

Court File No. BK-26-03354893-31
Estate File No. 31-3356927
Estate File No. 31-3354893
Estate File No. 33-3354829
Estate File No. 35-3357213
Estate File No. 35-3358238

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

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

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF MECHCAN INC. AND THOSE
APPLICANTS LISTED ON SCHEDULE "A" HERETO (EACH, AN
"APPLICANT", AND COLLECTIVELY, THE APPLICANTS")**

MOTION RECORD
(returnable on May 14, 2026)

May 8, 2026

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**Lawyers for Comfort Zone Heating &
Air Conditioning Inc.**

TO: THE SERVICE LIST

Schedule "A"

Applicants

- J.D. Swallow Heating Contractors Inc.
- Comfort Zone Heating & Air Conditioning Inc.
- Hy-Mark Mechanical Inc.
- B.R.'s Plumbing & Heating Inc.

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**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY*
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TAB	DOCUMENT
1.	Notice of Motion of Comfort Zone Heating & Air Conditioning Inc. and B.R.'s Plumbing & Heating Inc., returnable May 14, 2026
2.	Affidavit of Kevin Dentremont sworn May 8, 2026
	Exhibit "A" – Initial Proposal Order and Justice Dunphy's endorsement dated as of May 5, 2026
	Exhibit "B" – Sale Process
	Exhibit "C" – Stalking Horse Agreement dated as of May 8, 2026
3.	Draft Comfort Zone's Sale Process Order

TAB 1

Bankruptcy Court File BK-26-03354893-31
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**NOTICE OF MOTION
(RE: Sale Process Approval, Stalking Horse Agreement, and Third Report of the
Proposal Trustee)**

Comfort Zone Heating & Air Conditioning Inc. ("**Comfort Zone**") and B.R.'s Plumbing & Heating Inc. ("**BR**" and together with Comfort Zone, the "**Companies**"), Applicants in these consolidated proceedings, will make a motion to a judge of the Commercial List at 330 University Avenue, Toronto Ontario (the "**Court**") on May 14, 2026 at 10:00 a.m. (Eastern Time), or as soon after that time as the motion can be heard by judicial videoconference via Zoom at Toronto, 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:

Meeting ID: 680 1901 7820

Passcode: 015382

<https://ca01web.zoom.us/j/68019017820?pwd=Gd0jd4Gjt44RvgzhQ41gfDv0FSov3E.1#success>

THE MOTION IS FOR:

1. an Order (the “**Comfort Zone Sale Process Order**”), substantially in the form appended as tab 3 of Comfort Zone’s motion record that, among other things:
 - (a) if necessary, 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) approves a sale process in a form substantially similar to the form attached as Schedule “B” to the Comfort Zone Sale Process Order (the “**Comfort Zone Sale Process**”);
 - (c) approves a sales agent engagement between the BDO Canada Limited, in its capacity as proposal trustee of the Companies (in such capacities, the “**Proposal Trustee**”) and BDO Canada Transaction Advisory Services (“**BDO Advisory**”) dated as of April 21, 2026 (the “**Engagement Letter**”) to carry out the Comfort Zone Sale Process;

- (d) approves a stalking horse asset purchase agreement (the “**Comfort Zone Stalking Horse Agreement**”) between Comfort Zone, as vendor, and Kevin Dentremont on behalf of and in trust for a corporation to be incorporated solely for the purpose of constituting the “**Comfort Zone Stalking Horse Bid**” under the Comfort Zone Sale Process;
 - (e) amends the Administration Charge (as defined in the Order dated as of May 5, 2026 in the within proceedings) to secure the fees and disbursements of BDO Advisory;
 - (f) approves the Third Report of the Proposal Trustee, to be filed (the “**Third Report**”) and the actions, conduct and activities described therein; and
2. an Order (the “**BR Sale Process Order**”), substantially in the form appended as tab 2 of BR’s motion record that, among other things:
- (a) if necessary, 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) approves a sale process in a form substantially similar to the form attached as Schedule “B” to the BR Sale Process Order (“**BR Sale Process**” and together with the Comfort Zone Sale Process, the “**Sale Processes**”);
 - (c) approves the Engagement Letter to carry out the BR Sale Process;
 - (d) approves a stalking horse asset purchase agreement (together with the Comfort Zone Stalking Horse Agreement, the “**Stalking Horse Agreements**”) between BR, as vendor, and 1001570240 Ontario Inc., as purchaser, solely for the purpose of

constituting the stalking horse bid under the BR Sale Process (together with the Comfort Zone Stalking Horse Bid, the “**Stalking Horse Bids**”); and

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

THE GROUNDS FOR THIS MOTION ARE:

BACKGROUND

4. The Companies are part of the “**MechCan Group**” and its first-ranking secured creditor is National Bank of Canada (“**NBC**”), which is owed more than \$9 million. NBC’s security extends over Comfort Zone’s assets and is supported by cross-guarantees from the other HVAC companies in the group.
5. The MechCan Group encountered financial difficulty due to reduced consumer spending, increased trade- and tariff-related costs, and limited ability to pass those costs on in a saturated market. In response, several entities within the group filed notices of intention to file a proposal (“**NOI**”) under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3.
6. Most of the entities that filed an NOI, including the Companies, determined that the best method to realize on their assets is through a going-concern sale process designed to maximize value for the benefit of their stakeholders.

Sale Processes and the Engagement Letter

7. The Sale Processes contemplates a conventional bid deadline, followed by an auction for each bid that properly qualifies in the Sale Processes.
8. The Proposal Trustee has received and reviewed several proposals and has engaged BDO Advisory as the sales agent to carry out the proposed Sale Processes. The Proposal

Trustee has selected BDO Advisory based on, among other things, BDO Advisory's experience selling similar properties and its commission rate. NBC supports the retention of BDO Advisory.

9. Subject to the terms of the Sale Processes or further Court Order, the Sale Processes contemplates a hearing for the approval of the Successful Bid (as defined in the Sale Processes) on or before June 15, 2026, with a closing to take place within 10 days thereafter.
10. The Sale Processes are 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 Companies.
11. The Sale Processes satisfies the criteria in s. 65.13 of the BIA which the Court would consider as to process in ultimately determining whether to approve a sale outside of the ordinary course of business.
12. The Proposal Trustee and the primary secured creditor of the Companies, NBC, have advised that they support the Sale Processes.

The Stalking Horse Agreements

13. Approval of the Stalking Horse Agreements are sought solely for the purposes of approving it as the Stalking Horse Bids in the Sale Processes.
14. The Stalking Horse Bids provide a stable floor price for the Sale Process and a clear path to a going-concern transaction. This is critical to the Companies' efforts to preserve the value of its business as a going concern, including by providing greater stability for its employees and clients.

15. The Proposal Trustee supports the consideration provided under the Stalking Horse Agreements as fair and reasonable and that the agreement was negotiated in good faith.
16. The Proposal Trustee is supportive of the approval of the Stalking Horse Agreements for the purposes of acting as the Stalking Horse Bids in the Sale Processes.
17. The purpose of the Sale Processes is to solicit interest in and opportunities for a sale of the Companies' assets and business operations in whole or in part.

Amendment of the Administration Charge

18. Comfort Zone seeks to amend the Administration Charge to include amounts outstanding and payable to BDO Advisory. BDO Advisory requires the protection afforded by the Administration Charge in order to continue acting as sales agent throughout Comfort Zone's NOI proceeding.

