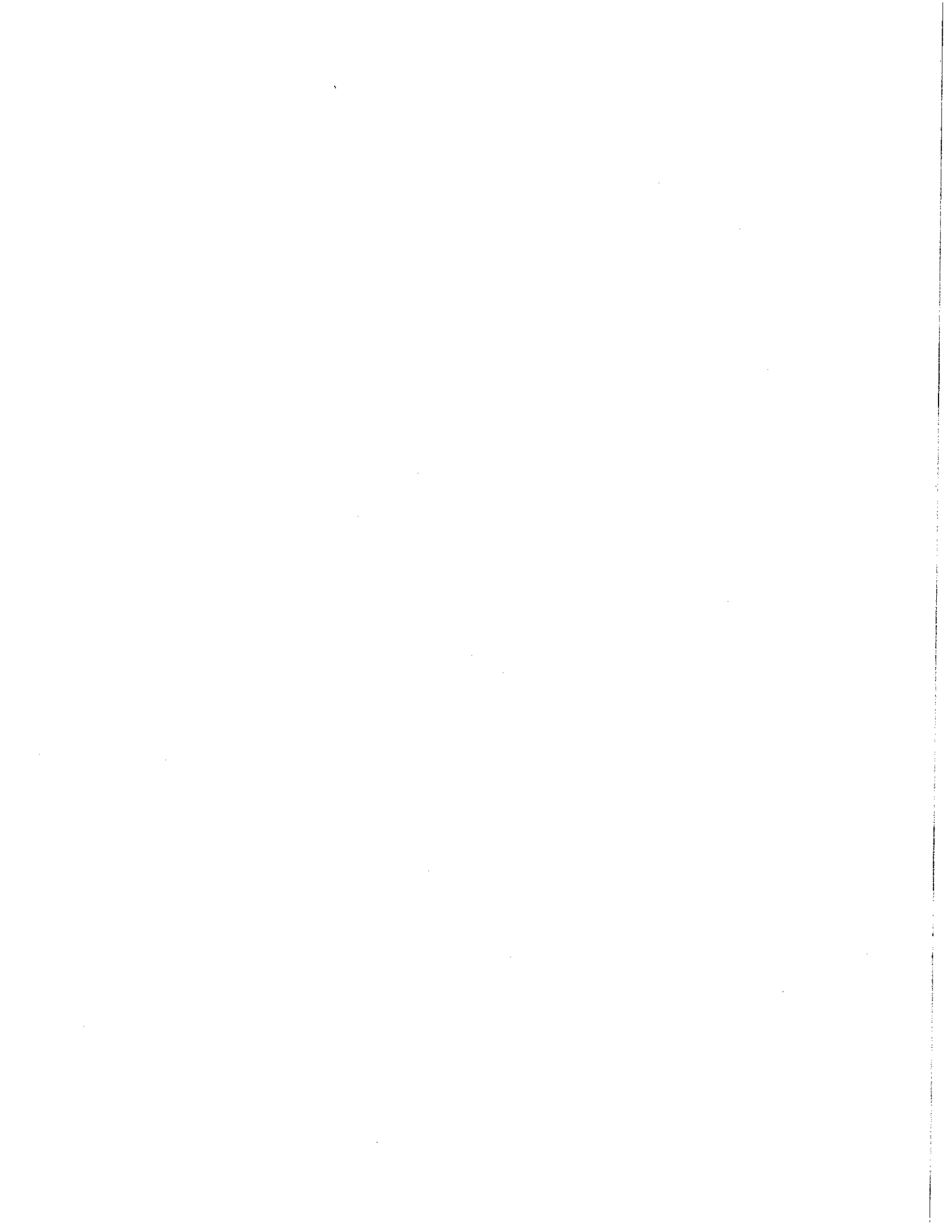


District of: Ontario  
Division No. 09 – Toronto  
Court No. 31-2898056  
Estate No. 31-2898056

**CREDITOR PACKAGE**  
**Cedarwood Heating &**  
**Air Conditioning Limited**  
**of the city of Scarborough**  
**in the Province of Ontario**

**Dodick Landau Inc.**  
**951 Wilson Ave., Suite 15L**  
**Toronto, ON M3K 2A7**



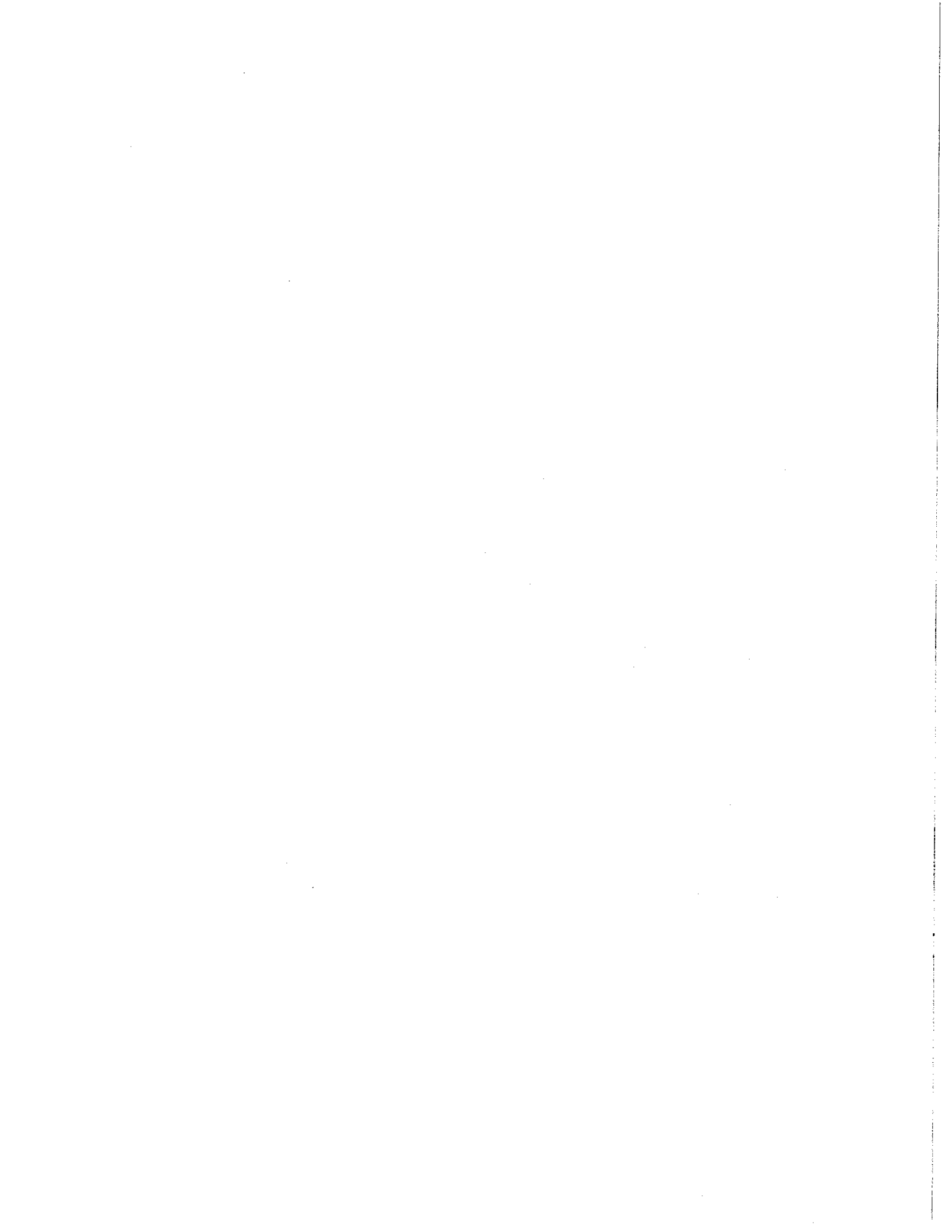
District of: Ontario  
Division No. 09 – Toronto  
Court No. 31-2898056  
Estate No. 31-2898056

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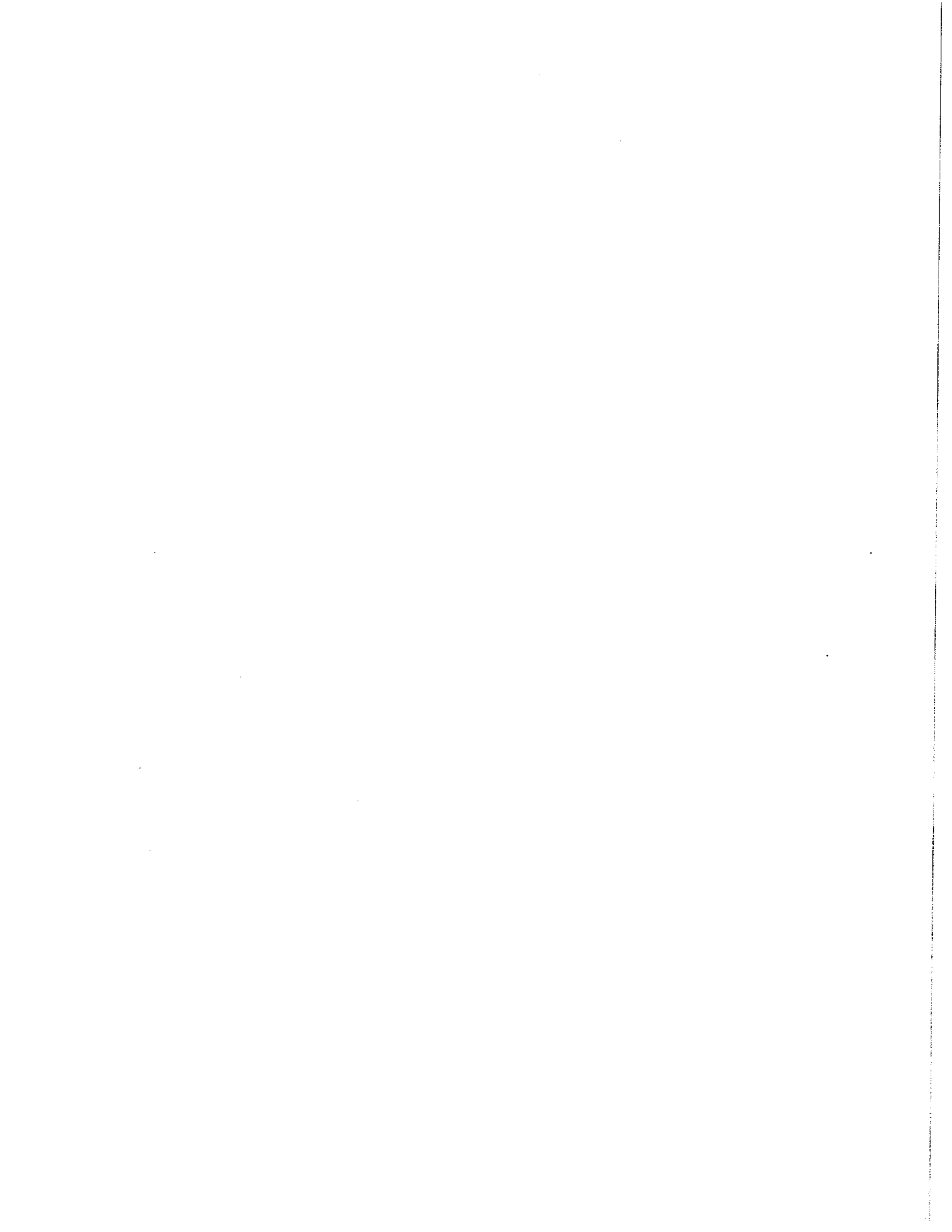
### **Cedarwood Heating & Air Conditioning Limited**

#### **Included in this package:**

- 1. Letter to Creditors**
- 2. Helpful Hints/Filing a Claim/Voting/Proxies**
- 3. Notice of Proposal**
- 4. Proposal**
- 5. Report on Proposal**
- 6. Statement of Affairs**
- 7. Proof of Claim with instructions**
- 8. Proxy**
- 9. Voting Letter/Election form**



# **LETTER TO CREDITORS**



# DODICK LANDAU

February 3, 2023

## CREDITOR PACKAGE

### To the Creditors of Cedarwood Heating & Air Conditioning Limited, ("Cedarwood" or the "Company")

Please be advised that on January 28, 2023, Dodick Landau Inc., in its capacity as Proposal Trustee (the "**Proposal Trustee**") of the Estate of Cedarwood Heating & Air Conditioning Limited filed with the Official Receiver a proposal in the name, and on behalf, of Cedarwood Heating & Air Conditioning Limited (the "**Proposal**").

The reason you are receiving this letter and the enclosed creditor information ("**Creditor Package**") is because Cedarwood advised the Proposal Trustee that you are a creditor of Cedarwood and may be eligible to vote in the Proposal. The purpose of the Creditor Package is to provide you with the information you require to evaluate, and vote on, the Proposal.

Enclosed in this Creditor Package are the following Proposal documents:

- 1) Notice of Proposal to Creditors;
- 2) Proposal;
- 3) Trustee's Report on Proposal;
- 4) Statement of Affairs;
- 5) Proof of Claim form with instructions;
- 6) Proxy;
- 7) Voting Letter

**A Meeting of the Creditors to consider the Proposal will be held by Zoom videoconference on the 24<sup>th</sup> day of February, 2023 at 11:00 a.m. The Zoom link is as follows:**

<https://us06web.zoom.us/j/82937151466?pwd=ZG1yYTJsRHVzMkNWNDhVb0JNUXcxZz09>

In order to be eligible to attend and vote at the meeting of creditors, creditors must have filed with the Proposal Trustee before the meeting, a proof of claim form signed and witnessed as required and accompanied by a statement of account. Those Creditors who do not intend to have a personal representative at the meeting held on February 24, 2023, may complete and submit the voting letter which is enclosed in this Creditor Package prior to the meeting indicating their vote for or against the acceptance of the Proposal. The Trustee has also enclosed a form of proxy should a Creditor wish to appoint a proxy to represent them at the meeting. Additional details relating to the filing of claims prior to the meeting of creditors are outlined throughout this Creditors Package.





# DODICK LANDAU

**Please read the Helpful Hints, Voting and General Proxy information following this letter for details on how to file your claim and vote on the Proposal. In the Proof of Claim section of this package you will also find an information sheet detailing how to complete your Proof of Claim and what must be returned with it. Please utilize this information.**

Completed proofs of claim, and other documents may be returned to the Proposal Trustee to the attention of Brenda McKnight by fax (866-874-1791) or electronic mail ([brenda.mcknight@dodick.ca](mailto:brenda.mcknight@dodick.ca)). Should you need further assistance, you may contact our office by telephone at 416-645-0542.

Properly completed Proofs of Claims not received at the Proposal Trustee's office prior to the start of the February 24, 2023 meeting will result in that creditor not being able to vote at the meeting on the Proposal. We encourage all creditors who wish to vote at the meeting to send to the Proposal Trustee's office their completed proof of claim as soon as possible. We also encourage creditors to vote by voting letter in advance as well if they are able.

**Please refer to the Trustee's Report on the Proposal. Please note that the Proposal Trustee is recommending that creditors vote in favour of the Proposal for the reasons as noted in the report.**

To access further information pertaining to the Cedarwood proceedings, including an electronic copy of the Creditor Package, and link to the February 24, 2023 meeting, please visit the Trustee's website (<http://dodick.ca/public-documents/>).

## **DODICK LANDAU INC.,**

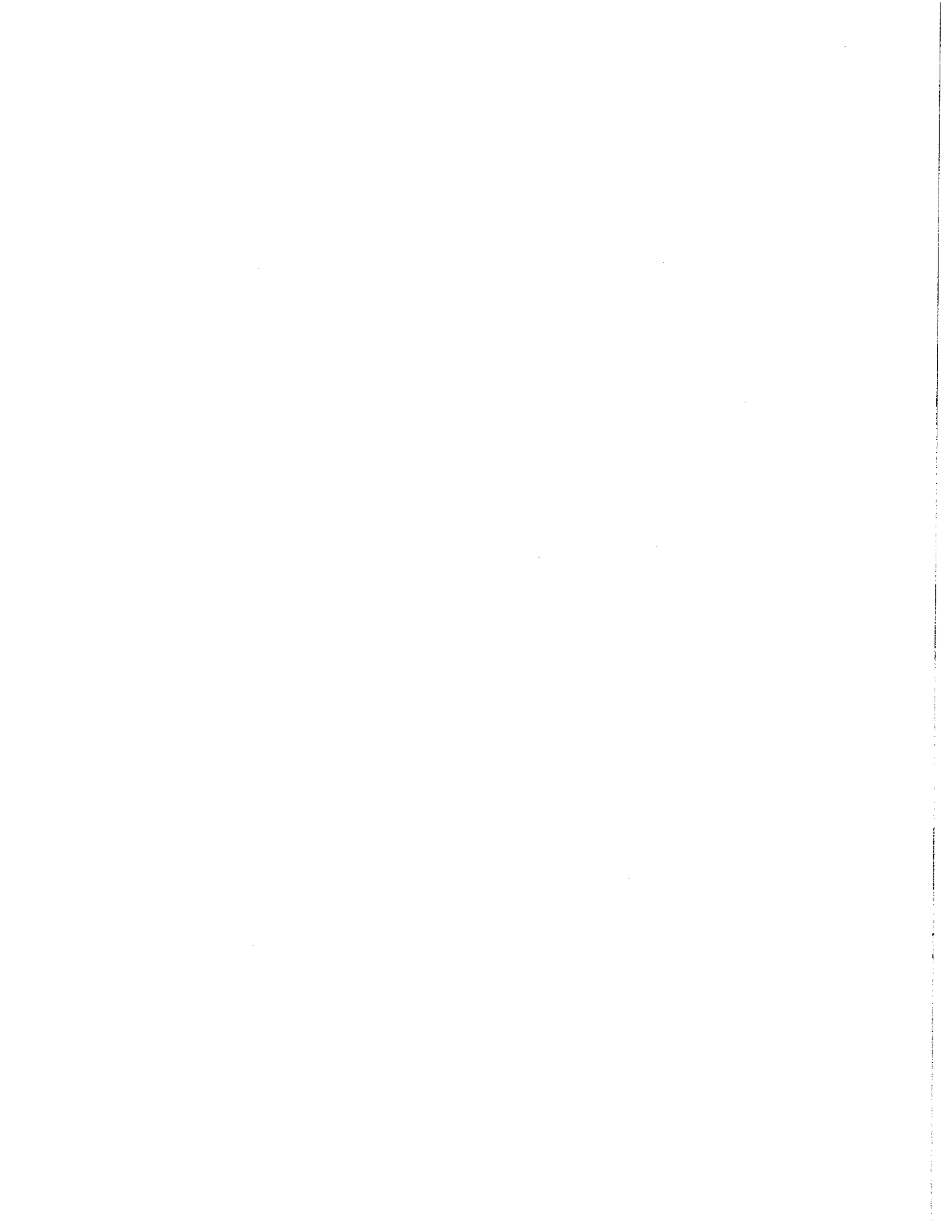
Proposal Trustee of the estate of Cedarwood Heating & Air Conditioning Limited  
and not in its personal or  
corporate capacity.

Per:

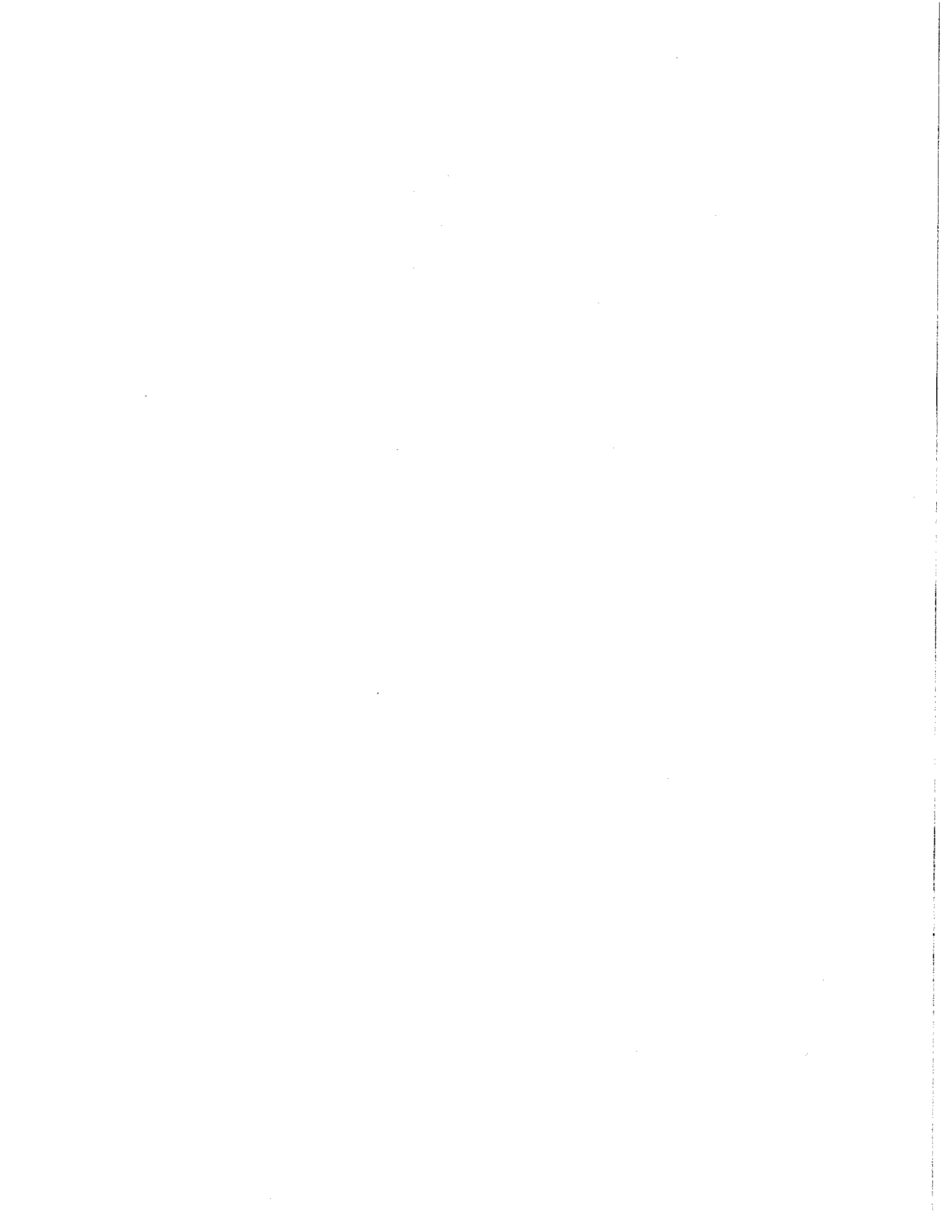


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Rahn Dodick, CPA, CA, CIRP, LIT  
President



**HELPFUL HINTS  
FILING A CLAIM  
VOTING  
PROXIES**



# DODICK LANDAU

## Helpful Hints

- You are receiving this Creditor Package as **Cedarwood Heating & Air Conditioning Limited** has informed the Proposal Trustee that you are one of their creditors.
- Please note that a Meeting of Creditors will be held on February 24, 2023 at 11:00 a.m. via Zoom. The Zoom link is noted on the cover page of the Creditor Package letter, or contact Brenda McKnight for the link.
- To participate in the Proposal, all creditors MUST file a Proof of Claim form and submit it to the Proposal Trustee in advance of the Meeting of Creditors. The Proof of Claim and the instruction sheet can be found close to the end of the Creditor Package.
- Please remember that your claim must include a Schedule "A" which is proof of the amount that you are claiming. This should be invoices of the amount owing to you or similar documentation.
- You can submit your claim by email, mail or by fax. In order to be eligible to vote at the Meeting, the Proof of Claim with supporting documents MUST arrive at the office of the Proposal Trustee in advance of the Meeting
- Please read the Proposal document and the Report on the Proposal written by the Proposal Trustee in order to understand the Proposal and the voting procedure at the meeting.

