extended to and including June 15, 2026.

ADMINISTRATION CHARGE

3. **THIS COURT ORDERS** that the Proposal Trustee, counsel to the Proposal Trustee, counsel to the Applicant, and BDO Canada Transaction Advisory Services Inc. in its capacity as sales agent (in such capacity, the "**Sales Agent**"), shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Applicant's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"), which charge shall not exceed an aggregate

amount of \$100,000, as security for their professional fees and disbursements incurred at their standard rates and charges, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraph 11 herein.

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

DIP FINANCING AND DIP LENDER'S CHARGE

5. **THIS COURT ORDERS** that the Applicant is hereby authorized and empowered to obtain and borrow under a credit facility from the DIP Lender in order to finance the Applicant's working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed the principal amount of \$150,000 unless permitted by further Order of this Court.

6. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the term sheet attached **Exhibit "G"** to the Ross Affidavit, filed with such minor modifications and amendments that may be agreed to by the parties thereto and consented to by the Proposal Trustee (the "**Term Sheet**").

7. **THIS COURT ORDERS** that the Applicant is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security

documents, guarantees and other definitive documents (collectively, the “**DIP Credit Documents**”), as may be reasonably required by the DIP Lender pursuant to the terms of the Term Sheet, and the Applicant is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Term Sheet and the DIP Credit Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

8. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Lender’s Charge**”) on the Property. The DIP Lender’s Charge shall not secure an obligation that exists before this Order is made. The DIP Lender’s Charge shall have the priority set out in paragraph 11 hereof.

9. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender’s Charge or any of the DIP Credit Documents; and
- (b) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or the Property.

10. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any proposal filed by the Applicant under the BIA, with respect to any advances made under the Term Sheet or the DIP Credit Documents.

VALIDITY AND PRIORITY OF CHARGES

11. **THIS COURT ORDERS** that the priorities of the Administration Charge and the DIP Lender’s Charge (together, the “**Charges**”), as among them, shall be as follows:

- (a) First – Administration Charge (to the maximum amount of \$100,000); and
- (b) Second – DIP Lender’s Charge (to the maximum principal amount of \$150,000 plus interest, fees, and costs).

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

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

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

15. **THIS COURT ORDERS** that the Term Sheet, the DIP Credit Documents and the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the charges entitled to the benefit of the Charges (the “**Chargees**”) shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any

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

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Term Sheet or the DIP Credit Documents shall create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicant entering into the Term Sheet the creation of the Charges, or the execution, delivery or performance of the DIP Credit Documents; and
- (c) the payments made by the Applicant pursuant to this Order, the Term Sheet or the DIP Credit Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

16. **THIS COURT ORDERS** that the Charges created by this Order over leases of real property in Canada shall only be a charge against the Applicant’s interest in such real property leases.

ENHANCED PROPOSAL TRUSTEE POWERS

17. **THIS COURT ORDERS** that without limiting the duties and powers of the Proposal Trustee under the BIA, the Proposal Trustee is authorized and empowered, but not required, to:

- (a) take any and all actions and steps and execute any and all documents and writings on behalf of, and in the name of, the Applicant in order to carry out its duties under this Order or any Order of the Court including to execute all documents relating to the Sale Process, as well as to execute and deliver any documents on behalf of the Applicant to implement transactions under the Sale Process approved by the Court;
- (b) to apply for any vesting order or other orders necessary to convey any property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or Encumbrances affecting such property;
- (c) with the assistance of the Sales Agent, conduct, supervise, and direct the marketing, sale, conveyance, transfer, assignment or disposal of any Property of the Applicant or any part or parts thereof, whether in the ordinary course of business or not; and
- (d) engage, retain, or terminate the services of consultants, appraisers, agents, experts, auditors, managers, and such other personnel from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Proposal Trustee's powers and duties, including, without limitation, those powers and duties conferred by this Order,

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

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

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

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

21. **THIS COURT ORDERS** that the Proposal Trustee is not, and shall not be or deemed to be, director, officer or employee of the Applicant.

22. **THIS COURT ORDERS** that nothing in this Order shall constitute or be deemed to constitute the Proposal Trustee as a receiver, assignee, liquidator, administrator, receiver

manager, agent of the creditors or legal representative of the Applicant within the meaning of any relevant legislation and that any distribution made to creditors of the Applicant by the Proposal Trustee will be deemed to have been made by the Applicant itself.