OTHER GROUNDS

19. Section 65.13 of the BIA;
20. Rules 1.04, 2.03, 3.02 and 37 of the *Rules of Civil Procedure*, RSO 1990, Reg 194, as amended;
21. Section 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS);
22. Section 7(3)(c) of the Personal Information Protection and Electronic Documents Act, S.C. 2000, c. 5; and
23. 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:

24. The Affidavit of Kevin Dentremont sworn May 8, 2026;
25. The Affidavit of Brian Velthove, to be filed;
26. The Third Report of the Proposal Trustee; and
27. Such further and other evidence as counsel may advise and this Honourable Court may permit.

May 8, 2026

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**Lawyers for Comfort Zone Heating &
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TO: THE SERVICE LIST

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ONTARIO
SUPERIOR COURT OF JUSTICE
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Proceedings commenced at Toronto

NOTICE OF MOTION
(returnable May 14, 2026)

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TAB 2

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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 COMFORT ZONE INC. AND THOSE APPLICANTS LISTED ON SCHEDULE "A" HERETO (EACH, AN "APPLICANT", AND COLLECTIVELY, THE APPLICANTS")

AFFIDAVIT OF KEVIN DENTREMONT

(Sworn May 8, 2026)

I, **KEVIN DENTREMONT**, of the City of Cobourg, in the province of Ontario, **MAKE**

OATH AND SAY:

1. I am the general manager of Comfort Zone Heating & Air Conditioning Inc., (the "**Debtor**" or "**Comfort Zone**") 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. On April 8, 2026, Arthur Phillips as the then-director of Comfort Zone caused it to file a Notice of Intention to Make a Proposal (a "**NOI**" and the within proceeding, the "**NOI Proceeding**") under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**BIA**"). BDO

Canada Limited was appointed as proposal trustee of the Debtor (in such capacity, the “**Proposal Trustee**”).

3. This affidavit is submitted in support of a motion for an order (the “**Sale Process Order**”), substantially in the form appended at tab 3 of the Debtor’s motion record that, among other things:

- (a) if necessary, 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) approves a sale process in a form substantially similar to the form attached as Schedule “B” to the Sale Process Order (the “**Sale Process**”);
- (c) approves a sales agent engagement between the Proposal Trustee and BDO Canada Transaction Advisory Services (in its capacity as sales agent, the “**Sales Agent**”) dated as of April 21, 2026 (the “**Engagement Letter**”) to carry out the Sale Process;
- (d) approves a stalking horse asset purchase agreement (the “**Stalking Horse Agreement**”) between Comfort Zone, as vendor, and Kevin Dentremont 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;
- (e) amends the Administration Charge to secure the fees and disbursements of the Sales Agent; and
- (f) approves the Third Report of the Proposal Trustee, to be filed (the “**Third Report**”) and the actions, conduct and activities described therein.

II. BACKGROUND

4. Comfort Zone is part of a group of entities known as the “**MechCan Group**” that provides heating, ventilation and air conditioning (“**HVAC**”) and plumbing services (the “**Business**”).

5. The MechCan Group was experiencing financial difficulties to due to challenges in its 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) pandemic pull forward whereby many households replaced equipment during COVID resulting in fewer repairs and replacements in the current market; and
- (d) the end of government rebate programs.

6. During the summer of 2025, the management of the MechCan Group undertook turnaround plan which focused on operational initiatives in an effort to reduce costs.

7. Despite the operational restructuring, the Debtor continued to experience liquidity challenges as sales remained slower than expected and the current state of the economy. In order to preserve Comfort Zone’s ongoing operations and value, the Debtor filed the NOI.

8. The primary objective of the NOI Proceeding is to restructure the Debtor’s balance sheet and implement a long-term solution to the Debtor’s liquidity challenges in the interests of stakeholders.

III. NOI PROCEEDING

9. On May 5, 2026, this Court granted an order (the “**Initial Proposal Order**”) that, among other things:

- (a) extended the time to file a proposal pursuant to s. 50.4(9) of the BIA up to and including June 22, 2026;
- (b) authorized the Debtor to borrow up to \$60,000 under a credit facility (the “**DIP Facility**”) from National Bank of Canada (“**NBC**” or the “**DIP Lender**”) to finance the Debtor’s working capital requirements and pay the costs and expenses of this proceeding, as more fully described in the interim financing agreement between the Debtor and DIP Lender dated May 5, 2026 (the “**DIP Term Sheet**”);
- (c) granted 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 – an administration charge (the “**Administration Charge**”) up to a maximum of \$150,000 over the assets, property and undertaking of Comfort Zone in favour of counsel to Comfort Zone, Proposal Trustee, and counsel to the Proposal Trustee; and
 - (ii) second – a “**DIP Lender’s Charge**” as security for the Debtor’s obligations under the DIP Term Sheet in the maximum principal amount of \$60,000 plus interest, fees and costs; and
- (d) approves the expansion of the Proposal Trustee’s powers.

Attached hereto and marked as **Exhibit “A”** is a copy of the Initial Proposal Order and Justice

Dunphy's endorsement dated as of May 5, 2026.

10. In discussions with NBC and the Proposal Trustee, the Debtor has explored options to attempt to realize on its assets through the going-concern Sale Process, with the Stalking Horse Bid, to attempt to secure greater recovery for creditors than would be the case through a liquidation.

11. Certain entities within the MechCan Group have received Court approval to commence a sale process to be administered by the Proposal Trustee in consultation with the Sales Agent. The sale processes across the MechCan Group are intended to operate on substantially similar timelines in order to provide prospective purchasers with an opportunity to submit bids for some or all of the MechCan Group's properties.

IV. RELIEF REQUESTED

A. Approval of the Sale Process

Overview of the Sale Process

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

13. To complement the Debtor's prior and ongoing operational restructuring efforts, the Debtor has determined that the Sale Process is critical to developing a value-maximizing restructuring solution. Accordingly, the Proposal Trustee, in consultation with the Sales Agent and NBC, developed the Sale Process. A copy of the Sale Process is attached hereto and marked as **Exhibit "B"**. 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 Third Report.

14. The Sale Process is intended to widely expose the Debtor'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.

15. 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, with the assistance of the Sales Agent. The Debtor will continue to operate in the normal course during the Sale Process in order to preserve and maximize going-concern value of the Business.

16. The Sale Process involves a Stalking Horse Bid, wherein the Stalking Horse Bidder has agreed to purchase substantially all of the assets of the Debtor. As noted above, the Stalking Horse Bidder does not have an arms-length relationship with the Debtor on account of my involvement in the Stalking Horse Bidder while also being general manager of Comfort Zone. A copy of the signed Stalking Horse Agreement dated as of May 8, 2026 is attached hereto as **Exhibit "C"**.

17. 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.

18. 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.

Sale Process Milestones

19. In consultation with the Proposal Trustee, and with a view to balancing Comfort Zone’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. The following key milestones in the Sale Process are as follows (the “**Sale Process Milestones**”) (all times referenced being in the Eastern Time Zone):

Milestone	Deadline
Create listing of Known Potential Bidders	In progress
Commencement of Sale Process	May 14, 2026
Distribution of Teaser Letter, Notice and Marketing Materials	May 15, 2026
Distribution of the Notice	May 15, 2026
Insider Notice Deadline	May 19, 2026
Bid Deadline	June 1, 2026
Auction Date (if necessary)	No later than June 5, 2026
Hearing of the Sale Approval Motion	No later than June 15, 2026
Outside Date for closing of the highest or otherwise best bid (the “ Successful Bid(s) ”)	10 days after Sale Approval Motion

20. 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 Potential Bidders (as defined in the Sale Process) in writing and posted on the Proposal Trustee’s website.