## Voting

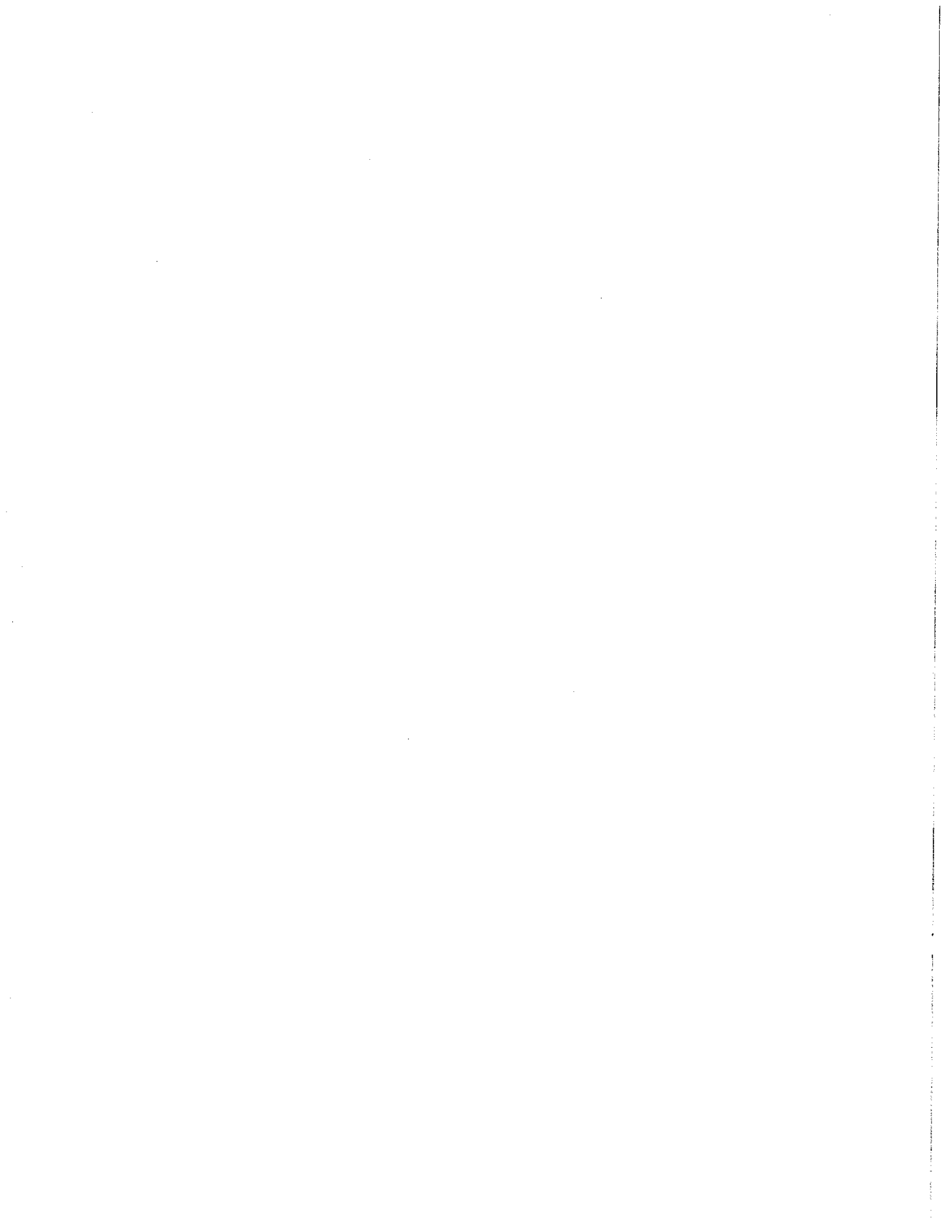
- The Meeting of Creditors will be held using Zoom videoconferencing. As carrying out a vote by videoconference can at times be challenging, we are encouraging all creditors to vote by voting letter in advance of the Meeting. In order to vote in advance of the Meeting, the voting letter (form is at the back of the creditor package) with your completed Proof of Claim and proxy (if applicable) must be submitted to the Proposal Trustee's office in advance of the Meeting of Creditors. **Please note that all corporations voting on the proposal must appoint a proxy to vote on behalf of the corporation.**

## General Proxy:

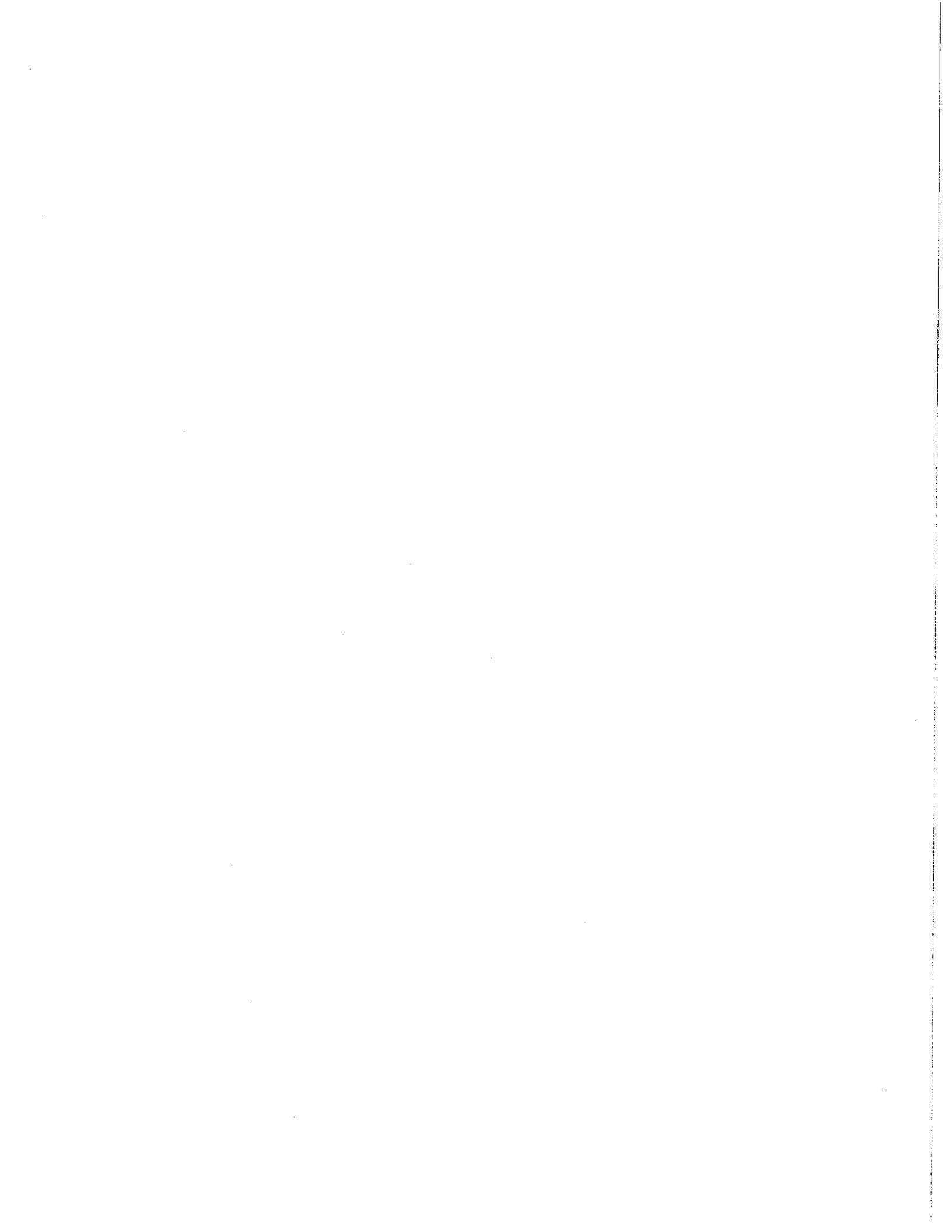
- If you are representing a corporation, you must have a proxy from the corporation to act on its behalf and vote at the Meeting, whether you vote in advance by voting letter or in person at the Meeting.
- If you are an individual, you may wish to have someone else represent you at the Meeting of Creditors. You must give that individual a signed proxy form.
- The Proposal Trustee must receive the proxy form in advance of the Meeting.

**If there are any questions in completing the proof of claim, please write, email or telephone the office of the trustee:**

**Dodick Landau Inc.**  
**951 Wilson Avenue, Suite 15L**  
**Toronto, ON M3K 2A7**  
**Telephone: 416-645-0542**  
**Fax: 1-866-874-1791**  
**Email: [brenda.mcknight@dodick.ca](mailto:brenda.mcknight@dodick.ca)**



# **NOTICE OF PROPOSAL**





District of: Ontario  
Division No.: 09 – Toronto  
Court No. 31-2898056  
Estate No. 31-2898056

FORM 92  
Notice of Proposal to Creditors  
(Section 51 of the Act)

In the matter of the Proposal of  
Cedarwood Heating & Air Conditioning Limited  
of the city of Scarborough, in the Province of Ontario

Take notice that Cedarwood Heating & Air Conditioning Limited, of the City of Scarborough, in the Province of Ontario had lodged with us a proposal under the *Bankruptcy and Insolvency Act*.

A copy of the proposal, a condensed statement of the debtor's assets, and liabilities, and a list of the creditors affected by the proposal and whose claims amount to \$250 or more are enclosed herewith.

A general meeting of the creditors will be held on the 24<sup>th</sup> day of February, 2023 at 11:00 a.m. The meeting will be held by Zoom videoconference at:

<https://us06web.zoom.us/j/82937151466?pwd=ZG1yYTJsRHVzMkNWNDhV0JNlUXcxZz09>

The creditors or any class of creditors qualified to vote at the meeting may by resolution accept the proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the court the proposal is binding on all the creditors or the class of creditors affected.

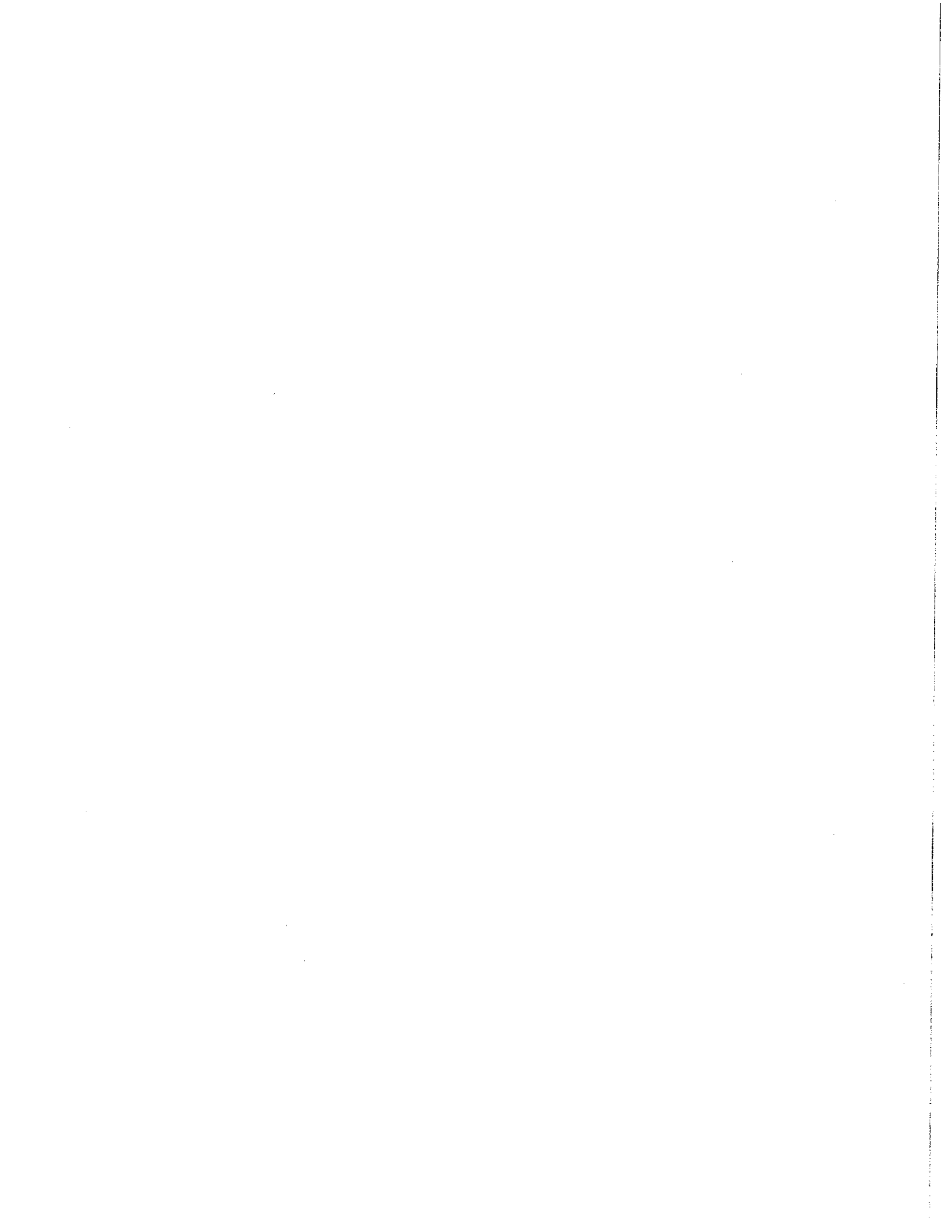
Proofs of claim, proxies and voting letters intended to be used at the meeting must be lodged with us prior to commencement of the meeting.

Dated at the city of Toronto in the Province of Ontario, this 3rd day of February, 2023.

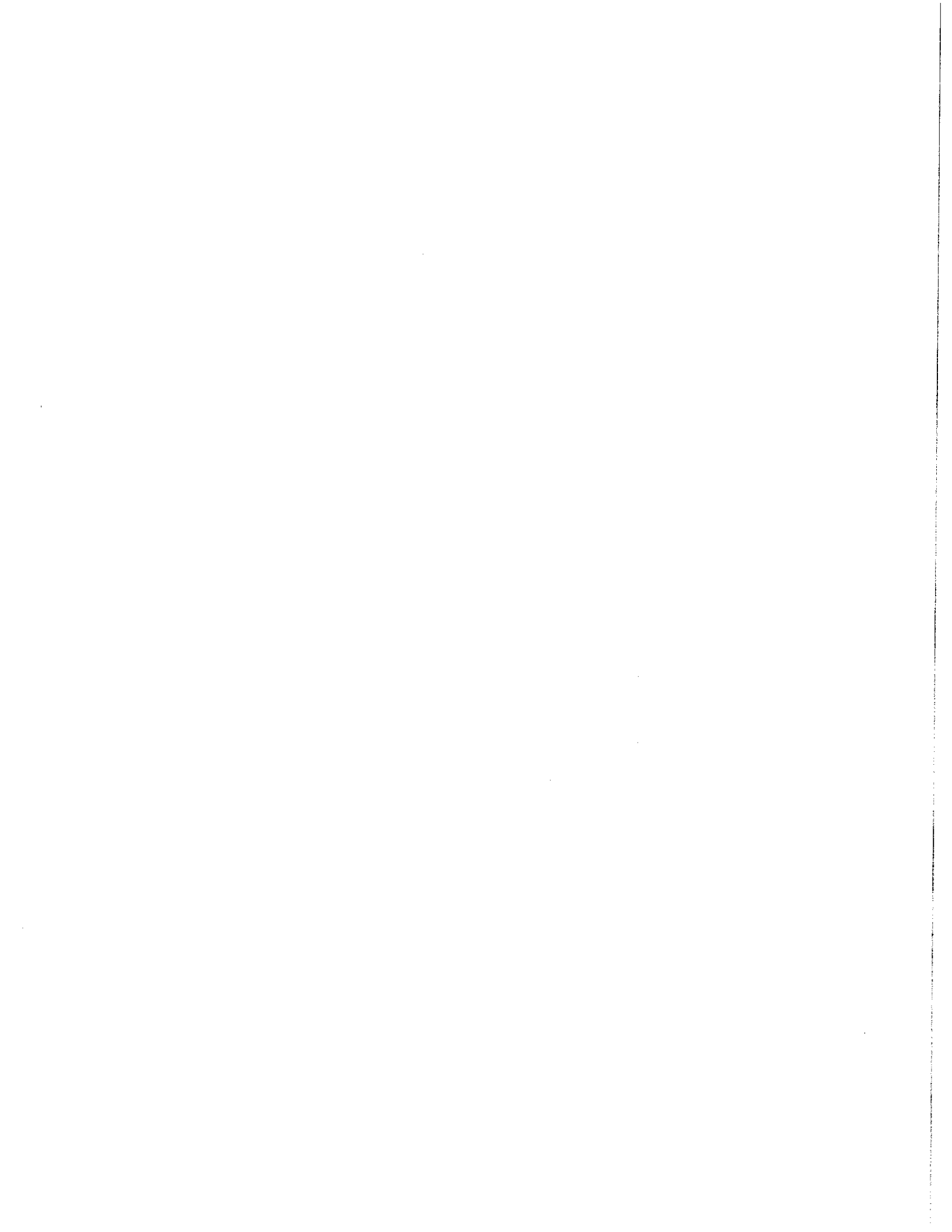
Dodick Landau Inc. – Licensed Insolvency Trustee



951 Wilson Ave., Unit 15L  
Toronto, ON M3K 2A7  
Phone: (416) 645-0542 Fax: (866) 874-1791



# **PROPOSAL**



District of Ontario  
Division No.: 09 – Toronto  
Estate No. #31-2898056

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE PROPOSAL OF CEDARWOOD HEATING & AIR  
CONDITIONING LIMITED OF THE CITY OF SCARBOROUGH, IN THE PROVINCE  
OF ONTARIO**

**PROPOSAL  
(January 27, 2023)**

Cedarwood Heating & Air Conditioning Limited hereby submits the following Proposal under Part III of the *Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3*.

**PART I  
INTERPRETATION**

**Definitions**

1. In this Proposal:
  - (a) “Act” means the *Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3*, as amended.
  - (b) “Additional Funds”: means such funds to be delivered by the Company to the Trustee to be remitted by the Trustee to satisfy any Employee Preferred Claim immediately after the Effective Date;
  - (c) “Administrative Fees and Expenses” means the fees and expenses of the Trustee incidental to the NOI and the preparation and facilitation of the Proposal and any amendments thereto, including, without limitation, fees incurred by the Trustee in the administration of the Funded Proposal Payment, and the legal fees and expenses incurred by the Trustee and the Debtor before and following execution, acceptance and approval of this Proposal and in connection with the NOI and the preparation of this Proposal, as well as advice to the Debtor in connection therewith;
  - (d) “Affected Creditors” means those Creditors of the Company forming Class 1, as defined in Part III of this Proposal;

- (e) **"Approval Order"** means an order of the Court approving this Proposal, to be granted pursuant to the provisions of the Act, the appeal period having expired, and no appeal having been filed or any appeal therefrom having been dismissed and such dismissal having become final;
- (f) **"Bankruptcy Reserve"** means a reserve amount of \$15,000 to be held by the Trustee as security for the administrative costs of the bankruptcy of the Company, in the event that this Proposal is annulled, and the Company becomes bankrupt;
- (g) **"Business Day"** means a day, other than a Saturday or Sunday, on which banks are generally open for business in Toronto, Ontario;
- (h) **"Certificate of Full Performance"** means the certificate that the Trustee issues to the Company and to the Official Receiver pursuant to Section 65.3 of the Act;
- (i) **"Claim"** means any right of any Person with indebtedness, liability or obligation of any kind against the Company which indebtedness, liability or obligation is in existence at the Date of Filing, whether or not reduced to judgement, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, unknown, by surety or otherwise and whether or not such a right is executory in nature including, without limitation, the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause, chose in action, whether existing at present or commenced in the future based in whole or in part on facts which exist prior to or at the time of Date of Filing;
- (j) **"Company"** means Cedarwood Heating & Air Conditioning Limited;
- (k) **"Court"** means the Ontario Superior Court of Justice (In Bankruptcy and Insolvency);
- (l) **"Court Approval Date"** means the date on which the Approval Order is issued;
- (m) **"Creditors"** means any Person having a Claim;
- (n) **"Creditors Meeting"** means the meeting of the Affected Creditors called for the purpose of considering and voting upon this Proposal;
- (o) **"Crown Claims"** means Claims of His Majesty in right of Canada or any province of all amounts of a kind contemplated by section 60(1.1) of the Act;
- (p) **"Date of Filing"** means December 30, 2022, the date on which the Company filed the NOI;

- (q) **"Employee Preferred Claim"** means a Claim by a current or former employee of the Company, or such portion of such Claim, that would be payable in priority under Subsection 136(1) of the Act;
- (r) **"Effective Date"** means 10 calendar days from the date of the Approval Order, unless the Approval Order is appealed, in which case the Effective Date means the later of: (i) one Business Day after the full and final determination of the appeal; and (ii) the expiry of any further appeal periods;
- (s) **"Event of Default"** has the meaning given to it in Part VIII of this Proposal;
- (t) **"Funded Proposal Payment"** shall mean the cash payment which will be advanced to the Trustee for distribution, as set out in Paragraph 19 hereof;
- (u) **"Inspectors"** means the inspectors appointed pursuant to Part X of this Proposal;
- (v) **"ITA"** means the *Income Tax Act* (Canada), as amended from time to time;
- (w) **"Levy"** means the levy imposed by the Superintendent of Bankruptcy under the Act;
- (x) **"Maturity Date"** means the date on which all payments to the Creditors have been made and the Certificate of Full Performance has been issued by the Trustee to the Company, provided that no Event of Default has occurred that has not been cured or waived;
- (y) **"NOI"** means the Notice of Intention to Make a Proposal filed by the Company on December 30, 2022;
- (z) **"Official Receiver"** shall have the meaning ascribed thereto in the Act;
- (aa) **"Person"** means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government or any agency or instrumentality thereof, or any other entity howsoever designated or constituted;
- (bb) **"Post-Filing Crown Claims"** means all Crown Claims that became due or shall become due on or after the Date of Filing;
- (cc) **"Post-Filing Goods and Services"** means the goods supplied, services rendered, and other consideration given or provided to the Company on or after the Date of Filing that are not assumed by the Purchaser.;
- (dd) **"Preferred Claim"** means any claim that is afforded priority under Section 136(1) of the Act;

- (ee) **"Preferred Creditor"** means any Unsecured Creditor holding a Preferred Claim, solely in respect to that Preferred Claim;
- (ff) **"Proposal"** means this proposal dated January 27, 2023, together with any amendments or additions thereto;
- (gg) **"Proposal Period"** means the period between the Court Approval Date and the Maturity Date;
- (hh) **"Proven"** as used in relation to any Claim means such Claim as finally accepted or determined by the Trustee in accordance with the provisions of the Act and this Proposal, subject to the Creditor's right of appeal to Court, the Court's determination of that Claim or any applicable appeal periods having expired and no appeal having been made;
- (ii) **"Purchase Price"** means the purchase price under the Sale Agreement, being \$30,000;
- (jj) **"Purchaser"** means Dr. H.V.A.C. Ltd.;
- (kk) **"Related Party Claims"**: means any indebtedness, liabilities or other amounts owed or payable by the Company to current or former directors, officers, or shareholders of the Company and to 12389134 Canada Inc.;
- (ll) **"Sale Agreement"** means the agreement of purchase and sale dated January 26, 2023 between the Company and the Purchaser for the purchase of certain assets of the Company;
- (mm) **"Secured Claim"** means any Claim by a Secured Creditor, excluding the Crown Claims;
- (nn) **"Secured Creditor"** means a Person holding a valid mortgage, hypothec, pledge, charge, lien or privilege on or against the property of the Company or any part thereof as security for a Claim, but excludes the Canada Revenue Agency to the extent of its Crown Claims;
- (oo) **"Trustee"** means Dodick Landau Inc., solely in its capacity as proposal trustee of the Company;
- (pp) **"Unsecured Claim"** means the value of any Proven Claim in respect of which no security is held; and
- (qq) **"Unsecured Creditors"** means those Persons with Claims in respect of which no security is held, and which is not afforded priority under Section 136(1) of the Act.