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

24. **THIS COURT ORDERS** that nothing in this Order shall prevent the Proposal Trustee from acting as a trustee in bankruptcy of the Applicant or any of its wholly-owned subsidiaries.

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

APPROVAL OF SALES AGENT ENGAGEMENT

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

27. **THIS COURT ORDERS** that the Proposal Trustee is authorized to disclose such confidential information to the Sales Agent as may be necessary for the performance of its

mandate, subject to the terms of the Engagement Letter, this Order and any further Order of the Court.

28. **THIS COURT ORDERS** that nothing in this Order shall limit the ability of the Proposal Trustee to terminate or modify the engagement of the Sales Agent in accordance with the terms of the Engagement Letter or further order of the Court.

APPROVAL OF THE SALE PROCESS

29. **THIS COURT ORDERS** that the Sale Process in respect of the Property (as defined under the Sale Process) of the Applicant be and is hereby approved. The Proposal Trustee and the Sales Agent are authorized and directed to take any and all actions as may be necessary or desirable to implement and carry out the Sale Process in accordance with its terms and this Order.

30. **THIS COURT ORDERS** that any step taken by the Proposal Trustee or the Sales Agent in connection with the Sale Process prior to the date of this Order is approved and ratified.

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

32. **THIS COURT ORDERS** that the Proposal Trustee and the Sales Agent be and are hereby authorized to disclose to any Potential Bidder (as defined in the Sale Process) any

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

STALKING HORSE AGREEMENT

33. **THIS COURT ORDERS** that the Applicant is hereby authorized and empowered, *nunc pro tunc*, with such minor amendments as may be acceptable to each of the parties thereto, and approved by the Proposal Trustee, to execute, deliver, and enter into the Stalking Horse Asset Purchase Agreement dated April 26, 2026 (the "**Stalking Horse Agreement**") between the Applicant and Ken Turner, on behalf of and in trust for a corporation to be incorporated (the "**Stalking Horse Bidder**"), substantially in the form attached as Exhibit "I" to the Ross Affidavit. For greater certainty, the Stalking Horse Agreement is approved only as the Stalking Horse Bid (as defined in the Stalking Horse Agreement) and the approval of any sale and vesting of any Property to the Stalking Horse Bidder shall be considered by this Court on a subsequent motion made to this Court.

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

APPROVAL OF PROPOSAL TRUSTEE'S FIRST REPORT

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

PROTECTION OF PERSONAL INFORMATION

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

37. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 (Canada) and any similar legislation in any other applicable jurisdictions, the Proposal Trustee and the Sales Agent and each of their respective advisors are hereby authorized and permitted to disclose and transfer to each Potential Bidder (as defined in the Sale Process) and their advisors Personal Information, including, without limitation, information in the custody or control of the Applicant relating to the operation of the businesses being sold pursuant to the Sale Process and records pertaining to the Applicant's past and current employees and information on specific customers, but only to the extent desirable or required to negotiate or attempt to complete a transaction under the Sale Process (each a "**Transaction**"). Each Potential Bidder to whom any Personal Information is disclosed shall maintain and protect the privacy of such Personal Information and limit the use of such Personal Information to its evaluation of a Transaction, and if it does not complete a

Transaction, shall return all such information to the Proposal Trustee or the Sales Agent, or in the alternative destroy all such information. Any Successful Bidder(s) (as defined in the Sale Process) shall maintain and protect the privacy of such information and, upon closing of the Transaction, shall be entitled to use the Personal Information provided to it that is related to the property acquired pursuant to the Transaction in a manner that is in all material respects identical to the prior use of such information by the Applicant, and shall return all other Personal Information to the Proposal Trustee and the Sales Agent, or ensure that all other Personal Information is destroyed.

GENERAL

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

39. **THIS COURT ORDERS** that each of the Applicant and the Proposal Trustee be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

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

any foreign proceeding, or to assist the Applicant and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

41. **THIS COURT ORDERS** that, pursuant to section 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS), the Proposal Trustee, the Applicant and their respective counsel are at liberty to serve and distribute this Order, any other materials and Orders as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding true copies thereof by electronic message to the Applicant's creditors or other interested parties and their advisors.

42. **THIS COURT ORDERS** that nothing in this Order shall prevent the Proposal Trustee from acting as the interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, the business of the Applicant, or the Property.

43. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. on the date of this Order without any need for entry and filing.

Schedule "A"
Sale Process

[*See next page.*]

SALE PROCESS

J.D. SWALLOW HEATING CONTRACTORS INC.