Key Terms of the Sale Process

21. 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 June 1, 2026, being the Bid Deadline.

- (b) **Determination of a 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 Sales Agent 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 Debtor'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 Debtor, 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 Debtor, 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

22. The Sale Process was developed by the Proposal Trustee in consultation with the Debtor, NBC and the Sales Agent. It is designed to facilitate an efficient and robust market canvass that can be completed in the timeframe. The Sale Process provides an outside date for closing of a transaction, which aligns with the financing available under the DIP Facility, and is the result of negotiations with the DIP Lender.

23. 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 Comfort Zone's limited liquidity and the need to complete a transaction promptly to minimize negative impacts on the Business.

24. 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 Comfort Zone's Business or assets.

25. 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 Comfort Zone's stakeholders in an appropriate timeframe and with the Proposal Trustee's oversight. This timing and the structure of the Sale Process is critical to preserving Comfort Zone's Business.

26. 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 Comfort Zone and its stakeholders and is far better than the alternative if a Sale Process cannot be completed.

B. Approval of the Stalking Horse Agreement

27. After considerable negotiation between the Stalking Horse Bidder and the Debtor, in consultation with the Proposal Trustee, the Debtor entered into a Stalking Horse Agreement with the Stalking Horse Bidder on May 8, 2026.

28. At this time, the Debtor 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 Debtor will return to Court at that time to seek approval of the transactions contemplated therein.

29. 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 Debtor through an approval and vesting transaction.

30. The key terms of the Stalking Horse Agreement are summarized below. All capitalized terms not otherwise defined herein have the meaning given to such terms in the Stalking Horse Agreement.

Term	Details
Vendor	Comfort Zone Heating & Air Conditioning Inc.
Purchaser	Kevin Dentremont, in trust and on behalf of a corporation to be incorporated

Transaction Structure	Approval and vesting structure for an asset purchase agreement.
Purchase Price	\$349,000 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 Vendor, Equipment, Vehicles owned by the Vendor, 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 Stalking Horse 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; • all leased vehicles; 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 from and after the Closing Date 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.
Outside Date	June 25, 2026

31. 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 Comfort Zone's Business, wind-down costs, and provides for retained liabilities as specified therein;
- (b) the certainty it provides for employees, clients and other stakeholders which are critical for Comfort Zone's "assets";
- (c) the reasonable nature of the terms of the Stalking Horse Agreement; and
- (d) Comfort Zone's limited liquidity and limited alternative options in the circumstances and available timeframe.

32. 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.

33. I believe that the Stalking Horse Bid has the potential to enhance 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 the Debtor and its stakeholders in the process.

34. 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 Comfort Zone.

V. CONCLUSION

35. For the reasons set out herein, the Debtor respectfully requests that this Court grant the Sale Process Order, substantially in the form appended as tab 3 to the Debtor’s motion record.

SWORN BEFORE ME by **Kevin Dentremont** stated as being located in the City of Cobourg **BEFORE ME** at the City of Toronto, in the Province of Ontario this 8th day of May 2026, in accordance with O. Reg 431/20, *Administering Oath Or Declaration Remotely*)
)
)
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)
)
)

Signed by:
Simran Joshi

0D0B645B9A9E494
A Commissioner for taking Affidavits.
Simran Joshi LSO #89775A

Signed by:
Kevin Dentremont

F745A4B285AE1C2
KEVIN DENTREMONT

**Schedule "A"
Applicants**

- J.D. Swallow Heating Contractors Inc.
- Comfort Zone Heating & Air Conditioning Inc.
- Hy-Mark Mechanical Inc.
- B.R.'s Plumbing & Heating Inc.

THIS IS **EXHIBIT "A"** REFERRED TO IN THE
AFFIDAVIT OF **KEVIN DENTREMONT** SWORN REMOTELY BY **KEVIN DENTREMONT**
STATED AS BEING LOCATED IN THE CITY OF COBOURG BEFORE ME AT THE CITY OF
TORONTO, IN THE PROVINCE OF ONTARIO THIS 8TH DAY OF MAY 2026, IN
ACCORDANCE WITH O. REG 431/20, *ADMINISTERING OATH OR DECLARATION*
REMOTELY

A handwritten signature in blue ink, appearing to be 'S. Joshi', written on a light-colored background.

A COMMISSIONER FOR TAKING AFFIDAVITS
SIMRAN JOSHI LSO #89775A

30, 2026, in respect of BR's (the "**BR's First Report**") and the Second Report of the Proposal Trustee, dated May 4, 2026 (the "**Second Report**", and together with the BR's First Report, the "**Reports**"), was heard this day by judicial videoconference;

ON READING the Affidavits of Kevin Dentremont sworn May 4, 2026 and the exhibits thereto (the "**Dentremont Affidavit**"), and affidavit of Bart Rietveld sworn May 5, 2026 and the exhibits thereto, the Reports, and on hearing the submissions of counsel for Comfort Zone, counsel for BR's, counsel for the Proposal Trustee, counsel for National Bank of Canada (the "**DIP Lender**") 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 Alina Stoica sworn May 5, 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 period within which a proposal may be filed on behalf of Comfort Zone be and is hereby extended to and including June 22, 2026.

COMFORT ZONE ADMINISTRATION CHARGE

3. **THIS COURT ORDERS** that the Proposal Trustee, counsel to the Proposal Trustee, and counsel to Comfort Zone shall be entitled to the benefit of and are hereby granted a charge (the "**Comfort Zone Administration Charge**") on Comfort Zone's current and future assets,

undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Comfort Zone Property**”), which charge shall not exceed an aggregate amount of \$150,000 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 Comfort Zone Administration Charge shall have the priority set out in paragraph 13.

4. **THIS COURT ORDERS** that the Proposal Trustee, counsel to the Proposal Trustee, and counsel to Comfort Zone shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by Comfort Zone as part of the costs of these proceedings. Comfort Zone is hereby authorized and directed to pay the accounts of counsel to the Proposal Trustee and counsel to Comfort Zone 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 Comfort Zone to their fees and disbursements and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

BR’S ADMINISTRATION CHARGE

5. **THIS COURT ORDERS** that the Proposal Trustee, counsel to the Proposal Trustee, and counsel to BR’s shall be entitled to the benefit of and are hereby granted a charge (the “**BR’s Administration Charge**” and together with the Comfort Zone Administration Charge, the “**Administration Charges**”) on BR’s current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**BR’s Property**”), which charge shall not exceed an aggregate amount of \$150,000 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.

6. **THIS COURT ORDERS** that the Proposal Trustee, counsel to the Proposal Trustee, and counsel to BR's shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by BR's as part of the costs of these proceedings. BR's is hereby authorized and directed to pay the accounts of counsel to the Proposal Trustee and counsel to BR's 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 BR's to their fees and disbursements and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

COMFORT ZONE DIP FINANCING AND DIP LENDER'S CHARGE

7. **THIS COURT ORDERS** that Comfort Zone is hereby authorized and empowered to obtain and borrow under a credit facility from the DIP Lender in order to finance Comfort Zone'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 \$60,000 unless permitted by further Order of this Court.

8. **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 Dentremont 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**"), and that execution of the Term Sheet by Kevin Dentremont on behalf of Comfort Zone is hereby approved.

9. **THIS COURT ORDERS** that Comfort Zone 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 Comfort Zone 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.

