



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)**

THE HONOURABLE ) TUESDAY, THE 5TH  
 )  
JUSTICE DUNPHY ) 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 MECHAN INC. AND THOSE  
APPLICANTS LISTED ON SCHEDULE "A" HERETO (EACH,  
AN "APPLICANT", AND COLLECTIVELY, THE APPLICANTS")**

Applicants

**ORDER  
(Initial Proposal Relief for Comfort Zone and Further Relief for BR's Plumbing)**

**THIS MOTION**, made by Comfort Zone Heating & Air Conditioning Inc. ("**Comfort Zone**") and B.R.'s Plumbing & Heating Inc. ("**BR's**"), pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**BIA**"), for an order, that, among other things: (i) extends the time for Comfort Zone to make a proposal to its creditors; (ii) approves the Administration Charges over the Comfort Zone Property and the BR's Property (each as defined herein), (iii) approves the Term Sheet and grants the DIP Lender's Charge (each as defined herein) over the Comfort Zone Property; (iv) grants BDO Canada Limited, in its capacity as proposal trustee (in such capacity, the "**Proposal Trustee**") certain enhanced powers over Comfort Zone and BR's, and (v) approves the First Report of the Proposal Trustee, dated April

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 *BANKRUPTY AND INSOLVENCY ACT*, RSC 1985,  
c B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A  
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**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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Inc.**