



No. S-224806
Vancouver Registry
Estate No. 11-254412

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE RECEIVERSHIP OF
PREMIUM COMFORT HEATING & AIR CONDITIONING LTD.

NOTICE OF APPLICATION

Name of applicant: FTI Consulting Canada Inc., in its capacity as Court-appointed receiver and manager (the "**Receiver**") of Premium Comfort Heating & Air Conditioning Ltd.

To: The Service List

TAKE NOTICE that an application will be made by the applicant to the presiding judge at the courthouse at 800 Smithe Street in Vancouver, British Columbia on August 24, 2022 at 9:45 am for the orders set out in Part 1 below.

Part 1: ORDERS SOUGHT

1. An order substantially in the form attached as **Schedule "A"** approving the Receiver's execution of the Auction Services Agreement dated for reference August 8, 2022 between the Receiver and Dodds Bros. Auctions Ltd. ("**Dodds**") and the auction sale transactions contemplated therein.
2. An order substantially in the form attached as **Schedule "B"** approving the Receiver's execution of the Auction Services Agreement dated for reference August 8, 2022 between the Receiver and Maynards Industries II Canada Ltd. ("**MIC**") and the auction sale transactions contemplated therein.
3. An order substantially in the form attached as **Schedule "C"** sealing on the Court record the Confidential Supplemental Report to the First Report of the Receiver dated August 12, 2022 (the "**Confidential Supplement**").
4. Such further and other relief as counsel may request and this Court finds to be just and convenient in the circumstances.

Part 2: FACTUAL BASIS

Background

5. On June 15, 2022 (the "**Date of Appointment**"), FTI Consulting Canada Inc. was appointed as Receiver of all the assets, undertakings, and properties (collectively, the "**Property**")

of Premium Comfort Heating & Air Conditioning Ltd. ("**Premium Comfort**" or the "**Company**") pursuant to an Order of the Honourable Justice Skolrood (the "**Receivership Order**").

6. The Company's primary business prior to the Date of Appointment was providing plumbing, heating, and air conditioning services to corporate and individual customers in the communities in or around Kelowna, BC. At the Date of Appointment, the Company's operations had been shut down and its employees had been recently terminated.

7. The Company's assets include 21 owned and leased vehicles, reported inventory with a book value of approximately \$1.5 million and reported accounts receivable of approximately \$700,000. On the Date of Appointment, the Company's assets and premises were secured by North Central Bailiffs Ltd. which had taken possession of the assets pursuant to instructions of National Bank of Canada, the Company's senior secured lender ("**Senior Secured Lender**").

8. Premium Comfort owes approximately \$2.1 million plus accrued interest and legal costs to the Senior Secured Lender and reported approximately \$300,000 plus accrued interest and legal costs owing to its secured second lien lender, Business Development Bank of Canada. The Company also owes approximately \$118,000 to various lessors in respect of vehicle and equipment financing facilities, has reported unremitted employee source deductions due to Canada Revenue Agency of approximately \$115,000, and as of the Appointment Date reported approximately \$1.2 million owed to unsecured creditors.

Solicitation, Evaluation, and Acceptance of Auction Proposals

9. As at the Date of Appointment, the Company did not maintain a perpetual inventory subledger or current capital asset register. The Receiver contracted with Dodds to count and document the inventory and equipment in the Receiver's possession.

10. To avoid delays in monetizing the Company's vehicle fleet while the inventory and equipment count was being performed, the Receiver conducted a separate tender process to solicit bids and/or auction proposals for the vehicle fleet and the inventory and equipment (the "**Vehicle Fleet Solicitation Process**"). Highlights of the Vehicle Solicitation Process include:

- (a) on July 4, 2022, the Receiver sent an email soliciting bids or auction proposals from 5 auction firms and one used vehicle dealership;
- (b) viewings were coordinated for parties that wished to inspect the vehicles;
- (c) a deadline for submission of proposals was established at 5:00 pm on July 8, 2022; and
- (d) four proposals were received on or before the proposal deadline.