10. **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 Comfort Zone 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 13 hereof.

11. **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 Comfort Zone or the Comfort Zone Property.

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

VALIDITY AND PRIORITY OF CHARGES

13. **THIS COURT ORDERS** that in the case of Comfort Zone, the priorities of the Comfort Zone Administration Charge and the DIP Lender’s Charge, as among them, shall be as follows:

- (a) First – Comfort Zone Administration Charge (to the maximum amount of \$150,000); and

- (b) Second – DIP Lender’s Charge (to the maximum principal amount of \$60,000 plus interest, fees, and costs).

14. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charges, and the DIP Lender’s Charge in respect of Comfort Zone (together, 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.

15. **THIS COURT ORDERS** that the Charges shall constitute a charge on the Comfort Zone Property or BR’s Property, as applicable, 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**”).

16. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, neither Comfort Zone nor BR’s shall not grant any Encumbrances over any Comfort Zone Property or BR’s Property, respectively, that rank in priority to, or *pari passu* with the Charges, unless Comfort Zone or BR’s also obtains the prior written consent of the Proposal Trustee and, in the case of Comfort Zone, the DIP Lender, or further Order of this Court.

17. **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 Comfort Zone or BR’s, 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 Comfort Zone or BR’s of any Agreement to which either 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 Comfort Zone 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 Comfort Zone or BR’s 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.

18. **THIS COURT ORDERS** that the Charges created by this Order over leases of real property in Canada shall only be a charge against the Comfort Zone’s or BR’s, as applicable, interest in such real property leases.

ENHANCED PROPOSAL TRUSTEE'S POWERS

19. **THIS COURT ORDERS** that without limiting the duties and powers of the Proposal Trustee under the BIA, in respect of Comfort Zone, 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, Comfort Zone in order to carry out its duties under this Order or any Order of the Court;
- (b) take any and all actions and steps in the name of and on behalf of Comfort Zone to facilitate the administration of Comfort Zone's Property, business, operations, affairs, and estate as may be necessary, appropriate, or desirable in the sole discretion of the Proposal Trustee;
- (c) to monitor Comfort Zone's receipts and disbursements and cash flow;
- (d) to investigate and monitor the business and financial affairs of Comfort Zone and to consult with and report to the DIP Lender on all matters relating to the business and affairs of Comfort Zone;
- (e) to file an assignment in bankruptcy on behalf of Comfort Zone, or to consent to the making of a bankruptcy order against Comfort Zone, and to act as the trustee in bankruptcy;
- (f) access and operate on behalf of Comfort Zone any of Comfort Zone's existing accounts at any financial institution, in such manner as the Proposal Trustee, in its sole discretion, deems necessary or appropriate to assist with the exercise of the Proposal Trustee's powers and duties set out herein, including the ability to

add or remove persons having signing authority with respect to any of Comfort Zone's accounts;

- (g) take any and all corporate actions and actions regarding the governance of Comfort Zone and such actions taken by the Proposal Trustee are hereby authorized without requiring any further action or approval by Comfort Zone or any current or former officers, directors, or shareholders of Comfort Zone;
- (h) have full and complete access to all books, records, data, including in electronic form, and other financial documents of Comfort Zone, in Comfort Zone's or any other party's possession or control;
- (i) receive and collect all Comfort Zone Property, monies, accounts, or other assets now or hereafter owing or belonging to Comfort Zone, including but not limited to any accounts receivable or cash;
- (j) engage, deal, communicate, negotiate, agree, and settle with any creditor or other stakeholder of Comfort Zone (including any governmental authority or body) in the name of or on behalf of Comfort Zone;
- (k) 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;
- (l) claim, receive, and collect any and all insurance refunds, tax refunds, return of duties or levies, including refunds or goods and services taxes and harmonized sales taxes, to which Comfort Zone is entitled;

- (m) engage, retain, or terminate the services of, or cause Comfort Zone to engage, retain, or terminate the services of any officer, employee, consultant, agent, independent contractor, representative, advisor, or any other person or entity, all under the supervision and direction of the Proposal Trustee;
- (n) facilitate or assist Comfort Zone with its accounting, tax, and financial reporting functions, including employee-related remittances and T4 statements and records of employment, in each case based solely upon the information provided by Comfort Zone and on the basis that the Proposal Trustee shall incur no liability or obligation to any person with respect to such reporting, remittances, statements, and records;
- (o) meet with and direct management or employees of, and persons retained by Comfort Zone, with respect to Comfort Zone's Property, business, operations, or affairs;
- (p) receive, collect, open, review, and retain all mail, courier packages, and other written communications addressed to or intended for Comfort Zone and to cause all mail and other communications addressed to Comfort Zone to be redirected to the Proposal Trustee, and to take all steps necessary to implement such redirection;
- (q) perform or cause Comfort Zone to perform, such other functions or duties as the Proposal Trustee considers necessary or desirable in order to facilitate the realization of Comfort Zone's assets and property, or to fulfil the terms of this Order or any other order of this Court, including, but not limited to, any steps required to complete a wind down of Comfort Zone; and

- (r) take any steps reasonably incidental to the exercise of the powers hereby granted or the performance of the Proposal Trustee's obligations under the BIA,

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 Comfort Zone and its current and former employees, directors, and officers, and without interference.

20. **THIS COURT ORDERS** that without limiting the duties and powers of the Proposal Trustee under the BIA, in respect of BR's, 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, BR's in order to carry out its duties under this Order or any Order of the Court including to execute all documents relating to any sale process to be conducted in respect of BR's, as well as to execute and deliver any documents on behalf of BR's to implement transactions under a sale process approved by the Court;
- (b) 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) conduct, supervise, and direct the marketing, sale, conveyance, transfer, assignment or disposal of any BR's Property 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 BR's and its current and former employees, directors, and officers, and without interference.

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

22. **THIS COURT ORDERS** that the Proposal Trustee shall not be liable for any employee-related liabilities of Comfort Zone or of BR's 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 Comfort Zone or Br's, including wages, severance pay, termination pay or benefit amounts (including without limitation premiums or benefit payments).

23. **THIS COURT ORDERS** that the enhancement of the Proposal Trustees powers as 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 Comfort Zone or BR's 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 Comfort Zone or BR's.

24. **THIS COURT ORDERS** that the Proposal Trustee is not, and shall not be or deemed to be, director, officer or employee of Comfort Zone or BR's.

25. **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 Comfort Zone or BR's within the meaning of any relevant legislation and that any distribution made to creditors of Comfort Zone or BR's by the Proposal Trustee will be deemed to have been made by Comfort Zone or BR's itself, respectively.

26. **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.

27. **THIS COURT ORDERS** that nothing in this Order shall prevent the Proposal Trustee from acting as a trustee in bankruptcy of Comfort Zone or BR's.

28. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal, 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 THE REPORTS

29. **THIS COURT ORDERS** that the Reports 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.

GENERAL

30. **THIS COURT ORDERS** that the Proposal Trustee 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 this Order.


31. **THIS COURT ORDERS** that each of Comfort Zone or BR's 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.

32. **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 Comfort Zone or BR's, 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 Comfort Zone or BR's 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 Comfort Zone or BR's and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

33. **THIS COURT ORDERS** that, pursuant to section 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS), the Proposal Trustee, Comfort Zone or BR's 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 creditors of Comfort Zone or BR's or other interested parties and their advisors.

34. **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 Comfort Zone or BR's, the business of Comfort Zone or BR's, or the Comfort Zone Property or BR's Property.

35. **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.