### **Headings**

2. The division of this Proposal into parts, paragraphs and subparagraphs, and the insertion of headings herein, is for convenience of reference only and is not to affect the construction or interpretation of this Proposal.

### **Number, etc.**

3. In this Proposal, where the context requires, a word importing the singular includes the plural and vice versa, and a word importing gender includes the masculine, feminine and neuter genders.

### **Date for Action**

4. In the event that any date on which any action is required to be taken hereunder is not a Business Day, such action will be required to be taken on the next succeeding day that is a Business Day.

### **Accounting Principles**

5. Accounting terms not otherwise defined in this Proposal have the meanings assigned to them in accordance with generally accepted Canadian accounting principles.

### **Currency**

6. All dollar amounts contained herein shall be in Canadian dollars.

## **PART II PURPOSE AND EFFECT OF THIS PROPOSAL**

### **Purpose of Proposal**

7. The purpose of this Proposal is to effect a restructuring of the indebtedness of the Company in the manner contemplated herein and as permitted by the Act in the expectation that all Creditors will derive a greater benefit from the restructuring and the continued operation of the business and affairs of the Company than would result from a bankruptcy of the Company.

### **Effect of Proposal**

8. During the Proposal Period, and provided that an Event of Default has not occurred and is continuing hereunder, all Creditors will be stayed from commencing or continuing any proceeding or remedy against the Company or any of its property or assets in respect of a Claim including, without limitation, any proceeding or remedy to recover payment of any monies, to recover or enforce any judgment against the Company in respect of a Claim or

to commence any formal proceedings against it other than as provided for under this Proposal.

9. Upon implementation of all elements of this Proposal, and the filing of the Certificate of Full Performance by the Trustee, all Claims against the Company and its directors shall be fully, finally and completely satisfied.

### **PART III CLASSIFICATION OF CREDITORS**

10. For the purpose of this Proposal, the Creditors of the Company shall be comprised of single class, consisting of Creditors having Proven Preferred Claims and Unsecured Claims ("Class 1"), which, for greater certainty, shall include Preferred Creditors entitled to vote pursuant to the Act and claims of His Majesty in right of Canada and any province for all amounts other than Crown Claims.
11. For the purposes of this Proposal, any Related Party Claim is subordinate to the Claims of the Affected Creditors.

### **PART IV SECURED CREDITORS**

12. The Company's Secured Creditors shall be unaffected by this Proposal.

### **PART V TREATMENT OF VARIOUS CLAIMS, FUNDING OF PROPOSAL AND DISTRIBUTION**

#### **Crown Claims**

13. The Company covenants and agrees to, within six months after the Effective Date, pay in full all amounts that were outstanding at the Date of Filing of a kind that could be subject to a demand under: (i) Subsection 224(1.2) of the ITA; (ii) any provision of the *Canada Pension Plan* or of the *Employment Insurance Act* that refers to s.224(1.2) of the ITA and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, and of any related interest, penalty or other amounts; or (iii) under any substantially similar provision of provincial legislation, including all amounts contemplated by Section 60(1.1) of the Act. This payment of Crown Claims (if any) will be made in addition to the Funded Proposal Payment.
14. At the Date of Filing, according to the Company, it does not owe any amount to the Canada Revenue Agency for employee source deductions withheld but not remitted, including related penalties and interest calculated up to the Date of Filing.

#### **Employee Preferred Claims**

15. As at the date of the filing of the Proposal, there are no known Employee Preferred Claims. Any Proven Employee Preferred Claims shall be paid out of the Additional Funds.

#### **Preferred Claims (in addition to Employee Preferred Claims)**

16. Proven Preferred Claims, other than Employee Preferred Claims (if any), which shall be satisfied pursuant to Paragraph 15 of this Proposal, shall be paid in full, without interest, out of the Funded Proposal Payment, in priority to Proven Unsecured Claims.

#### **Unsecured Claims**

17. Proven Unsecured Claims shall be paid on a *pro rata* basis out of the net proceeds of the Funded Proposal Payment after the Proven Preferred Claims are satisfied.

#### **Funding the Proposal**

18. The Company shall cause the Purchase Price to be paid to the Trustee to fund the Proposal.
19. In addition, the Company will cause the Funded Proposal Payment to be paid to the Trustee on the Effective Date, the aggregate amount of which is \$15,000.00.

For greater certainty, the amounts set out in this Paragraph shall not include Crown Claims and Employee Preferred Claims, if any, which Claims will be paid in addition to the payments referred to in this paragraph.

#### **Distributions**

##### *Payment of Employee Preferred Claims and Crown Claims*

20. Immediately following the Effective Date, the Trustee shall issue distributions out of such funds in respect of all Proven Preferred Claims.

##### *Distributions to Unsecured Creditors*

21. The Purchase Price and Funded Proposal Payment shall be distributed by the Trustee in the following order of priority:
  - (a) first, to the Administrative Fees and Expenses;
  - (b) second, to establish the Bankruptcy Reserve, to be held in trust by the Trustee, which amount shall be used to fund the administrative costs of the bankruptcy of the Company in the event that this Proposal is annulled, and the Company becomes bankrupt, failing which such amount shall be distributed in accordance with Subparagraphs 21(c) and 21(d) of this Proposal;

- (c) third, to Proven Claims of Preferred Creditors, other than Employee Preferred Claims which will have been satisfied out of the Additional Funds, without interest (if any); and
- (d) fourth, the balance of the Purchase Price and Funded Proposal Payment shall be distributed *pro rata* among all of the Unsecured Creditors on account of Proven Unsecured Claims; and
- (e) fifth, should there be any remaining balance of the Purchase Price and Funded Proposal Payment, the balance shall be distributed *pro rata* among all of the Proven Related Party Claims.

#### **Amendments to Agreements**

1. Notwithstanding the terms and conditions of all agreements or other arrangements with Creditors entered into before the Date of Filing, provided that no Event of Default has occurred and is continuing hereunder, all such agreements or other arrangements will be deemed to be amended to the extent necessary to give effect to all the terms and conditions of this Proposal. In the event of any conflict or inconsistency between the terms of such agreements or arrangements and the terms of this Proposal, the terms of this Proposal will govern. All Creditors will provide such acknowledgements, agreements, discharges or other documentation as may be necessary to give effect to the intent of this Proposal.

#### **Treatment of Claims**

2. For purposes of this Proposal, each Creditor holding a Claim will receive the treatment provided for in this Proposal on account of such Claim.

### **PART VI POST-FILING OBLIGATIONS**

#### **Payment of Post-Filing Goods & Services**

3. During the Proposal Period, all Post-Filing Goods and Services not assumed by the Purchaser, if any, shall be paid in full in the ordinary course of business by the Company.

#### **Post-Filing Crown Claims**

4. During the Proposal Period, the Company shall remit all Post-Filing Crown Claims as and when due.

#### **Reporting by the Company**

5. During the Proposal Period, the Company shall provide to the Trustee every three months commencing on first day of the month following the month in which the Approval Order is issued, a report containing the information set out below:
  - (i) a cash flow statement for the Company's business and affairs for the prior three months; and
  - (ii) evidence of Company's filing and remittance of source deductions and HST.

## **PART VII LEVY, MANDATORY PAYMENTS AND PREFERRED CLAIMS**

### **Levy**

6. The Levy, if applicable, shall be deducted by the Trustee from payments to creditors by the Trustee, and the Trustee shall remit in cash the amount of the Levy to the Superintendent of Bankruptcy contemporaneously with the distributions as provided in Part V.

### **Payment of Fees and Expenses**

7. The Administrative Fees and Expenses, on and incidental to the proceedings arising out of the Proposal, or in a bankruptcy, if any, shall be paid in priority to the Crown Claims, the Claims of Preferred Creditors, and the Claims of Unsecured Creditors. The Trustee will be at liberty to withdraw and pay such Administrative Fees and Expenses at any time and from time-to-time subject to final approval by the Registrar in Bankruptcy upon completion of the Proposal. The Trustee's disbursements will be charged in addition to its fees based on the actual costs incurred and/or as allowed by tariff.

### **Employee Claims**

8. As per Part V of this Proposal, all Proven Employee Preferred Claims will be paid in priority to other Claims as soon as reasonably possible after the Effective Date.

### **Preferred Claims**

9. As per Part V of this Proposal, all Proven Preferred Claims (if any) are to be paid without interest in full priority to all Claims of the Unsecured Creditors including, without limitation, any entitlement of the Unsecured Creditors to the payments to be made under Part V of this Proposal.

## **PART VIII EVENTS OF DEFAULT**

10. The following events will constitute Events of Default for purposes of section 63 of the Act and otherwise under this Proposal:

- (f) the nonpayment by the Company of any of its obligations hereunder within thirty (30) days after written notice has been given by the Trustee that such payment is past due; and
- (g) the breach or failure by the Company to observe and perform any other covenant and provision of this Proposal, other than payment as provided for in Subparagraph 31(a) hereof which is not remedied within thirty (30) days after written notice thereof has been given to the Company by the Trustee.

#### **PART IX TRUSTEE**

- 11. The Trustee is acting solely in its capacity as proposal trustee under the Act and not in its personal capacity and no officer, director, employee or agent of the Trustee shall incur any obligations or liabilities in connection with this Proposal or in connection with the business or liabilities of the Company.
- 12. Any payments made by the Trustee to Creditors hereunder shall be made by the Trustee net of any levies payable or due under the Act.

#### **PART X INSPECTORS**

##### **Appointment of Inspectors**

- 13. At the Creditors Meeting, the Affected Creditors will be entitled to appoint one (1) or more, but not exceeding five (5) Inspectors in total.

##### **Powers of Inspectors**

- 14. The Inspectors, by way of majority, will have the following powers, but will have no personal liability to the Company or other Creditors:
  - (h) the power to extend the dates the Funded Proposal Payment are due under this Proposal;
  - (i) the power to waive any default in the performance of any provision of this Proposal; and
  - (j) the power to advise the Trustee in respect of such matters as may be referred to the Inspectors by the Trustee.

#### **PART XI CONDITIONS PRECEDENT**

##### **Creditor Approval**

15. The Trustee shall call a meeting of the Affected Creditors of the Company to seek creditor approval for the Proposal in the requisite majority in number and value of the classes, as set out in the Act, of each of the classes of creditors described in this Proposal. The performance of this Proposal by the Company shall be conditional upon approval of the Affected Creditors. If the Affected Creditors do not approve the Proposal, the Trustee shall report on the result of the vote as required under section 57 of the Act and the Company shall be deemed bankrupt.

#### **Court Approval**

16. In the event the Proposal is approved by the Affected Creditors the Trustee shall, within five (5) days of such approval, apply to the Court for a hearing to seek the Approval Order. The performance of this Proposal by the Company shall be conditional upon the issuance of the Approval Order. In the event that the Court does not approve the Proposal, the Company shall be deemed bankrupt.

#### **PART XII RELEASES**

17. As at 12:01 a.m. the Maturity Date, the Company, shall be released and discharged from any and all Claims. This release shall have no force or effect if the Company becomes bankrupt before the terms of the Proposal are fully performed.
18. As of 12:01 a.m. the Maturity Date, each and every present and former officer and director of the Company shall be released from claims against them that arose before the Date of Filing and that relate to the obligations of the Company where such persons are by law liable in their capacity as directors for the payment of such obligations, provided that nothing herein shall release or discharge any director or officer of the Company from any claims coming within the exceptions set out in section 50(14) of the Act. This release shall have no force or effect if the Company becomes bankrupt before the terms of the Proposal are fully performed.

#### **PART XIII MISCELLANEOUS**

#### **Preferential Payments**

19. Sections 95 to 101 of the Act shall not apply to any dealings by the Company at any time prior to the Date of Filing unless the Company becomes bankrupt before the terms of the Proposal are fully performed. The releases contemplated in Part XII of this Proposal include releases from all claims, actions, or remedies available to Creditors or others pursuant to Sections 95 to 101 of the Act, provided that nothing herein shall release any director of the Company from any claims coming within the exceptions set out in Section 50(14) of the Act.

### **Consents, Waivers and Agreements**

20. On the Effective Date, all Creditors will be deemed to have consented and agreed to all of the provisions of this Proposal in its entirety. For greater certainty, each such Creditor will be deemed to have waived any default by the Company in any provision, express or implied, in any agreement existing between the Creditor and the Company that has occurred on or prior to the Date of Filing, and to have agreed that, to the extent that there is any conflict between the provisions of any such agreement and the provisions of this Proposal, the provisions of this Proposal take precedence and priority and the provisions of any such agreement are amended accordingly.

### **Further Actions**

21. The Company and the Creditors will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of this Proposal and to give effect to the transactions contemplated hereby.

### **Performance**

22. All obligations of the Company under this Proposal will commence as of the Effective Date. All obligations of the Company under this Proposal will be fully performed for the purposes of Section 65.3 of the Act only upon the Company having made the payments to the Trustee provided for herein and a Certificate of Full Performance is issued by the Trustee to the Company and the Office of the Superintendent of Bankruptcy.

### **Binding Effect**

23. The provisions of this Proposal will be binding on the Creditors and the Company, and their respective heirs, executors, administrators, successors and assigns, upon issuance of the Approval Order after all appeal periods have expired.

## **PART XIV ANNULMENT OF PROPOSAL**

24. If this Proposal is annulled by an order of the Court, all payments on account of Claims made pursuant to the terms of this Proposal will reduce the Claims of Creditors.

## **PART XV AMENDMENTS**

25. The Company may propose amendments to the Proposal at any time prior to the conclusion of the Creditors Meeting provided that any such amendment does not reduce the rights and benefits given to the Creditors pursuant to the Proposal before such



amendment and that any and all amendments shall be deemed to be a part of and incorporated into the Proposal.

**DATED** at the City of Toronto, in the Province of Ontario, as of this 27<sup>th</sup> day of January 2023.

**CEDARWOOD HEATING & AIR  
CONDITIONING LIMITED**

Per: <sup>*Stephen McGann*</sup>  
\_\_\_\_\_

Name: Steve McGann  
Title: President



## **ASSET PURCHASE AGREEMENT**

**CEDARWOOD HEATING & AIR CONDITIONING LIMITED,**  
a corporation incorporated under the laws of the Province of Ontario  
carrying on business as CEDARWOOD CLIMATECARE.

as the Vendor

- and -

**DR. H.V.A.C. LTD.,**  
a corporation incorporated under the laws of the  
Province of Ontario

as the Purchaser

**Made as of January 25, 2023**

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## ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made as of January 25, 2023.

B E T W E E N:

CEDARWOOD HEATING & AIR CONDITIONING LIMITED (the  
"Vendor")

- and -

DR. H.V.A.C. LTD (the "Purchaser")

WHEREAS the Vendor operates a business servicing furnaces, air conditioners, water tanks, humidifiers, heat pumps, boilers, gas fireplaces and other similar appliances (the "Business");

WHEREAS on December 30, 2022, the Vendor filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act* (the "BIA") and Dodick Landau Inc. was appointed as Proposal Trustee within the NOI Proceeding;

WHEREAS the parties wish to enter into this Agreement setting out terms upon which the Purchaser will purchase and assume the Purchased Assets (as defined herein) from the Vendor;

WHEREAS the Purchaser is using the Purchased Assets as agent for the Vendor, but is unable to take possession of the Purchased Assets until the Closing Date;

NOW THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confirmed, the Parties agree as follows:

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

In this Agreement,

- (a) "Actions" means any claims, refunds, causes of action, rights of recovery, rights of set-off, subrogation and rights of recoupment of the Vendor related to the Business or any of the Purchased Assets, and the interest of the Vendor in any litigation and in the proceeds of any judgment, order or decree issued or made in respect thereof

in respect of occurrences, events, accidents or losses suffered by the Vendor prior to the Closing Time;

- (b) **"Affiliate"** has the same meaning as "affiliate" under the *Ontario Business Corporations Act*, R.S.O. 1990, c. B.16, as amended;
- (c) **"Agreement"** means this purchase agreement and all Appendices, Exhibits and Schedules attached hereto, in each case as the same may be supplemented, amended, restated or replaced from time to time; and the expressions "Article", "Section", "Schedule" and "Exhibit" followed by a number or letter mean and refer to the specified Article, Section, Schedule or Exhibit of this agreement;
- (d) **"Applicable Law"** means any statute, law (including the common law), ordinance, rule, regulation, restriction, by-law (zoning or otherwise), order, or any consent, exemption, approval or licence of any Governmental Authority that applies in whole or in part to the Transaction, the Purchased Assets, the Vendor or the Purchaser;
- (e) **"Assumed Liabilities"** has the meaning given to it in Section 3.1;
- (f) **"BIA"** has the meaning specified in the preamble to this Agreement;
- (g) **"Business"** has the meaning specified in the preamble to this Agreement;
- (h) **"Business Day"** means any day of the year on which national banking institutions in Toronto, Ontario are open to the public for conducting business and are not required or authorized by Applicable Law to close;
- (i) **"Closing"** means the completion of the Transaction pursuant to the terms and conditions of this Agreement at the time set forth in Section 9.1 and of all other transactions contemplated by this Agreement that are to occur concurrently with the sale and purchase of the Purchased Assets;
- (j) **"Closing Date"** means the date which is the later of the date that: (i) all of the conditions in Sections 8.1 to 8.3 have been satisfied or waived (other than conditions which, by their nature, are to be satisfied on the Closing Date, but subject to the satisfaction and waiver of such conditions), and (ii) ten days after the Proposal is approved by the Court, or such other date as may be agreed upon by the Vendor and the Purchaser;
- (k) **"Closing Time"** means 12:01 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Vendor and the Purchaser agree that the Closing Time shall take place;
- (l) **"Consent Required Agreement"** has the meaning given to it in Section 3.3(b);
- (m) **"Contract"** means any contract, agreement, lease, sublease, licence, sublicense, sales order, option agreement, instrument, or other commitment, whether written or



oral, that is binding on the Vendor or any part of its assets or property (personal, real, tangible, intangible or otherwise) under Applicable Law;

- (n) **"Court"** means the Ontario Superior Court of Justice (Commercial List);
- (o) **"Cure Costs"** means, in respect of a Consent Required Agreement, the amount that the Purchaser agrees to pay in satisfaction of any monetary defaults thereunder;
- (p) **"Encumbrance"** means any security interest, lien, prior claim, charge, hypothec, hypothecation, reservation of ownership, pledge, encumbrance, trust (including any statutory, constructive or deemed trust), mortgage or adverse claim of any nature or kind whatsoever;
- (q) **"Excluded Assets"** has the meaning given to it in Section 2.2;
- (r) **"Excluded Liabilities"** has the meaning given to it in Section 3.2;
- (s) **"General Conveyance and Assumption Agreement"** means a general conveyance and assumption agreement with respect to the Purchased Assets and the Assumed Liabilities in form and substance acceptable to the Vendor and the Purchaser, acting reasonably;
- (t) **"Governmental Authority"** means: (i) any national, federal, provincial, state, municipal, local or other governmental or public department, court, commission, board, bureau, agency or instrumentality; (ii) any subdivision or authority of any of the foregoing; or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of or in lieu of any of the above;
- (u) **"GST/HST"** means goods and services tax payable under the GST/HST Legislation, including "harmonized sales tax";
- (v) **"GST/HST Legislation"** means Part IX of the *Excise Tax Act* (Canada);
- (w) **"Interim Period"** means the period from January 1, 2023 to and including the Closing Date;
- (x) **"NOI Proceeding"** means the proceedings commenced by the Vendor on December 30, 2022 under the *Bankruptcy and Insolvency Act* (Canada);
- (y) **"Parties"** means, collectively, the Vendor and Purchaser and "Party" means any of them;
- (z) **"Person"** means any individual, partnership, limited partnership, limited liability Vendor, joint venture, syndicate, sole proprietorship, co-operative, Vendor or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted;

- (aa) **"Proposal"** means the Proposal to the creditors of the Vendor, pursuant to the NOI Proceeding;
- (bb) **"Proposal Trustee"** means Dodick Landau Inc. in its capacity as proposal trustee of the Vendor under the *Bankruptcy and Insolvency Act* (Canada);
- (cc) **"Purchase Price"** has the meaning given to it in Section 2.3;
- (dd) **"Purchased Assets"** means the assets set out in the Purchased Assets Schedule;
- (ee) **"Purchased Assets Schedule"** means Schedule A to this Agreement;
- (ff) **"Purchased Contracts"** means all Contracts in connection with the Purchased Assets;
- (gg) **"Purchaser"** has the meaning given to it in the preamble to this Agreement;
- (hh) **"Representatives"** means, in respect of any Party, its and its Affiliates' directors, officers, employees, agents and advisors (including financial and legal advisors);
- (ii) **"Tax"** and **"Taxes"** means all taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever imposed by any Governmental Authority, together with all interest, penalties, fines, additions to tax or other additional amounts imposed in respect thereof, including (a) those levied on, or measured by, or referred to as income, gross receipts, earnings, profits, capital, corporate, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, license, franchising, real or personal property, payroll, employment, wage, employer health, social services, severance, utility, occupation, premium, windfall, education and social security taxes, all surtaxes, all custom duties and import and export taxes, all license, franchise and registration fees and all employment and unemployment insurance, health insurance and Canada and other government pension plan premiums, workers' compensation levies, and retirement contributions, including those imposed by any Governmental Authority, and (b) any liability for the payment of any amount of the type described in the immediately preceding clause (a) as a result of being a "transferee" (within the meaning of section 160 of the Tax Act or any other Applicable Laws) of another taxpayer or entity or a member of a related, non-arm's length, affiliated or combined group;
- (jj) **"Tax Act"** means the *Income Tax Act* (Canada), as amended from time to time;
- (kk) **"Transaction"** means the purchase of the Purchased Assets and the assumption of the Assumed Liabilities contemplated by this Agreement and any of the other transactions contemplated by this Agreement; and
- (ll) **"Transfer Taxes"** has the meaning given to it in Section 2.5(a).

## **1.2 Appendices and Schedules**

The following Schedules form part of this Agreement:

**Schedule A                  Purchased Assets**

## **1.3 Statutes**

Unless specified otherwise, reference in this Agreement to a statute refers to that statute as it may be amended, or to any restated or successor legislation of comparable effect.

## **1.4 Headings and Table of Contents**

The inclusion of headings and a table of contents in this Agreement is for convenience of reference only and shall not affect the construction or interpretation hereof.

## **1.5 Interpretations**

In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders. In addition, every use of the words "including" or "includes" in this Agreement is to be construed as meaning "including, without limitation" or "includes, without limitation", respectively.

## **1.6 Currency**

Except where otherwise expressly provided, all amounts in this Agreement are stated and shall be paid in Canadian dollars.

## **1.7 Invalidity of Provisions**

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.

## **1.8 Entire Agreement**

This Agreement and the agreements and other documents required to be delivered pursuant to this Agreement constitute the entire agreement between the Parties and set out all the covenants, promises, warranties, representations, conditions and agreements between the Parties in connection with the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document required to be delivered pursuant to this Agreement.

## **1.9 Waiver, Amendment**

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless executed in writing by the Vendor and the Purchaser. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

## **1.10 Governing Law, Jurisdiction and Venue**

This Agreement, the rights and obligations of the Parties under this Agreement, and any claim or controversy directly or indirectly based upon or arising out of or in connection with this Agreement or the Transaction or any part thereof, including all matters of construction, validity and performance, as well as the rights and obligations of the Parties hereunder or thereunder, shall in all respects be governed by, and interpreted, construed and determined in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to the conflicts of law principles thereof. The Parties consent to the exclusive jurisdiction and venue of the courts of the Court for the resolution of any such disputes arising under or in connection with this Agreement. Each Party agrees that service of process on such Party as provided in Section 11.6 shall be deemed effective service of process on such Party.

## **ARTICLE 2 PURCHASE AND SALE**

### **2.1 Purchased Assets**

Subject to the terms and conditions of this Agreement, at the Closing and effective as of the Closing Time and the Vendor agrees to sell, assign, transfer and convey to the Purchaser, and the Purchaser agrees to purchase, assume and accept from the Vendor, free and clear of all Encumbrances, all of the right, title, benefit and interest of the Vendor, if any, in, to and under, or relating to, the Purchased Assets.