INTRODUCTION

On April 1, 2026, J.D. Swallow Heating Contractors Inc. (“**J.D.S**” 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 30, 2026, the Company intends to seek an order (the “**Initial Proposal Order**”) from the Ontario Superior Court of Justice (the “**Court**”) that approves, among other things:

- the Sale Process (the “**Sale Process**”) for the marketing and sale of the Company’s business and assets (together, the “**Property**”);
- the engagement of BDO Canada Transaction Advisory Services Inc. as sales agent (the “**Sales Agent**”) to assist the Proposal Trustee with carrying out the Sale Process;
- a stalking horse asset purchase agreement (the “**Stalking Horse Agreement**”) between the Company, as vendor, and 17891750 Canada Inc., 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 Toronto, Ontario. If any deadline date referred to in the Sale Process falls on a day that is not a Business Day, then such date shall be extended until the next Business Day; and (ii) the words “include”, “includes” and “including” shall be deemed to be followed by the phrase, “without limitation”.

THE OPPORTUNITY

1. The Sale Process is intended to solicit interest in, and opportunities for, a sale of all or substantially all or part of the Property as a going concern or otherwise, or some combination thereof that is superior to the Stalking Horse Bid (the “**Opportunity**”).
2. In the context of the Sale Process, a bid that is superior to the Stalking Horse Bid (a “**Superior Bid**”) means a credible, reasonably certain and financially viable Qualified Bid (as defined below), the terms of which are, as determined by the Proposal Trustee (in consultation with the Sales Agent), acting reasonably, no less favourable and no more burdensome or conditional than the terms contained in the Stalking Horse Agreement, and which has a proposed purchase price that is equal to or greater than the Purchase Price (as defined in the Stalking Horse Agreement) plus a minimum additional amount of \$40,000.
3. The Initial Proposal Order, the procedures in respect of the Sale Process as contained herein (the “**Sale Process Procedures**”) and any subsequent orders issued by the Court pertaining to the Sale Process Procedures shall exclusively govern the process for soliciting and selecting bids in respect of the Opportunity.
4. The Sale Process contemplates a one stage process that involves the submission by interested parties of binding offers by the Bid Deadline (as defined below).

“AS IS, WHERE IS”

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

TIMELINE

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

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

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

SOLICITATION OF INTEREST

8. As soon as reasonably practicable:
- (a) the Sales Agent, with the approval of the Proposal Trustee, will prepare a list of potential bidders, including: (i) parties that have approached the Proposal Trustee or the Sales Agent indicating an interest in the Opportunity; (ii) any parties identified by the Company and/or its advisors as potential bidders; and (iii) domestic and international strategic and financial parties who the Proposal Trustee believes may be interested in the Opportunity (collectively, “**Known Potential Bidders**”);
 - (b) the Proposal Trustee will arrange for a notice of the Sale Process (and such other relevant information which the Proposal Trustee considers appropriate) (the “**Notice**”) to be published in *The Globe and Mail* (National Edition) and any other newspaper or journal as the Proposal Trustee

considers appropriate, if any, as soon as possible and by no later than five (5) Business Days after issuance of the Initial Proposal Order; and

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

POTENTIAL BIDDERS

Delivery of Confidential Information Package

- 9. Any party who wishes to participate in the Sale Process (a “**Potential Bidder**”) must provide to the Sales Agent, the following:
 - (a) an executed NDA;
 - (b) a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder, and full disclosure of the direct and indirect principals of the Potential Bidder; and
 - (c) subject to the request of the Proposal Trustee, such form of financial disclosure and credit quality support or enhancement that allows the Proposal Trustee to make a reasonable determination as to the Potential Bidder’s financial and other capabilities to consummate a transaction in respect of the Opportunity.
- 10. If the Proposal Trustee determines, exercising its reasonable business judgment, that a Potential Bidder has: (i) delivered the documents contemplated in paragraph 9; (ii) the financial capability based on the availability of financing, experience and other considerations, to be able to consummate a transaction in respect of the Opportunity pursuant to the Sale Process; and (iii) complies with all requirements set forth in paragraph 24, then such Potential Bidder shall be deemed to be a “**Qualified Bidder**.” For greater certainty, no Potential Bidder shall be deemed to be a Qualified Bidder without the approval of the Proposal Trustee.
- 11. The Sales Agent, with the approval of the Proposal Trustee, will prepare and share with each Qualified Bidder a confidential information package providing additional information considered relevant to the potential transaction (the “**Confidential Information Package**”) and a copy of the Stalking Horse Agreement.