 Digitally signed
by Sean Dunphy
Date: 2026.05.05
11:15:28 -04'00'

**Schedule "A"
Applicants**

- J.D. Swallow Heating Contractors Inc.
- Comfort Zone Heating & Air Conditioning Inc.
- Hy-Mark Mechanical Inc.
- B.R.'s Plumbing & Heating Inc.

**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 MECHCAN INC. AND THOSE APPLICANTS LISTED ON
SCHEDULE "A" HERETO (EACH, AN "APPLICANT", AND COLLECTIVELY,
THE APPLICANTS)**

Bankruptcy Court File No. BK-26-03354893-31
Estate File No.: 31-3356927
Estate File No.: 31-3354893
Estate File No. 33-3354829
Estate File No. 35-3357213
Estate File No. 35-3358238

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceedings commenced at Toronto

ORDER
**(initial proposal relief for Comfort Zone and further
relief for BR's Plumbing)**

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**Lawyers for Comfort Zone Heating & Air Conditioning
Inc.**



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: BK-26-03354893-0031

DATE: May 05, 2026

NO. ON LIST: 4 @10:30AM

TITLE OF PROCEEDING: MechCan Inc. v. BDO CANADA LIMITED -BK-26-03354893 0031

BEFORE: JUSTICE Sean Dunphy

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
BRENDAN BISSELL	Legal counsel to Comfort Zone Heating & Air Conditioning Inc.	bbissell@reconllp.com
SIMRAN JOSHI	Legal counsel to Comfort Zone Heating & Air Conditioning Inc.	sjoshi@reconllp.com

For Defendant, Respondent, Responding Party:

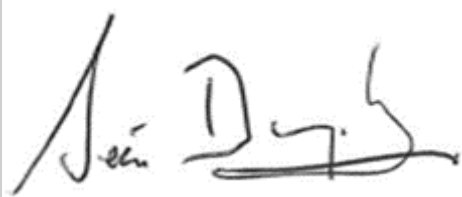
Name of Person Appearing	Name of Party	Contact Info
STEPHANIE FERNANDES	Counsel for National Bank of Canada	sfernandes@tgf.ca
JENNIFER L. CARUSO	(Csl, Proposal Trustee)	jcaruso@fasken.com
JOSIE PARISI	BDO Trustee	jparisi@bdo.ca

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info

ENDORSEMENT OF JUSTICE:

- [1] The parties were before me last week seeking an NOI extension, an Admin Charge, DIP and an administrative consolidation of bankruptcy proceedings involving affiliates in Ontario. This motion relates to two of the administratively consolidated files, Comfort Air and BR.
- [2] The order sought by and large mirrors the relief granted in the MehCan matter last week and I am approving it for essentially the same reasons. BR’s order is more narrowly tailored. Further applications next week are anticipated to approve a sales process and other related matters. I also reviewed the first two Trustee reports and approved the Trustee’s activities as set out therein.
- [3] Order signed in the form requested.



Sean Dunphy

Date: May 05, 2026

THIS IS **EXHIBIT "B"** REFERRED TO IN THE
AFFIDAVIT OF **KEVIN DENTREMONT** SWORN REMOTELY BY **KEVIN DENTREMONT**
STATED AS BEING LOCATED IN THE CITY OF COBOURG BEFORE ME AT THE CITY OF
TORONTO, IN THE PROVINCE OF ONTARIO THIS 8TH DAY OF MAY 2026, IN
ACCORDANCE WITH O. REG 431/20, *ADMINISTERING OATH OR DECLARATION*
REMOTELY

A handwritten signature in blue ink, appearing to be 'S. Joshi', written in a cursive style.

A COMMISSIONER FOR TAKING AFFIDAVITS
SIMRAN JOSHI LSO #89775A

SALE PROCESS COMFORT ZONE HEATING & AIR CONDITIONING INC.

INTRODUCTION

On April 8, 2026, Comfort Zone Heating & Air Conditioning Inc. (“**Comfort Zone**” 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 May 14, 2026, the Company intends to seek an order (the “**Sale Process 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 Kevin Dentremont, in trust to a corporation to be incorporated (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 Sale Process 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 payable under the Stalking Horse Agreement of \$349,000 plus a minimum additional amount of \$40,000.
3. The Sale Process 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	May 14, 2026
Distribution of Teaser Letter and Marketing Materials	May 15, 2026
Distribution of the Notice	May 15, 2026
Insider Notice Deadline	May 19, 2026
Bid Deadline	June 1, 2026
Auction Date (if necessary)	No later than June 5, 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 May 15, 2026; 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 May 15, 2026, 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 19, 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 June 1, 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 Sale Process 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 Purchase Price payable under the Stalking Horse Agreement of \$349,000, 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., Harmony Heating and Air Conditioning Inc., J.D. Swallow Heating Contractors Inc., and B.R.’s Plumbing & Heating 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 June 5, 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 June 3, 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 June 5, 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 "C"** REFERRED TO IN THE
AFFIDAVIT OF **KEVIN DENTREMONT** SWORN REMOTELY BY **KEVIN DENTREMONT**
STATED AS BEING LOCATED IN THE CITY OF COBOURG BEFORE ME AT THE CITY OF
TORONTO, IN THE PROVINCE OF ONTARIO THIS 8TH DAY OF MAY 2026, IN
ACCORDANCE WITH O. REG 431/20, *ADMINISTERING OATH OR DECLARATION*
REMOTELY

A handwritten signature in blue ink, appearing to be 'S. Joshi', written on a light-colored background.

A COMMISSIONER FOR TAKING AFFIDAVITS
SIMRAN JOSHI LSO #89775A

STALKING HORSE ASSET PURCHASE AGREEMENT

This Agreement is made and entered into this 8th day of May, 2026 (the “**Effective Date**”)

BETWEEN:

**COMFORT ZONE HEATING & AIR CONDITIONING
INC.**, a corporation incorporated pursuant to the laws of
the Province of Ontario, as vendor (the “**Company**”)

– and –

**KEVIN DENTREMONT, in trust to a corporation to be
incorporated**, 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 8, 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) **"Affiliate"** has the meaning given to the term "affiliate" in the *Business Corporations Act*, R.S.O. 1990, c.B-16.
- (b) **"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.
- (c) **"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.
- (d) **"Approval and Vesting Order"** means an order of the Court issued in the Proposal Proceedings approving 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 Encumbrances in form and content acceptable to the Parties, each acting reasonably, and the Proposal Trustee.
- (e) **"Article"** or **"Section"** or **"Schedule"** means the specified Article, Section 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.
- (f) **"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.
- (g) **"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.
- (h) **"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 Motion, 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 and trade payables but only in respect of wages occurring after Closing for Transferred Employees and trade payables in respect of goods or services to be supplied after Closing; 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.

- (i) **“Auction”** has the meaning set out in the Section 4.1(b).
- (j) **“BIA”** has the meaning set out in the preamble hereto.
- (k) **“Bid Deadline”** has the meaning set out in the Sale Process.
- (l) **“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.
- (m) **“Break Fee”** has the meaning set out in Section 4.2.
- (n) **“Business”** means the business carried on by the Company.
- (o) **“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.
- (p) **“Cash Consideration”** has the meaning set out in Section 3.3(b).
- (q) **“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.
- (r) **“Closing”** means the closing and consummation of the Transaction in accordance with the terms hereof.

