



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.

APPLICANT:  
DOCUMENT  
CONTACT INFORMATION OF  
PARTY FILING THIS DOCUMENT:

HARMONY HEATING AND AIR CONDITIONING INC.

**INITIAL PROPOSAL ORDER**

**Reconstruct LLP**  
80 Richmond Street West  
Suite 1700  
Toronto, ON, CA M5H 2A4  
**Brendan Bissell**  
Tel: 416.613.0066  
Fax: 416.613.8290  
Email: [bbissell@reconllp.com](mailto:bbissell@reconllp.com)  
File No: 00607

**DATE ON WHICH ORDER WAS PRONOUNCED:**

**April 29, 2026**

**NAME OF JUDGE WHO MADE THIS ORDER:**

**Justice Bourque**

**LOCATION OF HEARING:**

**Edmonton, Alberta**

**UPON** the application of Harmony Heating and Air Conditioning Inc. (the "**Applicant**") pursuant to *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**BIA**");

**AND UPON** having read the Originating Application, the Affidavit of Anthony Fisher sworn April 24, 2026 (the "**Fisher Affidavit**"), the Affidavit of Service of Alina Stoica sworn April 28, 2026; and the First Report of BDO Canada Limited, in its capacity as Proposal Trustee in these NOI proceedings (the "**Proposal Trustee**") dated April 27, 2026 (the "**First Report**");

**AND UPON** hearing counsel for the Applicant, counsel for the Proposal Trustee, counsel for the DIP Lender and counsel to all other parties present;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

### **SERVICE AND INTERPRETATION**

1. The time for service of the notice of application for this order (the “**Order**”) is hereby abridged and deemed good and sufficient and this application is properly returnable today.

### **EXTENSION OF TIME TO FILE A PROPOSAL**

2. Pursuant to Section 50.4(9) of the BIA, the deadline for the Applicant to file a proposal be and is hereby extended to and including June 15, 2026.

### **ADMINISTRATION CHARGE**

3. The Proposal Trustee, its counsel, the Applicant’s counsel, and BDO Canada Transaction Advisory, in its capacity as sales agent (in such capacity, the “**Sales Agent**”), shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Applicant’s current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”), which charge shall not exceed an aggregate amount of \$100,000, as security for their professional fees and disbursements incurred at their standard rates and charges, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraph 11 herein.

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

## DIP FINANCING AND DIP CHARGE

5. The Applicant is hereby authorized and empowered to obtain and borrow under a credit facility (the “**DIP Facility**”) from 2811153 Alberta Ltd. (the “**DIP Lender**”) in order to finance the Applicant’s working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed the principal amount of \$25,000 unless permitted by further Order of this Court.

6. The DIP Facility shall be on the terms and subject to the conditions set forth in the term sheet attached as Exhibit “G” to the Fisher Affidavit, filed with such minor modifications and amendments that may be agreed to by the parties thereto and consented to by the Proposal Trustee (the “**Term Sheet**”).

7. The Applicant is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the “**Definitive Documents**”), as may be reasonably required by the DIP Lender pursuant to the terms of the Term Sheet, and the Applicant is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

8. The DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Lender’s Charge**”) on the Applicant’s current and future assets, undertakings and properties of every nature and kind whatsoever and wherever situate including all proceeds thereof (the “**Property**”). The DIP Lender’s Charge shall not secure an obligation that exists before this Order is made. The DIP Lender’s Charge shall have the priority set out in paragraph 11 hereof.

9. 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 Definitive Documents; and
- (b) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of

the Applicant or any of them or the Property.

10. The DIP Lender shall be treated as unaffected in any proposal filed by the Applicant under the BIA, with respect to any advances made under the Term Sheet or the Definitive Documents.

#### **VALIDITY AND PRIORITY OF CHARGES**

11. The priorities of the Administration Charge and the DIP Lender's Charge (together, the "**Charges**"), as among them, shall be as follows:

(a) First – Administration Charge (to the maximum amount of \$100,000); and

(b) Second – DIP Lender's Charge (to the maximum principal amount of \$25,000 plus interest, fees, and costs).

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

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

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

15. The Term Sheet, the Definitive Documents and the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the charges entitled to the benefit of the Charges (the "**Chargees**") shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such

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

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

16. The Charges created by this Order over leases of real property in Canada shall only be a charge in the Applicant’s interest in such real property leases.