12. Without limiting the generality of any term or condition of any NDA, unless otherwise agreed by the Sales Agent and the Proposal Trustee, no Potential Bidder or Qualified Bidder shall be permitted to have any discussions with: (a) any counterparty to any contract with the Company, any creditor of the Company, any current or former director, manager, shareholder, officer, member or employee of the Company (or any of them), other than in the normal course of business and which discussions shall be wholly unrelated to the Company, the potential transaction, the confidential information, the Sale Process or the NOI Proceedings; and (b) any other Potential Bidder or Qualified Bidder regarding the Sale Process or any bids submitted or contemplated to be submitted pursuant thereto. Notwithstanding the foregoing, where any such communications are agreed to with the consent of the Sales Agent and the Proposal Trustee, such discussions shall be made in the presence of one or both of the Sales Agent and the Proposal Trustee.
13. The Sales Agent, Proposal Trustee, and each of their advisors make no representation or warranty as to the completeness and accuracy of the information contained in the Confidential Information Package or otherwise made available pursuant to the Sale Process, except to the extent expressly contemplated in any definitive transaction document between the Successful Bidder (defined below) and the Company. None of the Sales Agent, the Proposal Trustee or the Company is responsible for, and will bear no liability with respect to, any information provided and obtained by any party in connection with the Company or the sale of the Property.
14. Qualified Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property in connection with their participation in the Sale Process and any transaction they enter into with the Company.

Insider Participation

15. Neither the Sales Agent nor the Proposal Trustee shall furnish any information to any officer, director, or employee of, or other non-arms' length party in relation to, the Company (each, an "**Insider**") where the Insider's receipt of such information might create an unfair advantage or jeopardize the integrity of the Sale Process, unless such Insider irrevocably confirms in writing to the Sales Agent that he, she or it will not submit or participate directly or indirectly in the submission of a Bid (an "**Insider Notice**") by no later than May 8, 2026 (the "**Insider Notice Deadline**").
16. Any Insider who has delivered an Insider Notice by the Insider Notice Deadline shall not be entitled to participate directly or indirectly as a Potential Bidder, Qualified Bidder, or Successful Bidder in the Sale Process and shall thereafter be entitled to receive such updates and information regarding the status of the Sale Process as the Proposal Trustee, in consultation with the Sales Agent deems appropriate.

17. The Stalking Horse Bidder is an Insider within the meaning of paragraph 15.
18. For greater certainty, any Insider who participates in the submission of a Bid, including the Stalking Horse Bidder: (i) shall not be provided with information about the identities of other Potential Bidders or Qualified Bidders or the terms of any Bid or Qualified Bid; and (ii) shall not participate in the review or consideration by the Proposal Trustee, with the assistance of the Sales Agent, of any Bids, the determination of any Qualified Bids, the selection of a Successful Bid(s), or the negotiation of final transaction document(s).
19. Despite the restrictions described in paragraph 18 above, the Proposal Trustee may communicate with, disclose necessary information to, or seek information from any Insider who participates in the submission of a Bid, including the Stalking Horse Bidder, for the purposes of administering the Sale Process and finalizing transaction document(s).

Due Diligence

20. The Sales Agent, with the approval of the Proposal Trustee, shall, in its reasonable business judgment and subject to competitive and other business considerations, afford each Qualified Bidder such access to due diligence materials and information relating to the Property as they reasonably request. Due diligence access may include management presentations, access to electronic data rooms, on-site inspections, and other matters which a Qualified Bidder may reasonably request and as to which the Proposal Trustee, in its reasonable business judgment, may agree.
21. The Proposal Trustee will designate a representative of the Sales Agent to coordinate all reasonable requests for additional information and due diligence access from a Qualified Bidder and the manner in which such requests must be communicated.
22. None of the Sales Agent, the Proposal Trustee or the Company will be obligated to furnish any information relating to the Property to any person other than a Qualified Bidder. Further, and for the avoidance of doubt, selected due diligence materials may be withheld from certain Qualified Bidders if the Proposal Trustee determines such information to represent proprietary, privileged, or sensitive competitive information.
23. The Proposal Trustee, the Sales Agent, and the Company are not responsible for, and will bear no liability with respect to, any information obtained by any party in connection with the Opportunity.