- (s) **“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.
- (t) **“Closing Time”** means the time on the Closing Date at which Closing occurs, as evidenced by the Proposal Trustee’s Certificate.
- (u) **“Conditions Certificate”** has the meaning set out in Section 7.4.
- (v) **“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.
- (w) **“Court”** has the meaning set out in the preamble hereto.
- (x) **“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.
- (y) **“Interim Financing Agreement”** means the agreement between the Company and NBC (the **“Interim Lender”**) by which the Interim Lender has agreed to loan funds to the Company and the Company has agreed to borrow funds from the Interim Lender subject to an Order of the Court approving such loan and granting a super priority charge over the assets of the Company in respect of all amounts advanced pursuant to that loan.
- (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, 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”** has the meaning set out in Section 2.3. and **Schedule “B”** attached hereto. means the following:
- (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 8, 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 Period”** means the period beginning on the Effective Date and ending at the Closing Date.
- (ll) **“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.
- (mm) **“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.

- (nn) **“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).
- (oo) **“Outside Date”** means June 25, 2026.
- (pp) **“Parties”** means the Company and the Purchaser collectively, and **“Party”** means any one of them.
- (qq) **“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.
- (rr) **“Proposal Proceedings”** has the meaning set out in the preamble hereto.
- (ss) **“Proposal Trustee”** has the meaning set out in the preamble hereto.
- (tt) **“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.
- (uu) **“Purchase Price”** has the meaning set out in Section 3.1.
- (vv) **“Purchased Assets”** has the meaning set out in Section 2.1.
- (ww) **“Qualified Bid”** has the meaning set out in the Sale Process.
- (xx) **“Qualified Bidders”** has the meaning set out in the Sale Process.
- (yy) **“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.
- (zz) **“Sale Approval Motion”** has the meaning set out in the Sale Process.
- (aaa) **“Sale Process”** has the meaning set out in the preamble hereto.
- (bbb) **“Sale Process Order”** has the meaning set out in the preamble hereto.
- (ccc) **“Stalking Horse Bid”** has the meaning ascribed hereto in Section 4.1(a).
- (ddd) **“Successful Bid”** has the meaning set out in the Sale Process.
- (eee) **“Successful Bidder”** has the meaning set out in the Sale Process.

- (fff) **“Taxes”** means, with respect to any Person, all national, federal, provincial, local or other taxes, including income taxes, capital gains taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, license taxes, excise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, pension plan premiums and contributions, workers compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST/HST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties and any Liability for the payment of any amounts of the type described in this paragraph as a result any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person.
- (ggg) **“Terminated Employees”** means all individuals who are employed by any member of the Company but whose employment will be terminated at or prior to Closing, pursuant to Section 6.7.
- (hhh) **“Transaction”** means the transaction of purchase and sale contemplated by this Agreement.
- (iii) **“Transferred Employees”** Employees who have accepted an offer of employment from the Purchaser as of the Closing.

1.2 General Construction

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

1.3 Currency

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

1.4 Statues

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

1.5 Schedules

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

SCHEDULES

Schedule A	-	Purchased Assets
Schedule B	-	Excluded Assets
Schedule C	-	Assumed Contracts
Schedule D	-	Assumed Liabilities

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 \$349,000.00 (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 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 has brought a motion to be heard by the Court on or before May 14, 2026 seeking the Sale Process Order that, if granted, 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 Qualified 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 Qualified Bidders submits a Qualified Bid, other than the Stalking Horse 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 Proposal Trustee shall forthwith bring a motion following the selection of the Successful Bidder for the Approval and Vesting Order, among other things, approving the agreement reached with the Successful Bidder and, if such order is granted, the Company and the Purchaser, with the assistance of the Proposal Trustee, 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 Proposal Trustee 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. Subject to the issuance of 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 laws of the jurisdiction of its incorporation and is in good standing under such laws 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), 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 co-operate reasonably in facilitating such investigations, inspections, surveys and tests and shall furnish copies of all such documents and materials relating to such matters as may be reasonably requested by or on behalf of the Purchaser. The Purchaser acknowledges that the foregoing access rights are not exclusive, and the same rights shall be granted to other Qualified Bidders in the Sale Process.

6.6 Insurance Matters

Until Closing, the Company shall keep in full force and effect all insurance policies existing as of the Effective Date and give any notice or present any claim under any such insurance policies consistent with past practice of the Company in the ordinary course of business.

6.7 Employee Matters

The Purchaser shall provide to the Company a list five (5) Business Days before Closing, indicating:

- (a) those Employees to whom offers of employment or expressions of interest have been made;
- (b) those Employees who have accepted any such offer; and
- (c) those Employees who the Purchaser has determined will not be offered employment with the Purchaser.

The Purchaser shall assume and be responsible for all Employee Liabilities in respect of Transferred Employees following the Closing Date.

6.8 Covenants Relating to this Agreement

- (a) Each of the Parties shall perform all obligations required to be performed by the applicable Party under this Agreement, co-operate with the other Parties in connection therewith and do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the Transactions contemplated by this Agreement and, without limiting the generality of the foregoing, during the Interim Period, each Party shall and, where appropriate, shall cause each of its Affiliates to:
 - (i) negotiate in good faith and use its commercially reasonable efforts to take or cause to be taken all actions and to do, or cause to be done, all things necessary, proper or advisable to satisfy the conditions precedent to the obligations of such Party hereunder (including, where applicable, negotiating in good faith with the applicable Governmental Authorities and/or third Persons in connection therewith), and to cause the fulfillment at the earliest practicable date of all of the conditions precedent to the other

Party's obligations to consummate the Transactions contemplated hereby;
and

- (ii) not take any action, or refrain from taking any action, or permit any action to be taken or not taken, which would reasonably be expected to prevent, materially delay or otherwise impede the consummation of the Transactions contemplated by this Agreement.
- (b) Each of the Company and the Purchaser agree to execute and deliver such other documents, certificates, agreements and other writings, reasonably necessary for the consummation of the Transactions contemplated by this Agreement following the selection of this Agreement as the Successful Bid, and to take such other actions to consummate or implement as soon as reasonably practicable, the Transactions contemplated by this Agreement.

ARTICLE 7 CLOSING

7.1 Closing

Closing shall take place on the Closing Date effective as of the Closing Time electronically (or as otherwise determined by mutual agreement of the Parties in writing), by the exchange of deliverables (in counterparts or otherwise) by electronic transmission in PDF format.

7.2 Closing Deliverables of the Company

At or before the Closing Time, the Company shall deliver or cause to be delivered to the Purchaser the following documents:

- (a) a copy of the Approval and Vesting Order, issued by the Court;
- (b) a copy of the Assignment Order, if any;
- (c) the Books and Records;
- (d) if applicable, the elections referred to in Section 3.4;
- (e) a general conveyance with respect to the Purchased Assets;
- (f) a bring down certificate dated as of the Closing Date, confirming that all of the representations and warranties of the Company contained in this Agreement are true and correct as of the Closing Date, with the same effect as though made on and as of the Closing Date; and
- (g) such further and other documentation as is referred to in this Agreement or as the Purchaser or its lawyers may reasonably require to complete the Transactions contemplated by this Agreement.

7.3 Closing Deliverables of the Purchaser

At or before the Closing Time, the Purchaser shall deliver or cause to be delivered to the Company the following documents:

- (a) the balance of the Purchase Price;
- (b) a bring down certificate dated as of the Closing Date, confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true and correct as of the Closing Date, with the same effect as though made on and as of the Closing Date;
- (c) a general conveyance with respect to the Purchased Assets;
- (d) a certified resolution of the Purchaser authorizing the Agreement and the purchase of the Purchased Assets;
- (e) a certificate of status of the Purchaser;
- (f) if applicable, the elections referred to in Section 3.4; and
- (g) such further and other documentation as is referred to in this Agreement or as the Company or its lawyers may reasonably require to complete the Transactions provided for in this Agreement.