### **2.2 Excluded Assets**

Other than the Purchased Assets, the Purchaser expressly understands and agrees that it is not purchasing or acquiring, and Vendor is not selling or assigning, any other assets or properties of Vendor, and all such other assets and properties shall be excluded from the Purchased Assets (collectively, the "Excluded Assets").

### **2.3 Purchase Price**

The Purchase Price payable by the Purchaser to the Vendor for the Purchased Assets shall be in cash of readily available funds in the amount of \$30,000, to be paid at the Closing Time (the "Purchase Price").

### **2.4 Purchase Price Allocation**

The Purchaser shall, acting reasonably, prepare and deliver to the Vendor an allocation of Purchase Price among the Purchased Assets within 120 days following Closing. Such allocation shall be

binding on the Vendor and Purchaser, and the Vendor and Purchaser will file all Tax returns in a manner consistent with such allocation.

## **2.5 Tax Matters**

- (a) All amounts payable by the Purchaser pursuant to this Agreement are exclusive of any GST/HST and all transfer, documentary, sales, use, registration and provincial sales Taxes arising in connection with the sale, conveyance, assignment and transfer of the Purchased Assets to the Purchaser (collectively, "Transfer Taxes"). The Purchaser will be solely liable and responsible for and will pay, if required by Applicable Law, all Transfer Taxes (and within the time periods required thereunder). The Parties will cooperate with each other in good faith and will use commercially reasonable efforts to assist the Purchaser in mitigating such Taxes. If the Vendor is required by any Applicable Law or by administration thereof to collect any applicable Transfer Taxes from the Purchaser, the Purchaser will pay such amounts to the Vendor concurrent with the payment of any consideration payable pursuant to this Agreement or, if arising after Closing, forthwith, and the Vendor will pay such amounts to the applicable Governmental Authority on a timely basis and otherwise in accordance with Applicable Laws.
- (b) The Purchaser agrees to indemnify and save the Vendor harmless from and against all claims and demands for payment of all Transfer Taxes payable by the Purchaser in connection with the purchase of the Purchased Assets, including penalties and interest thereon and any liability or costs incurred as a result of any failure by the Purchaser to pay such Taxes when due.
- (c) The Parties agree to furnish or cause to be furnished to each other, as promptly as practicable, such information and assistance relating to the Purchased Assets and the Assumed Liabilities as is reasonably necessary for the preparation and filing of any Tax return, claim for refund or other required filings relating to Tax matters, for the preparation for and proof of facts during any Tax audit, for the preparation for any Tax protest, for the prosecution of any suit or other proceedings relating to Tax matters and for the answer to any inquiry of any Governmental Authority relating to Tax matters.

## **ARTICLE 3 ASSUMED LIABILITIES AND EXCLUDED LIABILITIES**

### **3.1 Assumed Liabilities**

Subject to Closing, the Purchaser agrees to assume, pay, discharge, perform, as the case may be, from and after the Closing Time, all obligations and liabilities related to the operation of the Purchased Assets on or after the Closing Date (collectively, the "Assumed Liabilities"), which Assumed Liabilities shall exclude the Excluded Liabilities.

### **3.2 Excluded Liabilities**

Except as expressly assumed by the Purchaser pursuant to Section 3.1, the Purchaser shall not

assume, accept or undertake any debt, obligation, duty or liability of the Vendor of any kind or nature whatsoever, whether accrued, contingent, known or unknown, express or implied, direct or indirect, liquidated or unliquidated, contingent or otherwise, and whether due or to become due (the "Excluded Liabilities"), which Excluded Liabilities, without limitation, shall include the following liabilities or obligations:

- (a) all liabilities and obligations relating to the Excluded Assets;
- (b) all liabilities and obligations for (i) all Taxes of the Vendor for any Tax period; all Taxes relating to the Purchased Assets for periods (or any portion thereof) ending on or prior to the Closing Date, including any Taxes based upon operation, possession, use or ownership of the Purchased Assets, (ii) any Taxes in respect of any payments to Persons employed or retained in connection with the Business in respect of any period prior, and any related obligation to withhold or remit Taxes, even though a claim may be made after the Closing Date, and (iii) any Taxes relating to the Excluded Assets;
- (c) all liabilities and obligations relating to the employment or the termination of the employment of any employees of the Vendor; and
- (d) all liabilities of the Vendor to its debtholders and other creditors.

### 3.3 Purchased Contracts

- (a) The Vendor will use commercially reasonable efforts to obtain the consents necessary to permit the assignment to, and assumption by, the Purchaser of all the Purchased Contracts and the Assumed Liabilities in respect thereof to be assigned to and assumed by the Purchaser pursuant to this Agreement, provided that except as provided for in this Agreement, such efforts will not require the Vendor to pay any amounts. The Purchaser will provide its reasonable cooperation to assist the Vendor in obtaining such consents.
- (b) Nothing in this Agreement will constitute an agreement to assign or an attempted assignment of non-assignment rights or any Contract for which requisite consent has not been obtained (a "Consent Required Agreement") or which as a matter of Applicable Law or by its terms is not assignable. The Vendor will use commercially reasonable efforts, which may include obtaining an Assignment Order, and in connection with obtaining such Assignment Order, the Purchaser shall be required to pay any Cure Costs to the counter-party of such Consent Required Agreement.

## ARTICLE 4 REPRESENTATIONS AND WARRANTIES

The Vendor represents and warrants as follows to the Purchaser as of the date hereof and acknowledges and confirms that the Purchaser is relying upon the following representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

#### **4.1 Existence**

The Vendor is a corporation duly incorporated or established and validly existing under the laws of its governing jurisdiction and is duly qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions in which the nature of its assets or business makes such qualification necessary.

#### **4.2 Corporate Power**

Subject to Court approval of the Proposal, the Vendor has the requisite power to enter into, deliver and perform its obligations under this Agreement to which it is a party and to own its assets and to carry on its business as it is being conducted.

#### **4.3 Residence of the Vendor and Vendor**

The Vendor is not a non-resident of Canada for the purposes of the Tax Act.

#### **4.4 Due Authorization and Enforceability of Obligations**

Subject to Court approval of the Proposal, this Agreement has been duly and validly executed by the Vendor and constitutes a valid and binding obligation of the Vendor enforceable against it in accordance with its terms.

### **ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF THE PURCHASER**

The Purchaser represents and warrants to the Vendor as follows, and acknowledges that the Vendor is relying upon the following representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

#### **5.1 Existence**

The Purchaser is a corporation duly incorporated or established and validly existing under the laws of its governing jurisdiction and is duly qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions in which the nature of its assets or business makes such qualification necessary.

#### **5.2 Corporate Power**

Subject to Court approval of the Proposal, the Purchaser has the requisite power to enter into, deliver and perform its obligations under this Agreement to which it is a party and to own its assets and to carry on its business as it is being conducted.

#### **5.3 Due Authorization and Enforceability of Obligations**

Pursuant to Court approval of the Proposal, this Agreement has been duly and validly executed by the Vendor and constitutes a valid and binding obligation of the Vendor enforceable against it in accordance with its terms.

#### **5.4 Residence of The Purchaser**

The Purchaser is not a non-resident of Canada for the purposes of the Tax Act.

#### **5.5 Due Authorization and Enforceability of Obligations**

The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary corporate action of the Purchaser. This Agreement has been duly and validly executed by the Purchaser and constitutes a valid and binding obligation of the Purchaser enforceable against it in accordance with its terms.

#### **5.6 GST/HST Legislation**

The Purchaser will be registered for purposes of the GST/HST Legislation prior to Closing and shall provide the Vendor with its registration number prior to Closing.

#### **5.7 Diligence**

The Purchaser acknowledges and agrees that: (a) it is purchasing the Purchased Assets and assuming the Assumed Liabilities on an "as is, where is" basis; (b) it has relied upon its own independent review, investigation and inspection of the documents and information made available by or on behalf of the Vendor for the purpose of the Transaction; (c) except as expressly set forth in this Agreement, it is not relying upon any written or oral statements, documents, information, representations, promises, warranties or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Purchased Assets, the Business or the Assumed Liabilities; and (d) the obligations of the Purchaser under this Agreement are not conditional upon any additional due diligence.

#### **5.8 Adequate Funds**

The Purchaser has adequate funds available in an aggregate amount sufficient to pay: (a) all amounts required to be paid by the Purchaser under this Agreement; and (b) all expenses which have been or will be incurred by the Purchaser in connection with this Agreement and the Transaction.

#### **5.9 No Violation**

The execution and delivery of this Agreement by the Purchaser and the consummation of the Transactions herein provided for will not result in the violation of, or constitute a default under, or conflict with or cause the acceleration of any obligation of the Purchaser under:

- (a) any Contract to which the Purchaser is a party or by which it is bound;
- (b) any judgment, decree, order or award of any court, governmental body or arbitrator having jurisdiction over the Purchaser; or
- (c) any Applicable Law, save and except for those matters set out as conditions to Closing.



**ARTICLE 6  
AS IS, WHERE IS**

**6.1 As Is, Where Is**

THE PURCHASER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN, THE PURCHASED ASSETS AND THE BUSINESS RELATED THERETO ARE PURCHASED AND THE ASSUMED LIABILITIES ARE ASSUMED BY THE PURCHASER ON AN "AS IS, WHERE IS" BASIS AS THEY SHALL EXIST AT THE CLOSING DATE WITH ALL FAULTS AND WITHOUT ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, IN FACT OR BY LAW WITH RESPECT TO THE PURCHASED ASSETS, THE BUSINESS AND THE ASSUMED LIABILITIES, AND WITHOUT ANY RECOURSE TO THE VENDOR OR ANY OF ITS DIRECTORS, OFFICERS, SHAREHOLDERS, EMPLOYEES, REPRESENTATIVES, AGENTS OR ADVISORS. THE PURCHASER AGREES TO ACCEPT THE PURCHASED ASSETS, THE BUSINESS RELATED THERETO AND THE ASSUMED LIABILITIES IN THE CONDITION, STATE AND LOCATION THEY ARE IN ON THE CLOSING DATE BASED ON THE PURCHASER'S OWN INSPECTION, EXAMINATION AND DETERMINATION WITH RESPECT TO ALL MATTERS AND WITHOUT RELIANCE UPON ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES OF ANY NATURE MADE BY OR ON BEHALF OF OR IMPUTED TO THE VENDOR, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT. Unless specifically stated in this Agreement, the Purchaser acknowledges and agrees that no representation, warranty, term or condition, understanding or collateral agreement, whether statutory, express or implied, oral or written, legal, equitable, conventional, collateral or otherwise, is being given by the Vendor in this Agreement or in any instrument furnished in connection with this Agreement, as to description, fitness for purpose, sufficiency to carry on any business, merchantability, quantity, condition, latent defects, quality, value, suitability, durability, environmental condition, assignability or marketability thereof, or in respect of any other matter or thing whatsoever, and all of the same are expressly excluded. The provisions of this Section 6.1 shall survive and not merge on Closing.

**ARTICLE 7  
OTHER AGREEMENTS**

**7.1 Conduct Prior To Closing**

During the Interim Period, the Purchaser shall:

- (a) maintain, preserve and protect the Purchased Assets in the condition in which they exist on the date hereof; and
- (b) comply in all material respects with all Applicable Laws relating to the use of the Purchased Assets.

## ARTICLE 8 CONDITIONS

### 8.1 Conditions for The Benefit of The Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions to be fulfilled or performed at or prior to the Closing:

- (a) **Truth of Representations and Warranties.** The respective representations and warranties of the Vendor and the Vendor contained in this Agreement shall be true and correct as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of such date (except for those representations and warranties that are made as of a specific time or date), which shall be certified by the Vendor, as the case may be, pursuant to the certificate delivered by the Vendor to the Purchaser at Closing;
- (b) **Performance of Covenants.** The Vendor shall have performed, in all material respects, each of its covenants and agreements to be performed at or prior to the Closing, which shall be certified by the Vendor, pursuant to certificates delivered by the Vendor to the Purchaser at Closing; and
- (c) **Deliverables.** The Vendor must have delivered to the Purchaser the documents contemplated in Section 9.2, in each case in form and substance satisfactory to the Purchaser, acting reasonably.

The conditions in this Section 8.1 are for the exclusive benefit of the Purchaser. Any condition in this Section 8.1 may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part.

### 8.2 Conditions for The Benefit of The Vendor

The obligation of the Vendor to complete the Transaction is subject to the following conditions to be fulfilled or performed at or prior to the Closing:

- (a) **Truth of Representation and Warranties.** The representations and warranties of the Purchaser contained in this Agreement shall be true and correct as of the Closing Date with the same force and effect as if such representations and warranties had been made on and of such date (except for those representations and warranties that are made as of a specific time or date), which shall be certified by the Purchaser pursuant to a certificate delivered to the Vendor at Closing;
- (b) **Performance of Covenants.** The Purchaser must shall have performed, in all material respects, each of its covenants and agreements to be performed by it at or prior to the Closing, which shall be certified by the Purchaser pursuant to a certificate delivered to the Vendor at Closing; and

- (c) **Deliverables.** The Purchaser must have delivered to the Vendor the documents contemplated in Section 9.3, in each case in form and substance satisfactory to the Vendor, acting reasonably.

The conditions in this Section 8.2 are for the exclusive benefit of the Vendor. Any condition in this Section 8.2 may be waived by the Vendor in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part.

### **8.3 Mutual Conditions**

The obligation of the Purchaser and the Vendor to complete the Transaction is subject to the following conditions to be fulfilled or performed at or prior to the Closing:

- (a) **No Legal Action.** No provision of any Applicable Laws and no judgment, injunction, order or decree by any Person that prohibits the consummation of the Transaction pursuant to and in accordance with this Agreement shall be in effect, pending or threatened; and
- (b) **Proposal Approval.** The creditors of the Vendor and the Court shall have approved the Proposal.

The conditions in this Section 8.3 are for the mutual benefit of the Purchaser and the Vendor. Any condition in this Section 8.3 may be waived jointly by the Purchaser and the Vendor in whole or in part, without prejudice to any of their rights of termination in the event of non-fulfillment of any other condition in whole or in part.

## **ARTICLE 9 CLOSING**

### **9.1 Date, Time and Place of Closing**

The completion of the Transaction will take place at the offices of Reconstruct LLP, at Royal Bank Plaza, South Tower 200 Bay Street, Suite 2305, Toronto, Ontario M5J 2J3 at 10:00 a.m. (Toronto time) on the Closing Date, or at such other place (including virtually through electronic exchange of documents), on such other date and at such other time as may be agreed upon in writing by the Parties. Notwithstanding the foregoing, the Parties acknowledge and agree that the Transaction will be deemed to have closed effective as of the Closing Time.

### **9.2 Vendor Deliverables at Closing**

At Closing, the Vendor will deliver or cause to be delivered to the Purchaser the following:

- (a) the General Conveyance and Assumption Agreement signed by the Vendor;
- (b) if applicable, the elections referred to in Section 2.5, in each case signed by the Vendor;
- (c) the certificate of the Vendor referred to in Section 8.1; and

- (d) all other documents reasonably requested by the Purchaser to be entered into or delivered by the Vendor or the Vendor at Closing pursuant to the terms of this Agreement.

### **9.3 Purchaser Deliverables at Closing**

At Closing, the Purchaser will deliver or cause to be delivered to the Vendor the following:

- (a) the Purchase Price contemplated by Section 2.3;
- (b) the General Conveyance and Assumption Agreement signed by the Purchaser;
- (c) if applicable, the elections referred to in Section 2.5, in each case signed by the Purchaser;
- (d) the certificates of the Purchaser referred to in Section 8.2;
- (e) the Purchaser's GST/HST registration number; and
- (f) all other documents reasonably requested by the Vendor to be entered into or delivered by the Purchaser at Closing pursuant to the terms of this Agreement.

### **9.4 Possession of Assets**

Subject to all the terms and conditions hereof being fulfilled, the transfer of the Purchased Assets shall be made on the Closing Date. From the date hereof, up and to the Closing Date, the Purchased Assets shall be held and the Business shall be managed and operated by the Vendor at the Vendor's risk in the ordinary course of business and the Vendor shall maintain on the Purchased Assets insurance policies of such classes and in such amounts as are usual in commercial enterprises similar to the Business herein operated.

## **ARTICLE 10 TERMINATION**

### **10.1 Termination**

This Agreement may be terminated at any time prior to Closing as follows:

- (a) by mutual written consent of the Vendor and the Purchaser;
- (b) by the Vendor, if there has been a material violation or breach by the Purchaser of any covenant, representation or warranty and such violation or breach has not been waived by the Vendor or cured within five Business Days after written notice thereof from the Vendor to the Purchaser, unless the Vendor is in material breach of its obligations under this Agreement; and
- (c) by the Purchaser, if there has been a material violation or breach by the Vendor or the Vendor of any covenant, representation or warranty and such violation or breach has not been waived by the Purchaser or cured within five Business Days after

written notice thereof from the Purchaser to the Vendor or the Vendor, unless the Purchaser is in material breach of its obligations under this Agreement.

## **10.2 Effect of Termination**

In the event of termination of this Agreement in accordance with its terms, this Agreement shall become void and of no further force and effect, except for Section 1.10 (Governing Law, Jurisdiction and Venue), and Article 11 (General Matters), each of which shall survive termination. Nothing in this Section 10.2 shall be deemed to relieve any Party from liability for any breach of this Agreement or to impair the right of any Party to compel specific performance by any other Party of its obligations under this Agreement.

## **ARTICLE 11 GENERAL MATTERS**

### **11.1 Further Assurances**

Each of the Parties shall, at the request and expense of the requesting Party, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other Parties such conveyances, transfers, documents and further assurances as may be reasonably necessary or desirable to give effect to this Agreement.

### **11.2 Survival**

None of the representations, warranties, agreements or covenants of any of the Parties set forth in this Agreement shall survive Closing, except for Section 1.10 (Governing Law), Article 11 (General Matters) and any other covenant or agreement that by its express terms is to survive or to be performed after Closing, in each case solely to the extent they are to be performed or operate by their express terms after the Closing.

### **11.3 Expenses**

Each of the Vendor and the Purchaser shall be responsible for the expenses (including fees and expenses of legal advisers, accountants and other professional advisers) incurred by them, respectively, in connection with the negotiation of this Agreement and the completion of the Transaction.

### **11.4 Time of the Essence**

Time will be of the essence in this Agreement.

### **11.5 Successors and Assigns**

This Agreement may not be assigned by the Vendor without the prior written consent of the Purchaser. This Agreement may not be assigned by the Purchaser without the prior written consent of the Vendor.

## 11.6 Notices

Any notice or other communication under this Agreement shall be in writing and may be delivered personally, by courier or by email, addressed:

If to the Purchaser at:

**DR. H.V.A.C. LTD**  
215 Advance Blvd Unit 1  
Brampton, Ontario L6T 4V9

Attention: Brendon Aldridge  
Email: b.aldridge@drhvac.ca

If to the Vendor at:

**CEDARWOOD HEATING & AIR CONDITIONING  
LIMITED**  
3400 Midland Avenue, Unit 9  
Scarborough, Ontario M1V 4V6

Attention: Stephen McGann  
E-mail: steve.mcgann01@gmail.com

Any such notice of other communication, if given by personal delivery or by courier, will be deemed to have been given on the day of actual delivery thereof and, if transmitted by email before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by email after 5:00 p.m. (Toronto time) on a Business Day or on a day that is not a Business Day, will be deemed to have been given on the next Business Day after the date of the transmission.

## 11.7 Amendment

This Agreement may be amended as to all Parties by instrument in writing signed by the Purchaser and the Vendor.

## 11.8 Counterparts, Electronic Signatures

This Agreement may be signed in any number of counterparts and each of such counterparts shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument. Execution of this Agreement may be made by email, PDF or other electronic format or transmission which, for all purposes, shall be deemed to be an original signature.

*[The remainder of this page has been left intentionally blank.]*

IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the date first written above.

**CEDARWOOD HEATING & AIR  
CONDITIONING LIMITED**

Per: *[Signature]*  
Name: \_\_\_\_\_  
Title: *President*

**DR. H.V.A.C. LTD**

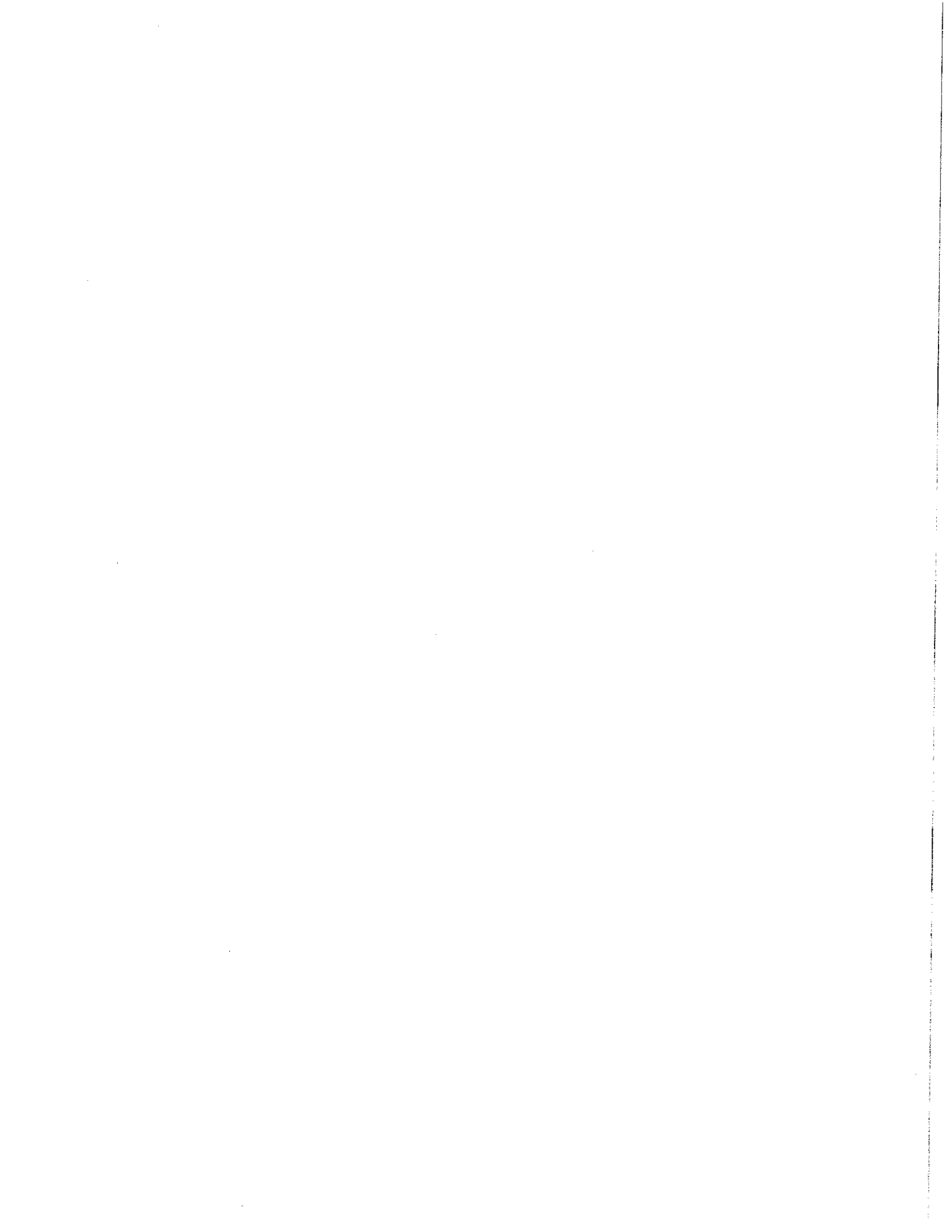
Per: *[Signature]*  
Name: \_\_\_\_\_  
Title: *Dr. Brendan Aldridge  
President*

**SCHEDULE A  
PURCHASED ASSETS SCHEDULE**

- (a) The Vendor's website and URL;
- (b) The Vendor's name and logo;
- (c) Customer database and profiles;
- (d) Google Business Profile Page;
- (e) Cell phones and telephone numbers;
- (f) Landline phone number;
- (g) Social media accounts and login information;
- (h) Company email addresses; and
- (i) Quickbooks online and CUC software logins.