#### **ENHANCED PROPOSAL TRUSTEE POWERS**

17. Without limiting the duties and powers of the Proposal Trustee under the BIA, the Proposal Trustee is authorized and empowered, but not required, to:

- (a) take any and all actions and steps and execute any and all documents and writings on behalf of, and in the name of, the Applicant in order to carry out its duties under this Order or any Order of the Court including to execute all documents relating to a sale process, as well as to execute and deliver any

documents on behalf of the Applicant to implement transactions under a sale process approved by the Court;

- (b) to apply for any vesting order or other orders necessary to convey any property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or Encumbrances affecting such property;
- (c) with the assistance of the Sales Agent (defined below), conduct, supervise, and direct the marketing, sale, conveyance, transfer, assignment or disposal of any Property of the Applicant or any part or parts thereof, whether in the ordinary course of business or not; and
- (d) engage, retain, or terminate the services of consultants, appraisers, agents, experts, auditors, managers, and such other personnel from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Proposal Trustee's powers and duties, including, without limitation, those powers and duties conferred by this Order;

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

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

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

20. 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 employer, successor employer or related employer of the employees of the Applicant within the meaning of any provincial, federal or municipal legislation or common law governing employment, pensions or labor standards or any other statute, regulation or rule of law or equity for any purpose whatsoever or expose the Proposal Trustee to liability to any individuals arising from or relating to the previous employment by the Applicant.

21. The Proposal Trustee is not, and shall not be or deemed to be, director, officer or employee of the Applicant.

22. Nothing in this Order shall constitute or be deemed to constitute the Proposal Trustee as a receiver, assignee, liquidator, administrator, receiver manager, agent of the creditors or legal representative of the Applicant within the meaning of any relevant legislation and that any distribution made to creditors of the Applicant by the Proposal Trustee will be deemed to have been made by the Applicant itself.

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

24. Nothing in this Order shall prevent the Proposal Trustee from acting as a trustee in bankruptcy of the Applicant or any of its wholly-owned subsidiaries.

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

## **APPROVAL OF SALES AGENT ENGAGEMENT**

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

27. The Proposal Trustee is authorized to disclose such confidential information to the Sales Agent as may be necessary for the performance of its mandate, subject to the terms of the Engagement Letter, this Order and any further Order of the Court.

28. Nothing in this Order shall limit the ability of the Proposal Trustee to terminate or modify the engagement of the Sales Agent in accordance with the terms of the Engagement Letter or further order of the Court.

## **APPROVAL OF THE SALE PROCESS**

29. The sale process, including its auction procedures, in the form set out in Schedule “A” to this Order (the “**Sale Process**”) in respect of the Property (as defined under the Sale Process) of the Applicant be and is hereby approved. The Proposal Trustee and the Sales Agent are authorized and directed to take any and all actions as may be necessary or desirable to implement and carry out the Sale Process in accordance with its terms and this Order.

30. Any step taken by the Proposal Trustee or the Sales Agent in connection with the Sale Process prior to the date of this Order is approved and ratified.

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

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

### **STALKING HORSE AGREEMENT**

33. The Applicant is hereby authorized and empowered, *nunc pro tunc*, with such minor amendments as may be acceptable to each of the parties thereto, and approved by the Proposal Trustee, to execute, deliver, and enter into the Stalking Horse Asset Purchase Agreement dated April 24, 2026 (the "**Stalking Horse Agreement**") between the Applicant and 2811153 Alberta Ltd. (the "**Stalking Horse Bidder**"), substantially in the form attached as Exhibit "F" to the Fisher Affidavit. For greater certainty, the Stalking Horse Agreement is approved only as the Stalking Horse Bid (as defined in the Stalking Horse Agreement) and the approval of any sale and vesting of any Property to the Stalking Horse Bidder shall be considered by this Court on a subsequent motion made to this Court.

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

### **APPROVAL OF PROPOSAL TRUSTEE'S FIRST REPORT**

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

## PROTECTION OF PERSONAL INFORMATION

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

37. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 (Canada) and any similar legislation in any other applicable jurisdictions, the Proposal Trustee and the Sales Agent and each of their respective advisors are hereby authorized and permitted to disclose and transfer to each Potential Bidder (as defined in the Sale Process) and their advisors Personal Information, including, without limitation, information in the custody or control of the Applicant relating to the operation of the businesses being sold pursuant to the Sale Process and records pertaining to the Applicant’s past and current employees and information on specific customers, but only to the extent desirable or required to negotiate or attempt to complete a transaction under the Sale Process (each a “**Transaction**”). Each Potential Bidder to whom any Personal Information is disclosed shall maintain and protect the privacy of such Personal Information and limit the use of such Personal Information to its evaluation of a Transaction, and if it does not complete a Transaction, shall return all such information to the Proposal Trustee or the Sales Agent, or in the alternative destroy all such information. Any Successful Bidder(s) (as defined in the Sale Process) shall maintain and protect the privacy of such information and, upon closing of the Transaction, shall be entitled to use the Personal Information provided to it that is related to the property acquired pursuant to the Transaction in a manner that is in all material respects identical to the prior use of such information by the Applicant, and shall return all other Personal Information to the Proposal Trustee and the Sales Agent, or ensure that all other Personal Information is destroyed.