7.4 Proposal Trustee's Certificate

When the conditions to Closing set out in Sections 8.1, 8.2 and 8.3 have been satisfied and/or waived by the Company or the Purchaser, as applicable, each of the Company and the Purchaser or their respective counsel will deliver to the Proposal Trustee confirmation in writing that the conditions of Closing have been satisfied and/or waived, as applicable, and that the Parties are prepared for the Closing to commence (the "**Conditions Certificates**"). Upon receipt of the Conditions Certificates and the receipt of the Purchase Price, the Proposal Trustee will: (a) issue forthwith its Proposal Trustee's Certificate concurrently to the Company and counsel to the Purchaser, at which time the Closing will be deemed to commence and be completed in the order set out herein and in the Approval and Vesting Order, and Closing will be deemed to have occurred; and (b) file as soon as practicable a copy of the Proposal Trustee's Certificate with the Court (and will provide a true copy of the filed certificate to the Company and counsel to the Purchaser). In the case of (a) and (b) above, the Proposal Trustee will be relying exclusively on the Conditions Certificates without any obligation whatsoever to verify or inquire into the satisfaction or waiver of the applicable conditions, and the Proposal Trustee will have no liability to the Company or the Purchaser as a result of filing the Proposal Trustee's Certificate in accordance herewith.

ARTICLE 8 CONDITIONS TO CLOSING

8.1 Conditions Precedent in Favour of the Parties

The obligations of the Parties to complete the Transaction is subject to the following mutual conditions being satisfied, fulfilled or performed on or prior to the Closing Date:

- (a) Successful Bid. This Agreement shall have been designated as a Successful Bid in accordance with the terms of the Sale Process.
- (b) Approval and Vesting Order. The Court shall have issued and entered the Approval and Vesting Order that among other things, approves the Purchase Price herein, which Approval and Vesting Order shall not have been stayed, set aside, vacated, subject to appeal, or leave to appeal and no application, motion or other proceeding shall have been commenced seeking the same, in each case which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably.
- (c) No Order. No Applicable Law and no judgment, injunction, order or decree shall have been issued by a Governmental Authority or otherwise in effect that restrains or prohibits the completion of the Transaction.
- (d) No Restraint. No motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction contemplated by this Agreement.

The foregoing conditions are for the mutual benefit of the Parties. If any condition set out in this Section 8.1 is not satisfied, performed or mutually waived on or prior to the Outside Date, any Party may elect on written notice to the other Parties to terminate this Agreement.

8.2 Conditions Precedent in Favour of the Purchaser

The obligations of the Purchaser to complete the Transaction is subject to the following mutual conditions being satisfied, fulfilled or performed on or prior to the Closing Date:

- (a) Company's Deliverables. The Company shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 7.2.
- (b) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or Transactions specifically contemplated by this Agreement, each of the representations and warranties contained in Section 5.1 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.
- (c) No Breach of Covenants. The Company shall have performed, in all material respects, all covenants, obligations and agreements contained in this Agreement required to be performed by the Company on or before the Closing Date.

- (d) Employees. The Company shall have terminated the employment of any Employees identified by the Purchaser in its sole discretion to be Terminated Employees and all Liabilities owing to any such Terminated Employees in respect of such terminations, including all amounts owing on account of statutory notice, termination payments, individual or group notice of termination (as applicable), severance, wages, overtime pay, vacation pay, benefits, bonuses or other compensation or entitlements, including any amounts deemed owing pursuant to statute or common law, shall be Excluded Liabilities or shall be discharged pursuant to the Approval and Vesting Order.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in this Section 8.2 may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing. If any condition set out in Section 8.2 is not satisfied or performed on or prior to the Outside Date, the Purchaser may elect on written notice to the Company to terminate this Agreement.

8.3 Conditions Precedent in Favour of the Company

The obligations of the Company to complete the Transaction is subject to the following mutual conditions being satisfied, fulfilled or performed on or prior to the Closing Date:

- (a) Purchaser's Deliverables. The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Company or the Proposal Trustee, as applicable, at the Closing all the documents and payments contemplated in Section 7.3.
- (b) No Breach of Representation and Warranties. Each of the representations and warranties contained in Section 5.2 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.
- (c) No Breach of Covenants. The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing.

The foregoing conditions are for the exclusive benefit of the Company. Any condition in this Section 8.3 may be waived by the Company in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Company only if made in writing. If any condition set out in Section 8.3 is not satisfied or performed on or prior to the Outside Date, the Company may elect on written notice to the Purchaser 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 Company to the Purchaser.

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 the Proposal Proceedings, 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 9.3 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:

KEVIN DETREMONT, in trust to a corporation to be incorporated

Attention: Kevin Dentremont

Email: kdentremont0@gmail.com

with a copy to:

TEMPLEMAN LLP

Attention: Harold Van Winssen:

Email: hvanwinssen@tmlegal.ca

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

Comfort Zone Heating & Air Conditioning Inc.

Attention: Kevin Dentremont

Title: General Manager

Email: kevin@comforthvac.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 Street East, 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, ON M5H 2T6

Attention: Dylan 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

Purchaser, 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 and not survive the 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 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.

10.9 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.

10.10 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.

10.11 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.

10.12 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]

**COMFORT ZONE HEATING & AIR
CONDITIONING INC.**

Signed by:
Kevin Dentremont
Per: _____ c/s
Name: Kevin Dentremont
Title: General Manager
I have authority to bind the corporation

**KEVIN DENTREMONT, in trust to a corporation to
be incorporated**

Signed by:
Kevin Dentremont
Per: _____ c/s
Kevin Dentremont

Schedule "A"
Purchased Assets

- (a) Assumed Contracts;
- (b) Books and Records;
- (c) Claims of the Company;
- (d) Equipment;
- (e) Vehicles owned by the Company;
- (f) Inventory and Supplies;
- (g) 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 on the Closing Date;
- (b) the Purchase Price;
- (c) Excluded Contracts;
- (d) all minute books, share ledgers, corporate seals, capital stock, equity interests and stock certificates of the Company;
- (e) all policies of insurance or assurance (including directors' and officers' insurance and claims against insurance and insurance settlements), except for the right to receive the proceeds of insurance in respect of Purchased Assets and all Books and Records related thereto which shall not constitute Excluded Assets;
- (f) original Tax records and Books and Records pertaining thereto, minute books, corporate seals, taxpayer and other identification numbers and other documents relating to the organization, maintenance, and existence of the Company, in each case that do not relate to the Business or the Purchased Assets;
- (g) any Books and Records that the Company is required by Applicable Law to retain in its possession, provided however, the Purchaser shall be provided with copies of all such Books and Records that pertain to the Business;
- (h) any other assets that the Purchaser elects to exclude in writing prior to Closing pursuant to Section 2.3; and
- (i) all leased Vehicles

Schedule "C"
Assumed Contracts

- (a) Customer contracts including service contracts, purchase orders on goods and services.

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.

