

Court File No. BK-26-03354893-31  
Estate No: 31-3354893

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

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

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO  
MAKE A PROPOSAL OF MECHCAN INC., OF THE CITY OF  
YORK, IN THE PROVINCE OF ONTARIO**

Applicant

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

April 29, 2026

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**TO: THE SERVICE LIST**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
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**IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT,  
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MECHCAN INC., OF THE CITY OF YORK IN THE PROVINCE OF ONTARIO**

**EMAIL SERVICE LIST  
(As of April 29, 2026)**

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

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

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO  
MAKE A PROPOSAL OF MECHCAN INC., OF THE CITY OF  
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Applicant

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## TAB 1

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
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**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY  
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MAKE A PROPOSAL OF MECHCAN INC., OF THE CITY OF  
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Applicant

**NOTICE OF MOTION  
(RE: Consolidation of Proceedings, Extension of Time to File Proposal, Sale Process  
Approval, DIP Financing & Charge, Administration Charge)**

MechCan Inc. ("**MechCan**" the "**Company**") will make a motion to a judge of the Commercial List at 330 University Avenue, Toronto Ontario (the "**Court**") on April 30, 2026 at 10:00 a.m. (Eastern Time), or as soon after that time as the motion can be heard by judicial videoconference via Zoom at Toronto, Ontario.

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

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

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

In person;

By telephone conference;

✓ By video conference.

At the following location:

Meeting ID: 680 1901 7820

Passcode: 015382

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

**THE MOTION IS FOR:**

1. an Order (the “**Initial Proposal Order**”), substantially in the form appended as tab 3 of the Company’s motion record that, among other things:
  - (a) abridges the time for service of this motion, validates the manner of service, and declares that this motion is properly returnable before the Court;
  - (b) procedurally consolidates the proceedings commenced by MechCan, J.D. Swallow Heating Contracts Inc., Comfort Zone Heating & Air Conditioning Inc., Hy-Mark Mechanical Inc. and B.R.’s Plumbing & Heating Inc. (collectively, the “**NOI Entities**”);
  - (c) extends the time for the filing of a proposal and extending the stay of proceedings for a period of 45 days up to and including June 15, 2026;
  - (d) approves a debtor-in-possession facility up to the maximum amount of \$75,000 (the “**DIP Facility**”) provided by National Bank of Canada (the “**DIP Lender**” or “**NBC**”);

- (e) grants the following priority charges, which charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, in favour of any person:
  - (i) first - approves an administration charge up to a maximum of \$150,000 in favour of counsel to MechCan, its counsel, the Proposal Trustee and counsel to the Proposal Trustee (the “**Administration Charge**”); and
  - (ii) second – approves a “**DIP Lender's Charge**” as security for the Company’s obligations under the DIP Facility, in the maximum principal amount of \$75,000 plus interest, fees and costs;
- (f) approves a sale process in a form substantially similar to the form attached as Schedule “A” to the Initial Proposal Order (the “**Sale Process**”);
- (g) approves a sales agent engagement between the Proposal Trustee and BDO Canada Transaction Advisory Services (“**BDO Advisory**”) dated April 21, 2026 (the “**Engagement Letter**”) to carry out the Sale Process;
- (h) authorizes and directs the Company, BDO Canada Limited as the Proposal Trustee (in such capacity, the “**Proposal Trustee**”) pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “**BIA**”), and their respective affiliates, partners, employees, advisors and agents, to take any and all actions as may be necessary or desirable to implement and carry out the Sale Process in accordance with its terms and the Initial Proposal Order;
- (i) approves the expansion of the Proposal Trustee’s powers;

(j) approves the First Report of the Proposal Trustee, to be filed (the “**First Report**”) and the actions, conduct and activities described therein, 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; and

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

### **THE GROUNDS FOR THIS MOTION ARE:**

#### **BACKGROUND**

3. MechCan is a company incorporated under the laws of Ontario with a registered address located at 14 Heathdale Road, York, Ontario, M6C1M6, Canada.

4. The Company’s sole creditor is NBC, which holds security over the Company’s assets in respect of indebtedness owing of more than \$9 million secured by way of cross-guarantees against the assets of the other HVAC companies comprising the “**MechCan Group**”.

5. The Company has no other secured creditors.

6. The MechCan Group experienced financial difficulties due to reduced consumer spending, increased costs from trade and tariff pressures, and limited ability to pass those increases on in a saturated market. The group was also affected by a pandemic-related pull-forward in demand, as many households replaced equipment during COVID, reducing current repair and replacement activity. In summer 2025, management implemented a turnaround plan focused on a cross-staffed call centre, centralized cost reductions, and marketing

initiatives. These efforts, combined with ongoing economic pressures, further strained liquidity and led most group companies to file Notices of Intention to Make a Proposal.

7. The Company filed its Notice of Intention to Make a Proposal on April 1, 2026 (the “**NOI**”) pursuant to s. 50.4 of the BIA, together with 13-week cash flow projections. It now intends to pursue a going-concern sale through the Sale Process.

### **The Sale Process and Engagement Letter**

8. The Sale Process contemplates a conventional bid deadline, followed by an auction for each bid that properly qualifies in the Sale Process.
9. The Proposal Trustee has received and reviewed several proposals and has engaged BDO Advisory as the sales agent to carry out the proposed Sale Process. The Proposal Trustee has selected BDO Advisory based on, among other things, BDO Advisory’s experience selling similar properties and its commission rate. NBC supports the retention of BDO Advisory.
10. Subject to the terms of the Sale Process or further Court Order, the Sale Process contemplates a hearing for the approval of the Successful Bid (as defined in the Sale Process) on or before June 15, 2026, with a closing to take place within 10 days thereafter.
11. The Sale Process is a fair and commercially reasonable process, which will broadly canvass the market with a view to obtaining a favourable outcome in these restructuring proceedings that will maximize value for the stakeholders of the Company.
12. The Sale Process satisfies the criteria in s. 65.13 of the BIA which the Court would consider as to process in ultimately determining whether to approve a sale outside of the ordinary course of business.

13. The Proposal Trustee and the primary secured creditor of the Company, NBC, have advised that they support the Sale Process.

#### **Extension of Time to File a Proposal**

14. In this motion, the Company is seeking an extension of time to file a proposal as is necessary to restructure MechCan's affairs.
15. An extension of time to file a proposal will provide MechCan with the necessary "breathing room" to allow the Company to carry out an orderly winddown of operations while remaining projects are concluded.
16. The test for an extension of time under Section 50.4(9) of the BIA is met:
  - (a) the Company intends to finalize the terms of a key contract that will permit it to continue on a going concern basis and is likely to be able to make a viable proposal to its creditors if the extension requested is granted;
  - (b) the Company has acted, and is acting, in good faith and with due diligence in engaging with potential clients and creditors; and
  - (c) no creditor will be materially prejudiced if the extension requested is granted.

#### **Administration Charge**

17. The Company is seeking an Administration Charge to a maximum of \$150,000 to secure the professional fees incurred in relation to the NOI proceeding, including those of counsel to MechCan, the Proposal Trustee and counsel to the Proposal Trustee.

18. The Administration Charge is reasonably necessary to permit the Company to restructure his affairs and is supported by the cash flow projections prepared with the assistance of the Proposal Trustee.
19. It is just and appropriate under the circumstances to grant the proposed Administration Charge.
20. The Proposal Trustee supports the Administration Charge.
21. Notice of the intended Administration Charge has been given to NBC as the sole secured creditor of MechCan, which also supports this relief.

**DIP Financing and DIP Lender's Charge**

22. The Company's cash flow projections demonstrate that it requires debtor-in-possession financing in order to ensure that projected expenses can be paid.
23. The Company seeks the approval of the DIP Facility in the maximum principal amount of \$75,000 and the corresponding DIP Lender's Charge.
24. Subject to Court approval, NBC will provide the necessary interim financing for the Company to continue operating while it performs the Sale Process. The key terms and conditions of the DIP Facility are as follows:
  - (a) a maximum loan amount of \$75,000, revolving in multiples of \$1,000;
  - (b) interest accruing at a rate of National Bank of Canada's Prime Rate plus 1% per annum;
  - (c) advances under the DIP Facility are conditional upon Court approval of the DIP Facility, Court approval of the Sale Process and the granting of a priority DIP

Lender's Charge in favour of the DIP Lender over all of the properties, assets and undertakings of the Company, subject only to the Administration Charge.

25. The DIP Lender's Charge will secure all the funds advanced to the Company under the DIP Facility. The DIP Lender's Charge will not secure any obligations incurred prior to the filing of the NOI.
26. Without the DIP Lender's Charge, the DIP Lender would not provide the DIP Facility under resulting in the Company's inability to finance its operations and cease operations, which would be detrimental to the stakeholders of the Company.
27. The Company believes that the terms of the DIP Facility are fair and reasonable in the circumstances, and that the DIP Facility represents the best available interim financing arrangement that could be arranged by the Company within the time frame needed to meet the Company's cash flow needs.
28. The Proposal Trustee is supportive of the approval of the DIP Facility and the DIP Lender's Charge.

#### **Enhanced Powers of the Proposal Trustee**

29. Given that the Company's management may participate in the Sale Process, and that it is uncertain whether the sole director will remain in that position, the Company seeks to expand the powers of the Proposal Trustee to authorize and empower the Proposal Trustee to take all actions necessary, including, without limitation, those required to carry on the Company's business operations, implement the Sale Process, and convey all or any part of the business to a purchaser.

## **Procedural Consolidation**

30. In order to reduce the costs of the bankruptcy process and to facilitate the orderly administration of the NOI proceedings, the Proposal Trustee is seeking an order from the Court to procedurally consolidate the NOI proceedings. This will allow for, among other things, singular reports and motion materials.
31. The operations of the NOI Entities are related at a management and financial level, including by virtue of cross-collateralization in favour of amounts owing to NBC as the common first-ranking secured creditor. Given the potential need for future joint motions for stay extensions and approval of transactions, consolidating the NOI proceedings is considered to be in the best interests of all the NOI Entities.
32. The Proposal Trustee is of the view that procedurally consolidating the bankruptcies is in the interest of efficiency and cost savings in these proceedings.

## **OTHER GROUNDS**

33. Sections 50.4(9), 64.2 and 65.13 of the BIA;
34. Rules 1.04, 2.03, 3.02 and 37 of the *Rules of Civil Procedure*, RSO 1990, Reg 194, as amended;
35. Section 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).
36. Section 7(3)(c) of the Personal Information Protection and Electronic Documents Act, S.C. 2000, c. 5.

37. Such further and other grounds as counsel may advise and this Honourable Court may permit.

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

38. The Affidavit of Spencer Ross, sworn April 29, 2026;

39. The First Report of the Proposal Trustee; and

40. Such further and other evidence as counsel may advise and this Honourable Court may permit.

**April 29, 2026**

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**Lawyers for MechCan Inc.**

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PROPOSAL OF MECHCAN INC., OF THE CITY OF YORK IN THE PROVINCE  
OF ONTARIO**

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

**NOTICE OF MOTION  
(returnable April 30, 2026)**

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**Lawyers for MechCan Inc.**

## TAB 2

Bankruptcy Court File BK-26-03354893-31  
Estate File No.: 31-3354893

**ONTARIO  
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**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY*  
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Applicant

**AFFIDAVIT OF SPENCER ROSS**

(Sworn April 29, 2026)

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

**AND SAY:**

1. I am the now sole director of MechCan Inc., (the “**Debtor**” or “**MechCan**”) and as such I have knowledge of the matters set out below. Where I have relied on information from others, I state the source of such information and verily believe it to be true.