# **REPORT ON PROPOSAL**



IN THE MATTER OF THE PROPOSAL OF  
CEDARWOOD HEATING & AIR CONDITIONING LIMITED  
OF THE CITY OF TORONTO  
IN THE PROVINCE OF ONTARIO

REPORT OF TRUSTEE ON PROPOSAL

FEBRUARY 6, 2023

INTRODUCTION

1. On December 30, 2022 (the "**Filing Date**"), Cedarwood Heating & Air Conditioning Limited ("**Cedarwood**", "**Debtor**" or the "**Company**") filed with the Official Receiver a Notice of Intention to Make a Proposal ("**NOI**") to its creditors and named Dodick Landau Inc. ("**DLI**") as Proposal Trustee (the "**Proposal Trustee**").
2. On January 27, 2023, pursuant to section 62 of the Bankruptcy and Insolvency Act ("**BIA**"), Cedarwood filed a proposal (the "**Proposal**") with the Proposal Trustee, who then filed the Proposal with the Official Receiver pursuant to section 62(1) of the Act.
3. The purpose of this report ("**Report**") is to provide information to the creditors of the Company (the "**Creditors**") to assist in their evaluation of the Proposal filed by Cedarwood.
4. The Proposal has been developed to effect a restructuring by way of a sale of the certain assets of the business with the expectation that all existing creditors will derive a greater benefit from the completion of the Purchase Transaction (as defined herein) than would result from a liquidation of the Company's assets in a bankruptcy proceeding.
5. **A meeting of the Creditors to consider the Proposal will be held via teleconference, on February 24, 2023, at 11:00 a.m. for creditors. Details relating to the filing of claims, and other documents, prior to the meeting of the creditors, are outlined in this report and will be mailed to each known Creditor, or their duly appointed representative.**

DISCLAIMER

6. In preparing this Report, the Proposal Trustee has relied upon certain unaudited, draft and/or internal financial information, the Company's books and records, discussions with the Company's

management ("**Management**"), Creditors and information from other third-party sources (collectively, the "**Information**"). Except as described in this Report:

- i) the Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Accountants Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance in respect of the Information;
  - ii) some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Canadian Institute of Chartered Accountants handbook, has not been performed; and
  - iii) the Proposal Trustee has prepared this Report in its capacity as a Court appointed officer and has made a copy of this Report available on DLI's website at [www.dodick.ca](http://www.dodick.ca). Parties using this Report, other than for the purpose of evaluating the Proposal, are cautioned that it may not be appropriate for their purposes. DLI will continue to maintain on its website copies of any court orders, reports and other material public filings it considers relevant to this proceeding.
7. Future oriented financial information referred to in this Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
  8. The capitalized terms not defined in this report are defined in the Proposal and this Report should only be read in conjunction with the Proposal. While this Report summarizes key aspects of the Proposal, Creditors are advised to carefully read the Proposal in full. Should there be any discrepancy between the summary contained in this Report and the Proposal, the Proposal shall govern.
  9. Unless otherwise stated, all monetary amounts contained herein are in Canadian dollars.

## **BACKGROUND**

### *Operations*

10. Cedarwood was incorporated May 12, 2005 and commenced operations in 2006. The Company is engaged in the sales and servicing of heating and air conditioning equipment.
11. The existing owner purchased the business in early 2021, following a year of poor financial results that were attributed to the repeated lockdowns and general instability created by the COVID-19 Pandemic, with the hopes of being able to turn around the finances of the Company.

### *Financial Results*

12. Cedarwood's unaudited financial statements indicate that for its fiscal years ended December 31, 2021 and December 31, 2022, it:
  - i) incurred net losses of approximately (\$90,000), and (\$60,000), respectively; and
  - ii) had total debt of approximately \$212,000 and \$208,000, respectively.

## **CAUSES OF FINANCIAL DIFFICULTIES**

13. Following its acquisition of the Company, the new owner revamped the Company's website and developed a new marketing plan with a view to growing the business and returning it to profitability.
14. Fiscal 2021 showed improved results as the Company was able to grow its revenue by 22% as compared to the prior year. However, it continued remain unprofitable.
15. In 2022, despite its plans to grow the business further, Management encountered many challenges including, among other things, work vehicle (truck) shortages and skilled labour shortages. The labour shortage resulted in the Company not being able to meet all of its customer demand during its peak season of June and July. The Fall season, which is typically slow, was even slower than historic levels and resulted in the Company burning through its cash reserves that it had built up over the summer season. As well, the Company was facing stiff competition in its market as its competitors were offering discounted pricing at levels that the Company could not meet while remaining profitable.
16. As in 2022 it was unable to attain profitability, its available funding was exhausted and the economic outlook for the Canadian economy for 2023 was bleak, Management looked for different

alternatives to save its investment in the business and entered discussions with a competitor to potentially purchase the business.

17. Ultimately, Management was able to enter into an agreement of purchase and sale for certain of the Company's intangible assets including, among other things, the customer lists, the website and the Company name and logo. The sale, which is discussed further below, is contingent on Creditor and Court approval. Once the terms of the transaction were finalized, Management had no alternative other than to file its NOI on the Filing Date in order to complete its sale and wind down of its remaining business.

## **SECURED AND UNSECURED DEBT**

### *Secured Creditors*

18. As of the date of this Report, Cedarwood is indebted to its Secured Creditors in respect of certain leased trucks. The Company's Secured Creditors shall be unaffected by this Proposal.

### *Crown Claims*

19. As of the date of this Report, Cedarwood has reviewed its books and records and notes that it is indebted to the Canada Revenue Agency ("CRA") for approximately \$9,000 in respect of unremitted employee source deductions from its final payroll.

### *Unsecured Trade Creditors*

### *Employee Preferred Claims*

20. As of the date of this Report, the Company has approximately \$1,000 in potential Employee Preferred Claims.

### *Unsecured Creditors*

21. According to Management, Cedarwood's unsecured trade debt totaled approximately \$263,000 at the Date of Filing. The unsecured indebtedness is owed to approximately 18 known unsecured creditors.
22. For the purposes of the Proposal, any Related Party Claims, which shall mean any indebtedness owed by the Company to current or former directors, officers or shareholders of the Company and to 12389134 Canada Inc., is subordinate to the Claims of the other Unsecured Creditors. At the

Date of Filing, Related Party Claims total approximately \$123,000 and are owed to two of the unsecured creditors. The remaining unrelated unsecured debt is approximately \$140,000.

## THE PURCHASE TRANSACTION

23. The offer referred to herein as the Purchase Agreement was entered into between the Company and Dr. H.V.A.C. LTD. (the "**Purchaser**") on January 26, 2023. This purchase transaction (the "**Purchase Transaction**") remains subject to Creditor and Court approval.
24. The consideration to be paid by the Purchaser to purchase certain of the Company's assets (the "**Purchased Assets**") is equal to the aggregate sum set out in section 2.3 of the Purchase Agreement, to be in the amount of \$30,000 (the "**Purchase Price**"). The payment of the Purchase Price shall be in cash of readily available funds to be paid at closing of the Purchase Transaction.
25. The Purchased Assets are comprised of those assets of the Company listed on Schedule "A" to the Purchase Agreement and excludes all other remaining assets of the Debtor including, among other things, cash-on-hand, accounts receivable and inventory.
26. Until closing of the Purchase Transaction, the Purchaser is using the Purchased Assets as agent for Cedarwood, in order to maintain the intangible value of the business (e.g. service customers) but will only take possession of the Purchased Assets on closing of the Purchase Transaction.
27. A copy of the Purchase Agreement is appended to the Proposal.

## THE PROPOSAL

### *Class*

28. For the purpose of this Proposal, the Creditors of the Company are comprised of a single class, consisting of Creditors having unsecured claims ("**Class 1**").
29. For greater certainty, the Creditors entitled to vote in Class 1 consist of unsecured trade creditors (i.e., holding claims without priority under the BIA), Preferred Creditors pursuant to the BIA, and claims of Her Majesty in right of Canada and any province for all amounts other than Crown Priority Claims.
30. Crown Priority Claims are all proven pre-filing claims of CRA, or any province, contemplated by section 60(1.1) of the BIA, consisting of unremitted source deductions. Crown Priority Claims will be paid in full, and shall be paid by the Company first from additional funds available from the wind

down of the Company's operations ("**Additional Funds**") and remitted by the Proposal Trustee to CRA, or the province, as applicable, within six (6) months of the granting of the Approval Order (defined below). As described above, the Company estimates that its Crown Priority Claims total \$10,000.

31. Any Proven Employee Preferred Claims shall be paid out of the Additional Funds. As described above, the Company estimates that its Employee Preferred Claims total \$1,000.
32. Preferred Claims, other than Employee Preferred Claims (if any), shall be paid in full, without interest out of the Funded Proposal Payment (defined below), in priority to all claims of Unsecured Creditors in accordance with the scheme of distribution set forth in the BIA.
33. Unsecured Creditors shall vote as a class and will be paid from the Funded Proposal Payment after Proven Preferred Claims are satisfied.

#### *Funding the Proposal*

34. The Proposal contemplates affecting a restructuring of the indebtedness of the Company by completion of the Purchase Transaction contemplated by the Purchase Agreement. Upon closing of the Purchase Transaction, the Company will direct the Purchaser to pay the purchase price to the Proposal Trustee.
35. In addition, the Company will pay to the Trustee from its remaining cash on hand, on the Effective Date, a lump sum amount of \$15,000.00 ("**Funded Proposal Payment**").
36. The Funded Proposal Payment and the Purchase Price together total \$45,000 and will be distributed to Affected creditors as outlined below.
37. For greater certainty, the amounts set out in this Paragraph shall not include Crown Claims and Employee Preferred Claims, if any, which Claims will be paid from funds in addition to the Funded Proposal Payment.

#### *Distribution*

38. All distribution(s) are subject to the Superintendent's Levy in accordance with the BIA.
39. The Purchase Price and Funded Proposal Payment shall be distributed by the Trustee in the following order of priority:



- i) Administrative Fees and Expenses - To fund all administrative fees and expenses of the Proposal Trustee, including the legal fees of the Trustee and the Debtor.
- ii) Bankruptcy Reserve - To establish a reserve of \$15,000 to be held in trust by the Proposal Trustee, which amount shall be used to fund the administrative costs of the bankruptcy of the Company in the event that the Proposal is annulled and the Company becomes bankrupt, failing which such amount shall be distributed to the Creditors.
- iii) Proven Claims of Preferred Creditors – To pay all Proven Preferred Claims, if any, other than Employee Preferred Claims which would have been paid immediately following Court approval from Additional Funds.
- iv) Proven Claims of Unsecured Creditors – The remainder will be distributed among all the Unsecured Creditors, who will share pro rata out of the funds available after payment of the foregoing.
- v) Proven Related Party Claim Creditors - Should there be any remaining balance of the Purchase Price and Funded Proposal Payment, the balance shall be distributed pro rata among the Proven Related Party Claims.

#### **OVERVIEW OF THE DEBTOR'S WEEKLY CASH FLOW FORECAST**

- 40. The Debtor, with the assistance of the Proposal Trustee, has prepared a cash flow forecast for the period from December 31, 2022 to March 31, 2023 ("**Cash Flow Forecast**"). A copy of the Cash Flow Forecast is attached hereto as **Appendix "A"** to this Report. The Cash Flow Forecast has been prepared by Management of the Debtor for the purpose of this motion, using probable and hypothetical assumptions set out in notes 1 to 6 attached to the Cash Flow Forecast. The Cash Flow Forecast reflects receipts and disbursements to be received or paid over the thirteen-week forecast period in Canadian dollars.
- 41. The Cash Flow Forecast projects that the Debtor will have sufficient liquidity to fund their expenses and the Proposal proceeding throughout the Proposal proceeding.
- 42. The Proposal Trustee's review of the Cash Flow Forecast consisted of inquiries, analytical procedures and discussion related to information supplied to the Proposal Trustee by certain of the Management and employees of the Debtor. Since hypothetical assumptions need not be supported, the Proposal Trustee's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Forecast. The Proposal Trustee

has also reviewed the support provided by Management of the Debtor for the probable assumptions, and the preparation and presentation of the Cash Flow Forecast.

43. Based on the Proposal Trustee's review, nothing has come to its attention to cause it to believe that, in all material respects:
- i) the hypothetical assumptions are not consistent with the purpose of the Cash Flow Forecast;
  - ii) as at the date of this Report, the probable assumptions developed by Management are not suitably supported and consistent with the plans of the Debtor or do not provide a reasonable basis for the Cash Flow Forecast, given the hypothetical assumptions; or
  - iii) the Cash Flow Forecast does not reflect the probable and hypothetical Assumptions.
44. As described in the Disclaimer above, since the Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented, even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Proposal Trustee expresses no assurance as to whether the Cash Flow Forecast will be achieved. In addition, the Proposal Trustee expresses no opinion or other form of assurance with respect to the accuracy of financial information presented in the Cash Flow Forecast.
45. The Cash Flow Forecast has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

## **LIQUIDATION ANALYSIS / ESTIMATED RECOVERY IN BANKRUPTCY**

### *Liquidation Analysis*

46. In the event that the Proposal is not accepted by the Creditors and the Debtor is deemed bankrupt, the following liquidation analysis represents the estimated value of the Debtor's assets should there be a liquidation.
47. The Proposal Trustee has relied on representations of the Company in determining the estimated liquidation value of the assets. The liquidation analysis was prepared at a point in time, being the end of January 2023. However, the value of the cash-on-hand and accounts receivable are changing as receipts are collected and payments are made. Accordingly, in the event that the Company were to become bankrupt and a liquidation was conducted, the realizable value of the assets at that time may be different than presented below.

**Summary of Estimated Liquidation Value  
As at January 27, 2023  
(000's)**

|                                       | Notes | Total            |
|---------------------------------------|-------|------------------|
| <b>Receipts</b>                       |       |                  |
| Cash                                  | 1     | 9,500            |
| Accounts Receivable                   | 2     | 8,000            |
| Truck                                 | 3     | 5,000            |
| Intangible Assets                     | 4     | -                |
| <b>Total Receipts</b>                 |       | <b>22,500</b>    |
| <b>Disbursements</b>                  |       |                  |
| Administrative costs                  |       | -                |
| <b>Total Disbursements</b>            |       | <b>-</b>         |
| <b>Net Cash Flow from Liquidation</b> |       | <b>\$ 22,500</b> |

**Notes:**

1. Cash on hand as of the January 27, 2023.
2. Accounts Receivable collections are the remaining customer balances that Management advises are collectible.
3. Expected realizable value of the Company's trucks, net of any realization costs.
4. It is assumed that in a bankruptcy, the Trustee would not be able to realize any value for the intangible assets being purchased by way of the Sale Transaction. The Sale Transaction is viable as the Purchaser is providing all the required customer service as agent for Cedarwood until the closing of the Purchase Transaction. In a bankruptcy scenario the Trustee could not provide this same service as the business would be idled and, accordingly, it is expected that there would be no realizable value for the intangible assets.

**Estimated Recovery – Bankruptcy vs. Proposal Scenario**

48. The following chart (which is rounded to the nearest thousands' of dollars) sets out the expected recovery to CRA (Crown Priority Claims) and the Unsecured Creditors under a Bankruptcy scenario and the Proposal scenario. As can be seen below, the net estimated recovery to:
- a) the Unsecured Creditors in a bankruptcy scenario is approximately 1% versus approximately 24% under the Proposal scenario; and
  - b) the CRA for Crown Priority Claims is 100% in both a Bankruptcy Scenario and Proposal Scenario.

The analysis under the Proposal scenario assumes that the Purchase Transaction successfully closes and the Purchase Price is collected by the Proposal Trustee.

| Estimated Recovery in a Liquidation Scenario                             |             | Estimated Recovery in a Proposal Scenario               |             |
|--|-------------|---|-------------|
| Liquidation Value of Assets (based on a liquidation as calculated above) | 23          | Proposal Payments (note 1)                              | 45          |
| Less: CRA Crown Priority Claims (note 2)                                 | (9)         | Less: CRA Crown Priority Claims (note 2)                | n/a         |
| Less: Employee Preferred Claims (note 3)                                 | (1)         | Less: Employee Preferred Claims (note 3)                | n/a         |
| Less: Estimated Professional fees and expenses (note 4)                  | (10)        | Less: Estimated Professional fees and expenses (note 4) | (10)        |
| Less: Superintendent's Levy (note 5)                                     | <u>(1)</u>  | Less: Superintendent's Levy (note 5)                    | <u>(2)</u>  |
| Net amount available for Unsecured Creditors                             | 2           | Net amount available for Unsecured Creditors            | 33          |
| Estimated Claims of Unsecured Creditors                                  | 263         | Estimated Claims of Unsecured Creditors (note 6)        | 140         |
| Estimated Recovery to CRA  | <u>100%</u> | Estimated Recovery to CRA                               | <u>100%</u> |
| Estimated Recovery to Unsecured Creditors                                | <u>1%</u>   | Estimated Recovery to Unsecured Creditors               | <u>24%</u>  |

**Notes:**

1. *The proposal payments are the sum of the Purchase Price plus the Funded Proposal Payments.*
2. *In a proposal scenario, CRA Crown Claims will be paid from Additional Funds to be provided by the Debtor. In a bankruptcy scenario the CRA Crown Claims will be paid in full in priority to Unsecured Creditors.*
3. *In a proposal scenario, Employee Preferred Claims will be paid from Additional Funds to be provided by the Debtor. In a bankruptcy scenario CRA will be paid in full in priority to Unsecured Creditors.*
4. *In the case of a bankruptcy, this amount represents a provision for the estimated additional professional fees incurred by a bankruptcy proceeding over the amount of \$15,000 already received as a retainer in advance of the commencement of the proceeding. In the case of the Proposal, professional fees include administering the Proposal before and after Court approval and will be funded by way of the retainer described above plus the estimate included above paid from Proposal payments.*
5. *The Superintendent's Levy is applicable to payments made to Preferred and Unsecured Creditors in both bankruptcy and proposal proceedings and is calculated as 5% of each payment. It is not applicable to payments made to satisfy deemed trust claims.*
6. *Estimated Claims for Unsecured Creditors in a Proposal exclude Related Party Claims totaling approximately \$123,000 as such Claims shall be subordinated and will not participate in any distributions.*

## CREDITORS' MEETING/VOTING PROCEDURE AND CLASSES OF CREDITORS

### *Creditors' Meeting/Voting Procedure*

49. The primary purpose of the Creditors' Meeting is to permit Creditors to consider the acceptance or rejection of the Proposal. For the Proposal to be accepted, at least two-thirds (66.67%) of each creditor class by dollar value, and more than 50% of each creditor class by number, must vote in favour of the Proposal at the meeting either in person, by proxy or by mailing a voting letter to the Proposal Trustee in advance of the meeting. Only Creditors who actually vote are counted for the purpose of determining whether the necessary thresholds have been reached. Creditors related to the Debtor may not vote for the Proposal.
50. **To be eligible to vote on the Proposal, Creditors must have filed with the Proposal Trustee, before the meeting, a proof of claim form signed and witnessed as required and accompanied by a statement of account or affidavit in support of the claim. Those Creditors who do not intend to have a personal representative at the meeting, to be held on February 24, 2023, may complete and submit the voting letter which is enclosed in the creditor package prior to the meeting indicating their vote for or against the acceptance of the Proposal. The Proposal Trustee has also enclosed a form of proxy should a Creditor wish to appoint a proxy to represent them at the meeting. If the Proposal is not accepted by the required majorities of unsecured creditors, the Company will be deemed bankrupt.**
51. If the Proposal is accepted by the required statutory majorities referenced above, the Proposal Trustee will then make an application to the Court for approval of the Proposal. If the Court provides such approval ("**Approval Order**"), the Proposal will be binding on all Creditors and such Creditors, and their respective heirs, executors, administrators, successors and assigns, shall have no further Claim against the Company other than for the distributions provided in the Proposal.
52. For purposes of considering, and voting on, the Proposal, and receiving a distribution pursuant to the Proposal, the Creditors are grouped in one (1) class.
53. The Proposal does not compromise or otherwise affect certain creditor claims, specifically:
- i) claims for goods and/or services delivered to the Company on or after the Date of Filing, December 31, 2022, including Administrative Fees and Expenses;
  - ii) Crown Priority Claims, if any;

- iii) Proven Claims of Preferred Creditors, if any, payable in priority to all claims of Unsecured Creditors in accordance with the scheme of distribution set forth in the BIA; and
- iv) Secured Creditor Claims.

54. Distributions to Creditors will be made as described in the "Distribution" section of this Report.

#### **ALTERNATIVES TO THE PROPOSAL**

55. At the Creditors' Meeting, the Creditors are being asked by the Proposal Trustee to choose between two alternatives, namely accepting the Proposal and implementing the related Purchase Transaction as a source of funding for the Proposal, or rejecting the Proposal which would result in the Debtor being deemed bankrupt.
56. The Proposal Trustee believes that voting in favour of the Proposal and the Purchase Transaction will yield a greater net result for the Unsecured Creditors. If the Proposal is not approved by the Creditors, the most likely alternative would be a liquidation of the assets of the Company by the Trustee in Bankruptcy.
57. For the reasons described above, the Proposal Trustee is of the view that the Proposal Scenario, including the implementation of the Purchase Transaction, will produce a more favourable result for the Creditors of the Debtor than would a bankruptcy.

#### **CONDUCT OF THE DEBTOR**

##### *Preference Transactions and Transfers at Undervalue*

58. The Proposal contemplates that Sections 95-101 of the BIA shall not apply in connection with this Proposal and, as a result, the Proposal Trustee shall have no responsibility, liability or authority whatsoever in connection herewith. Accordingly, the Proposal Trustee has not undertaken a detailed review for possible preference transactions or transfers at undervalue.
59. If the Company was to become bankrupt, and either preference transactions or transfers at undervalue did exist, it is possible that some of these transactions could be found to be void through Court proceedings. The Proposal Trustee is not aware of any such transactions existing.

*Conduct Post-Filing*

60. Pursuant to Section 50(10) of the BIA, the Proposal Trustee is required to monitor the affairs of the Company until the Proposal is approved by the Court.
61. During the NOI Period, the Company worked diligently with the Proposal Trustee to prepare and complete its Proposal. The Company continues to meet its liquidity needs in order to be able to successfully implement the Proposal.

**CREDITORS' CLAIMS**

62. To date, no provable claims in the Proposal have been received by the Proposal Trustee.

**PREVIOUS BUSINESS DEALINGS WITH THE DEBTOR**

63. The Proposal Trustee has not had any business dealings with the Debtor prior to its appointment as Proposal Trustee and is not in a conflict of interest.

**SUMMARY COMMENTS/RECOMMENDATION**

64. For the reasons set out in this Report it is the Proposal Trustee's opinion that:
- i. the Proposal will allow for a greater recovery to the Creditors of the Company than they would receive in a bankruptcy proceeding; and
  - ii. acceptance of the Proposal is in the best interest of the Creditors. If the Proposal is rejected by the Creditors, the Company will be deemed automatically bankrupt and it is uncertain what the actual realizable values of the assets will ultimately be in a bankruptcy scenario. Accordingly, the Proposal Trustee recommends that the Creditors vote in favour of the Proposal.