**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
MECHCAN INC. AND THOSE APPLICANTS LISTED ON SCHEDULE "A" HERETO
(EACH, AN "APPLICANT", AND COLLECTIVELY, THE APPLICANTS")**

Bankruptcy Court File No. BK-26-03354893-31
Estate No.: 31-3356927
Estate No.: 31-3354893
Estate No. 33-3354829
Estate No. 35-3357213
Estate No. 35-3358238

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**
Proceedings commenced at Toronto

**AFFIDAVIT OF KEVIN DENTREMONT
(sworn May 8, 2026)**

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

Brendan Bissell LSO No. 40354V
bbissell@reconllp.com
Tel: 416.613.0066
Fax: 416.613.8290

Simran Joshi LSO No. 89775A
sjoshi@reconllp.com
Tel: 416.304.6589

Lawyers for Comfort Zone Heating & Air Conditioning Inc.

TAB 3

Bankruptcy Court File BK-26-03354893-31
Estate No. 31-3356927
Estate No. 31-3354893
Estate No. 33-3354829
Estate No. 35-3357213
Estate No. 35-3358238

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE

JUSTICE DUNPHY

)
)
)

THURSDAY, THE 14TH

DAY OF MAY, 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 MECHCAN INC. AND THOSE
APPLICANTS LISTED ON SCHEDULE "A" HERETO (EACH,
AN "APPLICANT", AND COLLECTIVELY, THE APPLICANTS"**

**SALE PROCESS ORDER
(Comfort Zone)**

THIS MOTION, made by Comfort Zone Heating & Air Conditioning Inc. ("**Comfort Zone**"), pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended, for an order that, among other things: (i) 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 "B" (the "**Sale Process**"); (ii) approves the Sales Agent Engagement Letter (as defined herein); and (iii) approves the Third Report of BDO Canda Limited, in its capacity as the Proposal Trustee (the "**Proposal Trustee**") dated May ●, 2026 (the "**Third Report**"), was heard this day by judicial videoconference;

ON READING the Affidavit of Kevin Dentremont sworn May 8, 2026 and the exhibits thereto (the "**Dentremont Affidavit**"), the Third Report, and on hearing the submissions of

counsel for Comfort Zone, 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 May ●, 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.

APPROVAL OF SALES AGENT ENGAGEMENT

2. **THIS COURT ORDERS** that the engagement letter dated April 21, 2026 (the “**Sales Agent Engagement Letter**”) between the Proposal Trustee and BDO Canada Transaction Advisory Services Inc. (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 Sales Agent Engagement Letter.

3. **THIS COURT ORDERS** that the Sales Agent shall be entitled to the benefit of the Administration Charge on the Comfort Zone Property (each as defined in the Order of Justice Dunphy in the within proceedings dated as of May 5, 2026) as security for its professional fees and disbursements incurred at its standard rates and charges, both before and after the making of this Order in respect of these proceedings.

4. **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 Sales Agent Engagement Letter, this Order and any further Order of the Court.

5. **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 Sales Agent Engagement Letter or further order of the Court.

SALE PROCESS

6. **THIS COURT ORDERS** that the Sale Process in respect of the Property (as defined in the Sale Process) of Comfort Zone 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.

7. **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.

8. **THIS COURT ORDERS** that each of the Proposal Trustee, the Sales Agent, Comfort Zone 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 Comfort Zone, as applicable, in performing their obligations under the Sale Process, as determined by this Court.

9. **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 Comfort Zone's records (including, without limitation, confidential or commercially sensitive information or documentation) regarding the assets and/or parties with whom Comfort Zone transacts (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

10. **THIS COURT ORDERS** that Comfort Zone 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 May 8, 2026 (the “**Stalking Horse Agreement**”) between Comfort Zone and Kevin Dentremont, on behalf of and in trust for a corporation to be incorporated (the “**Stalking Horse Bidder**”), substantially in the form attached as Exhibit “C” to the Dentremont 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.

11. **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), Comfort Zone 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 THIRD REPORT

12. **THIS COURT ORDERS** that the Third 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

13. **THIS COURT ORDERS** that Comfort Zone is authorized and permitted to transfer to the Proposal Trustee personal information of identifiable individuals ("**Personal Information**") in Comfort Zone'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.

14. **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 and their advisors Personal Information, including, without limitation, information in the custody or control of Comfort Zone relating to the operation of the businesses being sold pursuant to the Sale Process and records pertaining to Comfort Zone'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 Comfort Zone 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

15. **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.

16. **THIS COURT ORDERS** that each of Comfort Zone 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.

17. **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 Comfort Zone, 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 Comfort Zone 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 Comfort Zone and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

18. **THIS COURT ORDERS** that, pursuant to section 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS), the Proposal Trustee, Comfort Zone 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 Comfort Zone's creditors or other interested parties and their advisors.

19. **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 Comfort Zone, the business of Comfort Zone, or the Property.

20. **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"
Applicants**

- J.D. Swallow Heating Contractors Inc.
- Comfort Zone Heating & Air Conditioning Inc.
- Hy-Mark Mechanical Inc.
- B.R.'s Plumbing & Heating Inc.

Schedule "B"
Comfort Zone Sale Process

[See *next page*.]

SALE PROCESS COMFORT ZONE HEATING & AIR CONDITIONING INC.

INTRODUCTION

On April 8, 2026, Comfort Zone Heating & Air Conditioning Inc. ("**Comfort Zone**" 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 May 14, 2026, the Company intends to seek an order (the "**Sale Process 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 Kevin Dentremont, in trust to a corporation to be incorporated (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 Sale Process 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 payable under the Stalking Horse Agreement of \$349,000 plus a minimum additional amount of \$40,000.
3. The Sale Process 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	May 14, 2026
Distribution of Teaser Letter and Marketing Materials	May 15, 2026
Distribution of the Notice	May 15, 2026
Insider Notice Deadline	May 19, 2026
Bid Deadline	June 1, 2026
Auction Date (if necessary)	No later than June 5, 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 May 15, 2026; 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 May 15, 2026, 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 19, 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 June 1, 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 Sale Process 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 Purchase Price payable under the Stalking Horse Agreement of \$349,000, 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., Harmony Heating and Air Conditioning Inc., J.D. Swallow Heating Contractors Inc., and B.R.’s Plumbing & Heating 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 June 5, 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 June 3, 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 June 5, 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 *BANKRUPT AND INSOLVENCY ACT*, RSC
1985, c B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF MECHCAN INC. AND THOSE APPLICANTS LISTED
ON SCHEDULE "A" HERETO (EACH, AN "APPLICANT", AND
COLLECTIVELY, THE APPLICANTS")**

Court File No. BK-26-03354829-0033
Estate No. 31-3356927
Estate No. 31-3354893
Estate No. 33-3354829
Estate No. 35-3357213
Estate No. 35-3358238

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

SALE PROCESS ORDER

RECONSTRUCT LLP

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Lawyers for Comfort Zone Heating & Air Conditioning Inc.

Schedule "A"
Applicants

- J.D. Swallow Heating Contractors Inc.
- Comfort Zone Heating & Air Conditioning Inc.
- Hy-Mark Mechanical Inc.
- B.R.'s Plumbing & Heating Inc.

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

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
MECHCAN INC. AND THOSE APPLICANTS LISTED ON SCHEDULE "A" HERETO
(EACH, AN "APPLICANT", AND COLLECTIVELY, THE APPLICANTS")**

Court File No. BK-26-03354893-31
Estate File No. 31-3356927
Estate File No. 31-3354893
Estate File No. 33-3354829
Estate File No. 35-3357213
Estate File No. 35-3358238

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**
Proceedings commenced at Toronto

**MOTION RECORD
(returnable May 14, 2026)**

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