**I. OVERVIEW**

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

(a) abridges the time for service of this motion, validates the manner of service, and declares that this motion is properly returnable before the Court;

(b) procedurally consolidates certain of the NOI Proceedings commenced by

companies related to MechCan, being J.D. Swallow Heating Contractors Inc., Comfort Zone Heating & Air Conditioning Inc., Hy-Mark Mechanical Inc. and B.R.'s Plumbing & Heating Inc. (collectively, the "**NOI Entities**" and the collective proceedings are referred to as the "**NOI Proceedings**");

- (c) extends the time for the filing of a proposal for a period of 45 days up to and including June 15, 2026;
- (d) authorizes the Debtor to borrow up to \$75,000 under a credit facility (the "**DIP Facility**") from National Bank of Canada ("**NBC**" or the "**DIP Lender**") to finance the Debtor's working capital requirements and pay the costs and expenses of this proceeding, as more fully described in the interim financing agreement between the Debtor and DIP Lender dated April 26, 2026 (the "**DIP Term Sheet**");
- (e) grants the following priority charges, which charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, in favour of any person:
  - i. first - approves an administration charge up to a maximum of \$150,000 over the assets, property and undertaking of MechCan in favour of counsel to MechCan, Sales Agent, BDO Canada Limited, in its capacity as proposal trustee of MechCan (in such capacity, the "**Proposal Trustee**"), and counsel to the Proposal Trustee (the "**Administration Charge**"); and
  - ii. second – approves a "**DIP Lender's Charge**", as security for the Debtor's obligations under the DIP Term Sheet, in the maximum principal amount of \$75,000 plus interest, fees and costs;
- (f) approves a sale process in a form substantially similar to the form attached as

Schedule "A" to the Initial Proposal Order (the "**Sale Process**") and authorizes the Proposal Trustee and the Sales Agent to immediately commence the Sale Process;

- (g) approves the expansion of the Proposal Trustee's powers;
- (h) approving a sales agent engagement between the Proposal Trustee and BDO Canada Transaction Advisory Services ("**BDO Advisory**") dated April 21, 2026 (the "**Engagement Letter**") to carry out the Sale Process;
- (i) approves the First Report of the Proposal Trustee, to be filed (the "**First Report**"), and the actions, conduct and activities described therein, 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;  
and

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

## II. **BACKGROUND**

4. MechCan was part of a venture intended to acquire and consolidate local heating, ventilation and air conditioning ("**HVAC**") companies, using both invested and borrowed funds. MechCan was incorporated in January of 2022 to perform certain functions on behalf of the group of HVAC companies and a plumbing company, such as head office management and accounting, as well as to own the group's shareholdings in most of the HVAC and a plumbing company (the "**Business**"). A copy of the corporate profile report for MechCan is attached as **Exhibit "A"**. I note that the corporate profile report shows Arthur Phillips as a director as well, but he resigned prior to the commencement of these proceedings.

5. MechCan completed 11 transactions between February of 2022 and August of 2024 to acquire HVAC companies. The acquisitions were funded through a combination of debt from NBC of approximately \$9 million and equity capital of approximately \$15 million.

### III. ASSETS OF THE APPLICANT

6. MechCan's principal assets are its shareholdings in the HVAC companies comprising the MechCan Group (as defined herein), a licence to use software for accounting and field management functions in the group, and a minority shareholding in Ottawa-based plumbing company carrying on business as John The Plumber, which is held through a wholly-owned numbered company subsidiary, 1001074568 Ontario Inc.

### IV. CREDITORS OF THE APPLICANT

7. MechCan's principal creditor is NBC, which holds security over MechCan's assets in respect of indebtedness owing of more than \$9 million, which is also secured by way of cross-guarantees against the assets of the HVAC companies comprising the MechCan Group.

8. A copy of the *Personal Property Security Act* report on MechCan with a currency date of April 16, 2026 is attached as **Exhibit "B"**, and a search summary prepared by Reconstruct LLP, counsel for MechCan, is attached as **Exhibit "C"**. NBC is the sole secured creditor in all the registrations filed, which were the result of the acquisitions made as the MechCan Group was set up through a series of acquisitions.

9. MechCan has amounts owing to unsecured creditors in the approximate amount of \$151,000, as shown on its statement of affairs, a copy of which is attached as **Exhibit "D"**.

## V. CAUSES OF INSOLVENCY

10. The MechCan Group commenced experiencing financial difficulties due to challenges in economic environment including:

- a) reduction in consumer spending;
- b) increased costs due to trade and tariff wars without a meaningful ability to pass on long price increases to consumers while remaining competitive in a saturated market;
- c) pandemic pull forward whereby many households replaced equipment during COVID resulting in fewer repairs and replacements in the current market; and
- d) the end of government rebate programs.

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

12. MechCan filed a Notice of Intention to Make a Proposal ("**NOI**") on April 1, 2026, a copy of the certificate for which is attached as **Exhibit "E"**. With the assistance of the Proposal Trustee, MechCan further filed its 13 week cash flow projections (the "**Cash Flow Forecast**"), a copy of which is attached as **Exhibit "F"**.

## **VI. PLANNED RESTRUCTURING STEPS**

13. In discussion with NBC and the Proposal Trustee, the Debtor intends to explore options to attempt to realize on its assets in order to attempt to secure greater recovery for creditors than would be the case through a liquidation.

14. Given that the principal asset of MechCan, other than the shares of the HVAC companies, all of which are insolvent and most of which have filed Notices of Intention to Make a Proposal, is the minority shareholding in the Ottawa-based plumbing business, and given that I have an interest in possibly acquiring that asset from MechCan, the Debtor agrees that the Proposal Trustee should attend to all steps necessary to explore and, if appropriate, enter into one or more agreements to sell the assets of MechCan.

## **VII. RELIEF REQUESTED**

### **A. Extension of the Stay of Proceedings**

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

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

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

18. Since the filing of the NOI on April 1, 2026, the Debtor has acted in good faith and with due diligence in engaging with management, creditors and potential clients to explore various

restructuring options with the assistance of the Proposal Trustee. The extension of time will permit the Debtor to reach a viable going concern proposal. I am not aware of any creditors who will be materially prejudiced by the extension of time.

19. The Proposed Stay Period is critical to maximizing the realization of the Business for creditors and stakeholders and avoiding the destruction of value that would result from a shut-down of operations. If the Business is forced to shut down, the Debtor would immediately experience a loss of its customers and market share.

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

**B. Approval of the DIP Facility and the DIP Lender's Charge**

21. The Cash Flow Forecast demonstrates that the Debtor requires approximately \$75,000 in interim financing to meet ordinary course of business expenses and to fund this NOI proceeding and the Sale Process. Any amounts advanced are expected to be used for payroll, supplier payments, and other ordinary course business expenses, as well as the payment of restructuring professionals in connection with this proceeding and the Sale Process.

22. The Debtor has obtained debtor-in-possession financing from the DIP Lender to fund the Debtor's operational and restructuring expenses during the restructuring period subject to various terms and conditions as described in the DIP Term Sheet. An executed copy of the DIP Term Sheet is appended hereto as **Exhibit "G"**.

23. The DIP Term Sheet represents the best available interim financing arrangement that could be arranged by the Debtor within the time frame needed to meet the Debtor's cash flow needs.

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

- (a) a maximum loan amount of \$75,000;
- (b) interest accruing at a rate of National Bank of Canada's Prime Rate plus 1% per annum; and
- (c) advances under the DIP Facility are conditional upon Court approval of the DIP Term Sheet, and the granting of a super-priority DIP Lender's Charge in favour of the DIP Lender over all of the Property of the Debtor, subordinate only to the Administration Charge.

25. The DIP Facility is required by the Debtor to ensure it is able to operate and that it has sufficient liquidity to perform the proposed contract if such contract is finalized. As set out in the First Report of the Proposal Trustee, the amount available under the DIP Facility is sufficient to permit the Debtor to operate throughout the Extended Stay Period.

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

**C. Approval of the Administration Charge**

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

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

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

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

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

#### **D. Approval of the Sale Process**

##### **Overview of the Proposed Sale Process**

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

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

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

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

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

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

36. The Sale Process also mitigates the risk of employee resignations as a result of uncertainty around the outcome of the NOI proceeding and will increase the likelihood that the Debtor will be able to emerge from the NOI proceeding as a going concern.

### Sale Process Milestones

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

Milestone	Deadline
Create listing of Known Potential Bidders	In progress
Commencement of Sale Process	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 highest or otherwise best bid (the " <b>Successful Bid(s)</b> ")	10 days after Sale Approval Motion

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

## Key Terms of the Sale Process

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

- (a) **Bid Deadline** - Potential Bidders who wish to make an offer pursuant to the Sale Process must email a Qualified Bid by no later than 5:00 p.m. on May 25, 2026, being the Bid Deadline.
- (b) **Determination of a Qualified Bid** - To be considered a “**Qualified Bid**”, bids must satisfy certain criteria including, among other things:
  - (i) being accompanied by a deposit of at least 10% of the purchase price payable under the bid, to be retained by the Proposal Trustee in trust;
  - (ii) stating it is not conditional upon any condition or contingency relating to due diligence, financing or any other material conditions precedent to the bidder’s obligation to complete the transaction;
  - (iii) being submitted by the Bid Deadline;
  - (iv) providing evidence satisfactory to the Proposal Trustee of the financial ability of the bidder to consummate the transaction;
  - (v) not requesting any break fee, expense reimbursement or similar type of payment;
  - (vi) acknowledging that the offer is expressly made on an “as is, where is” basis in all respects; and

- (vii) describing the intended treatment of the Debtor's stakeholders including secured creditors, unsecured creditors, employees, customers, suppliers, and contractual counterparties.
  
- (c) **Selection of Successful Bid** - Following the Bid Deadline, the Proposal Trustee will assess the bids received, in consultation with the Sales Agent. If the Proposal Trustee receives one or more Qualified Bids, it may proceed with an auction to select the highest or otherwise best bid in the Sale Process in accordance with the procedure delineated in the Sale Process.
  
- (d) **Court Approval and Closing** - Upon selection of the Successful Bid, the Proposal Trustee will bring a motion to the Court on notice to the service list for an order approving the Successful Bid. The Debtor, with the assistance of the Proposal Trustee, will then proceed to close the transaction as soon as possible after Court approval is granted.

#### **The Sale Process Should be Approved**

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

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

42. I also expect that the Sale Process will be highly targeted and focused on a discrete group of potential buyers. I anticipate that there is a relatively discrete pool of parties who may be interested in the opportunity and able to complete a transaction for MechCan's Business or assets. MechCan does not own any material hard assets.

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

44. For all of these reasons, I believe the Sale Process is in the best interests of MechCan and its stakeholders and is far better than the alternative if a Sale Process cannot be completed.

#### **VIII. EXPANSION OF POWERS OF THE PROPOSAL TRUSTEE**

45. As noted above, I have an interest in possibly bidding on shares of the Ottawa-based plumbing company. On that basis, the Debtor agrees that the Proposal Trustee should oversee the Sale Process in order to ensure fairness to all interested parties.

46. Beyond that, however, I am not sure that I wish to remain as a director of MechCan or otherwise in its management during the restructuring process, in part because I am now focussing my efforts on attempting to restructure the Ottawa company that had been in the MechCan Group, JD Swallow Heating Contractors Inc. As a result, I believe it would be appropriate for the Proposal Trustee to be granted the powers necessary to operate MechCan in my absence.

## **IX. PROCEDURAL CONSOLIDATION OF THE NOI PROCEEDINGS**

47. Each of the NOI Entities proposes to procedurally consolidate the NOI Proceedings to allow the companies to be dealt with as one matter procedurally, and to relieve the administrative burden of several separate NOI Proceedings. MechCan is not requesting substantive consolidation of the estates.

48. The management and accounting functions of each of the NOI Entities were integrated through the creation of the MechCan Group, sharing a common management as well as the consolidated accounting, cash management systems, and payroll systems.

49. All the NOI Entities also have the same single first-ranking secured creditor, being NBC, for a debt of more than \$9 million that is cross-collateralized among all the members of the MechCan Group, including the NOI Entities.