11. The Receiver also solicited auction proposals for the Company's inventory and equipment (the "**Inventory and Equipment Solicitation Process**"). Highlights of the Inventory and Equipment Solicitation Process include:

- (a) on July 12, 2022, the Receiver sent an email soliciting bids or auction proposals from 6 auction firms;
- (b) a secure site was established to review a listing of the equipment and inventory along with pictures from a recently completed appraisal;
- (c) a deadline for submission of proposals was established at 5:00pm on July 20, 2022; and
- (d) four proposals were received on or before the proposal deadline.

12. The Receiver, in consultation with the Senior Secured Lender, evaluated the proposals with consideration to, among other things:

- (a) the proposed purchase prices;
- (b) the net minimum guarantees included in auction proposals;
- (c) the fee structures included in auction proposals including commissions, buyers premiums, sharing thresholds and cost deductions;

- (d) the proposed sales approach including auction strategies;
- (e) key dates including closing dates and timing and location of the auction;
- (f) closing risk and price risk including any remaining due diligence or other conditions;
- (g) extent to which the proposals complied with the solicitation processes; and
- (h) the overall expected range of recoveries from the proposals.

13. Ultimately, the Receiver has selected the following proposals (collectively, the "**Auction Services Agreements**") for approval by this Honourable Court:

- (a) the Vehicle Auction Services Agreement submitted by MIC; and
- (b) the Inventory and Equipment Auction Services Agreement submitted by Dodds.

14. Each of the Auction Services Agreements include a net minimum guarantee provided by MIC and Dodds, respectively, that provides for guaranteed proceeds with an opportunity for additional recoveries if auction proceeds exceed the sharing threshold.

Receiver's Recommendations

15. The Auction Services Agreements represent the best proposals received in respect of the Property, will result in the monetization of the Property in a timely manner, and will protect the downside risk to the Company's stakeholders while maintaining the potential for upside realizations. The Receiver recommends that this Court approve the Receiver's execution of each of the Auction Services Agreements.

Part 3: LEGAL BASIS

Approval of the Auction Agreements is Appropriate in the Circumstances

16. The Receivership Order authorizes the Receiver to:

- (a) market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver considers appropriate;
- (b) sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - (i) without the approval of this Court in respect of single transactions for consideration up to \$25,000, provided that the aggregate consideration for all such transactions does not exceed \$100,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the individual or aggregate purchase price exceeds the limits set out in subparagraph (i) above,and in each such case notice under Section 59(10) of the *Personal Property Security Act*, RSBC 1996 shall not be required.
- (c) apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers, free and clear of any liens or encumbrances.

17. The courts will defer to the expertise and judgment of a Court-appointed receiver in the method of sale of a debtor's assets.

***Royal Bank v. Soundair Corp.*, (1991) 46 O.A.C. 321 [*Soundair*], at paras.14-16, cited in *Kruger v Wild Goose Vintners Inc.*, 2021 BCSC 1406.**

18. Absent exceptional circumstances, the courts will not intervene or proceed contrary to a receiver's recommendations to approve a sale if satisfied that the receiver has acted reasonably, prudently, fairly, and not arbitrarily.

***Soundair*, at para. 58.**

19. In deciding whether a receiver who has sold a property acted properly a court should consider:

- (a) whether the receiver has made a sufficient efforts to get the best price and did not acted improvidently;
- (b) the interests of all parties;
- (c) the efficacy and integrity of the process by which offers were obtained; and
- (d) whether there has been any unfairness in the sale process.

Soundair, at para. 16.

20. The Receiver's judgment with respect to each of the Auction Services Agreements is that:
- (a) the process leading to the selection and execution of the Auction Services Agreements was fair and transparent and provided all participants with equal access to information and opportunity to submit an offer or proposal;
 - (b) the net minimum guarantees provided under the Auction Services Agreements provide for the highest guaranteed proceeds with an opportunity for additional recoveries if auction proceeds exceed the sharing threshold;
 - (c) the cost structure and other key terms of the Auction Services Agreements are commercially reasonable given the nature, location, and condition of the assets subject thereto and based on the Receiver's experience with auctioneers and liquidators in the context of insolvency or restructuring proceedings; and
 - (d) the Receiver is satisfied that MIC and Dodds, respectively, have the requisite experience and are appropriately qualified to conduct the auction process contemplated by the Auction Services Agreements.