Yours very truly,

**DODICK LANDAU INC.**

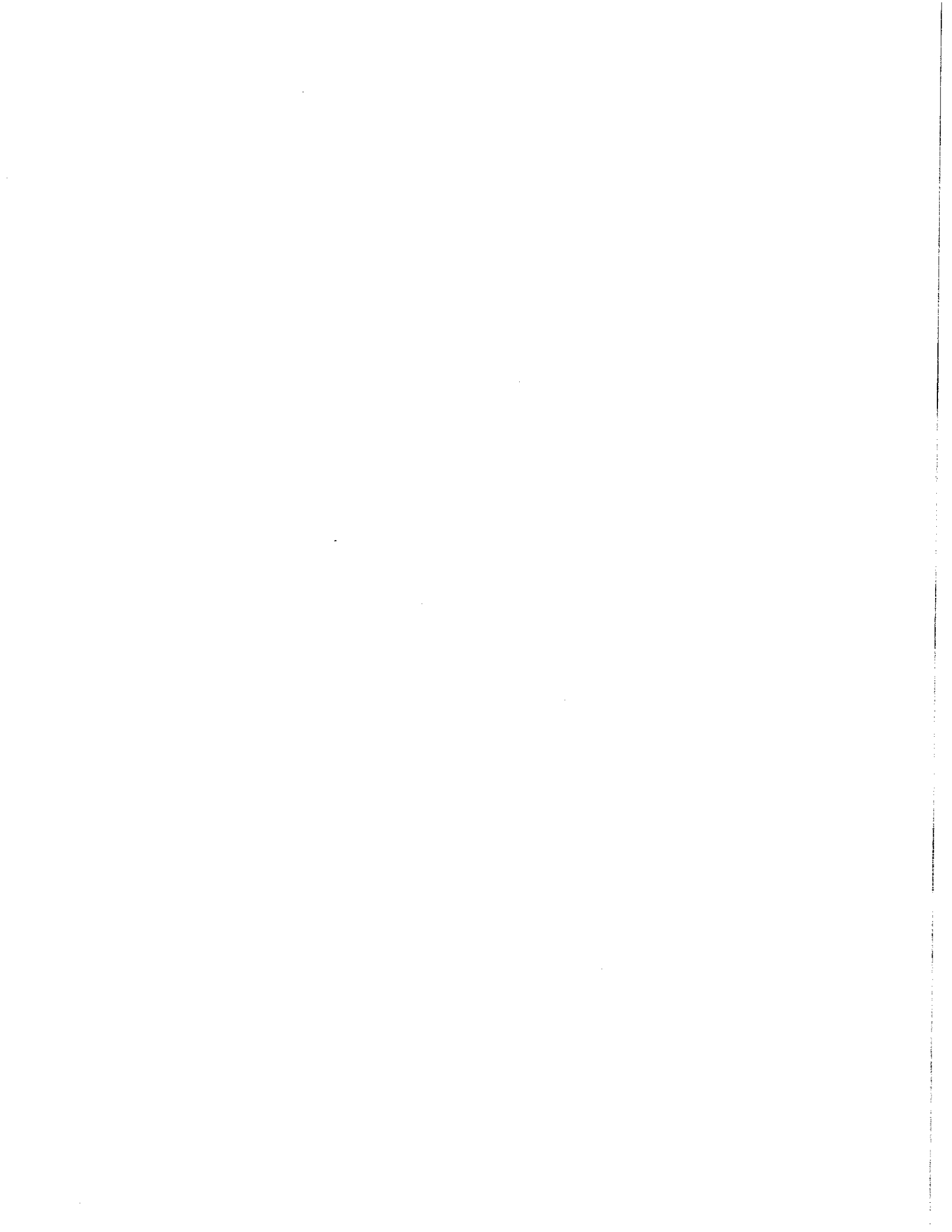
Trustee *re* the Proposal of Cedarwood Heating & Air Conditioning Limited  
and not in its personal or corporate capacity.

Per:



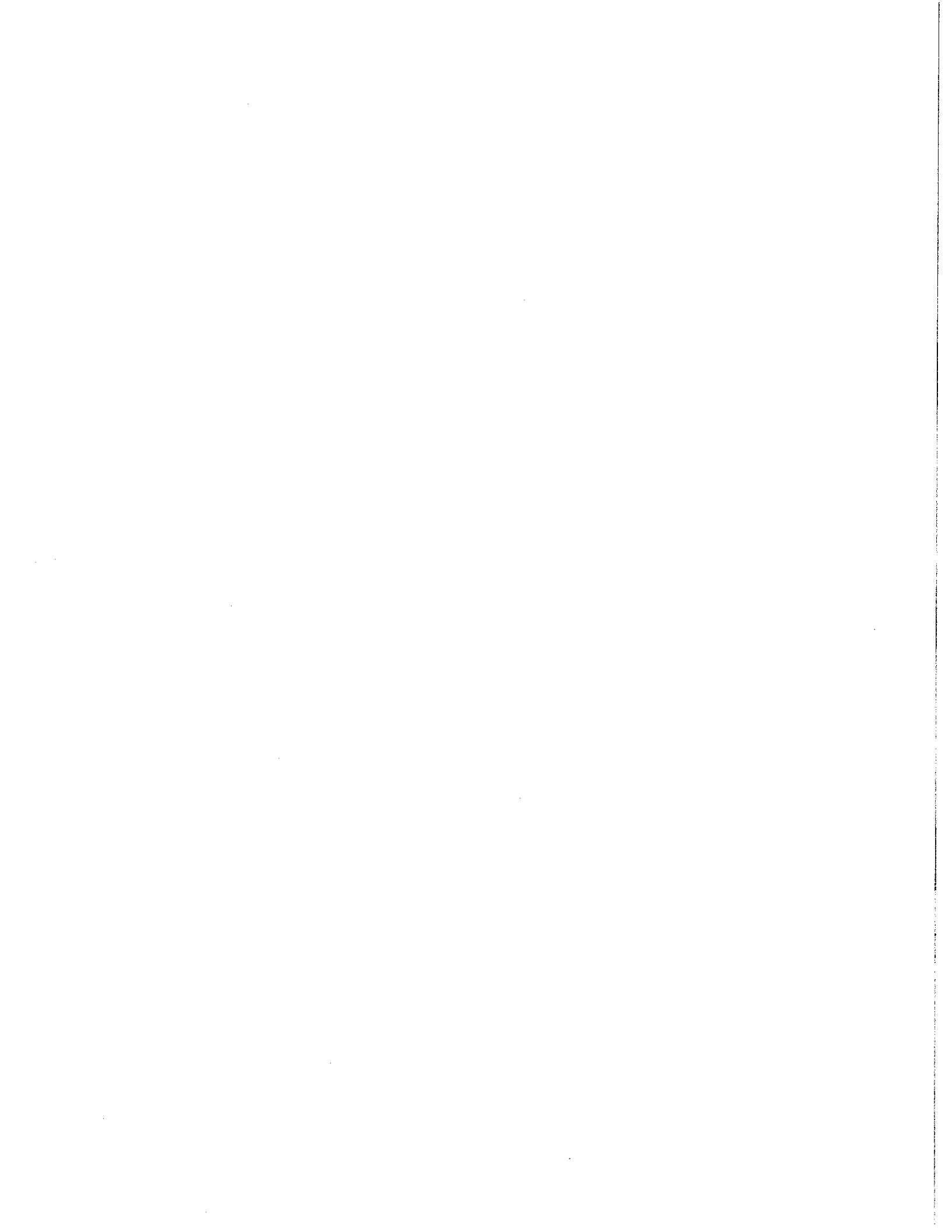
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Rahn Dodick, CPA, CA, CIRP, LIT





# APPENDIX "A"




**Cedarwood Heating & Air Conditioning Limited**  
**Weekly Cash Flow Forecast**  
 For the period from December 31, 2022 to March 31, 2023

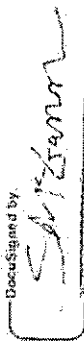
| Week Ending          | Notes | 06-Jan-23 | 13-Jan-23 | 20-Jan-23 | 27-Jan-23 | 03-Feb-23 | 10-Feb-23 | 17-Feb-23 | 24-Feb-23 | 03-Mar-23 | 10-Mar-23 | 17-Mar-23 | 24-Mar-23 | 31-Mar-23 | TOTAL  |
|----------------------|-------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------|
| Receipts             | 2     |           |           | 7,000     | 21,500    |           |           |           |           |           |           |           |           |           |        |
| Disbursements        |       |           |           |           |           |           |           |           |           |           |           |           |           |           |        |
| Operating Costs      | 3     |           |           | 1,050     | 230       |           |           |           |           |           |           |           |           |           | 1,280  |
| CGA Expenses         | 4     |           | 1,555     |           | 1,555     |           | 5         |           |           |           |           |           |           |           | 3,115  |
| Professional Fees    | 5     |           |           |           | 7,500     | 5,000     |           |           |           |           |           |           |           |           | 12,500 |
| Total Disbursements  |       |           | 1,555     | 1,050     | 9,285     | 5,000     | 5         |           |           |           |           |           |           |           | 16,895 |
| Net Cash Flow        |       |           | (1,555)   | 5,950     | 12,215    | (5,000)   | (5)       |           |           |           |           |           |           |           | 12,605 |
| Bank Balance         |       |           |           |           |           |           |           |           |           |           |           |           |           |           |        |
| Opening Bank Balance | 6     | 1,825     | 1,825     | 270       | 6,220     | 19,435    | 16,435    | 14,430    | 14,430    | 14,430    | 14,430    | 14,430    | 14,430    | 14,430    | 1,825  |
| Add: Net Cash Flow   |       | (1,555)   | 5,950     | 12,215    | (5,000)   | (5)       |           |           |           |           |           |           |           |           | 12,605 |
| Closing Bank Balance |       | 1,825     | 270       | 6,220     | 19,435    | 14,430    | 14,430    | 14,430    | 14,430    | 14,430    | 14,430    | 14,430    | 14,430    | 14,430    | 14,430 |

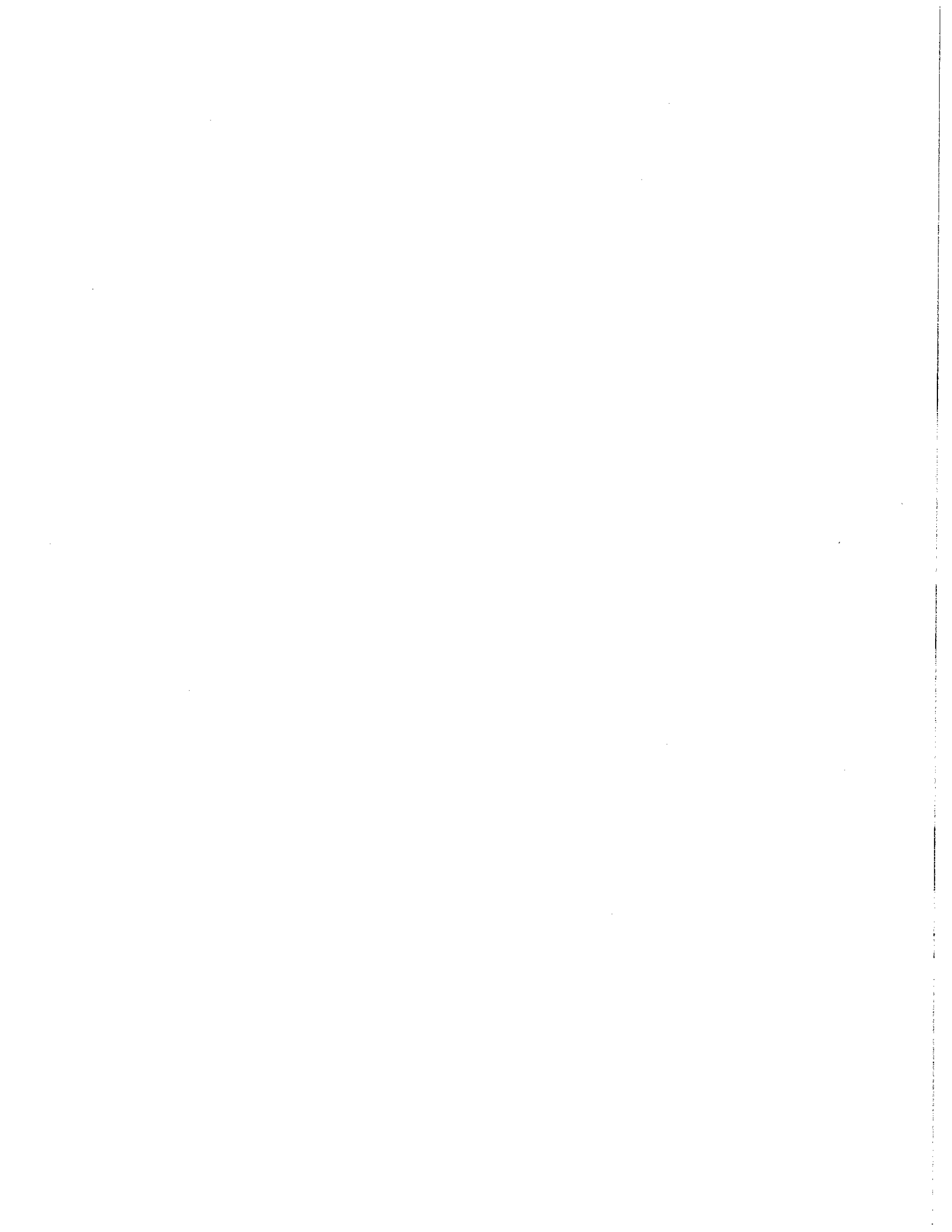
This statement of forecast cash flow of Cedarwood Heating & Air Conditioning Limited is prepared in accordance with section 50.9 (2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the accompanying notes and Trustee's report on cash flow statement dated this 6th day of January, 2023.

Dodick Landau Inc.

Per:   
 Rahn Dodick, CPA, CA, CIRP, LIT

Cedarwood Heating & Air Conditioning Limited

DocuSigned by:  
  
 Per: Steven McGann



**Cedarwood Heating & Air Conditioning Limited ("Cedar" or the "Company")**  
**Major Assumptions**  
**Cash Flow Forecast**  
**For the Period December 31, 2022 to March 31, 2023 (the "Period")**

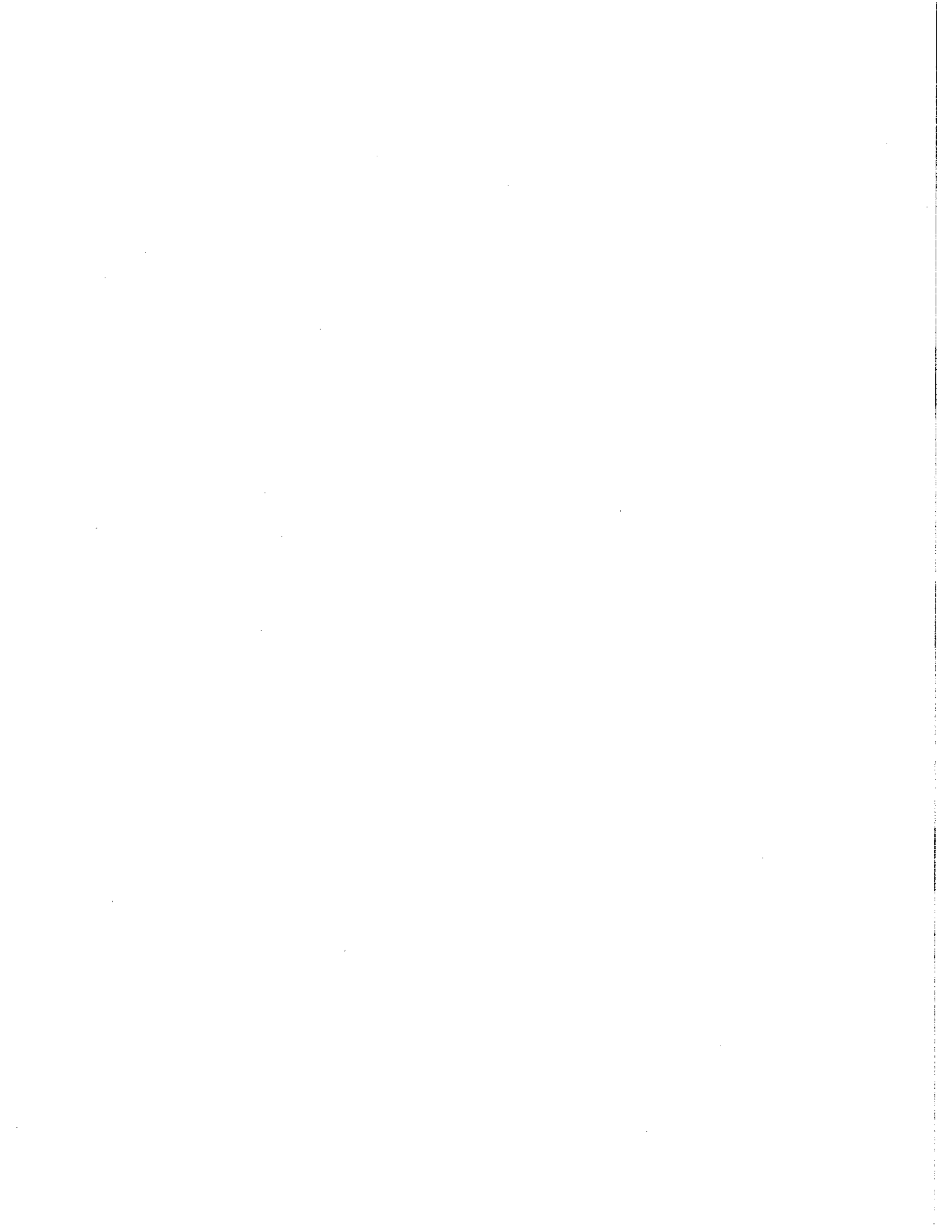
1. Cedar's financial projections have been prepared for the purpose of meeting the requirements of the Bankruptcy and Insolvency Act. The Projection is based on the hypotheses that Cedar's active business has ceased and a sale of the business will be completed to a third party purchaser after Court approval of the company's Proposal.

**Receipts:**

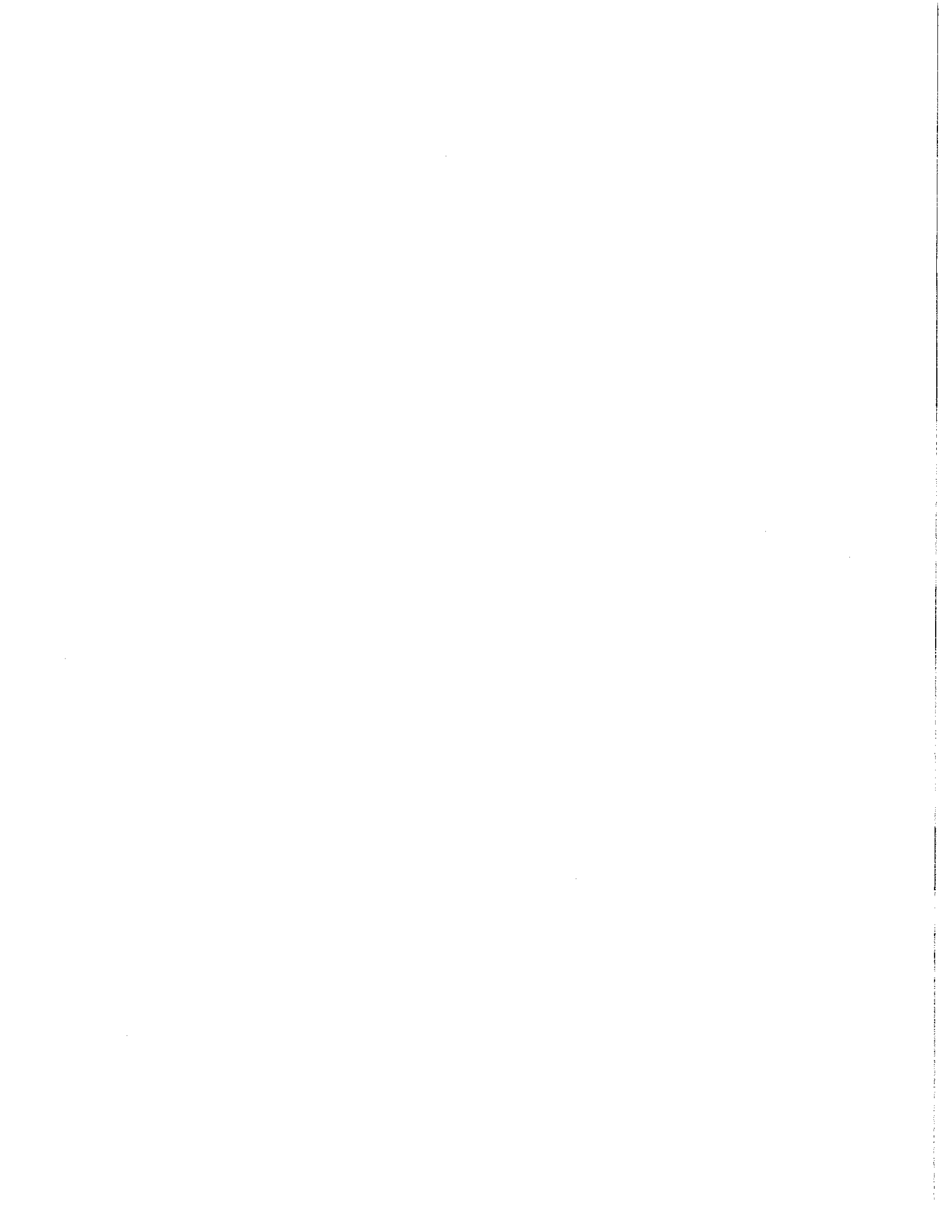
2. Cedar's receipts for the purposes of this cash flow are based on collections of existing receivables and the sale of certain remaining inventory and other assets.

**Disbursements:**

3. Occupancy expenses include payment of office rental's condominium fees, insurance and utilities.
4. General and administrative expense include general office expenses, book keeping fees and bank charges.
5. Professional fees include fees for the Proposal Trustee and the Company's legal counsel for the Period.
6. The opening cash balance as of December 31, 2022 is \$1,825.



# **STATEMENT OF AFFAIRS**





District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2898056  
 Estate No. 31-2898056

Original  Amended

- Form 78 -  
 Statement of Affairs (Business Proposal) made by an entity  
 (Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

In the Matter of the Proposal of  
 Cedarwood Heating & Air Conditioning Limited  
 of the city of Scarborough, in the Province of Ontario


To the debtor:

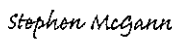
You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 30th day of December 2022. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

| LIABILITIES<br>(as stated and estimated by the officer)          |            | ASSETS<br>(as stated and estimated by the officer)               |            |
|--|------------|--|------------|
| 1. Unsecured creditors as per list "A" .....                     | 262,701.08 | 1. Inventory .....   | 0.00       |
| Balance of secured claims as per list "B" .....                  | 0.00       | 2. Trade fixtures, etc. ....                                     | 0.00       |
| Total unsecured creditors .....                                  | 262,701.08 | 3. Accounts receivable and other receivables, as per list "E"    |            |
| 2. Secured creditors as per list "B" .....                       | 10,003.00  | Good .....   | 8,000.00   |
| 3. Preferred creditors as per list "C" .....                     | 2,000.00   | Doubtful .....   | 0.00       |
| 4. Contingent, trust claims or other liabilities as per list "D" |            | Bad .....  | 0.00       |
| estimated to be reclaimable for .....                            | 0.00       | Estimated to produce .....                                       | 8,000.00   |
| Total liabilities .....  | 274,704.08 | 4. Bills of exchange, promissory note, etc., as per list "F" ... | 0.00       |
| Surplus .....  | NIL        | 5. Deposits in financial institutions .....                      | 0.00       |
|  |            | 6. Cash .....  | 12,000.00  |
|  |            | 7. Livestock .....   | 0.00       |
|  |            | 8. Machinery, equipment and plant .....                          | 8,000.00   |
|  |            | 9. Real property or immovable as per list "G" .....              | 0.00       |
|  |            | 10. Furniture .....  | 0.00       |
|  |            | 11. RRSPs, RRIFs, life insurance, etc. ....                      | 0.00       |
|  |            | 12. Securities (shares, bonds, debentures, etc.) .....           | 0.00       |
|  |            | 13. Interests under wills .....                                  | 0.00       |
|  |            | 14. Vehicles .....   | 3.00       |
|  |            | 15. Other property, as per list "H" .....                        | 0.00       |
|  |            | If debtor is a corporation, add:                                 |            |
|  |            | Amount of subscribed capital .....                               | 0.00       |
|  |            | Amount paid on capital .....                                     | 0.00       |
|  |            | Balance subscribed and unpaid .....                              | 0.00       |
|  |            | Estimated to produce .....                                       | 0.00       |
|  |            | Total assets .....   | 28,003.00  |
|  |            | Deficiency .....   | 246,701.08 |

I, Stephen McGann, of the city of Scarborough in the Province of Ontario, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of the affairs of the Corporation on the 27th day of January 2023 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED) remotely by Stephen McGann stated as being located in the city of Scarborough in the Province of Ontario before me at the city of Toronto in the Province of Ontario, on this 27th day of January 2023 in accordance with provincial Regulation on Administering Oath or Declaration Remotely.