50. For the sake of full disclosure, I should note that the MechCan Group of companies comprised more than the NOI Entities. The full list of the MechCan Group of companies is as follows:

- a) MechCan, which is located in Toronto and has brought this motion before the Toronto Commercial List;
- b) J.D. Swallow Heating Contractors Inc., which is located in the Ottawa area and has brought a similar motion before the Eastern Region Commercial List at Ottawa;
- c) Comfort Zone Heating & Air Conditioning Inc., which is located in Cobourg and has not yet brought any motions;
- d) Hy-Mark Mechanical Inc., which is located in Guelph and has not yet brought any motions;
- e) B.R.'s Plumbing & Heating Inc., which is located in Tillsonburg and has booked a May 1 hearing date in London if procedural consolidation is not granted;
- f) Harmony Heating and Air Conditioning Inc., which is located in Calgary and has brought a motion before the Alberta Court of Kings Bench on May 29, 2026;


- g) Pro Ace Heating & Air Conditioning Ltd.. which is located in Burnaby, British Columbia and has filed a NOI but is likely not to seek an extension due to operations having ceased and may instead become bankrupt to administer its assets in that regime;
- h) Pope & Sons Refrigeration Ltd., which is located in Parksville, British Columbia and has only made an assignment into bankruptcy;
- i) Total Home Energy Systems Inc., which is located in St. Jacobs, Ontario and for which no proceedings are contemplated; and
- j) Spark Heating & Air Conditioning Ltd., which is located in Sherwood Park, Alberta and for which no proceedings are contemplated (collectively, the “**MechCan Group**”).

51. Of that list, only items (a) to (e) are part of what MechCan seeks to procedurally consolidate.

**X. CONCLUSION**

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

**SWORN BEFORE ME** by **Spencer Ross** )  
 stated as being located in the City of )  
 Toronto **BEFORE ME** at the City of )  
 Toronto, in the Province of Ontario this )  
 29th day of April 2026, in accordance )  
 with O. Reg 431/20, *Administering Oath* )  
*Or Declaration Remotely* )  
 )

Signed by:  
  
 \_\_\_\_\_  
**SIMRAN JOSHI**  
**LSO #89775A**

DocuSigned by:  
  
 \_\_\_\_\_  
**SPENCER ROSS**

THIS IS **EXHIBIT "A"** REFERRED TO IN THE  
AFFIDAVIT OF **SPENCER ROSS** SWORN REMOTELY BY **SPENCER ROSS** STATED AS  
BEING LOCATED IN THE CITY OF TORONTO, BEFORE ME AT THE CITY OF TORONTO, IN  
THE PROVINCE OF ONTARIO THIS 29TH DAY OF APRIL 2026, IN ACCORDANCE WITH O.  
REG 431/20, *ADMINISTERING OATH OR DECLARATION REMOTELY*

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

-----  
A COMMISSIONER FOR TAKING AFFIDAVITS



## Profile Report

MECHCAN INC. as of March 11, 2026

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	MECHCAN INC.
Ontario Corporation Number (OCN)	1000084502
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	January 17, 2022
Registered or Head Office Address	14 Heathdale Road, York, Ontario, M6C1M6, Canada

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

*V. Quintanilla W.*

Director/Registrar

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

Minimum Number of Directors 1  
Maximum Number of Directors 10

**Active Director(s)**

**Name** ARTHUR PHILLIPS  
**Address for Service** 213 Beatrice Street, Toronto, Ontario, M6G 3E9, Canada  
**Resident Canadian** Yes  
**Date Began** January 17, 2022

**Name** SPENCER ROSS  
**Address for Service** 177 Dewbourne Avenue, Toronto, Ontario, M6C 1Z6, Canada  
**Resident Canadian** Yes  
**Date Began** January 17, 2022

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

*V. Quintanilla W.*

Director/Registrar

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**Active Officer(s)**

<b>Name</b>	ARTHUR PHILLIPS
<b>Position</b>	President
<b>Address for Service</b>	213 Beatrice Street, Toronto, Ontario, M6G 3E9, Canada
<b>Date Began</b>	January 17, 2022

<b>Name</b>	SPENCER ROSS
<b>Position</b>	Secretary
<b>Address for Service</b>	177 Dewbourne Avenue, Toronto, Ontario, M6C 1Z6, Canada
<b>Date Began</b>	January 17, 2022

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

*V. Quintanilla W.*

Director/Registrar

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**Corporate Name History**

**Name**

MECHCAN INC.

**Effective Date**

January 17, 2022

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*V. Quintanilla W.*

Director/Registrar

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### Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

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

*V. Quintanilla W.*

Director/Registrar

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### Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

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*V. Quintanilla W.*

Director/Registrar

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## Document List

Filing Name	Effective Date
Annual Return - 2025 PAF: ELLIOTT PARKE	October 28, 2025
Annual Return - 2024 PAF: ELLIOTT PARKE	October 28, 2025
Annual Return - 2023 PAF: ELLIOTT PARKE	April 26, 2024
Annual Return - 2022 PAF: ELLIOTT PARKE	April 26, 2024
CIA - Initial Return PAF: Arthur PHILLIPS	March 16, 2022
BCA - Articles of Incorporation	January 17, 2022

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

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

*V. Quintanilla W.*

Director/Registrar

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THIS IS **EXHIBIT "B"** REFERRED TO IN THE  
AFFIDAVIT OF **SPENCER ROSS** SWORN REMOTELY BY **SPENCER ROSS** STATED AS  
BEING LOCATED IN THE CITY OF TORONTO BEFORE ME AT THE CITY OF TORONTO, IN  
THE PROVINCE OF ONTARIO THIS 29TH DAY OF APRIL 2026, IN ACCORDANCE WITH O.  
REG 431/20, *ADMINISTERING OATH OR DECLARATION*  
*REMOTELY*

A handwritten signature in blue ink, consisting of a stylized 'S' followed by a horizontal line that curves upwards and then back down.

-----  
A COMMISSIONER FOR TAKING AFFIDAVITS

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## Enquiry Result

File Currency: 15APR 2026


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<b>Type of Search</b>	Business Debtor								
<b>Search Conducted On</b>	MECHCAN INC.								
<b>File Currency</b>	15APR 2026								
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>	<b>Expiry Date</b>	<b>Status</b>		
	500775129	1	6	1	17	29NOV 2030			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
<b>File Number</b>	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule</b>	<b>Registration Number</b>	<b>Registered Under</b>	<b>Registration Period</b>		
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<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	1447095 B.C. LTD.								
	<b>Address</b>			<b>City</b>	<b>Province</b>	<b>Postal Code</b>			
	250 HOWE STREET, 20TH FLOOR			VANCOUVER	BC	V6C 3R8			
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	B.R.'S PLUMBING & HEATING INC.								
	<b>Address</b>			<b>City</b>	<b>Province</b>	<b>Postal Code</b>			
	1 VANCE DRIVE			TILLSONBURG	ON	N4G 4M4			
<b>Secured Party</b>	<b>Secured Party / Lien Claimant</b>								
	NATIONAL BANK OF CANADA								
	<b>Address</b>			<b>City</b>	<b>Province</b>	<b>Postal Code</b>			
	350 BURNHAMTHORPE RD. W., SUITE 601			TORONTO	ON	L5B 3J1			
<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>
		X	X	X	X	X			
<b>Motor Vehicle Description</b>	<b>Year</b>	<b>Make</b>			<b>Model</b>	<b>V.I.N.</b>			
<b>General Collateral Description</b>	<b>General Collateral Description</b>								

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

CONTINUED

<b>Type of Search</b>	Business Debtor						
<b>Search Conducted On</b>	MECHCAN INC.						
<b>File Currency</b>	15APR 2026						
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>	<b>Expiry Date</b>	<b>Status</b>
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**FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN**

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

<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>	<b>Initial</b>	<b>Surname</b>

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

<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>	<b>Initial</b>	<b>Surname</b>

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

<b>Secured Party</b>	<b>Secured Party / Lien Claimant</b>			
	<b>Address</b>	<b>City</b>	<b>Province</b>	<b>Postal Code</b>

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

<b>Motor Vehicle Description</b>	<b>Year</b>	<b>Make</b>	<b>Model</b>	<b>V.I.N.</b>

<b>General Collateral Description</b>	<b>General Collateral Description</b>

<b>Registering Agent</b>					
Registering Agent					
<b>Address</b>			<b>City</b>	<b>Province</b>	<b>Postal Code</b>

CONTINUED

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

CONTINUED

<b>Type of Search</b>	Business Debtor						
<b>Search Conducted On</b>	MEHCAN INC.						
<b>File Currency</b>	15APR 2026						

File Number	Family	of Families	Page	of Pages	Expiry Date	Status			
500775129	1	6	4	17	29NOV 2030				
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
500775129		004	4		20231129 1437 1590 0254				
Individual Debtor	Date of Birth	First Given Name		Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	THES ACQUISITION INC.								
	Address			City	Province	Postal Code			
	177 DEWBOURNE AVENUE			TORONTO	ON	M6C 1Z6			
Individual Debtor	Date of Birth	First Given Name		Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	TOTAL HOME ENERGY SYSTEMS INC.								
	Address			City	Province	Postal Code			
	177 DEWBOURNE AVENUE			TORONTO	ON	M6C 1Z6			
Secured Party	Secured Party / Lien Claimant								
	Address			City	Province	Postal Code			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make		Model	V.I.N.				
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address			City	Province	Postal Code			

CONTINUED

<b>Type of Search</b>	Business Debtor								
<b>Search Conducted On</b>	MECHCAN INC.								
<b>File Currency</b>	15APR 2026								
File Number	Family	of Families	Page	of Pages					
500775129	1	6	5	17					
<b>FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT</b>									
Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under				
	001	1		20240125 1608 1590 8143					

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

END OF FAMILY

<b>Type of Search</b>	Business Debtor
<b>Search Conducted On</b>	MECHCAN INC.
<b>File Currency</b>	15APR 2026

	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	502205886	2	6	6	17	25JAN 2031			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
502205886		001	4		20240125 1049 1590 8032	P PPSA	7		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	J.D. SWALLOW HEATING CONTRACTORS INC.								
	Address			City	Province	Postal Code			
	177 DEWBOURNE AVENUE			TORONTO	ON	M6C 1Z6			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	B.R.'S PLUMBING & HEATING INC.								
	Address			City	Province	Postal Code			
	1 VANCE DRIVE			TILLSONBURG	ON	N4G 4M4			
Secured Party	Secured Party / Lien Claimant								
	NATIONAL BANK OF CANADA								
	Address			City	Province	Postal Code			
	350 BURNHAMTHORPE RD. W., SUITE 601			TORONTO	ON	L5B 3J1			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	SCHNEIDER RUGGIERO SPENCER MILBURN LLP								
	Address				City	Province	Postal Code		
	1000-120 ADELAIDE STREET WEST				TORONTO	ON	M5H 3V1		

CONTINUED

<b>Type of Search</b>	Business Debtor								
<b>Search Conducted On</b>	MECHCAN INC.								
<b>File Currency</b>	15APR 2026								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	502205886	2	6	7	17	25JAN 2031			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		

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

CONTINUED

<b>Type of Search</b>	Business Debtor								
<b>Search Conducted On</b>	MECHCAN INC.								
<b>File Currency</b>	15APR 2026								
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>	<b>Expiry Date</b>	<b>Status</b>		
	502205886	2	6	8	17	25JAN 2031			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
<b>File Number</b>	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule</b>	<b>Registration Number</b>	<b>Registered Under</b>	<b>Registration Period</b>		
502205886		003	4		20240125 1049 1590 8032				
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			

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

CONTINUED

<b>Type of Search</b>	Business Debtor									
<b>Search Conducted On</b>	MECHCAN INC.									
<b>File Currency</b>	15APR 2026									
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>	<b>Expiry Date</b>	<b>Status</b>			
	502205886	2	6	9	17	25JAN 2031				
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>										
<b>File Number</b>	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule</b>	<b>Registration Number</b>	<b>Registered Under</b>	<b>Registration Period</b>			
502205886		004	4		20240125 1049 1590 8032					
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>		<b>Initial</b>		<b>Surname</b>				
<b>Business Debtor</b>	<b>Business Debtor Name</b>		<b>Ontario Corporation Number</b>							
	TOTAL HOME ENERGY SYSTEMS INC.									
<b>Address</b>		<b>City</b>		<b>Province</b>		<b>Postal Code</b>				
177 DEWBOURNE AVENUE		TORONTO		ON		M6C 1Z6				
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>		<b>Initial</b>		<b>Surname</b>				