QUALIFIED BIDS

Qualified Bid Requirements

24. Qualified Bidders that wish to make a formal offer to purchase all or a portion of the Property shall submit a binding offer (a “**Bid**”) on substantially the same terms and conditions as the terms and conditions contained in the Stalking Horse Agreement. In order to be considered a “**Qualified Bid**”, a Bid must meet the following minimum criteria:
- (a) the Bid must be received by the Sales Agent at the address specified in Schedule “A” hereto (including by email), so as to be received by the Sales Agent no later than 5:00 PM (Eastern 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) 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 includes an acknowledgment and representation that the bidder: (i) has had an opportunity to conduct any and all required due diligence prior to making its bid, and has relied solely upon its own independent review,

investigation and inspection in making its bid; (ii) is not relying upon any written or oral statements, representations, promises, warranties, conditions, or guaranties whatsoever, whether express or implied (by operation of law or otherwise), made by any person or party, including the Company, the Proposal Trustee, and their respective employees, officers, directors, agents, advisors (including legal counsel) and other representatives, regarding the proposed transaction, this Sale Process, or any information (or the completeness of any information) provided in connection therewith, except as expressly stated in the proposed transaction documents; (iii) is making its bid on an “as is, where is” basis and without surviving representations or warranties of any kind, nature, or description by the Company, the Proposal Trustee, or any of their respective employees, officers, directors, agents, advisors and other representatives, except to the extent set forth in the proposed transaction documents; (iv) is bound by this Sale Process and the Initial Proposal Order; and (v) is subject to the exclusive jurisdiction of the Court with respect to any disputes or other controversies arising under or in connection with the Sale Process or its bid;

- (i) the Bid must include a description of those liabilities and obligations (including operating liabilities) which the Qualified Bidder intends to assume and such liabilities and obligations it does not intend to assume;
- (j) where the Bid is submitted on an aggregated or combined basis across one or more Affiliate Sales Processes (as defined below), the Bid must include a purchase price allocation meeting the requirements set out in paragraph 36;
- (k) the Bid must be accompanied by written evidence of a commitment for financing or other evidence of the Qualified Bidder’s ability to consummate the transaction contemplated by the Bid;
- (l) the Bid includes a statement that the bidder will bear its own costs and expenses (including all legal and advisor fees) in connection with the proposed transaction;
- (m) the Bid does not include any request for or entitlement to any break fee, expense reimbursement, or similar type of payment;
- (n) the Bid includes details of the bidder’s intended treatment of the Company’s stakeholders under or in connection with the proposed bid, including the Company’s secured creditors, unsecured creditors, employees, customers, suppliers, contractual counterparties and equity holders;
- (o) it contemplates the closing of the transaction by no later than the Outside Date; and

- (p) the Bid must be for a purchase price equal to or greater than the sum of the Purchase Price (as defined in the Stalking Horse Agreement) plus a minimum additional amount of \$40,000.
25. The Proposal Trustee may, in its discretion, request revisions or supplements to any Bid received prior to the Bid Deadline.

Designating Qualified Bids

26. Following the Bid Deadline, the Proposal Trustee will assess the Bids received, in consultation with the Sales Agent. Bids shall be evaluated based upon several factors, including the following considerations:
- (a) the proposed purchase price and the net value provided to the Company by such Bid;
 - (b) where applicable, the purchase price allocation provided with a Bid submitted on an aggregated or combined basis across one or more Affiliate Sales Processes;
 - (c) the identity, circumstances, and ability of the Potential Bidder to successfully complete the transaction contemplated under the Bid;
 - (d) the proposed transaction documents;
 - (e) factors affecting the speed, certainty and value of the transaction;
 - (f) the assets included or excluded from the Bid;
 - (g) the liabilities to be assumed in the transaction;
 - (h) the likelihood and timing of consummating such transaction; and
 - (i) whether the transaction results in a Superior Bid.
27. The Proposal Trustee may contact any Potential Bidder to clarify the terms of any Bid, and the applicable Potential Bidder may amend, modify or vary such Bid for the purpose of clarification.
28. The Proposal Trustee may designate the most competitive Bids that comply with the requirements set out herein as “**Qualified Bids**.” The transaction contemplated by the Stalking Horse Agreement shall be deemed to be a Qualified Bid. The Proposal Trustee shall be under no obligation to deem any Bids as Qualified Bids.
29. Only Qualified Bidders (including the Stalking Horse Bidder) whose bids have been designated as a Qualified Bid are eligible to participate in the Auction (if any) and/or become the Successful Bidder.