## GENERAL

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

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

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

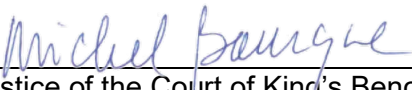
41. Pursuant to section 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS), the Proposal Trustee, the Applicant and their respective counsel are hereby authorized and permitted to send, or cause or permit to be sent, commercial electronic messages to an electronic address of prospective bidders or offerors and to their advisors, or any interested party that the Proposal Trustee or the Applicant consider appropriate, but only to the extent required to provide information with respect to the SISF in these proceedings.

42. 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.

43. The Applicant 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.

44. 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.

45. 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

**Schedule "A"**

**Sale Process**

## **SALE PROCESS**

### **Harmony Heating and Air Conditioning Inc.**

#### **INTRODUCTION**

On March 31, 2026, Harmony Heating and Air Conditioning Inc. (“**Harmony**” or the “**Company**”) filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”, and such proceedings being the “**NOI Proceedings**”). BDO Canada Limited, a licensed insolvency trustee, was appointed as proposal trustee (the “**Proposal Trustee**”) under the NOI Proceedings.

On or about April 29, 2026, the Company intends to seek an order (the “**Initial Proposal Order**”) from the Court of King’s Bench of Alberta (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, 2811153 Alberta Ltd., as purchaser (in such capacity, the “**Stalking Horse Bidder**”), pursuant to which the Stalking Horse Bidder will (i) make an offer to purchase the Property; and (ii) act as a stalking horse bid in the Court-supervised Sale Process in the NOI Proceedings (the “**Stalking Horse Bid**”); and
- the Proposal Trustee, with the assistance of the Company’s management team and the Sales Agent, to undertake the Sale Process.

The Sale Process herein sets out the manner in which: (a) binding offers for executable transactions involving all or substantially all, or any portion, of the Property will be solicited from interested parties; (b) any such offers received will be evaluated; (c) any Successful Bid (as defined below) will be selected; and (d) the Proposal Trustee will seek Court approval of any Successful Bid.

The Sale Process will be conducted by the Sales Agent and the Proposal Trustee in the manner set forth herein and in accordance with the Initial Proposal Order. In the event there is a disagreement as to the interpretation or application of the Sale Process, the Court will have exclusive jurisdiction to hear and resolve any such dispute.

The Proposal Trustee will post on the Proposal Trustee’s website any modification, amendment, variation or supplement to the Sale Process and will inform the bidders impacted by such modification, amendment, variation or supplement.

In the Sale Process, (i) “**Business Day**” means any day (other than Saturday or Sunday) that banks are open for business in Calgary, Alberta. If any deadline date referred to in the Sale Process falls on a day that is not a Business Day, then such date shall be extended until the next Business Day; and (ii) the words “include”, “includes” and “including” shall be deemed to be followed by the phrase, “without limitation”.