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

END OF FAMILY

<b>Type of Search</b>	Business Debtor								
<b>Search Conducted On</b>	MEHCAN INC.								
<b>File Currency</b>	15APR 2026								
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>	<b>Expiry Date</b>	<b>Status</b>		
	508246596	3	6	10	17	15AUG 2031			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
<b>File Number</b>	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule</b>	<b>Registration Number</b>	<b>Registered Under</b>	<b>Registration Period</b>		
508246596		001	4		20240815 1028 1590 4569	P PPSA	7		
<b>Individual Debtor</b>	<b>Date of Birth</b>		<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>		
<b>Business Debtor</b>	<b>Business Debtor Name</b>				<b>Ontario Corporation Number</b>				
	J.D. SWALLOW HEATING CONTRACTORS INC.								
	<b>Address</b>			<b>City</b>	<b>Province</b>	<b>Postal Code</b>			
	177 DEWBOURNE AVENUE			TORONTO	ON	M6C 1Z6			
<b>Individual Debtor</b>	<b>Date of Birth</b>		<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>		
<b>Business Debtor</b>	<b>Business Debtor Name</b>				<b>Ontario Corporation Number</b>				
	B.R.'S PLUMBING & HEATING INC.								
	<b>Address</b>			<b>City</b>	<b>Province</b>	<b>Postal Code</b>			
	1 VANCE DRIVE			TILLSONBURG	ON	N4G 4M4			
<b>Secured Party</b>	<b>Secured Party / Lien Claimant</b>								

NATIONAL BANK OF CANADA									
<b>Address</b>					<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
350 BURNHAMTHORPE RD. W., SUITE 601					TORONTO	ON	L5B 3J1		
<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>
		X	X	X	X	X			
<b>Motor Vehicle Description</b>	<b>Year</b>	<b>Make</b>			<b>Model</b>		<b>V.I.N.</b>		
<b>General Collateral Description</b>	<b>General Collateral Description</b>								
<b>Registering Agent</b>	<b>Registering Agent</b>								
	SCHNEIDER RUGGIERO SPENCER MILBURN LLP (45722 MD/HJ)								
	<b>Address</b>					<b>City</b>	<b>Province</b>	<b>Postal Code</b>	
	1000-120 ADELAIDE STREET WEST					TORONTO	ON	M5H 3V1	

CONTINUED

<b>Type of Search</b>	Business Debtor								
<b>Search Conducted On</b>	MECHCAN INC.								
<b>File Currency</b>	15APR 2026								
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>	<b>Expiry Date</b>	<b>Status</b>		
	508246596	3	6	11	17	15AUG 2031			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
<b>File Number</b>	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule</b>	<b>Registration Number</b>	<b>Registered Under</b>	<b>Registration Period</b>		
508246596		002	4		20240815 1028 1590 4569				
<b>Individual Debtor</b>	<b>Date of Birth</b>		<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>		
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	COMFORT ZONE HEATING & AIR CONDITIONING INC.								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	727 WILLIAM ST.				COBOURG	ON	K9A 3A7		
<b>Individual Debtor</b>	<b>Date of Birth</b>		<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>		
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	HY-MARK MECHANICAL INC.								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	177 DEWBOURNE AVENUE				TORONTO	ON	M6C 1Z6		
<b>Secured Party</b>	<b>Secured Party / Lien Claimant</b>								
	<b>Address</b>					<b>City</b>	<b>Province</b>	<b>Postal Code</b>	
<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>

Motor Vehicle Description	Year	Make	Model	V.I.N.
General Collateral Description	General Collateral Description			
Registering Agent	Registering Agent			
	Address		City	Province
				Postal Code

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	MECHCAN INC.						
File Currency	15APR 2026						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	508246596	3	6	12	17	15AUG 2031	

**FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN**

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

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

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

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

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

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

<b>General Collateral Description</b>	<b>General Collateral Description</b>			
<b>Registering Agent</b>	<b>Registering Agent</b>			
	<b>Address</b>	<b>City</b>	<b>Province</b>	<b>Postal Code</b>

CONTINUED

<b>Type of Search</b>	Business Debtor						
<b>Search Conducted On</b>	MECHCAN INC.						
<b>File Currency</b>	15APR 2026						
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>	<b>Expiry Date</b>	<b>Status</b>
	508246596	3	6	13	17	15AUG 2031	

**FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN**

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

<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>	<b>Initial</b>	<b>Surname</b>

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

<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>	<b>Initial</b>	<b>Surname</b>

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

<b>Secured Party</b>	<b>Secured Party / Lien Claimant</b>			
	<b>Address</b>	<b>City</b>	<b>Province</b>	<b>Postal Code</b>

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

<b>Motor Vehicle Description</b>	<b>Year</b>	<b>Make</b>	<b>Model</b>	<b>V.I.N.</b>

<b>General Collateral Description</b>	<b>General Collateral Description</b>			

<b>Registering Agent</b>	<b>Registering Agent</b>

	<b>Address</b>	<b>City</b>	<b>Province</b>	<b>Postal Code</b>

END OF FAMILY

<b>Type of Search</b>	Business Debtor						
<b>Search Conducted On</b>	MEHCAN INC.						
<b>File Currency</b>	15APR 2026						
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>	<b>Expiry Date</b>	<b>Status</b>
	783474201	4	6	14	17	31MAY 2028	

**FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN**

<b>File Number</b>	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule</b>	<b>Registration Number</b>	<b>Registered Under</b>	<b>Registration Period</b>
783474201		001	1		20220531 1436 1590 4894	P PPSA	5

<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>	<b>Initial</b>	<b>Surname</b>
<b>Business Debtor</b>	<b>Business Debtor Name</b>			<b>Ontario Corporation Number</b>
	MEHCAN INC.			
	<b>Address</b>	<b>City</b>	<b>Province</b>	<b>Postal Code</b>
	177 DEWBOURNE AVE.	TORONTO	ON	M6C 1Z6

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

<b>Secured Party</b>	<b>Secured Party / Lien Claimant</b>			
	NATIONAL BANK OF CANADA			
	<b>Address</b>	<b>City</b>	<b>Province</b>	<b>Postal Code</b>
	350 BURNHAMTHORPE RD. W., 6TH FL.	MISSISSAUGA	ON	L5B 3J1

<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>
				X	X				

<b>Motor Vehicle Description</b>	<b>Year</b>	<b>Make</b>	<b>Model</b>	<b>V.I.N.</b>

<b>General Collateral Description</b>	<b>General Collateral Description</b>
	GUARANTEE AND POSTPONEMENT OF CLAIMS WITH RESPECT TO THE OBLIGATIONS OF B.R.'S PLUMBING & HEATING INC. TO THE SECURED PARTY

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

CONTINUED

<b>Type of Search</b>	Business Debtor									
<b>Search Conducted On</b>	MECHCAN INC.									
<b>File Currency</b>	15APR 2026									
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>						<b>of Pages</b>
	783474201	4	6	15						17
<b>FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT</b>										
	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule Attached</b>	<b>Registration Number</b>			<b>Registered Under</b>		
		01	001		20220531 1733 1590 5000					
<b>Record Referenced</b>	<b>File Number</b>	<b>Page Amended</b>	<b>No Specific Page Amended</b>	<b>Change Required</b>			<b>Renewal Years</b>	<b>Correct Period</b>		
	783474201			B RENEWAL			1			
<b>Reference Debtor/ Transferor</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>					
	<b>Business Debtor Name</b>									
	MECHCAN INC.									
<b>Other Change</b>	<b>Other Change</b>									
<b>Reason / Description</b>	<b>Reason / Description</b>									
<b>Debtor/ Transferee</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>				
	<b>Business Debtor Name</b>								<b>Ontario Corporation Number</b>	
	<b>Address</b>				<b>City</b>		<b>Province</b>	<b>Postal Code</b>		
<b>Assignor Name</b>	<b>Assignor Name</b>									
<b>Secured Party</b>	<b>Secured party, lien claimant, assignee</b>									
	<b>Address</b>				<b>City</b>			<b>Province</b>	<b>Postal Code</b>	
<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>	
<b>Motor Vehicle Description</b>	<b>Year</b>	<b>Make</b>			<b>Model</b>			<b>V.I.N.</b>		
<b>General Collateral Description</b>	<b>General Collateral Description</b>									
<b>Registering Agent</b>	<b>Registering Agent or Secured Party/ Lien Claimant</b>									
	SCHNEIDER RUGGIERO SPENCER MILBURN LLP									

<b>Address</b>	<b>City</b>	<b>Province</b>	<b>Postal Code</b>
1000-120 ADELAIDE STREET WEST	TORONTO	ON	M5H 3V1

END OF FAMILY

<b>Type of Search</b>	Business Debtor						
<b>Search Conducted On</b>	MECHCAN INC.						
<b>File Currency</b>	15APR 2026						
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>	<b>Expiry Date</b>	<b>Status</b>
	796000896	5	6	16	17	08AUG 2030	

**FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN**

<b>File Number</b>	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule</b>	<b>Registration Number</b>	<b>Registered Under</b>	<b>Registration Period</b>
796000896		001	1		20230808 1202 1590 5429	P PPSA	7

<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>	<b>Initial</b>	<b>Surname</b>

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

<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>	<b>Initial</b>	<b>Surname</b>

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

<b>Secured Party</b>	<b>Secured Party / Lien Claimant</b>			
	NATIONAL BANK OF CANADA			
	<b>Address</b>	<b>City</b>	<b>Province</b>	<b>Postal Code</b>
	601-350 BURNHAMTHORPE ROAD W	MISSISSAUGA	ON	L5B 3J1

<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>
				X	X				

<b>Motor Vehicle Description</b>	<b>Year</b>	<b>Make</b>	<b>Model</b>	<b>V.I.N.</b>

<b>General Collateral Description</b>	<b>General Collateral Description</b>
	ASSIGNMENT AND POSTPONEMENT OF CLAIMS WITH RESPECT TO THE OBLIGATIONS OF THIS ACQUISITION INC. TO THE SECURED PARTY.

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

END OF FAMILY

<b>Type of Search</b>	Business Debtor
-----------------------	-----------------

<b>Search Conducted On</b>	MECHCAN INC.								
<b>File Currency</b>	15APR 2026								
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>	<b>Expiry Date</b>	<b>Status</b>		
	796000923	6	6	17	17	08AUG 2030			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
<b>File Number</b>	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule</b>		<b>Registration Number</b>	<b>Registered Under</b>	<b>Registration Period</b>	
796000923		001	1			20230808 1203 1590 5431	P PPSA	7	
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>						<b>Ontario Corporation Number</b>		
	THES ACQUISITION INC.								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	177 DEWBOURNE AVENUE				TORONTO	ON	M6C 1Z6		
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>						<b>Ontario Corporation Number</b>		
	MECHCAN INC.								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	177 DEWBOURNE AVENUE				TORONTO	ON	M6C 1Z6		
<b>Secured Party</b>	<b>Secured Party / Lien Claimant</b>								
	NATIONAL BANK OF CANADA								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	601-350 BURNHAMTHORPE ROAD W				MISSISSAUGA	ON	L5B 3J1		
<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>
				X	X				
<b>Motor Vehicle Description</b>	<b>Year</b>	<b>Make</b>			<b>Model</b>		<b>V.I.N.</b>		
<b>General Collateral Description</b>	<b>General Collateral Description</b>								
	ASSIGNMENT AND POSTPONEMENT OF CLAIMS WITH RESPECT TO THE OBLIGATIONS OF TOTAL HOME ENERGY SYSTEMS INC. TO THE SECURED PARTY.								
<b>Registering Agent</b>	<b>Registering Agent</b>								
	SCHNEIDER RUGGIERO SPENCER MILBURN LLP								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	1000-120 ADELAIDE STREET WEST				TORONTO	ON	M5H 3V1		