21. The Senior Secured Lender, who is the fulcrum creditor in these proceedings, supports approval of the Auction Services Agreements.

A Confidentiality Order is Appropriate in the Circumstances

22. In the leading case of *Sierra Club of Canada v. Canada (Minister of Finance)*, the Supreme Court of Canada held that a sealing order may be granted where (1) such an order is necessary to prevent a serious risk to an important interest, including a commercial interest, in the context of litigation because reasonably alternative measures will not prevent the risk; and (2) the salutary effects of the confidentiality order, including the effects on the right of civil litigants to a fair trial, outweigh its deleterious effects, including the effects on the right to free expression, which includes the public interest in open and accessible court proceedings.

Sierra Club of Canada v. Canada (Minister of Finance), 2002 SCC 41 at para. 53 [Sierra Club].

23. The SCC had occasion to recently reaffirm its decision in *Sierra Club* in *Sherman Estates v. Donovan*, 2021 SCC 25. In that decision, the Court confirmed that the “test laid out in *Sierra Club* continues to be an appropriate guide for judicial discretion” and that the structure provided by *Sierra Club* “remains appropriate and should be affirmed.”

***Sherman Estates v. Donovan*, 2021 SCC 25 at para. 43 [*Sherman Estates*].**

24. The Court in *Sherman Estates* did, however, break down the two-part test from *Sierra Club* into three parts to help clarify the prerequisites “without altering its essence”. As clarified, the applicant must establish that (1) court openness poses a serious risk to an important public interest; (2) the order sought is necessary to prevent this serious risk to the identified interest because reasonably alternative measures will not prevent this risk; and (3) as a matter of proportionality, the benefits of the order outweigh its negative effects.

***Sherman Estates* at para. 38.**

25. Since *Sherman Estates* Canadian courts continue to grant sealing orders in insolvency proceedings. There is a public interest in ensuring the integrity of a sales process, there is no reasonable alternative measure, and, as a measure of proportionality, the benefits of an order outweigh its negative effects.

***Ontario Securities Commission v. Bridging Finance Inc.*, 2021 ONSC 4347 at para. 24 [*Bridging Finance*].
Laurentian University of Sudbury, 2021 ONSC 4769.**

26. One of the factors courts consider is whether disclosure of the commercially sensitive information would undermine efforts to maximize value for stakeholders.

***Bridging Finance* at para. 26.**

27. It is appropriate for this Court to grant a sealing order over the Confidential Supplement.

28. Sealing orders in insolvency proceedings are routinely granted to prevent disclosure of confidential and commercially sensitive information regarding the market value of assets, to protect the integrity of a sales process, and to protect the privacy rights of individuals.

29. In the present case, public disclosure of the Confidential Supplement would be prejudicial in the event the proposed transactions do not close. The sealing order sought is the least

restrictive means possible to prevent disclosure of the confidential and commercially sensitive information in the Confidential Supplement.

Part 4: MATERIAL TO BE RELIED ON

30. First Report of the Receiver, dated August 12, 2022; and
31. Confidential Supplemental Report to the First Report of the Receiver, dated August 12, 2022.

The applicant estimates that the application will take 30 minutes.

This matter is not within the jurisdiction of a master.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this notice of application, you must, within 5 business days after service of this notice of application or, if this application is brought under Rule 9-7, within 8 business days after service of this notice of application,

- (a) file an application response in Form 33,
- (b) file the original of every affidavit, and of every other document, that
 - (i) you intend to refer to at the hearing of this application, and
 - (ii) has not already been filed in the proceeding, and
- (c) serve on the applicant 2 copies of the following, and on every other party of record one copy of the following:
 - (i) a copy of the filed application response;
 - (ii) a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
 - (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

Date: August 12, 2022



Signature of Peter Bychawski
Lawyer for the Receiver

Blake, Cassels & Graydon LLP
Barristers and Solicitors
Suite 2600, Three Bentall Centre
595 Burrard Street PO Box 49314
Vancouver, BC V7X 1L3
Email: peter.bychawski@blakes.com
Telephone: 604-631-4218

To be completed by the court only:

Order made
 in the terms requested in paragraphs of Part 1 of this notice
of application

with the following variations and additional terms:

Date: _____ Signature of Judge Master

APPENDIX

THIS APPLICATION INVOLVES THE FOLLOWING:

- discovery: comply with demand for documents
- discovery: production of additional documents
- extend oral discovery
- other matter concerning oral discovery
- amend pleadings
- add/change parties
- summary judgment
- summary trial
- service
- mediation
- adjournments
- proceedings at trial
- case plan orders: amend
- case plan orders: other
- experts

SCHEDULE "A" TO NOTICE OF APPLICATION

No. S-224806
Vancouver Registry
Estate No. 11-254412

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE RECEIVERSHIP OF
PREMIUM COMFORT HEATING & AIR CONDITIONING LTD.

ORDER MADE AFTER APPLICATION

APPROVAL OF AUCTION SERVICES AGREEMENT

BEFORE THE HONOURABLE



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August 24, 2022

THE APPLICATION of FTI Consulting Canada Inc., in its capacity as Court-appointed Receiver and Manager (the "**Receiver**") of the assets, undertakings and properties of Premium Comfort Heating & Air Conditioning Ltd. (the "**Debtor**") coming on for hearing at the Courthouse at 800 Smithe Street, Vancouver, British Columbia, on the 24th day of August, 2022; AND ON HEARING Peter Bychawski, counsel for the Receiver, and those other counsel listed on **Schedule "A"** hereto; AND UPON READING the material filed, including the First Report of the Receiver dated August 12, 2022 and the Confidential Supplemental Report to the First Report of the Receiver dated August 12, 2022;

THIS COURT ORDERS AND DECLARES THAT:

1. The sale transactions (the "**Transactions**") contemplated by the Auction Services Agreement dated for reference August 8, 2022 (the "**Auction Agreement**") between the Receiver and Dodds Bros. Auctions Ltd. (the "**Auctioneer**"), a copy of which is attached as **Schedule "B"** to this Order, is hereby approved, and the Auction Agreement is commercially reasonable. The execution of the Auction Agreement by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions and for the conveyance to the Auctioneer or any Purchaser (as defined herein) of the assets described in the Auction Agreement (the "**Assets**").
2. The compensation payable to the Auctioneer pursuant to the Auction Agreement is hereby approved. The Auctioneer is authorized to market and sell the Assets in accordance with the terms of the Auction Agreement.
3. Upon the sale of the Assets by the Auctioneer pursuant to the Auction Agreement, the net proceeds of such sale which are to be paid to the Receiver in accordance with the terms

of the Auction Agreement (the "**Net Sale Proceeds**") shall be impressed with a charge in favour of the Receiver and shall be held in trust by the Auctioneer for the benefit of the Receiver until such time as the Net Sale Proceeds are paid to the Receiver.

4. Upon the completion of the Transactions contemplated by the Auction Agreement and the payment of the Net Sale Proceeds to the Receiver in accordance with the Auction Agreement, the Receiver shall deliver to the Auctioneer a certificate substantially in the form attached as **Schedule "C"** hereto certifying that the Transactions have been completed to the satisfaction of the Receiver (the "**Receiver's Certificate**").
5. Upon delivery of the Receiver's Certificate to the Auctioneer, all of the Debtor's right, title and interest in and to the Assets described in the Auction Agreement that have been sold by the Auctioneer pursuant to the auction process contemplated by the terms of the Auction Agreement (the "**Purchased Assets**") shall vest absolutely in such person or persons as the Purchased Assets have been sold to (collectively the "**Purchasers**", and each a "**Purchaser**") in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of this Court dated June 15, 2022; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**"), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Assets are hereby expunged and discharged as against the Purchased Assets.
6. For the purposes of determining the nature and priority of Claims, the Net Sale Proceeds from the sale of the Purchased Assets shall (a) stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver's Certificate all Claims shall attach to the Net Sale Proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale; and (b) be distributed pursuant to further Order of the Court.
7. The Receiver is to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof.
8. Upon the filing of the Receiver's Certificate, the Receiver or the Auctioneer are authorized to, and to the extent necessary the Registrar of the British Columbia Personal Property Registry is upon receipt of a request from the Receiver and a filed copy of this Order together with a filed copy of the Receiver's Certificate directed to, cancel and discharge any registrations in the British Columbia Personal Property Registry (whether made before or after the date of this Order) claiming security interests in the Purchased Assets.
9. Upon the filing of the Receiver's Certificate, the Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, shall stand absolutely and forever barred, estopped, foreclosed from and permanently enjoined from

pursuing, asserting, or claiming any right, title, interest or other Claims whatsoever in respect of or to the Purchased Assets and to the extent that any such persons or entities remain in possession or control of any of the Purchased Assets, certificates, instruments, or other indicia of title representing or evidencing any right, title, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchasers (or their respective nominees) upon request.