  
 Rahn Dodick / Jan 28, 2023 13:46 (EST)  
 Rahn Dodick, Commissioner of Oaths  
 For the Province of Ontario  
 Expires July 20, 2023

  
 Stephen McGann

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2898056  
 Estate No. 31-2898056

FORM 78 - Continued

In the Matter of the Proposal of  
 Cedarwood Heating & Air Conditioning Limited  
 of the city of Scarborough, in the Province of Ontario  
 List "A"  
 Unsecured Creditors

Cedarwood Heating & Air Conditioning Limited

| No.           | Name of creditor   | Address  | Unsecured claim   | Balance of claim | Total claim       |
|---------------|--|--|-------------------|------------------|-------------------|
| 1             | 12389134 Canada Inc.                                       | 3400 Midland Avenue, Unit 9<br>Scarborough ON M1V 4V6  | 52,893.75         | 0.00             | 52,893.75         |
| 2             | Ann Snider   | x<br>x ON X1X 1X1  | 10,000.00         | 0.00             | 10,000.00         |
| 3             | Bardon Supplies Limited<br>Attn: Caroline Ceh              | 405 College St Et, PO Box 1023<br>Belleville ON K8N 5B6  | 1,617.03          | 0.00             | 1,617.03          |
| 4             | Bell Canada F-88 - Business<br>Attn: Insolvency Department | 1 Carrefour Alexandre-Graham-Bell, Allé E3<br>Verdun QC H3E 3B3  | 386.23            | 0.00             | 386.23            |
| 5             | Briffa Air, Heating & Cooling Inc.                         | 13 Applewood Crescent, Unit 9<br>Concord ON L4K 4E4  | 3,183.21          | 0.00             | 3,183.21          |
| 6             | Carrier Canada   | Box 57421, Stn. A<br>Toronto ON M5W 5M5  | 962.39            | 0.00             | 962.39            |
| 7             | City of Toronto "PI"                                       | Box 4282, Stn. A<br>Toronto ON M5W 2E1   | 30.00             | 0.00             | 30.00             |
| 8             | Climatecare Coop Corp.                                     | 920 Brant Street<br>Burlington ON L7R 4J1  | 30,000.00         | 0.00             | 30,000.00         |
| 9             | CRA - Tax - Ontario<br>838822872RC001                      | Shawinigan-Sud National Verification and Collection<br>Centre<br>4695 Shawinigan-Sud Blvd<br>Shawinigan-Sud QC G9P 5H9 | 31,000.00         | 0.00             | 31,000.00         |
| 10            | CRA - Tax - Ontario<br>838822872RT001                      | Shawinigan-Sud National Verification and Collection<br>Centre<br>4695 Shawinigan-Sud Blvd<br>Shawinigan-Sud QC G9P 5H9 | 18,000.00         | 0.00             | 18,000.00         |
| 11            | Hai (Richard) Huang  | x<br>Xx ON X1X 1X1   | 10,000.00         | 0.00             | 10,000.00         |
| 12            | Home Depot c/o Citl Cards Canada (Acct 603529)             | PO Box 2052, Stn B<br>Mississauga ON L4Y 0B4   | 250.00            | 0.00             | 250.00            |
| 13            | Lois Anderson  | x<br>Xx ON X1X 1X1   | 10,000.00         | 0.00             | 10,000.00         |
| 14            | Master Group Inc.  | 8865 Highway 50, Unit 1<br>Vaughan ON L4H 4V5  | 5,972.59          | 0.00             | 5,972.59          |
| 15            | Midway Metal Products                                      | 201 Ashtonbee Road<br>Scarborough ON M1L 2P1   | 510.87            | 0.00             | 510.87            |
| 16            | Orson Hagleitner   | x<br>Xx ON X1X 1X1   | 10,000.00         | 0.00             | 10,000.00         |
| 17            | Stephen McGann   | 3400 Midland Avenue, Unit 9<br>Scarborough ON M1V 4V6  | 70,827.32         | 0.00             | 70,827.32         |
| 18            | Stephenson's Rental Services                               | 6895 Columbus Rd<br>Mississauga ON L5T 2G9   | 204.12            | 0.00             | 204.12            |
| 19            | Wolseley Canada Inc.                                       | P.O. Box 4220, Stn. Main<br>Concord ON L4K 0L6   | 6,613.57          | 0.00             | 6,613.57          |
| 20            | Workplace Safety and Insurance Board<br>Attn: Eric Kupka   | 200 Front St W, 22nd Floor<br>Toronto ON M5V 3J1   | 250.00            | 0.00             | 250.00            |
| <b>Total:</b> |  |  | <b>262,701.08</b> | <b>0.00</b>      | <b>262,701.08</b> |

27-Jan-2023

Date

Stephen McGann

Stephen McGann

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2898056  
 Estate No. 31-2898056

FORM 78 - Continued

In the Matter of the Proposal of  
 Cedarwood Heating & Air Conditioning Limited  
 of the city of Scarborough, in the Province of Ontario  
 List "B"  
 Secured Creditors

Cedarwood Heating & Air Conditioning Limited

| No. | Name of creditor   | Address   | Amount of claim | Particulars of security  | When given   | Estimated value of security              | Estimated surplus from security                  | Balance of claim |
|-----|--|---|-----------------|--|--|--|--|------------------|
| 1   | Addison Leasing<br>Attn: Bob Loucks<br>1FTEW1EPXKFC89596 | 2233 Argentia Road, Suite<br>303 East Tower<br>Mississauga ON L5N 2X7 | 1.00            | Cash on Hand - Cash on Hand<br><br>Motor Vehicles - Automobile - 2019 - Ford - F-150 XLT - 1FTEW1EPXKFC89596<br><br>Business Assets - Machinery - Equity re vehicles on hand<br><br>Debts Due - Business - Accounts Receivable | 27-Jan-2023<br><br>29-Aug-2019<br><br>27-Jan-2023<br><br>29-Aug-2019 | 1.00<br><br>0.00<br><br>0.00<br><br>0.00 | <br><br>1.00<br><br><br>                         |                  |
| 2   | Addison Leasing<br>Attn: Bob Loucks<br>1FTFW1E51MKD42635 | 2233 Argentia Road, Suite<br>303 East Tower<br>Mississauga ON L5N 2X7 | 1.00            | Debts Due - Business - Accounts Receivable<br><br>Motor Vehicles - Automobile - 2021 - Ford - F-150 XLT - 1FTFW1E51MKD42635<br><br>Business Assets - Machinery - Equity re vehicles on hand<br><br>Cash on Hand - Cash on Hand | 29-Aug-2019<br><br>28-Apr-2021<br><br>29-Aug-2019<br><br>27-Jan-2023 | 1.00<br><br>0.00<br><br>0.00<br><br>0.00 | <br><br>1.00<br><br><br>                         |                  |
| 3   | Addison Leasing<br>Attn: Bob Loucks<br>1GTW7AFG3J1190646 | 2233 Argentia Road, Suite<br>303 East Tower<br>Mississauga ON L5N 2X7 | 1.00            | Motor Vehicles - Automobile - 2018 - GMC - Savana - 1GTW7AFG3J1190646<br><br>Business Assets - Machinery - Equity re vehicles on hand<br><br>Debts Due - Business - Accounts Receivable<br><br>Cash on Hand - Cash on Hand     | 24-Jan-2022<br><br>27-Jan-2023<br><br>29-Aug-2019<br><br>27-Jan-2023 | 1.00<br><br>0.00<br><br>0.00<br><br>0.00 | <br><br>8,000.00<br><br>7,999.00<br><br>1,999.00 |                  |

27-Jan-2023

Date

Stephen McGann

Stephen McGann

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2898056  
 Estate No. 31-2898056

FORM 78 -- Continued

In the Matter of the Proposal of  
 Cedarwood Heating & Air Conditioning Limited  
 of the city of Scarborough, in the Province of Ontario  
 List "B"  
 Secured Creditors

Cedarwood Heating & Air Conditioning Limited

| No. | Name of creditor                       | Address   | Amount of claim  | Particulars of security   | When given  | Estimated value of security | Estimated surplus from security | Balance of claim |
|-----|--|---|------------------|---|-------------|-----------------------------|---------------------------------|------------------|
| 4   | CRA - Tax - Ontario<br>839822872RP0001 | Shawinigan-Sud National<br>Verification and Collection<br>Centre<br>4695 Shawinigan-Sud<br>Blvd<br>Shawinigan-Sud QC G9P<br>5H9 | 10,000.00        | Cash on Hand - Cash on<br>Hand  | 27-Jan-2023 | 10,000.00                   |                                 |                  |
|     |  |   |                  | Business Assets - Machinery<br>- Equity re vehicles on hand                     | 01-Jan-2022 | 0.00                        |                                 |                  |
|     |  |   |                  | Motor Vehicles - Automobile -<br>2018 - GMC - Savana -<br>1GTW7AFG3J1190646     | 01-Jan-2022 | 0.00                        |                                 |                  |
|     |  |   |                  | Motor Vehicles - Automobile -<br>2019 - Ford - F-150 XLT -<br>1FTEW1EPXKFC89596 | 01-Jan-2022 | 0.00                        |                                 |                  |
|     |  |   |                  | Motor Vehicles - Automobile -<br>2021 - Ford - F-150 XLT -<br>1FTFW1E51MKD42635 | 01-Jan-2022 | 0.00                        |                                 |                  |
|     |  |   |                  | Debts Due - Business -<br>Accounts Receivable                                   | 01-Jan-2022 | 0.00                        |                                 |                  |
|     |  | <b>Total:</b>   | <b>10,003.00</b> |   |             | <b>10,003.00</b>            | <b>18,000.00</b>                | <b>0.00</b>      |

27-Jan-2023

Date

*Stephen McGann*

Stephen McGann

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2898056  
 Estate No. 31-2898056

FORM 78 -- Continued

In the Matter of the Proposal of  
 Cedarwood Heating & Air Conditioning Limited  
 of the city of Scarborough, in the Province of Ontario  
 List "C"  
 Preferred Creditors for Wages, Rent, etc.

Cedarwood Heating & Air Conditioning Limited

| No.    | Name of creditor    | Address and occupation | Nature of claim | Period during which claim accrued | Amount of claim | Amount payable in full | Difference ranking for dividend |
|--------|---------------------|------------------------|-----------------|-----------------------------------|-----------------|------------------------|---------------------------------|
| 1      | Ann Snider          | x<br>x ON X1X 1X1      |                 | -                                 | 500.00          | 0.00                   | 500.00                          |
| 2      | Hai (Richard) Huang | x<br>Xx ON X1X 1X1     |                 | -                                 | 500.00          | 0.00                   | 500.00                          |
| 3      | Lois Anderson       | x<br>Xx ON X1X 1X1     |                 | -                                 | 500.00          | 0.00                   | 500.00                          |
| 4      | Orson Hagleitner    | x<br>Xx ON X1X 1X1     |                 | -                                 | 500.00          | 0.00                   | 500.00                          |
| Total: |                     |                        |                 |                                   | 2,000.00        | 0.00                   | 2,000.00                        |

27-Jan-2023

Date

*Stephen McGann*

Stephen McGann

District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-2898056  
Estate No. 31-2898056

FORM 78 -- Continued

In the Matter of the Proposal of  
Cedarwood Heating & Air Conditioning Limited  
of the city of Scarborough, in the Province of Ontario  
List "D"  
Contingent or Other Liabilities

Cedarwood Heating & Air Conditioning Limited

| No.    | Name of creditor or claimant | Address and occupation | Amount of liability or claim | Amount expected to rank for dividend | Date when liability incurred | Nature of liability |
|--------|------------------------------|------------------------|------------------------------|--------------------------------------|------------------------------|---------------------|
| Total: |                              |                        | 0.00                         | 0.00                                 |                              |                     |

27-Jan-2023

Date

*Stephen McGann*

Stephen McGann

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2898056  
 Estate No. 31-2898056

FORM 78 - Continued

In the Matter of the Proposal of  
 Cedarwood Heating & Air Conditioning Limited  
 of the city of Scarborough, in the Province of Ontario  
 List "E"  
 Debts Due to the Debtor  
 Cedarwood Heating & Air Conditioning Limited

| No.    | Name of debtor      | Address and occupation | Nature of debt | Amount of debt (good, doubtful, bad) | Folio of ledgers or other book where particulars to be found | When contracted | Estimated to produce | Particulars of any securities held for debt |
|--------|---------------------|------------------------|----------------|--------------------------------------|--|-----------------|----------------------|---|
| 1      | Accounts Receivable | x<br>Xx ON X1X 1X1     | x              | 8,000.00<br>0.00<br>0.00             |  | 01-Jan-2022     | 8,000.00             | x   |
| Total: |                     |                        |                | 8,000.00<br>0.00<br>0.00             |  |                 | 8,000.00             |   |

27-Jan-2023

Date

*Stephen McGann*

Stephen McGann

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2898056  
 Estate No. 31-2898056

FORM 78 - Continued

In the Matter of the Proposal of  
 Cedarwood Heating & Air Conditioning Limited  
 of the city of Scarborough, in the Province of Ontario  
 List "F"

Bills of Exchange, Promissory Notes, Lien Notes, Chattel  
 Mortgages, etc., Available as Assets

Cedarwood Heating & Air Conditioning Limited

| No.    | Name of all promissory, acceptors, endorsers, mortgagors, and guarantors | Address | Occupation | Amount of bill or note, etc. | Date when due | Estimated to produce | Particulars of any property held as security for payment of bill or note, etc. |
|--------|--|---------|------------|------------------------------|---------------|----------------------|--|
| Total: |  |         |            | 0.00                         |               | 0.00                 |  |

27-Jan-2023

Date

*Stephen McGann*

Stephen McGann



District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-2898056  
Estate No. 31-2898056

FORM 78 - Continued

In the Matter of the Proposal of  
Cedarwood Heating & Air Conditioning Limited  
of the city of Scarborough, in the Province of Ontario  
List "G"

Real Property or Immovables Owned by Debtor

Cedarwood Heating & Air Conditioning Limited

| Description of property | Nature of debtor interest | In whose name does title stand | Total value | Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount) | Equity or surplus |
|-------------------------|---------------------------|--------------------------------|-------------|--|-------------------|
| Total:                  |                           |                                | 0.00        |  | 0.00              |

27-Jan-2023

Date

*Stephen McGann*

Stephen McGann

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2898056  
 Estate No. 31-2898056

FORM 78 -- Concluded

In the Matter of the Proposal of  
 Cedarwood Heating & Air Conditioning Limited  
 of the city of Scarborough, in the Province of Ontario  
 List "H"  
 Property

Cedarwood Heating & Air Conditioning Limited  
 FULL STATEMENT OF PROPERTY

| Nature of property                       | Location | Details of property   | Original cost | Estimated to produce |
|--|----------|---|---------------|----------------------|
| (a) Stock-in-trade                       |          |   | 0.00          | 0.00                 |
| (b) Trade fixtures, etc.                 |          |   | 0.00          | 0.00                 |
| (c) Cash in financial institutions       |          |   | 0.00          | 0.00                 |
| (d) Cash on hand                         |          | Cash on hand  | 12,000.00     | 12,000.00            |
| (e) Livestock                            |          |   | 0.00          | 0.00                 |
| (f) Machinery, equipment and plant       |          | Equity re vehicles on hand                                  | 0.00          | 8,000.00             |
| (g) Furniture                            |          |   | 0.00          | 0.00                 |
| (h) Life insurance policies, RRSPs, etc. |          |   | 0.00          | 0.00                 |
| (i) Securities                           |          |   | 0.00          | 0.00                 |
| (j) Interests under wills, etc.          |          |   | 0.00          | 0.00                 |
| (k) Vehicles                             |          | Automobile - 2019 - Ford - F-150 XLT -<br>1FTEW1EPXKFC89596 | 0.00          | 1.00                 |
|  |          | Automobile - 2021 - Ford - F-150 XLT -<br>1FTFW1E51MKD42635 | 0.00          | 1.00                 |
|  |          | Automobile - 2018 - GMC - Savana -<br>1GTW7AFG3J1190646     | 0.00          | 1.00                 |
| (l) Taxes                                |          |   | 0.00          | 0.00                 |
| (m) Other                                |          |   | 0.00          | 0.00                 |
|  |          |   | <b>Total:</b> | <b>20,003.00</b>     |

27-Jan-2023

Date

*Stephen McGann*

Stephen McGann

Court No. 31-2898056

File No. 31-2898056

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In the Matter of the Proposal of  
Cedarwood Heating & Air Conditioning Limited  
of the city of Scarborough, in the Province of Ontario

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Form 78 (Bill C-12)  
Statement of affairs (Business bankruptcy)

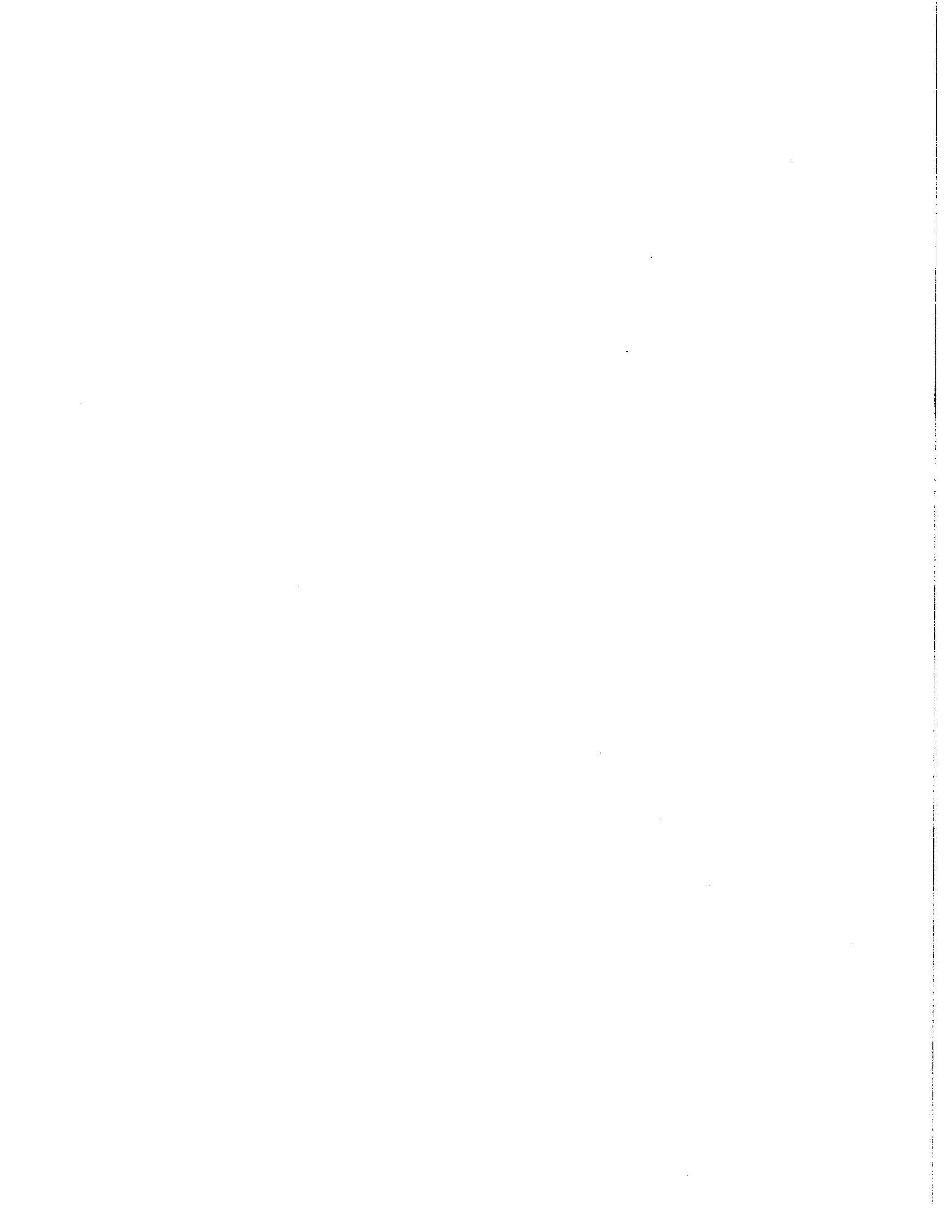
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Trustee: Rahn Dodick  
License: 3276  
Email: rahn.dodick@dodick.ca

Dodick Landau Inc. - Licensed Insolvency Trustee

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951 Wilson Ave., Unit 15L  
Toronto ON M3K 2A7  
Phone: (416) 736-4357 Fax: (866) 874-1791



# **PROOF OF CLAIM WITH INSTRUCTIONS**



# DODICK LANDAU

## PROOF OF CLAIM FORM 31

IN THE MATTER OF THE PROPOSAL OF **Cedarwood Heating & Air Conditioning Limited** (referred to in this form as "the debtor")  
and the claim of \_\_\_\_\_ (referred to in this form as "the creditor")

All notices or correspondence regarding this claim to be forwarded to the creditor at the following address:

Telephone : \_\_\_\_\_ Fax : \_\_\_\_\_ Email : \_\_\_\_\_

I, \_\_\_\_\_ residing in the \_\_\_\_\_  
(name of person signing claim) (city, town, etc.)  
of \_\_\_\_\_ in the Province of \_\_\_\_\_  
(name of city, town, etc.)

Do hereby certify that:

If an officer of the company, state position or title

1. I am the creditor or I am \_\_\_\_\_ of the creditor.  
(state position or title)

2. I have knowledge of all the circumstances connected with the claim referred to in this form.

The attached statement of account must include invoices or other evidence in support of the claim

3. The debtor was, at the date of the Notice of Intention to Make a Proposal, namely **December 30, 2022** and still is, indebted to the creditor in the sum of \$ \_\_\_\_\_, as specified in the statement of account attached hereto and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled.

Check and complete appropriate category.

4. A **Unsecured claim** of \$ \_\_\_\_\_  
In respect to the said debt, I do not hold any assets of the debtor as security and

Check appropriate description and attach a separate sheet to detail and support priority claim, if applicable.

(i) I do not claim a right to a priority  
or  
(ii) I do claim a right to a priority under section 136 of the Bankruptcy and Insolvency Act (the "Act").

Give full particulars of the claim, including the calculations upon which the claim is based.

B **Claim of landlord for disclaimer of a lease** of \$ \_\_\_\_\_  
That I hereby makes a claim under subsection 65.2(4) of the Act, particulars of which are as follows:

Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.

C **Secured claim** of \$ \_\_\_\_\_  
In respect of the said debt, I hold assets of the debtor valued at \$ \_\_\_\_\_ as security, particulars of which are as follows: \_\_\_\_\_

Attach a copy of sales agreement and delivery receipts.