LAST PAGE

**Note: All pages have been returned.**[BACK TO TOP](#)

All Pages ▾

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THIS IS **EXHIBIT "C"** REFERRED TO IN THE  
AFFIDAVIT OF **SPENCER ROSS** SWORN REMOTELY BY **SPENCER ROSS** STATED AS  
BEING LOCATED IN THE CITY OF TORONTO BEFORE ME AT THE CITY OF TORONTO, IN  
THE PROVINCE OF ONTARIO THIS 29TH DAY OF APRIL 2026, IN ACCORDANCE WITH O.  
REG 431/20, *ADMINISTERING OATH OR DECLARATION*  
*REMOTELY*



-----  
A COMMISSIONER FOR TAKING AFFIDAVITS

**PPSA SUMMARY OF MECHCAN INC.**

	<b>Secured Party</b>	<b>Prov.</b>	<b>Reg. No.</b>	<b>Reg. Date</b>	<b>Reg. Period</b>	<b>Collateral</b>
	<b>National Bank of Canada</b>	<b>ON</b>	20231129 1437 1590 0254	11/29/2023	7	Inventory, Equipment, Accounts, Other, Motor Vehicle
			20240125 1049 1590 8032	01/25/2024	7	Inventory, Equipment, Accounts, Other, Motor Vehicle
			20240815 1028 1590 4569	08/15/2024	7	Inventory, Equipment, Accounts, Other, Motor Vehicle
			20220531 1436 1590 4894	05/31/2022	5	Accounts, Other  Guarantee and postponement of claims with respect to the obligations of B.R.'s Plumbing & Heating Inc. to the secured party
			20230808 1202 1590 5429	08/08/2023	7	Accounts, Other  Assignment and postponement of claims with respect to the obligations of Thes Acquisition Inc. to the secured party.
			20230808 1203 1590 5431	08/08/2023	7	Accounts, Other  Assignment and postponement of claims with respect to the obligations of total home energy

						systems inc. to the secured party.
--	--	--	--	--	--	------------------------------------

THIS IS **EXHIBIT "D"** REFERRED TO IN THE  
AFFIDAVIT OF **SPENCER ROSS** SWORN REMOTELY BY **SPENCER ROSS** STATED AS  
BEING LOCATED IN THE CITY OF TORONTO BEFORE ME AT THE CITY OF TORONTO, IN  
THE PROVINCE OF ONTARIO THIS 29TH DAY OF APRIL 2026, IN ACCORDANCE WITH O.  
REG 431/20, *ADMINISTERING OATH OR DECLARATION*  
*REMOTELY*

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

-----  
A COMMISSIONER FOR TAKING AFFIDAVITS

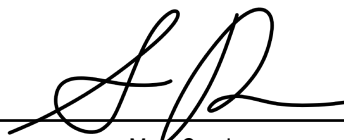
District of:  
Division No. -  
Court No.  
Estate No.

- FORM 33 -

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

In the Matter of the Proposal of  
MechCan Inc.  
of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Core4Network	20 Wellington Street East, Suite 500 Toronto ON M5E 1C5		1,750.00
CRA - Tax - Ontario	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-Sud QC G9P 5H9	753921105	250.00
Employees of MechCan Inc.	20 Wellington Street East, Suite 500 Toronto ON M5E 1C5		250.00
Lawson Lundell LLP Miriam Dominguez	1600 - 925 West Georgia Street Vancouver BC V6C 3L2		67,586.64
national Bank of Canada	130 King Street West, Exchange Tower, 29th Floor Toronto ON M5X 1J9		3,362,568.54
SEOCatalysts	20 Wellington Street East, Suite 500 Toronto ON M5E 1C5		16,500.00
Service Titan	800 N Brand Blvd #100, Glendale, CA, 91203 Glendale CA 91203		250.00
Wildeboer Dellelce LLP	Suite 800 Wildeboer Dellelce Place 365 Bay Street Toronto ON M5H 2V1		64,548.18
<b>Total</b>			<b>3,513,703.36</b>



MechCan Inc.  
Insolvent Person

THIS IS **EXHIBIT "E"** REFERRED TO IN THE  
AFFIDAVIT OF **SPENCER ROSS** SWORN REMOTELY BY **SPENCER ROSS** STATED AS  
BEING LOCATED IN THE CITY OF TORONTO BEFORE ME AT THE CITY OF TORONTO, IN  
THE PROVINCE OF ONTARIO THIS 29TH DAY OF APRIL 2026, IN ACCORDANCE WITH O.  
REG 431/20, *ADMINISTERING OATH OR DECLARATION*  
*REMOTELY*

A handwritten signature in blue ink, appearing to be 'S.R.', is centered on the page. The signature is fluid and cursive.

-----  
A COMMISSIONER FOR TAKING AFFIDAVITS



Industry Canada  
Office of the Superintendent  
of Bankruptcy Canada

Industrie Canada  
Bureau du surintendant  
des faillites Canada

District of: Ontario  
Division No.: 09 - Toronto  
Court No.: 31-3354893  
Estate No.: 31-3354893

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

**MechCan Inc.**

Insolvent Person

**BDO CANADA LIMITED / BDO CANADA LIMITÉE**

Licensed Insolvency Trustee

---

Date of the Notice of Intention:

April 01, 2026

---

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL  
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: April 01, 2026, 14:17

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

**Canada**

THIS IS **EXHIBIT "F"** REFERRED TO IN THE  
AFFIDAVIT OF **SPENCER ROSS** SWORN REMOTELY BY **SPENCER ROSS** STATED AS  
BEING LOCATED IN THE CITY OF TORONTO BEFORE ME AT THE CITY OF TORONTO, IN  
THE PROVINCE OF ONTARIO THIS 29TH DAY OF APRIL 2026, IN ACCORDANCE WITH O.  
REG 431/20, *ADMINISTERING OATH OR DECLARATION*  
*REMOTELY*



-----  
A COMMISSIONER FOR TAKING AFFIDAVITS

IN THE MATTER OF THE PROPOSAL OF  
MECHCAN INC.  
IN THE CITY OF TORONTO  
IN THE PROVINCE OF ONTARIO

STATEMENT OF PROJECTED CASH FLOW

Week #	1	2	3	4	5	6	7	8	9	10	11	12	13	13-Week
Week Ending	10-Apr-26	17-Apr-26	24-Apr-26	1-May-26	8-May-26	15-May-26	22-May-26	29-May-26	5-Jun-26	12-Jun-26	19-Jun-26	26-Jun-26	3-Jul-26	Total
<u>Cash Receipts:</u>														
N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Cash Disbursements:</u>														
Direct Labour	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Wages	-	5,923	-	5,923	-	5,923	-	-	5,923	-	5,923	-	16,746	46,362
Commissions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subcontractors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Truck Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Software	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HST Remittances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Critical Vendor Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring Fees	-	5,650	-	5,650	-	5,650	-	5,650	-	5,650	-	-	-	28,250
Total Cash Disbursements	-	11,573	-	11,573	-	11,573	-	5,650	5,923	5,650	5,923	-	16,746	74,612
Net Cash Flow	-	(11,573)	-	(11,573)	-	(11,573)	-	(5,650)	(5,923)	(5,650)	(5,923)	-	-	(74,612)

MechCan Inc.

Per:

Spencer Ross  
Director

10-Apr-26

Date

BDO Canada Limited

Per:

Josie Parisi, CPA, CA, CBV, CIRP, LIT  
Senior Vice President

10-Apr-26

Date

This statement of projected cash flow for MechCan Inc. has been prepared in accordance with section 50(6) of the *Bankruptcy and Insolvency Act*, and should be read in conjunction with the Trustee's Report on Cash Flow dated April 10, 2026.

THIS IS **EXHIBIT "G"** REFERRED TO IN THE  
AFFIDAVIT OF **SPENCER ROSS** SWORN REMOTELY BY **SPENCER ROSS** STATED AS  
BEING LOCATED IN THE CITY OF TORONTO BEFORE ME AT THE CITY OF TORONTO, IN  
THE PROVINCE OF ONTARIO THIS 29TH DAY OF APRIL 2026, IN ACCORDANCE WITH O.  
REG 431/20, *ADMINISTERING OATH OR DECLARATION*  
*REMOTELY*

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

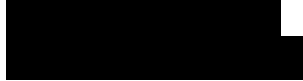
-----  
A COMMISSIONER FOR TAKING AFFIDAVITS



April 28, 2026

**VIA E-MAIL**

**MechCan Inc.**



**AND TO:**

14 Heathdale Road,  
York, ON M6C 1M6

**Attention: Spencer Ross**

Dear Mr. Ross:

**Re: Interim Financing for MechCan Inc. (the “Debtor”) from National Bank of Canada (the “Bank”)**

**RECITALS:**

1. Pursuant to the offer of financing from the Bank to the Debtor dated August 12, 2024, as amended by an amending agreement dated December 31, 2024, an amending agreement dated September 2, 2025 and as further amended from time to time (as so amended, the “**Offer of Financing**”), the Bank made certain credit facilities available to the Debtor (the “**Credit Facilities**”). The Credit Facilities include a revolving operating line of credit (the “**Operating Line**”) limited to the principal amount of \$1,250,000.
2. By letter from the Bank to the Debtor sent on March 17, 2026 (the “**Demand Letter**”), the Bank notified the Debtor of certain events of default that have occurred under the Offer of Financing (the “**Existing Defaults**”), demanded payment of the amount outstanding under the Credit Facilities and terminated the Credit Facilities, including the Operating Line.
3. Also on March 17, 2026, the Bank sent to the Debtor a notice of intention to enforce security (the “**BIA Notice**”) pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”). The ten-day notice period under the BIA Notice expired on March 30, 2026.
4. The Debtor commenced a proposal proceeding under the BIA (the “**Proposal Proceeding**”) pursuant to a notice of intention to make a proposal filed on April 1, 2026 (the “**Filing Date**”). BDO Canada Limited has been appointed as the trustee in the Proposal Proceeding (the “**Trustee**”).

5. The Debtor has filed a cash flow forecast within the Proposal Proceeding (the “**Forecast**”), attached hereto as Schedule “A”.
6. The Debtor will require additional funding in order to meet its projected disbursements during the Proposal Proceeding as set out in the Forecast. The Debtor has requested that the Bank provide interim financing to the Debtor in an amount sufficient to permit the Debtor to meet its disbursements as projected in the Forecast during the pendency of the Proposal Proceeding.
7. Further to the Debtor’s request, the Bank is prepared to provide interim financing to the Debtor subject to the terms of this agreement (the “**Agreement**”).

**NOW THEREFORE THIS AGREEMENT WITNESSES** that, in consideration of the Bank providing interim financing to the Debtor as described herein and for other good and valuable consideration, the parties covenant and agree as follows:

#### **ACNOWLEDGMENTS BY DEBTOR**

8. **Acknowledgments by Debtor.** To induce the Bank to enter into this Agreement, the Debtor represents, warrants, acknowledges and agrees that: (i) each of the Recitals to this Agreement is true and correct (ii) it is indebted to the Bank under the Credit Facilities in the amounts specified in the Demand Letter as at the date specified therein, together with interest and costs to the date of payment, and the Debtor has no defences, counterclaims or rights of set-off or reduction in respect of its indebtedness to the Bank under the Credit Facilities; (iii) the security granted by the Debtor to the Bank referenced in the BIA Notice (the “**Bank Security**”) is valid, binding and enforceable in accordance with its terms, and the Debtor has no defences, counterclaims or rights of set-off or reduction to any claims which might be brought by the Bank thereunder; (iv) the Bank has not waived the Existing Defaults or withdrawn the Demand Letter or the BIA Notice, or any rights and remedies related thereto, and nothing contained in this Agreement or the transactions contemplated by this Agreement is or will be deemed to constitute any such waiver or an agreement to forbear from enforcing any of its rights and remedies in connection with the Existing Defaults, the Demand Letter or the BIA Notice.
9. **Bank Not Subject to Stay of Proceedings.** The Debtor agrees that the ten-day period under the BIA Notice expired prior to the Filing Date, with the result that the Bank is not stayed from enforcing the security referenced in the BIA Notice and, for certainty, the Debtor consents to the Bank enforcing the security referenced in the BIA Notice. The Debtor further confirms that the stay of proceedings under the Proposal Proceeding does not apply to the Bank and the Bank may exercise all of its rights and remedies against the Debtor or the Debtor’s property.