30. The Proposal Trustee may waive strict compliance with any one or more of the requirements set forth in paragraph 24 and deem any such non-compliant Bid to be a Qualified Bid.
31. The Proposal Trustee, with the assistance of the Sales Agent, may aggregate separate Bids from unaffiliated Qualified Bidders to create one Qualified Bid.
32. The Proposal Trustee shall notify each Qualified Bidder in writing as to whether its Bid constituted a Qualified Bid within four (4) Business Days following the Bid Deadline, or at such later time as the Proposal Trustee deems appropriate, in consultation with the Sales Agent.
33. If no Qualified Bid(s) other than the Stalking Horse Agreement have been received by the Bid Deadline, then the Stalking Horse Bid will be declared to be the **“Successful Bid”** and, in such situation, the Stalking Horse Bidder shall be the **“Successful Bidder”**. The determination of any Successful Bid by the Proposal Trustee shall be subject to approval by the Court.

Aggregation of Qualified Bids

34. The Proposal Trustee, in consultation with the Sales Agent shall be entitled to consider, evaluate and aggregate or combine one or more Bids or components of Bids submitted in respect of the assets or businesses of the Company and any of its affiliates that are subject to contemporaneous or related sales processes, including MechCan Inc. and Harmony Heating and Air Conditioning Inc. (each, an **“Affiliate Sales Process”** and together, the **“Affiliate Sales Processes”**).
35. The Proposal Trustee, in consultation with the Sales Agent may: (i) permit bidders to submit Bids on an individual, combined, or alternative basis across one or more Affiliate Sales Processes, and (ii) evaluate such Bids on a standalone or aggregated basis.
36. Where a bidder submits a bid on an aggregated or combined basis across one or more Affiliate Sales Processes, such bidder shall include with its Bid a purchase price allocation, in form and substance satisfactory to the Proposal Trustee (in consultation with the Sales Agent), that allocates the aggregate purchase price among the applicable entities and/or assets (including any allocation as between assets and assumed liabilities, if applicable).

AUCTION PROCESS AND SELECTION OF SUCCESSFUL BID

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

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

38. Save and except for the Stalking Horse Bid, the Proposal Trustee shall be under no obligation to accept the highest or best offer, or any offer, as the Successful Bid, and the Proposal Trustee reserves the right to reject any or all Qualified Bids.
39. The closing of the transaction contemplated in the Successful Bid is expressly conditional upon the approval of the Successful Bid by the Court at the Sale Approval Motion (defined below).

SALE APPROVAL MOTION HEARING

40. The Proposal Trustee shall bring a motion (the "**Sale Approval Motion**") to the Court seeking one or more orders approving the Successful Bid and granting any necessary related relief required to consummate the transaction(s) contemplated therein, including the granting of a vesting order, as applicable, to the extent such relief is contemplated by the Successful Bid (the "**Sale Approval Order**").
41. All Qualified Bids (other than the Successful Bid) shall be deemed rejected on and as of the date of the closing of the Successful Bid, with no further or continuing obligation of the Proposal Trustee, Sales Agent, or Company to any unsuccessful Qualified Bidders except for the return of the deposits, described below.

DEPOSIT

42. All deposits shall be held by the Proposal Trustee in a single non-interest-bearing account designated solely for such purpose. A deposit paid by a Successful Bidder shall be dealt with in accordance with the definitive transaction document contemplated by the Successful Bid.
43. Deposits paid by Qualified Bidders who are not selected as the Successful Bidder shall be returned to such Qualified Bidder within three (3) Business Days after the date upon which the Successful Bid is approved pursuant to a Sale Approval Order or such earlier date as may be determined by the Proposal Trustee.

CONFIDENTIALITY AND ACCESS TO INFORMATION

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

45. Unless expressly provided for herein, participants and prospective participants in the Sale Process shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Potential Bidders, Qualified Bidders, or Successful Bidder(s), or the details of any Bids submitted or the details of any confidential discussions or correspondence between the Sales Agent, the Proposal Trustee, and such other Potential Bidders, Qualified Bidders, or Successful Bidder(s) in connection with the Sale Process, except to the extent that the Proposal Trustee are seeking to combine separate Bids to form a Qualified Bid.
46. Other than as shall be required in connection with any Sale Approval Motion, neither the Sales Agent or the Proposal Trustee shall share any material information concerning any of the Bids with any person other than the Company.