10. The Purchasers shall, by virtue of the completion of the Transactions contemplated by this Order and the Auction Agreement, have no liability of any kind whatsoever in respect of any Claims against the Debtor.
11. The Purchasers (or their respective nominees) shall be entitled to hold and enjoy the Assets for their own use and benefit without any interference of or by the Debtor or any person claiming by or through or against the Debtor.
12. Notwithstanding:
 - (a) these proceedings;
 - (b) any applications for a bankruptcy order in respect of the Debtor now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made by or in respect of the Debtor,

the vesting of the Purchased Assets in Purchasers pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

13. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, to give effect to this Order and to assist the Receiver and its 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
14. The Receiver or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of Peter Bychawski
Lawyer for the Receiver

BY THE COURT

REGISTRAR

SCHEDULE "A" TO APPROVAL OF AUCTION SERVICES AGREEMENT

COUNSEL LIST

Counsel Name	Party Represented

SCHEDULE "B" TO APPROVAL OF AUCTION SERVICES AGREEMENT

**SEE APPENDIX B TO THE FIRST REPORT OF THE RECEIVER DATED AUGUST 12, 2022
FOR COPY OF THE AUCTION SERVICES AGREEMENT DATED FOR REFERENCE
AUGUST 8, 2022 BETWEEN THE RECEIVER AND DODDS BROS. AUCTIONS LTD.**

SCHEDULE "C" TO APPROVAL OF AUCTION SERVICES AGREEMENT

No. S-224806
Vancouver Registry
Estate No. 11-254412

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE RECEIVERSHIP OF
PREMIUM COMFORT HEATING & AIR CONDITIONING LTD.

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Supreme Court of British Columbia (the "**Court**") dated June 15, 2022, FTI Consulting Canada Inc. was appointed as the receiver and manager (in such capacity, the "**Receiver**") of the assets, undertakings, and properties of Premium Comfort Heating & Air Conditioning Ltd.

B. Pursuant to an Order of the Court dated August 24, 2022, the Court approved the auction services agreement made as of August 8, 2022 (the "**Auction Agreement**") between the Receiver and Dodds Bros. Auctions Ltd. pursuant to which one or more auction transactions were authorized to be completed in accordance with the terms of the Auction Agreement (the "**Auction Transactions**").

THE RECEIVER CERTIFIES the following:

1. The Auction Transactions have been completed to the satisfaction of the Receiver.
2. The Certificate was delivered by the Receiver at _____ on _____.

**FTI Consulting Canada Inc., in its capacity
as the Receiver of the assets, undertakings
and properties of Premium Comfort Heating
& Air Conditioning Ltd.**

Per: _____
Name:
Title:

SCHEDULE "B" TO NOTICE OF APPLICATION

No. S-224806
Vancouver Registry
Estate No. 11-254412

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE RECEIVERSHIP OF
PREMIUM COMFORT HEATING & AIR CONDITIONING LTD.

ORDER MADE AFTER APPLICATION

APPROVAL OF AUCTION SERVICES AGREEMENT

BEFORE THE HONOURABLE



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August 24, 2022

THE APPLICATION of FTI Consulting Canada Inc., in its capacity as Court-appointed Receiver and Manager (the "**Receiver**") of the assets, undertakings and properties of Premium Comfort Heating & Air Conditioning Ltd. (the "**Debtor**") coming on for hearing at the Courthouse at 800 Smithe Street, Vancouver, British Columbia, on the 24th day of August, 2022; AND ON HEARING Peter Bychawski, counsel for the Receiver, and those other counsel listed on **Schedule "A"** hereto; AND UPON READING the material filed, including the First Report of the Receiver dated August 12, 2022 and the Confidential Supplemental Report to the First Report of the Receiver dated August 12, 2022;

