

Clerk's Stamp:

COURT FILE NUMBER
COURT
JUDICIAL CENTRE OF
MATTER

B301 354154
COURT OF KING'S BENCH OF ALBERTA
CALGARY
IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, RSC 1985, c B-3, AS
AMENDED

AND IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF
HARMONY HEATING AND AIR CONDITIONING
INC.
HARMONY HEATING AND AIR CONDITIONING
INC.

APPLICANT:

DOCUMENT
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT:

NOTICE OF APPLICATION

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DATE ON WHICH ORDER WAS PRONOUNCED: June 12, 2026
NAME OF JUDGE WHO MADE THIS ORDER: Justice Little
LOCATION OF HEARING: Edmonton, Alberta

NOTICE TO THE RESPONDENT(S)

The application is made against you. You are a respondent.

You have the right to state your side of this matter before the Court.

To do so, you must be in Court when the application is heard as shown below:

Date: June 12, 2026

Time: 11:00 a.m.

Where: Edmonton Law Courts – By Webex Link:

<https://albertacourts.webex.com/meet/virtual.courtroom86>

Before: The Honourable Little

Go to the end of this document to see what you can do and when you must do it.

Remedy sought:

1. Harmony Heating and Air Conditioning Inc. (the “**Company**” or “**Harmony**”) seeks the following relief under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “**BIA**”):

(a) an order that, among other things:

- i. 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;
- ii. extends the time to file a proposal under the BIA for 45 days from June 15, 2026 up to and including July 30, 2026; and

(b) such further and other relief as this Honourable Court deems just.

THE GROUNDS FOR THIS MOTION ARE:

A. BACKGROUND

2. Harmony is 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 the

Companies' assets and is supported by cross-guarantees from the other heating, ventilation, and air conditioning companies in the group.

3. 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, including Harmony, filed notices of intention to file a proposal under the BIA.

4. Harmony 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.

5. On April 29, 2026, this Court approved an order that, among other things:

(a) approved a sale process (the "**Sale Process**"); and

(b) approved a stalking horse asset purchase agreement between Harmony, as vendor, and 2811153 Alberta Ltd., as purchaser, solely for the purpose of constituting the "**Stalking Horse Bid**" under the Sale Process.

6. BDO Canada Limited, in its capacity as proposal trustee of the Company (in such capacity, the "**Proposal Trustee**"), in consultation BDO Canada Transaction Advisory, in its capacity as sales agent, implemented the Sale Process which was intended to widely expose Harmony's business to the market and provide interested parties with an opportunity to submit offers for a potential transaction for a sale of all or substantially all or part of the assets.

7. The Proposal Trustee extended the bid deadline contemplated in the Sale Process to June 1, 2025, at which time the Proposal Trustee received multiple qualified bids that were superior to the Stalking Horse Bid and is proceeding with an auction to select the successful bid.

8. The further time occasioned by the extension of the Sale Process and the auction makes it impractical for the Proposal Trustee to identify the winning bidder of the auction and to bring a motion for approval of a transaction with that bidder by the time that the current NOI period for The Company will expire, which is at end of day on June 15, 2026.

B. RELIEF SOUGHT

Extension of the Stay of Proceedings

9. Harmony is seeking an extension of time to file a proposal. The stay of proceedings may be extended in increments of 45 days pursuant to subsection 50.4(9) of the BIA.

10. An extension of time to file a proposal will provide Harmony and the Proposal Trustee with the opportunity to finalize the terms of the transaction contemplated by the successful bid and seek Court approval thereof, thereby maximizing value for the benefit of the Companies' stakeholders.

11. The test for an extension of time under Section 50.4(9) of the BIA is met:

- (a) the Proposal Trustee, in consultation with Harmony, intend to finalize the terms of a transaction and is likely to be able to make a viable proposal to its creditors;
- (b) Harmony has acted, and is acting, in good faith and with due diligence in engaging with creditors; and
- (c) no creditor will be materially prejudiced if the requested extension is granted.

Affidavit or other evidence to be used in support of this application:

12. The Company intends to rely upon the following materials:

- (a) Affidavit of Anthony Fisher, sworn June 11, 2026, to be filed;

- (b) Bench Brief, to be filed;
- (c) Second Report of the Proposal Trustee, to be filed; and
- (d) such further and other materials or evidence as counsel to the Company may advise and this Honourable Court may permit.

Applicable Acts and regulations:

13. The Company will rely upon and refer to the following during the making of the Application:
- (a) *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
 - (b) *Judicature Act*, RSA 2000, c J-2;
 - (c) *Alberta Rules of Court*, Alta. Reg. 124/2010;
 - (d) the equitable jurisdiction of this Honourable Court; and
 - (e) such further and other Acts and regulations as counsel to the Company may advise.

Any irregularity complained of or objection relied on:

14. None.

How the application is proposed to be heard or considered:

15. Before the presiding Justice in Commercial Chambers via Webex.

WARNING

You are named as a respondent because you have made or are expected to make an adverse claim in respect of this originating application. If you do not come to Court either in person or by your lawyer, the Court may make an order declaring you and all persons claiming under you to be barred from taking any further proceedings against the applicant(s) and against all persons claiming under the applicant(s). You will be bound by any order the Court makes, or another order might be given or other proceedings taken which the applicant(s) is/are entitled to make without any further notice to you. If you want to take part in the application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of this form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

Schedule "A"

Clerk's Stamp:

COURT FILE NUMBER /
BANKRUPTCY ESTATE
NUMBER B301 354154

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PROCEEDING IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE
A PROPOSAL OF HARMONY HEATING AND AIR
CONDITIONING INC.

DOCUMENT **STAY EXTENSION ORDER**

ADDRESS FOR SERVICE
AND CONTACT **Reconstruct LLP**
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INFORMATION OF PARTY
FILING THIS DOCUMENT

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Attention: Simran Joshi
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Email: sjoshi@reconllp.com

DATE ON WHICH ORDER WAS PRONOUNCED: June 12, 2026

NAME OF JUSTICE WHO MADE THIS ORDER: Honourable Justice Little

LOCATION OF HEARING: Calgary, Alberta

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

AND UPON HAVING READ the Affidavit of Anthony Fisher, sworn on June 11, 2026, and the Second Report of BDO Canada Limited in its capacity as proposal trustee of the Company (in such

capacity, the “**Proposal Trustee**”), dated as of June ●, 2026, and the Affidavit of Service of ● sworn June ●, 2026, filed;

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

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

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

EXTENSION OF TIME TO FILE A PROPOSAL

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

GENERAL

3. Each of the Company and the Proposal Trustee be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.
4. The aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Applicant, the Proposal Trustee, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Company and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Company and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

5. This Order and all of its provisions are effective as of 12:01 a.m. on the date of this Order without any need for entry and filing.
6. The Company or the Proposal Trustee may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
7. Notwithstanding Rule 6.11 of the Alberta Rules of Court, unless otherwise ordered by this Court, the Proposal Trustee will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Proposal Trustee's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
8. Service of this Order shall be deemed good and sufficient by serving the same by posting a copy of this Order on the Proposal Trustee's website at <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/mechcangroup> .

Justice of the Court of King's Bench of Alberta