#### **TERMS OF INTERIM FINANCING**

10. **Interim Facility and Purpose:** Subject to the issuance of the Interim Financing Order (as defined below) by the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), the Bank shall make available to the Debtor until the Maturity Date (as defined below) a

temporary revolving credit facility, limited to the maximum amount of \$75,000 (the “**Interim Facility**”). Advances under the Interim Facility (“**Interim Advances**”) shall be approved by the Trustee and shall only be utilized by the Debtor to fund its projected disbursements as set out in the Forecast to the extent the Debtor does not have cash available to fund such disbursements. Interim Advances shall revolve in multiples of \$1,000 and the Debtor may only request and apply Interim Advances through the Debtor’s existing cash management system with the Bank or otherwise as agreed to with the Bank, acting reasonably.

Subject to any statutory or court-ordered obligation of the Trustee, Interim Advances may not be used to investigate, object to or challenge in any way any claims of the Bank against the Debtor in respect of the Interim Facility or with respect to the Credit Facilities, the Bank Security or the Offer of Financing. Nothing in this paragraph shall restrict the Debtor or the Trustee, including the engagement by the Trustee of independent legal counsel, from (and receiving their fees, costs and expenses therefor) (i) assessing the validity and enforceability of the Bank Security for advances under the Credit Facilities prior to the Filing Date, and (ii) conducting a claims process in accordance with any Court order.

11. **Fees and Interest Rate.** The amount outstanding from time to time under the Interim Facility shall bear interest at the same rate as advances under the Operating Line, being the Bank’s Prime Rate plus 1% per annum, and shall be paid monthly on the 26<sup>th</sup> day of each month. No set up fee shall be payable by the Debtor in connection with the Interim Facility. The Debtor shall pay the Bank’s legal fees and disbursements incurred in connection with the Interim Facility, including the costs to prepare and enforce this Agreement and recover payment of the Interim Advances.
12. **Prepayment and Repayment.** On a daily basis, the credit balance in any of the Debtor’s accounts with the Bank shall be applied in reduction of the amount outstanding under the Interim Facility in multiples of \$1,000. Interim Advances may otherwise be repaid at any time without penalty. The Interim Facility shall be automatically cancelled and all Interim Advances shall be permanently repaid (without deduction or set-off of any kind) on the earliest to occur of the following, subject to any order of the Court: (i) the date that is three months from the Filing Date; (ii) the occurrence of any Event of Default (as defined below) which is continuing and has not been cured; (iii) the implementation of a proposal within the Proposal Proceeding (a “**Proposal**”) which has been approved by the requisite majorities of the Debtor’s creditors and by order entered by the Court; and (iv) the sale of all or substantially all of the Debtor’s property; (the earliest of such dates being the “**Maturity Date**”). The order of the Court approving any Proposal shall not discharge or otherwise affect the obligations of the Debtor under the Interim Facility, other than providing for the permanent and indefeasible payment in cash to the Bank of all obligations under the Interim Facility on or before the date the Proposal is implemented.
13. **Security and Priority:** The amount outstanding under the Interim Facility from time to time shall be secured by (i) all existing security granted to the Bank by the Debtor including, without limitation, the general security agreement referenced in the BIA Notice; and (ii) a court-ordered interim financing charge (“**Interim Financing Charge**”) over all present and after-acquired property of the Debtor that ranks in priority to all other secured

claims, subject only to a charge to secure payment of the fees and disbursements of the Trustee, the Trustee's counsel, the Debtor's counsel and the Bank's counsel in connection with the Proposal Proceeding in the maximum amount of \$100,000 (the "**Administration Charge**") and any permitted liens specifically approved by the Bank.

14. **Conditions Precedent to Interim Advances:** Each Interim Advance is conditional upon the following: (i) the Court issuing an order on or before April 30, 2026 (the "**Interim Financing Order**"), in form and substance satisfactory to the Bank, *inter alia*, approving this Agreement and granting the Interim Financing Charge, and such Interim Financing Order shall not have been stayed, vacated or otherwise caused to be ineffective or amended, restated or modified in a way that adversely impacts the rights and interests of the Bank in a material manner, without the consent of the Bank; (ii) the requested Interim Advance shall not, if advanced to the Debtor, cause the amount outstanding under the Interim Facility to exceed the lesser of (x) \$75,000, and (y) the amount projected in the Forecast for the applicable period plus 10%; (iii) no default under this Agreement or Event of Default has occurred or will occur as a result of the requested Interim Advance; (iv) there are no security interests or trust claims against or affecting any of the Debtor's property ranking in priority to the Interim Financing Charge, other than the Administration Charge and any security interests or trust claims consented to by the Bank in writing.
  
15. **Reporting Requirements:** On the Tuesday of each week for the week ending the immediately preceding Friday, the Debtor or the Trustee shall provide the Bank a variance report comparing actual results to the Forecast. If requested by the Bank, the Debtor will provide the Bank with an updated cash flow forecast (an "**Updated Forecast**"), which must be approved by the Trustee (or prepared by the Trustee on behalf of the Debtor).
  
16. **Negative Covenants:** Until the Interim Facility has been permanently and indefeasibly repaid and cancelled, the Debtor covenants and agrees not to do any of the following, other than with the prior written consent of the Bank:
  - (a) Other than in the ordinary course of business, transfer, lease or otherwise dispose of all or any part of its property, assets or undertakings (i) without the prior written consent of the Bank, unless the proceeds of sale will be sufficient to permanently and indefeasibly repay the amount outstanding under the Interim Facility, and (ii) without an order of the Court approving any such disposition.
  
  - (b) Make any payment of principal or interest in respect of any existing debt or obligation outstanding as of the Filing Date other than as may be permitted by a Court order and that does not result in an Event of Default (as defined below), and is provided for in the Forecast.
  
  - (c) Create or permit to exist indebtedness for borrowed money other than debt existing as of the Filing Date or debt contemplated by this Agreement.
  
  - (d) Make any payments without the prior written consent of the Trustee or make any payments not consistent with the Forecast, other than with the prior written consent of the Trustee and the Bank.

- (e) Make or give any additional financial assurances, in the form of bonds, letters of credit, financial guarantees or otherwise, to any person or governmental entity.
- (f) Create, permit to exist or seek or support a motion by another party to provide to any third party a lien on the Debtor's property that is senior to or *pari passu* with the Interim Financing Charge, other than the Administration Charge.
- (g) Change its name, amalgamate, consolidate with or merge into, or enter into any similar transaction with any other entity except as part of the Court-supervised sale process administered by the Trustee in the Proposal Proceeding.
- (h) Make any payment in respect of post-employment benefit payments, special or amortization payments, solvency deficiencies or wind-up shortfalls in relation to any pension plan.

## EVENTS OF DEFAULT

17. **Events of Default**. The occurrence of any one or more of the following events without the prior consent of the Bank shall constitute an event of default ("**Event of Default**") under this agreement:

- (a) the failure by the Debtor to keep or perform any of the terms, obligations or covenants under this Agreement or any further default or Event of Default occurs under the Offer of Financing;
- (b) if the Bank reasonably determines in consultation with the Trustee that the Debtor or the Trustee will be unable to complete a transaction pursuant to which the amount outstanding under the Interim Facility will be repaid on or before the Maturity Date;
- (c) the filing of any pleading that seeks, or the issuance of an order of the Court or any other court of competent jurisdiction that:
  - (i) dismisses the Proposal Proceeding or lifts the stay in the Proposal Proceeding to permit (A) the enforcement of any security interest or trust claim against the Debtor or a material portion of its property, assets or undertaking, or (B) the appointment of a receiver and manager, receiver, interim receiver or similar official (which for greater certainty shall not include the Trustee) or the making of a bankruptcy order against the Debtor;
  - (ii) grants any lien or charge which is senior to or *pari passu* with the Interim Financing Charge, other than the Administration Charge; or
  - (iii) adversely impacts the rights and interests of the Bank in a material manner, without the prior written consent of the Bank;
- (d) the Interim Financing Order is not granted by the Court by April 30, 2026 in a form satisfactory to the Bank in its sole discretion;

- (e) an Updated Forecast is not approved by the Trustee or projects that the amount outstanding under the Interim Facility will exceed \$75,000 at any time;
- (f) the amount outstanding under the Interim Facility exceeds \$75,000 at any time;
- (g) an event occurs that will in the Bank's judgment, acting reasonably and determined in consultation with the Trustee, materially further impair the Debtor's financial condition or ability to comply with its obligations under this Agreement, any order made in the Proposal Proceeding or to carry out a Proposal reasonably acceptable to the Bank;
- (h) any representation or warranty by the Debtor herein shall be incorrect or misleading in any material respect;
- (i) any material violation or breach of any order of the Court made in the Proposal Proceeding;
- (j) any proceeding, motion or application is commenced or filed by the Debtor, or if commenced by another party, supported or otherwise consented to by the Debtor, seeking the invalidation, subordination or other challenging of the terms of the Interim Facility, the Interim Financing Charge, this Agreement, or any of the Bank Security or, unless a Proposal or transaction involving the sale of substantially all of the Debtor's property provides for repayment in full of the amount outstanding under the Interim Facility, the approval of any Proposal or any transaction involving the sale of substantially all of the Debtor's property that does not have the prior written consent of the Bank;
- (k) any Proposal is sanctioned or any transaction is consummated by the Debtor that is not consistent with or contravenes any provision of this Agreement in a manner that is adverse to the interests of the Bank or would reasonably be expected to adversely affect the interests of the Bank, unless the Bank has consented thereto; and
- (l) if the Debtor pays or agrees to pay any of the legal, consulting or other professional fees and/or disbursements incurred by any other party in the Proposal Proceeding without the prior consent of the Bank, other than the professional fees and disbursements of the Bank, the Debtor, the Trustee, and the Trustee's legal counsel.

18. **Remedies.** Upon the occurrence of an Event of Default, and subject to any order of the Court, the Bank may, in its sole discretion, elect to terminate the Bank's commitment to make Interim Advances available to the Debtor hereunder and declare the obligations in respect of the Interim Facility to be immediately due and payable and cease making any further Interim Advances available. Without limiting the foregoing remedies, upon the occurrence of an Event of Default, the Bank may, in its sole discretion, elect to permanently reduce the credit available under the Interim Facility by such amount as determined by the Bank in its sole discretion. In addition, upon the occurrence of an Event of Default, the Bank may, in its sole discretion, subject to any order of the Court, (i) apply to the Court for the appointment of a receiver, an interim receiver or a receiver and manager over the Debtor or its property, or for the appointment of a trustee in bankruptcy of the Debtor; (ii) set-off

or combine any amount recorded as a credit balance in any account maintained by the Debtor with the Bank or any amount then owing by the Bank to the Debtor against the obligations of the Debtor to the Bank under the Interim Facility, provided that, for greater certainty, such rights do not apply to any obligations arising prior to the Filing Date; (iii) apply to the Court for an order, on terms satisfactory to the Trustee and the Bank, providing the Trustee with the power, in the name of and on behalf of the Debtor, to take all necessary steps in the Proposal Proceeding; and (iv) subject to obtaining prior approval from the Court, exercise all such other rights and remedies available to the Bank under the Bank Security, the Interim Financing Order or any other order of the Court in the Proposal Proceeding or under applicable law.