SUPERVISION OF THE SALE PROCESS

47. The Proposal Trustee, in consultation and with the assistance of the Sales Agent, shall be responsible for conducting the Sale Process in the manner set out herein.
48. The Sale Process does not, and will not be interpreted to, create any contractual or other legal relationship between the Sales Agent, the Proposal Trustee, or the Company, or any one or more of them, and any Known Potential Bidder, Potential Bidder, or Qualified Bidder or any other party, other than as specifically set forth in a definitive agreement that may be entered into between the Successful Bidder and the Company. Each Potential Bidder, Qualified Bidder, or Successful Bidder expressly acknowledges and agrees that the Sales Agent, Proposal Trustee, and the Company have not made any commitment or otherwise incurred any obligation to consider or conclude any transaction with that party.
49. Without limiting the generality of paragraph 48, the Sales Agent and the Proposal Trustee shall not have any liability whatsoever to any person or party, including, without limitation, any Known Potential Bidder, Qualified Bidder, the Successful Bidder, the Company or any other creditor or other stakeholder of the Company, for any act or omission related to the process contemplated by the Sale Process Procedures. By submitting a Bid, each Known Potential Bidder, Qualified Bidder or Successful Bidder shall be deemed to have agreed that it has no claim against the Sales Agent or the Proposal Trustee in respect of the Sale Process for any reason whatsoever.
50. Any consent, approval or confirmation to be provided by the Sales Agent and/or the Proposal Trustee pursuant to the terms of the Sale Process Procedures is ineffective unless provided in writing and any approval required pursuant to the terms hereof is in addition to, and not in substitution for, any other approvals required by the BIA or as otherwise required at law in order to implement a Successful Bid. For the avoidance of doubt, a consent, approval or confirmation provided by email shall be deemed to have been provided in writing for the purposes of this paragraph.

51. Participants in the Sale Process are solely responsible for all costs, expenses and liabilities, including, without limitation, finder's fees, broker's fees or any similar fees, incurred by them in connection with the submission of any Bid, due diligence activities, the Auction, and any further negotiations or other actions, whether or not they lead to the consummation of a transaction.
52. Notwithstanding the process and deadlines outlined above with respect to the Sale Process, the Sales Agent and the Proposal Trustee may at any time: (i) pause, terminate, amend or modify the Sale Process; (ii) remove any portion of the Property from the Sale Process; (iii) bring a motion to the Court to seek approval of a sale of all or part of the Property or the Company, whether or not such sale is in accordance with the terms or timelines set out in the Sale Process Procedures; and (iv) establish further or other procedures for the Sale Process, if, in their reasonable business judgment, such modification will enhance the process or better achieve the objectives of the Sale Process, provided that the service list in the NOI Proceedings shall be advised of any substantive modification to the procedures set forth herein.
53. At any time during the Sale Process, the Proposal Trustee may apply to the Court for advice and directions with respect to any aspect of this Sale Process including, but not limited to, the continuation of the Sale Process or with respect to the discharge of its powers and duties hereunder.

Schedule "A"

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

BDO Canada Limited

20 Wellington Street East, Suite 500
Toronto, ON M5E 1C5

Attention: Josie Parisi and Nicole Sagolili

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

With copies to:

Fasken Martineau DuMoulin LLP

333 Bay Street Suite 2400 Place,
Toronto, ON M5H 2T6

Attention: Dylan Chochla and Jennifer L. Caruso

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

and to:

BDO Canada Transaction Advisory Services Inc.

222 Bay Street, Suite 2200
Toronto, ON M5K 1H6

Attention: Brian Trainer and Adnan Shahid

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

Schedule “B”