## THE OPPORTUNITY

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

## “AS IS, WHERE IS”

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

## TIMELINE

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

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

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

### **SOLICITATION OF INTEREST**

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

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

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

## POTENTIAL BIDDERS

### *Delivery of Confidential Information Package*

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

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

### ***Insider Participation***

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

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

## **Due Diligence**

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

## **QUALIFIED BIDS**

### ***Qualified Bid Requirements***

24. Qualified Bidders that wish to make a formal offer to purchase all or a portion of the Property shall submit a binding offer (a "**Bid**") on substantially the same terms and conditions as the terms and conditions contained in the Stalking Horse Agreement. In order to be considered a "**Qualified Bid**", a Bid must meet the following minimum criteria:
- (a) the Bid must be received by the Sales Agent at the address specified in Schedule "A" hereto (including by email), so as to be received by the Sales Agent no later than 5:00 PM (Mountain Standard Time) on May 25, 2026 (the "**Bid Deadline**");
  - (b) the Bid sufficiently identifies the Qualified Bidder and the representatives thereof who are authorized to act on the Qualified Bidder's behalf;
  - (c) the Bid is an offer to purchase some or all of the Property and is substantially in the form of the Stalking Horse Agreement, with a blackline of the Bid to the Stalking Horse Agreement, reflecting the Qualified Bidder's proposed changes;
  - (d) the Bid must be accompanied by a deposit by way of certified cheque or wire transfer payable to the Proposal Trustee, in an amount equal to at least 10% of the aggregate purchase price payable under the Bid;
  - (e) the Bid must be accompanied by a letter stating that the Qualified Bidder's offer is binding and irrevocable until the selection of the Successful Bidder (as defined below), provided that if such Qualified Bidder is selected as the Successful Bidder, then its offer shall remain irrevocable until the earlier of (i) the closing of the transaction with the Successful Bidder and (ii) [10] days following the Sale Approval Order, subject to further extensions as may be agreed to under the applicable transaction agreement;
  - (f) the Bid must be on terms no less favourable and no more burdensome or conditional than the Stalking Horse Agreement;
  - (g) the Bid must not be conditional on: (i) the outcome of unperformed due diligence by the Qualified Bidder, (ii) obtaining financing; or (iii) any other material conditions that are not otherwise contained in the Stalking Horse Agreement and that, in the Proposal Trustee's reasonable business judgment, unduly increases the risk that the proposed transaction will not close on or before the target closing date;
  - (h) the Bid includes an acknowledgment and representation that the bidder: (i) has had an opportunity to conduct any and all required due diligence prior to making its bid, and has relied solely upon its own independent review, investigation and inspection in making its bid; (ii) is not relying upon any written or oral statements, representations, promises, warranties, conditions, or guaranties whatsoever, whether express or implied (by operation of law or otherwise), made by any person or party, including the

Company, the Proposal Trustee, and their respective employees, officers, directors, agents, advisors (including legal counsel) and other representatives, regarding the proposed transaction, this Sale Process, or any information (or the completeness of any information) provided in connection therewith, except as expressly stated in the proposed transaction documents; (iii) is making its bid on an “as is, where is” basis and without surviving representations or warranties of any kind, nature, or description by the Company, the Proposal Trustee, or any of their respective employees, officers, directors, agents, advisors and other representatives, except to the extent set forth in the proposed transaction documents; (iv) is bound by this Sale Process and the Initial Proposal Order; and (v) is subject to the exclusive jurisdiction of the Court with respect to any disputes or other controversies arising under or in connection with the Sale Process or its bid;

- (i) the Bid must include a description of those liabilities and obligations (including operating liabilities) which the Qualified Bidder intends to assume and such liabilities and obligations it does not intend to assume;
  - (j) where the Bid is submitted on an aggregated or combined basis across one or more Affiliate Sales Processes (as defined below), the Bid must include a purchase price allocation meeting the requirements set out in paragraph 36;
  - (k) the Bid must be accompanied by written evidence of a commitment for financing or other evidence of the Qualified Bidder’s ability to consummate the transaction contemplated by the Bid;
  - (l) the Bid includes a statement that the bidder will bear its own costs and expenses (including all legal and advisor fees) in connection with the proposed transaction;
  - (m) the Bid does not include any request for or entitlement to any break fee, expense reimbursement, or similar type of payment;
  - (n) the Bid includes details of the bidder’s intended treatment of the Company’s stakeholders under or in connection with the proposed bid, including the Company’s secured creditors, unsecured creditors, employees, customers, suppliers, contractual counterparties and equity holders;
  - (o) it contemplates the closing of the transaction by no later than the Outside Date; and
  - (p) the Bid must be for a purchase price equal to or greater than the sum of the Purchase Price (as defined in the Stalking Horse Agreement) plus a minimum additional amount of \$40,000.
25. The Proposal Trustee may, in its discretion, request revisions or supplements to any Bid received prior to the Bid Deadline.