## MISCELLANEOUS

19. **Further Assurances:** The Debtor shall, at its expense, from time to time do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits, reports and opinions) and things as the Bank may reasonably request for the purpose of giving effect to this Agreement.
20. **Governing Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein. Any disputes arising in respect of this Agreement shall be heard by the Court.
21. **Entire Agreement.** This Agreement (including the schedules hereto) constitutes the entire agreement between the parties relating to the subject matter hereof. To the extent that there is any inconsistency between this Agreement and any of the Offer of Financing or the Bank Security, this Agreement shall govern.
22. **Amendments and Waivers.** No waiver or delay on the part of the Bank in exercising any right or privilege hereunder or under any of the Bank Security will operate as a waiver hereof or thereof unless made in writing by the Bank and delivered in accordance with the terms of this Agreement, and then such waiver shall be effective only in the specific instance and for the specific purpose given.
23. **Assignment:** The Bank may assign this Agreement and its rights and obligations hereunder, in whole or in part, or grant a participation in its rights and obligations hereunder at any time to any party acceptable to the Bank in its sole discretion (subject to providing the Trustee with reasonable evidence that such assignee has the financial capacity to fulfill the obligations of the Bank hereunder). Neither this Agreement nor any right or obligation hereunder may be assigned by the Debtor.
24. **Severability:** Any provision in this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction

25. **No Third Party Beneficiary:** No person, other than the Debtor and the Bank, is entitled to rely upon this Agreement and the parties expressly agree that this Agreement does not confer rights upon any party not a signatory hereto.
26. **Reservation of Bank's Rights and Remedies.** There is no agreement by the Bank to tolerate, waive or otherwise forbear from enforcing any of its rights and remedies in connection with the Demand Letter, the BIA Notice or the defaults and events of default that have occurred under the Credit Facilities and are continuing. Except as expressly waived in writing by the Bank, no act or failure to act by the Bank, nor anything said or done in any discussions, correspondence or other dealings among any of the Bank, the Debtor or any of its shareholders, affiliates, subsidiaries, related parties, officers, directors, employees, agents or representatives shall be construed as a waiver of any breach or default under the Offer of Financing, this Agreement, the Bank Security or any of the rights or remedies of the Bank.

If you agree to be bound by the terms contained in this Agreement, please execute a copy of this Agreement and return to the undersigned by **April 28, 2026 at 5:00 p.m. (EST)**. The parties may execute this agreement in counterparts.

Yours truly,

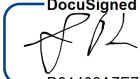
**NATIONAL BANK OF CANADA**

DocuSigned by:  
  
5BC09D8895EC4B1...  
John Karkoutlian

**Agreed to this 28<sup>th</sup> day of April, 2026.**

**MECHCAN INC.**

By:

DocuSigned by:  
  
DS1400A7E7644D9...  
Name: Spencer Ross  
Title: Director

I have authority to bind the  
Corporation.

THIS IS **EXHIBIT "H"** REFERRED TO IN THE  
AFFIDAVIT OF **SPENCER ROSS** SWORN REMOTELY BY **SPENCER ROSS** STATED AS  
BEING LOCATED IN THE CITY OF TORONTO BEFORE ME AT THE CITY OF TORONTO, IN  
THE PROVINCE OF ONTARIO THIS 29TH DAY OF APRIL 2026, IN ACCORDANCE WITH O.  
REG 431/20, *ADMINISTERING OATH OR DECLARATION*  
*REMOTELY*

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

-----  
A COMMISSIONER FOR TAKING AFFIDAVITS

## SALE PROCESS MechCan Inc.

### INTRODUCTION

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

On or about April 30, 2026, the Company intends to seek an order (the “**Initial Proposal Order**”) from the Ontario Superior Court of Justice (Commercial List) (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;
- the Proposal Trustee, with the assistance of the Company’s management team and the Sales Agent, to undertake the Sale Process.

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

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

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

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

## THE OPPORTUNITY

1. The Sale Process is intended to solicit interest in, and opportunities for, a sale of all or substantially all or part of the Property as a going concern or otherwise, or some combination thereof (the “**Opportunity**”).
2. 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.
3. 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”

4. 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

5. 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

Milestone	Deadline
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

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

### SOLICITATION OF INTEREST

7. 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*

8. 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.
9. If the Proposal Trustee determines, exercising its reasonable business judgment, that a Potential Bidder has: (i) delivered the documents contemplated in paragraph 8; (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 22, 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.
10. 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**”).
11. 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.

12. 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.
13. 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***

14. 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**").
15. 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.
16. For greater certainty, any Insider who participates in the submission of a Bid, (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).
17. Despite the restrictions described in paragraph 16 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, for the purposes of administering the Sale Process and finalizing transaction document(s).

## ***Due Diligence***

18. 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.
19. 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.
20. 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.
21. 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***

22. 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**"). In order to be considered a "**Qualified Bid**", a Bid must meet the following minimum criteria:
  - (a) the Bid must be received by the Sales Agent at the address specified in Schedule "A" hereto (including by email), so as to be received by the Sales Agent no later than 5:00 PM (Eastern Time) on May 25, 2026 (the "**Bid Deadline**");
  - (b) the Bid sufficiently identifies the Qualified Bidder and the representatives thereof who are authorized to act on the Qualified Bidder's behalf;
  - (c) the Bid 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;

- (d) the Bid must be accompanied by a letter stating that the Qualified Bidder's offer is binding and irrevocable until the selection of the Successful Bidder (as defined below), provided that if such Qualified Bidder is selected as the Successful Bidder, then its offer shall remain irrevocable until the earlier of (i) the closing of the transaction with the Successful Bidder and (ii) ten (10) days following the Sale Approval Order, subject to further extensions as may be agreed to under the applicable transaction agreement;
- (e) 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, 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;
- (f) 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;
- (g) 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;
- (h) 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 33;
- (i) 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;

- (j) 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;
  - (k) the Bid does not include any request for or entitlement to any break fee, expense reimbursement, or similar type of payment;
  - (l) 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; and
  - (m) it contemplates the closing of the transaction by no later than the Outside Date.
23. The Proposal Trustee may, in its discretion, request revisions or supplements to any Bid received prior to the Bid Deadline.

***Designating Qualified Bids***

24. 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; and
  - (h) the likelihood and timing of consummating such transaction.
25. 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.

26. The Proposal Trustee may designate the most competitive Bids that comply with the requirements set out herein as “**Qualified Bids**.” The Proposal Trustee shall be under no obligation to deem any Bids as Qualified Bids.
27. Only Qualified Bidders whose bids have been designated as a Qualified Bid are eligible to participate in the Auction (if any) and/or become the Successful Bidder.
28. 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.
29. The Proposal Trustee, with the assistance of the Sales Agent, may aggregate separate Bids from unaffiliated Qualified Bidders to create one Qualified Bid.
30. 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.

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

31. 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 Harmony Heating and Air Conditioning Inc., and J.D. Swallow Heating Contractors Inc. (each, an “**Affiliate Sales Process**” and together, the “**Affiliate Sales Processes**”).
32. 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.
33. 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**

34. If the Proposal Trustee receives multiple Bids that are designated as Qualified Bids, the Proposal shall invite all Qualified Bidders to attend an Auction 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”.

35. 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.
36. 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**

37. 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**”).
38. 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**

39. 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.
40. 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**

41. 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.
42. 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.

43. 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**

44. 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.
45. 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.
46. Without limiting the generality of paragraph 45, 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.
47. 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.
48. 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.

49. 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.
50. At any time during the Sale Process, the Proposal Trustee may apply to the Court for advice and directions with respect to any aspect of this Sale Process including, but not limited to, the continuation of the Sale Process or with respect to the discharge of its powers and duties hereunder.

## Schedule "A"

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

**BDO Canada Limited**

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

Attention: Josie Parisi and Nicole Sagolili

Email : [jparisi@bdo.ca](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 Services Inc.**

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 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 at the Auction must have at least one individual representative with authority to bind such Qualified Bidders present at the Auction.
4. The identity of each Qualified Bidder participating in the Auction will be disclosed, on a confidential basis, to each other Qualified Bidder.
5. The Auction, if any, shall be conducted by the Proposal Trustee, on or before May 30, 2026 at 10:00 a.m. (ET) via video conference.
6. Each Qualified Bidder 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.
7. At the Auction, all Qualified Bidders shall be permitted to increase their Qualified Bids 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 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 that all material terms of each Subsequent Bid presented during the Auction will be fully disclosed to 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 all Qualified Bidders which of the Qualified Bidders 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 that: (i) improves upon such Qualified Bidder's immediately prior bid, 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 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.
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 has had an opportunity to submit a Subsequent Bid with full knowledge of the Leading Bid.
13. If no Qualified 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 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 at the Auction.

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

Bankruptcy Court File BK-26-03354893-31  
Estate File No.: 31-3354893

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A  
PROPOSAL OF MECHCAN INC. IN THE CITY OF YORK IN THE PROVINCE  
OF ONTARIO**

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

**AFFIDAVIT OF SPENCER ROSS**  
**(Sworn April 29, 2026)**

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

**Brendan Bissell LSO No. 40354V**  
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**Lawyers for MechCan Inc.**

## TAB 3

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

THE HONOURABLE  
  
JUSTICE DUNPHY

)  
)  
)

THURSDAY, THE 30TH  
  
DAY OF APRIL, 2026

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

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF MECHCAN INC., OF THE CITY OF YORK, IN THE PROVINCE OF ONTARIO**

Applicant

**INITIAL PROPOSAL ORDER**

**THIS MOTION**, made by MechCan Inc. (the "**Applicant**"), pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**BIA**"), for an order, that, among other things: (i) approves the procedural consolidation of certain estate and court files, (ii) extends the time for the Applicant to make a proposal to its creditors; (iii) approves an Administration Charge (as defined herein), (iv) approves the Term Sheet and grants the DIP Lender's Charge (each as defined herein) (v) approves a sale process, including its auction procedures, attached hereto as Schedule "B" (the "**Sale Process**"); (vi) approves the Engagement Letter (as defined herein) between the Sales Agent and the Proposal Trustee; (vii) grants BDO Canda Limited, in its capacity as the proposal trustee (in such capacity, the "**Proposal Trustee**") certain enhanced powers; and (viii) approves the First Report of the Proposal Trustee dated April [X] 2026 (the "**First Report**"); was heard this day by judicial videoconference;

**ON READING** the Affidavit of Spencer Ross sworn April 29, 2026 and the exhibits thereto (the "**Ross Affidavit**"), the First Report, and on hearing the submissions of counsel for the Applicant, 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 ● dated April ●, 2026, filed,

## **SERVICE**

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

## **PROCEDURAL CONSOLIDATION**

2. **THIS COURT ORDERS** that the following proceedings hereby be procedurally consolidated:

- (a) the within proceeding;
- (b) the matter of the notice of intention to make a proposal of J.D. Swallow Heating Contractors Inc. ("**JD**") bearing Court File No. BK-26-03354829-0033;
- (c) the matter of the notice of intention to make a proposal of Comfort Zone Heating & Air Conditioning Inc. bearing Estate No. 31-3356927 ("**Comfort Zone**");
- (d) the matter of the notice of intention to make a proposal of Hy-Mark Mechanical Inc. bearing Estate No. 35-3357213 ("**Hy-Mark**"); and
- (e) the matter of the notice of intention to make a proposal of B.R.'s Plumbing & Heating Inc. bearing Estate No. 35-3358238 ("**BR**" and collectively with the

Applicant, JD, Comfort Zone and Hy-Mark's proceedings, the "**NOI Proceedings**").

3. **THIS COURT ORDERS** that the NOI Proceedings shall be authorized and directed to administer the NOI Proceedings on a consolidated basis for all purposes in carrying out its administrative duties and other responsibilities as trustee under the BIA, including, without limitation, the following:

- (a) sending notices to creditors of the JD, the Applicant, Comfort Zone, Hy-Mark and BR (collectively, the "**NOI Entities**") pursuant to one consolidated notice;
- (b) calling and conducting any meetings of creditors of the NOI Entities pursuant to one combined advertisement and one meeting;
- (c) issuing consolidated reports in respect of the estates of the NOI Entities;
- (d) preparing, filing, advertising and distributing any and all filings and/or notices relating to the administration of the estates of the NOI Entities on a consolidated basis;
- (e) taxing its fee and those of its counsel; and
- (f) bringing motions to this Honourable Court on a consolidated basis.

4. **THIS COURT ORDERS** that the NOI Proceedings continue under the single Court File bearing No. BK-26-03354893-31 (the “**Consolidated Court File**”) and under the following title of proceedings:

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

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

5. **THIS COURT ORDERS** that a copy of this Order shall be filed by the NOI Entities in the court file for each of the NOI Proceedings but that any other document required to be filed in any of the NOI Proceedings shall hereafter only be required to be filed in Court File No. BK-26-03354893-31.