THIS COURT ORDERS AND DECLARES THAT:

1. The sale transactions (the "**Transactions**") contemplated by the Auction Services Agreement dated for reference August 8, 2022 (the "**Auction Agreement**") between the Receiver and Maynards Industries II Canada Ltd. (the "**Auctioneer**"), a copy of which is attached as **Schedule "B"** to this Order, is hereby approved, and the Auction Agreement is commercially reasonable. The execution of the Auction Agreement by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions and for the conveyance to the Auctioneer or any Purchaser (as defined herein) of the assets described in the Auction Agreement (the "**Assets**").
2. The compensation payable to the Auctioneer pursuant to the Auction Agreement is hereby approved. The Auctioneer is authorized to market and sell the Assets in accordance with the terms of the Auction Agreement.
3. Upon the sale of the Assets by the Auctioneer pursuant to the Auction Agreement, the net proceeds of such sale which are to be paid to the Receiver in accordance with the terms

of the Auction Agreement (the "**Net Sale Proceeds**") shall be impressed with a charge in favour of the Receiver and shall be held in trust by the Auctioneer for the benefit of the Receiver until such time as the Net Sale Proceeds are paid to the Receiver.

4. Upon the completion of the Transactions contemplated by the Auction Agreement and the payment of the Net Sale Proceeds to the Receiver in accordance with the Auction Agreement, the Receiver shall deliver to the Auctioneer a certificate substantially in the form attached as **Schedule "C"** hereto certifying that the Transactions have been completed to the satisfaction of the Receiver (the "**Receiver's Certificate**").
5. Upon delivery of the Receiver's Certificate to the Auctioneer, all of the Debtor's right, title and interest in and to the Assets described in the Auction Agreement that have been sold by the Auctioneer pursuant to the auction process contemplated by the terms of the Auction Agreement (the "**Purchased Assets**") shall vest absolutely in such person or persons as the Purchased Assets have been sold to (collectively the "**Purchasers**", and each a "**Purchaser**") in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of this Court dated June 15, 2022; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**"), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Assets are hereby expunged and discharged as against the Purchased Assets.
6. For the purposes of determining the nature and priority of Claims, the Net Sale Proceeds from the sale of the Purchased Assets shall (a) stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver's Certificate all Claims shall attach to the Net Sale Proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale; and (b) be distributed pursuant to further Order of the Court.
7. The Receiver is to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof.
8. Upon the filing of the Receiver's Certificate, the Receiver or the Auctioneer are authorized to, and to the extent necessary the Registrar of the British Columbia Personal Property Registry is upon receipt of a request from the Receiver and a filed copy of this Order together with a filed copy of the Receiver's Certificate directed to, cancel and discharge any registrations in the British Columbia Personal Property Registry (whether made before or after the date of this Order) claiming security interests in the Purchased Assets.
9. Upon the filing of the Receiver's Certificate, the Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, shall stand absolutely and forever barred, estopped, foreclosed from and permanently enjoined from

pursuing, asserting, or claiming any right, title, interest or other Claims whatsoever in respect of or to the Purchased Assets and to the extent that any such persons or entities remain in possession or control of any of the Purchased Assets, certificates, instruments, or other indicia of title representing or evidencing any right, title, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchasers (or their respective nominees) upon request.

10. The Purchasers shall, by virtue of the completion of the Transactions contemplated by this Order and the Auction Agreement, have no liability of any kind whatsoever in respect of any Claims against the Debtor.
11. The Purchasers (or their respective nominees) shall be entitled to hold and enjoy the Assets for their own use and benefit without any interference of or by the Debtor or any person claiming by or through or against the Debtor.
12. Notwithstanding:
 - (a) these proceedings;
 - (b) any applications for a bankruptcy order in respect of the Debtor now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made by or in respect of the Debtor,

the vesting of the Purchased Assets in Purchasers pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

13. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, to give effect to this Order and to assist the Receiver and its 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
14. The Receiver or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of Peter Bychawski
Lawyer for the Receiver