### ***Designating Qualified Bids***

26. Following the Bid Deadline, the Proposal Trustee will assess the Bids received, in consultation with the Sales Agent. Bids shall be evaluated based upon several factors, including the following considerations:
  - (a) the proposed purchase price and the net value provided to the Company by such Bid;
  - (b) where applicable, the purchase price allocation provided with a Bid submitted on an aggregated or combined basis across one or more Affiliate Sales Processes;
  - (c) the identity, circumstances, and ability of the Potential Bidder to successfully complete the transaction contemplated under the Bid;
  - (d) the proposed transaction documents;
  - (e) factors affecting the speed, certainty and value of the transaction;
  - (f) the assets included or excluded from the Bid;
  - (g) the liabilities to be assumed in the transaction;
  - (h) the likelihood and timing of consummating such transaction; and
  - (i) whether the transaction results in a Superior Bid.
27. The Proposal Trustee may contact any Potential Bidder to clarify the terms of any Bid, and the applicable Potential Bidder may amend, modify or vary such Bid for the purpose of clarification.
28. The Proposal Trustee may designate the most competitive Bids that comply with the requirements set out herein as “**Qualified Bids**.” The transaction contemplated by the Stalking Horse Agreement shall be deemed to be a Qualified Bid. The Proposal Trustee shall be under no obligation to deem any Bids as Qualified Bids.
29. Only Qualified Bidders (including the Stalking Horse Bidder) whose bids have been designated as a Qualified Bid are eligible to participate in the Auction (if any) and/or become the Successful Bidder.
30. The Proposal Trustee may waive strict compliance with any one or more of the requirements set forth in paragraph 24 and deem any such non-compliant Bid to be a Qualified Bid.
31. The Proposal Trustee, with the assistance of the Sales Agent, may aggregate separate Bids from unaffiliated Qualified Bidders to create one Qualified Bid.

32. The Proposal Trustee shall notify each Qualified Bidder in writing as to whether its Bid constituted a Qualified Bid within four (4) Business Days following the Bid Deadline, or at such later time as the Proposal Trustee deems appropriate, in consultation with the Sales Agent.
33. If no Qualified Bid(s) other than the Stalking Horse Agreement have been received by the Bid Deadline, then the Stalking Horse Bid will be declared to be the **“Successful Bid”** and, in such situation, the Stalking Horse Bidder shall be the **“Successful Bidder”**. The determination of any Successful Bid by the Proposal Trustee shall be subject to approval by the Court.

### ***Aggregation of Qualified Bids***

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

### **AUCTION PROCESS AND SELECTION OF SUCCESSFUL BID**

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

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

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

#### **SALE APPROVAL MOTION HEARING**

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

#### **DEPOSIT**

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

#### **CONFIDENTIALITY AND ACCESS TO INFORMATION**

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

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

### **SUPERVISION OF THE SALE PROCESS**

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

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

## Schedule "A"

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

**BDO Canada Limited**

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

Attention: Josie Parisi and Nicole Sagolili

Email : [jparisi@bdo.ca](mailto:jparisi@bdo.ca)  
[nsagolili@bdo.ca](mailto: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](mailto:dchochla@fasken.com)  
[jcaruso@fasken.com](mailto:jcaruso@fasken.com)

and to:

**BDO Canada Transaction Advisory**

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

Attention: Brian Trainer and Adnan Shahid

Email: [btrainer@bdo.ca](mailto:btrainer@bdo.ca)  
[ashahid@bdo.ca](mailto:ashahid@bdo.ca)

## Schedule “B”

### Auction Procedures

1. On or before May 28, 2026, the Proposal Trustee will confirm in writing to the Qualified Bidders who have submitted Qualified Bids that they will be invited to attend the Auction.
2. Unless otherwise ordered by the Court, only the authorized representatives, professional advisors or agents of the Stalking Horse Bidder and each Qualified Bidder shall be eligible to attend at the Auction and make any Subsequent Bid (as defined below) at the Auction.
3. All Qualified Bidders and the Stalking Horse Bidder at the Auction must have at least one individual representative with authority to bind such Qualified Bidders and the Stalking Horse Bidder present at the Auction.
4. The identity of each Qualified Bidder participating in the Auction will be disclosed, on a confidential basis, to each other Qualified Bidder.
5. The Auction, if any, shall be conducted by the Proposal Trustee, on or before May 30, 2026 at 10:00 a.m. (MST) via video conference.
6. Each Qualified Bidder and the Stalking Horse Bidder participating in the Auction shall be required to confirm on the record at the Auction that: (i) it has not engaged in any collusion with respect to the Auction and the bid process; (ii) any and all bids submitted at the Auction are good-faith *bona fide* offers; and (iii) it intends to consummate the proposed transaction if selected as the Successful Bid. For greater certainty, communications between the Stalking Horse Bidder and the Proposal Trustee with respect to and in preparation of the Stalking Horse Agreement will not represent collusion or communications prohibited by this paragraph.
7. At the Auction, all Qualified Bidders and the Stalking Horse Bidder shall be permitted to increase their Qualified Bids and the bid contemplated by the Stalking Horse Agreement in accordance with the procedures set forth herein (each, a “**Subsequent Bid**”). 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.0