6. **THIS COURT ORDERS** that for avoidance of doubt, any motion, application or action, including the herein motion, in respect of the NOI Entities or any of them shall be brought and filed in the Consolidated Court File and if so brought and filed it shall be deemed brought and filed in each of the NOI Proceedings, as appropriate.

7. **THIS COURT ORDERS** that the procedural consolidation of the NOI Proceedings shall not:

- (a) affect the separate legal status and corporate structures of any of the NOI Entities;
- (b) cause any of the NOI Entities to be liable for any claim for which it otherwise is not liable; and

- (c) affect the Trustee's or a creditor's right to seek to disallow any claim, including on the basis that such claim is a duplicative claim.

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

8. **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 the Applicant be and is hereby extended to and including June 15, 2026.

#### **ADMINISTRATION CHARGE**

9. **THIS COURT ORDERS** that the Proposal Trustee, counsel to the Proposal Trustee, counsel to the Applicant, and BDO Canada Transaction Advisory Services Inc. in its capacity as sales agent (in such capacity, the "**Sales Agent**") shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Applicant's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"), which charge shall not exceed an aggregate amount of \$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 Administration Charge shall have the priority set out in paragraph 17.

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

Applicant to their fees and disbursements and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

#### **DIP FINANCING AND DIP LENDER'S CHARGE**

11. **THIS COURT ORDERS** that the Applicant is hereby authorized and empowered to obtain and borrow under a credit facility from the DIP Lender in order to finance the Applicant's working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed the principal amount of \$75,000 unless permitted by further Order of this Court.

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

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

14. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property. The DIP Lender's

Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraph 17 hereof.

15. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:
- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the DIP Credit Documents; and
  - (b) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the NOI Entities or any of them or the Property.

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

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

17. **THIS COURT ORDERS** that the priorities of the Administration Charge and the DIP Lender's Charge (together, the "**Charges**"), as among them, shall be as follows:
- (a) First – Administration Charge (to the maximum amount of \$150,000); and
  - (b) Second – DIP Lender's Charge (to the maximum principal amount of \$75,000 plus interest, fees, and costs).

18. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the

Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

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

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

21. **THIS COURT ORDERS** that the Term Sheet, the DIP Credit Documents and the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the charges entitled to the benefit of the Charges (the “**Chargees**”) shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (each, an “**Agreement**”) which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

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

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

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

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

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

documents on behalf of the Applicant to implement transactions under the Sale Process;

- (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) take any and all actions and steps in the name of and on behalf of the Applicant to facilitate the administration of the Applicant's Property, business, operations, affairs, and estate as may be necessary, appropriate, or desirable in the sole discretion of the Proposal Trustee;
- (d) to monitor the Applicant's receipts and disbursements and cash flows;
- (e) to investigate and monitor the business and financial affairs of the Applicant or any of its subsidiaries, or any one or more of them, and to consult with and report to the DIP Lender on all matters relating to the business and affairs of the Applicant or any of its subsidiaries;
- (f) to file an assignment in bankruptcy on behalf of any of the Applicant's wholly-owned subsidiaries, or to consent to the making of a bankruptcy order against any of the Applicant's wholly-owned subsidiaries, and to act as the trustee in bankruptcy in respect of such affiliates;
- (g) access and operate on behalf of the Applicant or any of the Applicant'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 the Applicant's accounts;

- (h) take any and all corporate actions and actions regarding the governance of the Applicant and such actions taken by the Proposal Trustee are hereby authorized without requiring any further action or approval by the Applicant or any current or former officers, directors, or shareholders of the Applicant;
- (i) have full and complete access to all books, records, data, including in electronic form, and other financial documents of the Applicant, in the Applicant's or any other party's possession or control;
- (j) with the assistance of the Sales Agent, conduct, supervise, and direct the marketing, sale, conveyance, transfer, assignment or disposal of any Property of the Applicant or any part or parts thereof, whether in the ordinary course of business or not;
- (k) receive and collect all Property, monies, accounts, or other assets now or hereafter owing or belonging to the Applicant, including but not limited to any accounts receivable or cash;
- (l) engage, deal, communicate, negotiate, agree, and settle with any creditor or other stakeholder of the Applicant (including any governmental authority or body) in the name of or on behalf of the Applicant;
- (m) 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;

- (n) 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 the Applicant is entitled;
- (o) engage, retain, or terminate the services of, or cause the Applicant 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;
- (p) facilitate or assist the Applicant 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 the Applicant 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;
- (q) meet with and direct management or employees of, and persons retained by the Applicant, with respect to the Applicant's Property, business, operations, or affairs;
- (r) receive, collect, open, review, and retain all mail, courier packages, and other written communications addressed to or intended for the Applicant and to cause all mail and other communications addressed to the Applicant to be redirected to the Proposal Trustee, and to take all steps necessary to implement such redirection;

- (s) perform, or cause the Applicant to perform, such other functions or duties as the Proposal Trustee considers necessary or desirable in order to facilitate the realization of the Applicant'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 the Applicant or any of its wholly-owned subsidiaries; and
- (t) 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 the Applicant and its current and former employees, directors, and officers, and without interference.

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

25. **THIS COURT ORDERS** that 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).

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

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

28. **THIS COURT ORDERS** that nothing in this Order shall constitute or be deemed to constitute the Proposal Trustee as a receiver, assignee, liquidator, administrator, receiver manager, agent of the creditors or legal representative of the Applicants 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 Applicants itself.,

29. **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 NOI Proceedings, or any other applicable legislation.

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

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

#### **APPROVAL OF SALES AGENT ENGAGEMENT**

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

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

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

#### **APPROVAL OF THE SALE PROCESS**

35. **THIS COURT ORDERS** that the Sale Process in respect of the Property (as defined under the Sale Process) of the Applicant be and is hereby approved. The Proposal Trustee and the Sales Agent are authorized and directed to take any and all actions as may be necessary or

desirable to implement and carry out the Sale Process in accordance with its terms and this Order.

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

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

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

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

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

## **PROTECTION OF PERSONAL INFORMATION**

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

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

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

## **GENERAL**

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

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

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

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

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

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

47. **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.

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**Schedule "A"  
Applicants**

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

**Schedule "B"**  
**Sale Process**

[See *next page*.]

## **SALE PROCESS** **MechCan Inc.**

### **INTRODUCTION**

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

On or about April 30, 2026, the Company intends to seek an order (the “**Initial Proposal Order**”) from the Ontario Superior Court of Justice (Commercial List) (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;
- the Proposal Trustee, with the assistance of the Company’s management team and the Sales Agent, to undertake the Sale Process.

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

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

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

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

## THE OPPORTUNITY

1. The Sale Process is intended to solicit interest in, and opportunities for, a sale of all or substantially all or part of the Property as a going concern or otherwise, or some combination thereof (the “**Opportunity**”).
2. 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.
3. 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”

4. 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

5. 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

Milestone	Deadline
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

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

### SOLICITATION OF INTEREST

7. 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*

8. 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.
9. If the Proposal Trustee determines, exercising its reasonable business judgment, that a Potential Bidder has: (i) delivered the documents contemplated in paragraph 8; (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 22, 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.
10. 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**”).
11. 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.

12. 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.
13. 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***

14. 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**").
15. 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.
16. For greater certainty, any Insider who participates in the submission of a Bid, (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).
17. Despite the restrictions described in paragraph 16 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, for the purposes of administering the Sale Process and finalizing transaction document(s).

## ***Due Diligence***

18. 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.
19. 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.
20. 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.
21. 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***

22. 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**"). In order to be considered a "**Qualified Bid**", a Bid must meet the following minimum criteria:
  - (a) the Bid must be received by the Sales Agent at the address specified in Schedule "A" hereto (including by email), so as to be received by the Sales Agent no later than 5:00 PM (Eastern Time) on May 25, 2026 (the "**Bid Deadline**");
  - (b) the Bid sufficiently identifies the Qualified Bidder and the representatives thereof who are authorized to act on the Qualified Bidder's behalf;
  - (c) the Bid 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;

- (d) the Bid must be accompanied by a letter stating that the Qualified Bidder's offer is binding and irrevocable until the selection of the Successful Bidder (as defined below), provided that if such Qualified Bidder is selected as the Successful Bidder, then its offer shall remain irrevocable until the earlier of (i) the closing of the transaction with the Successful Bidder and (ii) ten (10) days following the Sale Approval Order, subject to further extensions as may be agreed to under the applicable transaction agreement;
- (e) 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, 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;
- (f) 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;
- (g) 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;
- (h) 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 33;
- (i) 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;

- (j) 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;
  - (k) the Bid does not include any request for or entitlement to any break fee, expense reimbursement, or similar type of payment;
  - (l) 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; and
  - (m) it contemplates the closing of the transaction by no later than the Outside Date.
23. The Proposal Trustee may, in its discretion, request revisions or supplements to any Bid received prior to the Bid Deadline.

***Designating Qualified Bids***

24. 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; and
  - (h) the likelihood and timing of consummating such transaction.
25. 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.

26. The Proposal Trustee may designate the most competitive Bids that comply with the requirements set out herein as “**Qualified Bids**.” The Proposal Trustee shall be under no obligation to deem any Bids as Qualified Bids.
27. Only Qualified Bidders whose bids have been designated as a Qualified Bid are eligible to participate in the Auction (if any) and/or become the Successful Bidder.
28. 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.
29. The Proposal Trustee, with the assistance of the Sales Agent, may aggregate separate Bids from unaffiliated Qualified Bidders to create one Qualified Bid.
30. 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.

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

31. 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 Harmony Heating and Air Conditioning Inc., and J.D. Swallow Heating Contractors Inc. (each, an “**Affiliate Sales Process**” and together, the “**Affiliate Sales Processes**”).
32. 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.
33. 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**

34. If the Proposal Trustee receives multiple Bids that are designated as Qualified Bids, the Proposal shall invite all Qualified Bidders to attend an Auction 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”.

35. 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.
36. 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**

37. 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**”).
38. 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**

39. 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.
40. 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**

41. 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.
42. 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.

43. 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**

44. 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.
45. 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.
46. Without limiting the generality of paragraph 45, 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.
47. 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.
48. 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.

49. 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.
50. At any time during the Sale Process, the Proposal Trustee may apply to the Court for advice and directions with respect to any aspect of this Sale Process including, but not limited to, the continuation of the Sale Process or with respect to the discharge of its powers and duties hereunder.

## Schedule "A"

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

**BDO Canada Limited**

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

Attention: Josie Parisi and Nicole Sagolili

Email : [jparisi@bdo.ca](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 Services Inc.**

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 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 at the Auction must have at least one individual representative with authority to bind such Qualified Bidders present at the Auction.
4. The identity of each Qualified Bidder participating in the Auction will be disclosed, on a confidential basis, to each other Qualified Bidder.
5. The Auction, if any, shall be conducted by the Proposal Trustee, on or before May 30, 2026 at 10:00 a.m. (ET) via video conference.
6. Each Qualified Bidder 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.
7. At the Auction, all Qualified Bidders shall be permitted to increase their Qualified Bids 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 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 that all material terms of each Subsequent Bid presented during the Auction will be fully disclosed to 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 all Qualified Bidders which of the Qualified Bidders 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 that: (i) improves upon such Qualified Bidder's immediately prior bid, 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 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.
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 has had an opportunity to submit a Subsequent Bid with full knowledge of the Leading Bid.
13. If no Qualified 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 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 at the Auction.

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

Bankruptcy Court File No. BK-26-03354893-31  
Estate File No.: 31-3354893

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A  
PROPOSAL OF MECHCAN INC., OF THE CITY OF YORK IN THE PROVINCE  
OF ONTARIO**

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

**INITIAL PROPOSAL ORDER**

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

Court File No. BK-26-03354893-31  
Estate No: 31-3354893

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
MECHCAN INC., OF THE CITY OF YORK, IN THE PROVINCE OF ONTARIO**

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

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

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