BY THE COURT

REGISTRAR

SCHEDULE "A" TO APPROVAL OF AUCTION SERVICES AGREEMENT

COUNSEL LIST

Counsel Name	Party Represented

SCHEDULE "B" TO APPROVAL OF AUCTION SERVICES AGREEMENT

**SEE APPENDIX A TO THE FIRST REPORT OF THE RECEIVER DATED AUGUST 12, 2022
FOR COPY OF THE AUCTION SERVICES AGREEMENT DATED FOR REFERENCE
AUGUST 8, 2022 BETWEEN THE RECEIVER AND MAYNARDS INDUSTRIES II CANADA
LTD.**

SCHEDULE "C" TO APPROVAL OF AUCTION SERVICES AGREEMENT

No. S-224806
Vancouver Registry
Estate No. 11-254412

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE RECEIVERSHIP OF
PREMIUM COMFORT HEATING & AIR CONDITIONING LTD.

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Supreme Court of British Columbia (the "**Court**") dated June 15, 2022, FTI Consulting Canada Inc. was appointed as the receiver and manager (in such capacity, the "**Receiver**") of the assets, undertakings, properties of Premium Comfort Heating & Air Conditioning Ltd.

B. Pursuant to an Order of the Court dated August 24, 2022, the Court approved the auction services agreement made as of August 8, 2022 (the "**Auction Agreement**") between the Receiver and Maynards Industries II Canada Ltd. pursuant to which one or more auction transactions were authorized to be completed in accordance with the terms of the Auction Agreement (the "**Auction Transactions**").

THE RECEIVER CERTIFIES the following:

1. The Auction Transactions have been completed to the satisfaction of the Receiver.
2. The Certificate was delivered by the Receiver at _____ on _____.

**FTI Consulting Canada Inc., in its capacity
as the Receiver of the assets, undertakings
and properties of Premium Comfort Heating
& Air Conditioning Ltd.**

Per: _____
Name:
Title:

SCHEDULE "C" TO NOTICE OF APPLICATION

No. S-224806
Vancouver Registry
Estate No. 11-254412

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE RECEIVERSHIP OF
PREMIUM COMFORT HEATING & AIR CONDITIONING LTD.

SEALING ORDER

BEFORE) THE)
) HONOURABLE JUSTICE _____) August 24, 2022
))

ON THE APPLICATION of FTI Consulting Canada Inc., in its capacity as Court-appointed Receiver and Manager (the "**Receiver**") of the assets, undertakings and properties of Premium Comfort Heating & Air Conditioning Ltd. (the "**Debtor**") coming on for hearing at the Courthouse at 800 Smithe Street, Vancouver, British Columbia, on the 24th day of August, 2022; AND ON HEARING Peter Bychawski, counsel for the Receiver, and those other counsel listed on **Schedule "A"** hereto; AND UPON READING the material filed, including the First Report of the Receiver dated August 12, 2022 and the Confidential Supplemental Report to the First Report of the Receiver dated August 12, 2022; THIS COURT ORDERS that:

THIS COURT ORDERS THAT:

- Access to Sealed Items permitted by:** Counsel of Record
 Parties on Record
 Further Court Order
 Others: Until the earlier of (a) further Court Order or (b) 31 days after the filing of the Receiver's Certificates contemplated by the Orders of this Court granted in these proceedings on August 24, 2022, as applicable.

Items to be sealed:

Document name:	Date filed:	Number of copies filed, including any extra copies for the judge:	Duration of sealing order:	Sought:	Granted:	
					YES	NO
1) Confidential Supplemental Report to the First Report of the Receiver dated August 12, 2022	August 24, 2022	1	As ordered by this Court herein	Yes	<input type="checkbox"/>	<input type="checkbox"/>
2) Specific Documents:				No	<input type="checkbox"/>	<input type="checkbox"/>
3. Clerk's Notes				No	<input type="checkbox"/>	<input type="checkbox"/>
4) Order				No	<input type="checkbox"/>	<input type="checkbox"/>
5) Reasons for Judgment				No	<input type="checkbox"/>	<input type="checkbox"/>

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of Peter Bychawski
Lawyer for the Receiver

BY THE COURT.

Registrar