Auction Procedures

1. On or before May 28, 2026, the Proposal Trustee will confirm in writing to the Qualified Bidders who have submitted Qualified Bids that they will be invited to attend the Auction.
2. Unless otherwise ordered by the Court, only the authorized representatives, professional advisors or agents of the Stalking Horse Bidder and each Qualified Bidder shall be eligible to attend at the Auction and make any Subsequent Bid (as defined below) at the Auction.
3. All Qualified Bidders and the Stalking Horse Bidder at the Auction must have at least one individual representative with authority to bind such Qualified Bidders and the Stalking Horse Bidder present at the Auction.
4. The identity of each Qualified Bidder participating in the Auction will be disclosed, on a confidential basis, to each other Qualified Bidder.
5. The Auction, if any, shall be conducted by the Proposal Trustee, on or before May 30, 2026 at 10:00 a.m. (ET) via video conference.
6. Each Qualified Bidder and the Stalking Horse Bidder participating in the Auction shall be required to confirm on the record at the Auction that: (i) it has not engaged in any collusion with respect to the Auction and the bid process; (ii) any and all bids submitted at the Auction are good-faith *bona fide* offers; and (iii) it intends to consummate the proposed transaction if selected as the Successful Bid. For greater certainty, communications between the Stalking Horse Bidder and the Proposal Trustee with respect to and in preparation of the Stalking Horse Agreement will not represent collusion or communications prohibited by this paragraph.
7. At the Auction, all Qualified Bidders and the Stalking Horse Bidder shall be permitted to increase their Qualified Bids and the bid contemplated by the Stalking Horse Agreement in accordance with the procedures set forth herein (each, a “**Subsequent Bid**”). Where a Subsequent Bid is submitted on an aggregated or combined basis across one or more Affiliate Sales Processes, the bidder shall confirm or, as applicable, update the purchase price allocation previously provided in accordance with the Sale Process. All Subsequent Bids presented during the Auction shall be made and received via video conference on an open basis. All participating Qualified Bidders and the Stalking Horse Bidder shall be entitled to be present for all bidding with the understanding that the true identity of each participating Qualified Bidder shall be fully disclosed to all other Qualified Bidders and the Stalking Horse Bidder and that all material terms of each Subsequent Bid presented during the Auction will be fully disclosed to the Stalking Horse Bidder and all other participating Qualified Bidders throughout the entire Auction.

8. The Auction shall be recorded by the Proposal Trustee for its exclusive use and shall not be recorded by any other party.
9. At least one (1) Business Day(s) prior to the Auction, the Proposal Trustee will advise the Stalking Horse Bidder and all other Qualified Bidders which of the Qualified Bidders or the Stalking Horse Bidder the Proposal Trustee has determined, in its reasonable business judgment, after consultation with its advisors, constitutes the then highest or otherwise best offer (the “**Starting Bid**”).
10. Bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding, so long as during each round at least one Subsequent Bid is submitted by a Qualified Bidder or the Stalking Horse Bidder that: (i) improves upon such Qualified Bidder’s immediately prior bid or the bid contemplated by the Stalking Horse Agreement, as the case may be, and meets the overbid requirement set forth in paragraphs 11 and 12 below; and (ii) the Proposal Trustee determines, in its reasonable business judgment, after consultation with its advisors, such Subsequent Bid is a higher or otherwise better offer than the then current leading Qualified Bid.
11. Bidding at the Auction shall be in minimum cash increments of \$50,000 and shall continue until such time as the highest and best bid is determined by the Proposal Trustee, in its reasonable business judgment after consultation with its advisors. For the purpose of evaluating the value of the consideration provided by each bid (including any Subsequent Bid by the Stalking Horse Bidder) presented at the Auction, the value will: (i) be deemed to be the net consideration payable to the Company; and (ii) take into account any additional liabilities of the Company to be assumed by a Qualified Bidder or the Stalking Horse Bidder.
12. After the first round of bidding and between each subsequent round of bidding, the Proposal Trustee shall announce the Subsequent Bid that the Proposal Trustee has determined, in its reasonable business judgment, after consultation with its advisors, to be the then highest or best bid (the “**Leading Bid**”). A round of bidding will conclude after each participating Qualified Bidder and the Stalking Horse Bidder has had an opportunity to submit a Subsequent Bid with full knowledge of the Leading Bid.
13. If no Qualified Bidder or the Stalking Horse Bidder submits a Subsequent Bid (as determined by the Proposal Trustee) after a period of 15 minutes following the Proposal Trustee’s acceptance of a Subsequent Bid as the Leading Bid, and the Proposal Trustee chooses not to adjourn the Auction further, then such Leading Bid shall be the “**Successful Bid**” and the Qualified Bidder or the Stalking Horse Bidder who submitted such Successful Bid, the “**Successful Bidder**”. The Proposal Trustee shall enter into a definitive transaction document substantially on the same terms as the Successful Bid.
14. No bids will be considered for any purpose after the Auction has concluded.

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

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

Court File No. BK-26-03354829-0033
Estate File: 33-3354829

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF J.D. SWALLOW HEATING CONTRACTS INC., IN THE
CITY OF GLOUCESTER IN THE PROVINCE OF ONTARIO**

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

Proceedings commenced at Ottawa

INITIAL PROPOSAL ORDER

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

Court File No. BK-26-03354829-33
Estate File: 33-335489

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF J.D. SWALLOW HEATING CONTRACTORS INC., OF THE
CITY OF GLOUCESTER, IN THE PROVINCE OF ONTARIO**

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

Proceedings commenced at Ottawa

**MOTION RECORD
(Returnable April 30, 2026)**

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