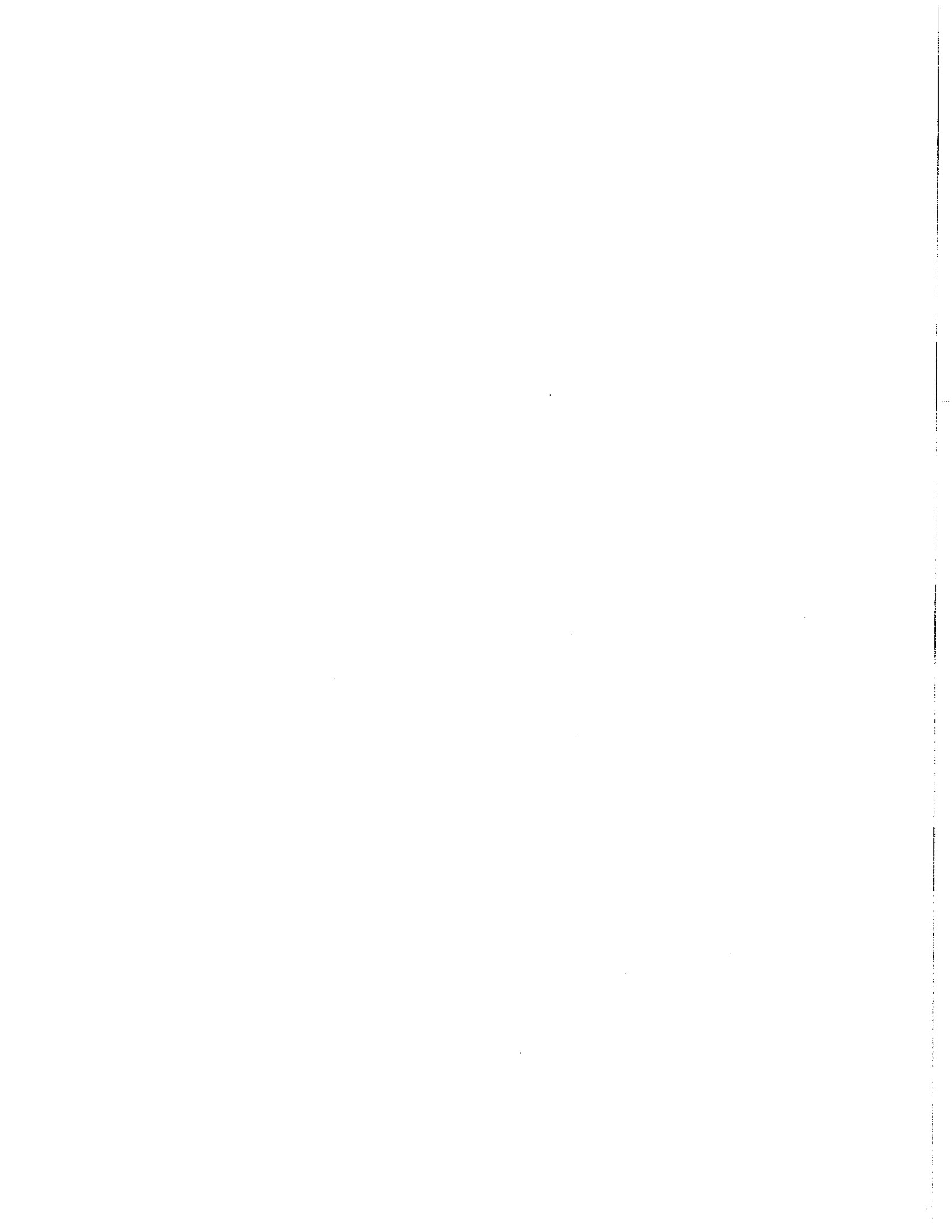
D **Claim by farmer, fisherman, or aquaculturist** of \$ \_\_\_\_\_  
That I hereby makes a claim under subsection 81.2(1) of the Act for the unpaid amount \$ \_\_\_\_\_

Check and complete appropriate category.

E **Claim by Wage Earner** of \$ \_\_\_\_\_

Check appropriate description.

(i) That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ \_\_\_\_\_  
(ii) That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ \_\_\_\_\_





**PROOF OF CLAIM  
FORM 31  
PAGE TWO**

To be filed when a proposal provides for the compromise of claims against directors.

F **Claim against Director of \$** \_\_\_\_\_  
That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows: \_\_\_\_\_  
\_\_\_\_\_

Give full particulars of the claim, including the calculations upon which the claim is based.

G **Claim of a Customer of a Bankrupt Securities Firm of \$** \_\_\_\_\_  
That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows: \_\_\_\_\_  
\_\_\_\_\_

Strike out "is" or "is not".

5. To the best of my knowledge, the creditor **is / is not** related to the debtor within the meaning of section 4 of the Act.

Attach a separate schedule if necessary.

6. The following are the payments that the creditor has received from and the credits that the creditor has allowed to the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act, within the twelve months) immediately before the date of the initial bankruptcy event (**December 30, 2022**) within the meaning of section 2 of the Act.

\_\_\_\_\_  
\_\_\_\_\_

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

Must be signed and witnessed

\_\_\_\_\_

Witness

\_\_\_\_\_

(Signature of individual completing this form)

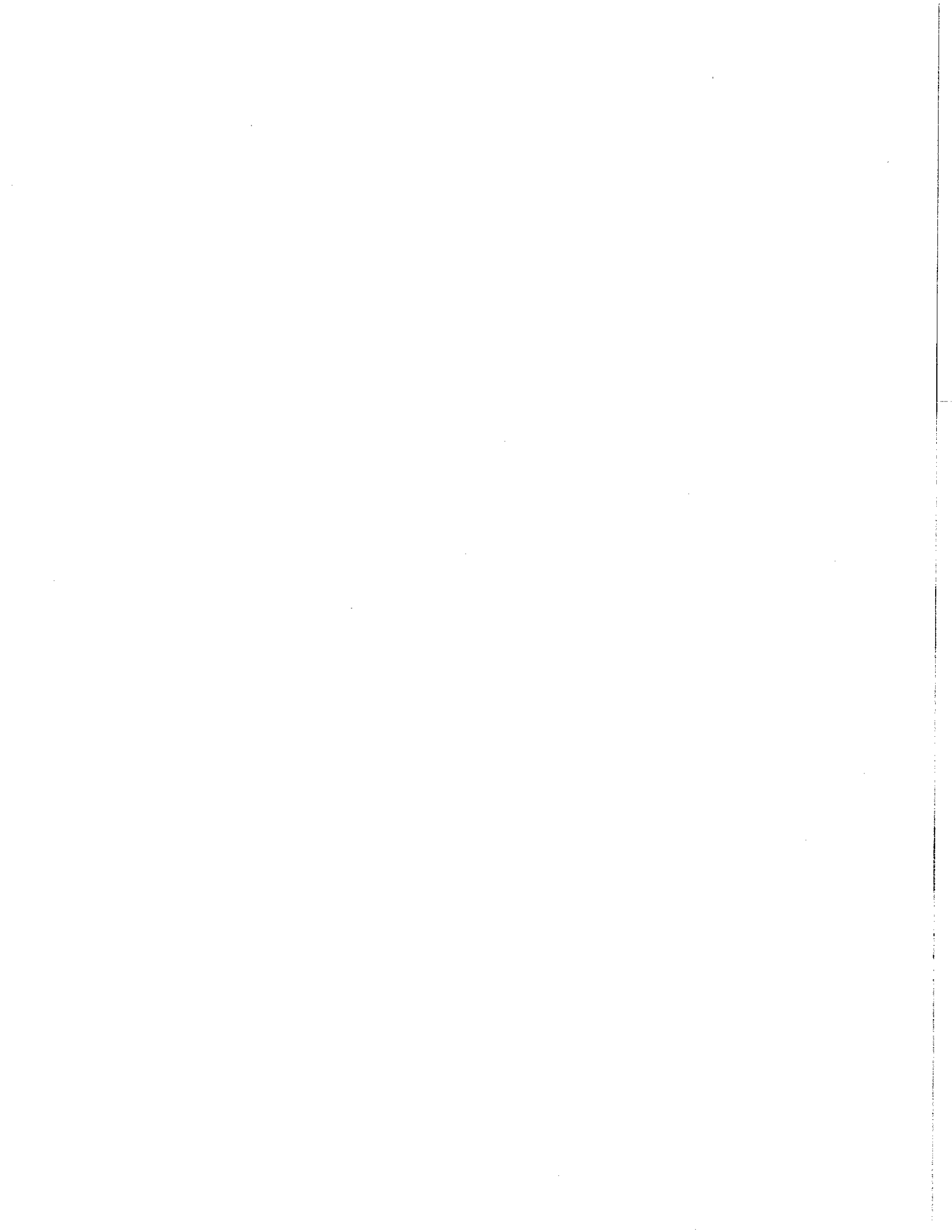
Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

**Notes:** All references to "the Act" refer to the Bankruptcy and Insolvency Act. If a copy of this Form is sent electronically by means such as email, the name and contact information of the sender, prescribed in Form 1.1, must be added at the end of the document.

If an affidavit or solemn declaration is attached, it must have been made before a person qualified to take affidavits or solemn declarations.

**Warning:** A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor. Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.



# Instructions for completing proof of claim forms

Every creditor who does not prove his claim is not entitled to share in any distribution. Claims not completed correctly in every respect will be returned. As well, in order to vote at a meeting of creditors, a properly completed Proof of Claim must be returned to the Trustee's office before the time of the meeting.

In completing the attached form, your attention is directed to the marginal notes on the form and to the following requirements:

## Proof of Claim:

1. The form must be completed by an individual and not by a corporation. If you are acting for a corporation or other person, you must state the capacity in which you are acting, such as, "Credit Manager", "Treasurer", "Authorized Agent", etc.
2. The person signing the form must have knowledge of the circumstances connected with the claim.
3. The debtor's name and date of the bankruptcy/proposal must be filled in and a Statement of Account containing details of the claim must be attached and marked "Schedule A". The date at which claims are to be calculated and the correct name of the debtor may be found as well on the Notice sent to the creditor.

4. The nature of the claim must be indicated by placing a check mark at the type of claim which applies, for example:

Check mark at A indicates the claim is unsecured and

Check mark at A(i) indicates that the creditor is not claiming any priority or

Check mark at A(ii) indicates the creditor is claiming preferred status under section 136 of the Act. Details to support the priority claim must be set out on an attached schedule.

Check mark at B indicates a claim of landlord for disclaimer of a lease under subsection 65.2(4) of the Act. Details to support this claim must be set out on an attached schedule.

Check mark at C indicates the claim is secured and the value at which the creditor assesses the security must be inserted. Details of each item of security held should be attached as a separate schedule and submitted with a copy of the chattel mortgage, conditional sales contract, security agreement, etc.

Check mark at D indicates that the creditor is a farmer, fisherman or aquaculturist who supplied goods within 15 days prior to the date of receivership or bankruptcy and has not yet been paid for those goods.

Check mark at E indicates that the creditor is a wage earner under subsection 81.3(8) or 81.4(8) of the Act. Details to support this claim must be set out on an attached schedule.

Check mark at F indicates the claim is against a director under subsection 50(13) of the Act. It is applicable only in the case of a proposal which provides for the compromise of claims against directors. Details to support this claim must be set out on an attached schedule.

Check mark at G indicates the claim is of a Customer of a Bankrupt Securities Firm, who is a customer for net equity as contemplated by section 262 of the Act. Details to support this claim must be set out on an attached schedule.

5. The person signing the form must indicate (by striking out "is" or "is not") whether the creditor and the debtor are related. Section 4 of the Act defines persons related to a debtor. If the creditor is related by blood or marriage to the debtor, the creditor should consider itself to be a related person. If the debtor is a corporation, a creditor would be related if it was controlled by the same shareholders as the debtor.

6. The person signing the form must provide full details of all payments and credits received from or allowed to the debtor during the period indicated. Leaving a blank will indicate that there were no such payments and credits.

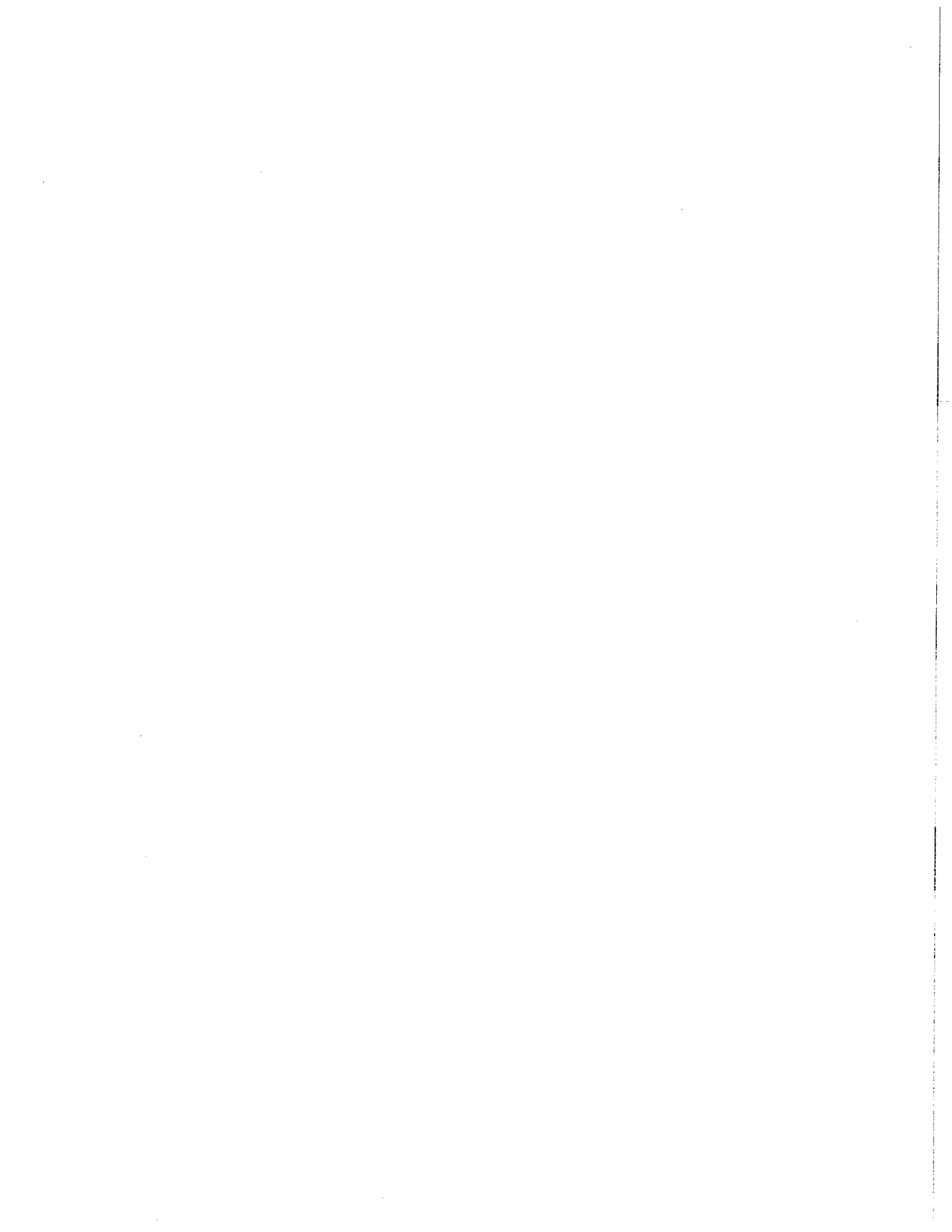
7. The person signing the form must insert the place and date and the signature must be witnessed. If an affidavit is attached, it must have been made before a person qualified to take affidavits.

## General Proxy:

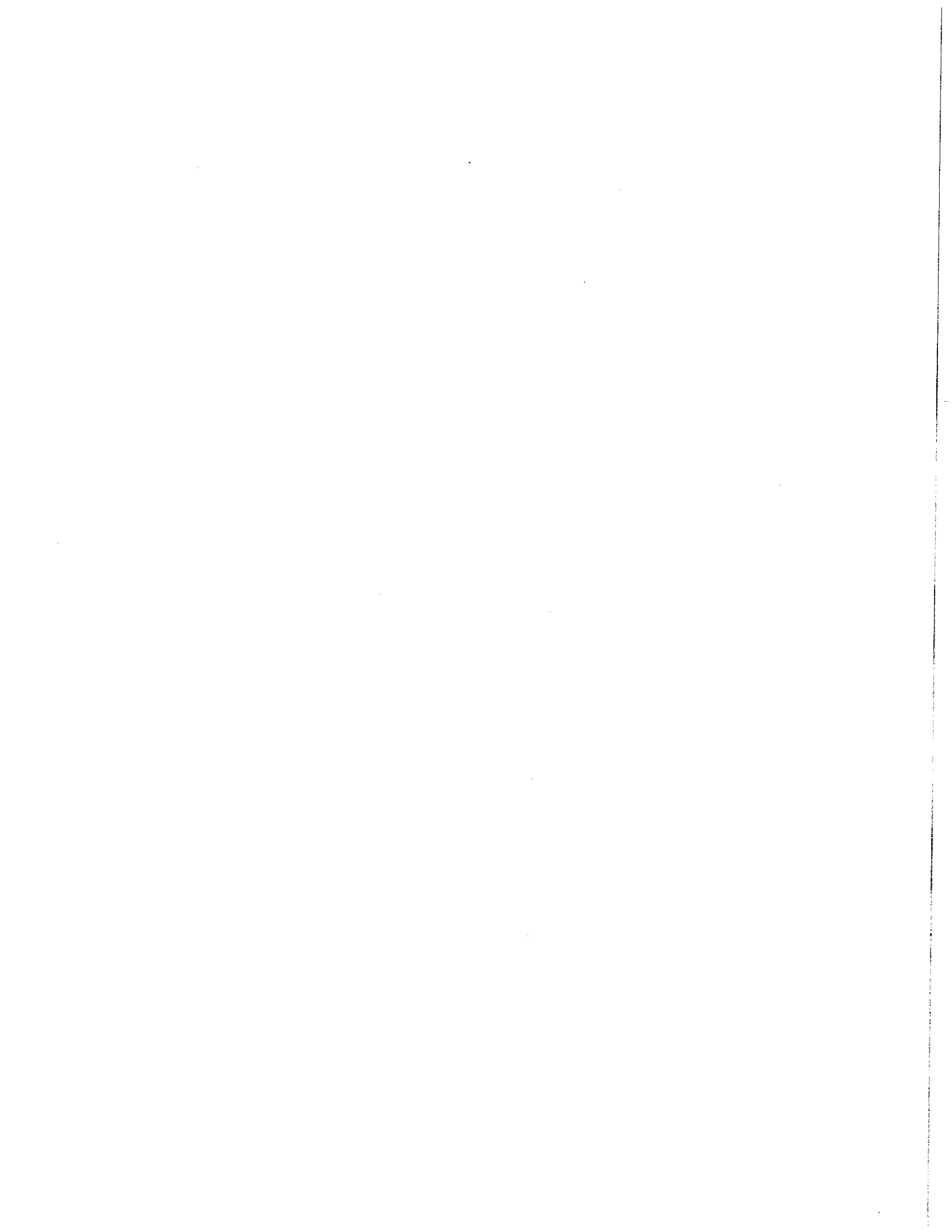
If it is desired to appoint a proxy, the proxy form must be completed and signed by the creditor; if the creditor is a corporation, the proxy form must be signed in the corporate name (not necessarily by the individual signing the proof of claim form) and the proxy must be witnessed.

**If there are any questions in completing the proof of claim, please write, email or telephone the office of the trustee:**

**Dodick Landau Inc.**  
951 Wilson Avenue, Suite 15L  
Toronto, ON M3K 2A7  
Telephone: 416-645-0542  
Fax: 866-874-1791  
Email: [brenda.mcknight@dodick.ca](mailto:brenda.mcknight@dodick.ca)



**PROXY**



District of: Ontario  
Division No. 09 – Toronto  
Court No. 31-2898056  
Estate No. 31-2898056

FORM 36  
PROXY  
(Paragraph 102(2) and paragraphs 51(1)(e) of the Act)

In the Matter of the Proposal of  
**Cedarwood Heating & Air Conditioning Limited**  
of the City of Scarborough  
In the Province of Ontario

I, \_\_\_\_\_, creditor (or I, \_\_\_\_\_, representative of \_\_\_\_\_, (creditor) of \_\_\_\_\_ (name of city), appoint \_\_\_\_\_ of \_\_\_\_\_ to be my proxyholder in the above matters, except as to the receipt of dividends, \_\_\_\_\_ (with or without) power to appoint another proxyholder in his or her place.

DATED at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Individual Creditor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Signature of Corporate Creditor

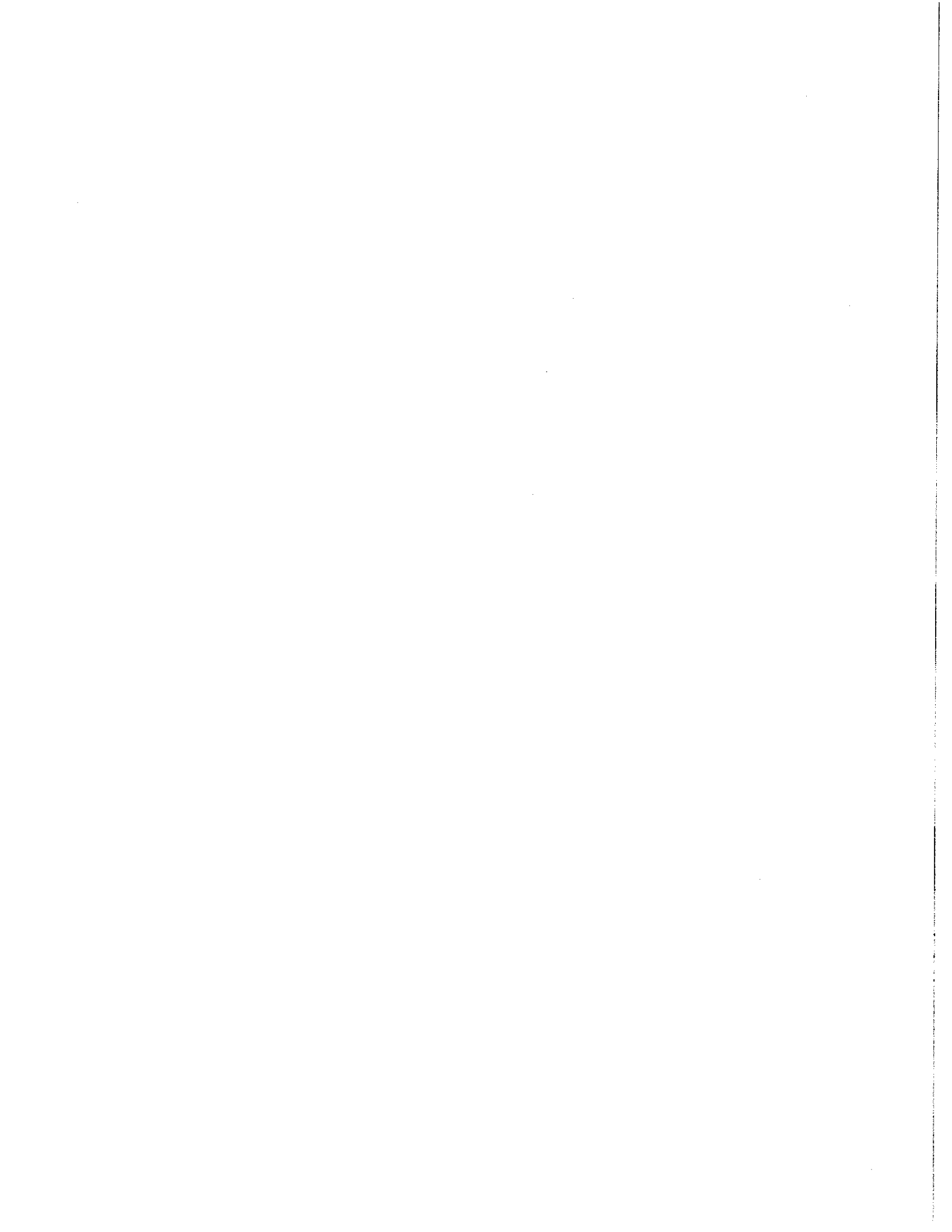
Per:

\_\_\_\_\_  
Name and Title of Signing Officer

Return to:  
Dodick Landau Inc. – Licensed Insolvency Trustee  
951 Wilson Avenue, Suite 15L  
Toronto, ON M3K 2A7  
Phone: (416) 645-0542 Fax: (866) 874-1791  
Email: [brenda.mcknight@dodick.ca](mailto:brenda.mcknight@dodick.ca)

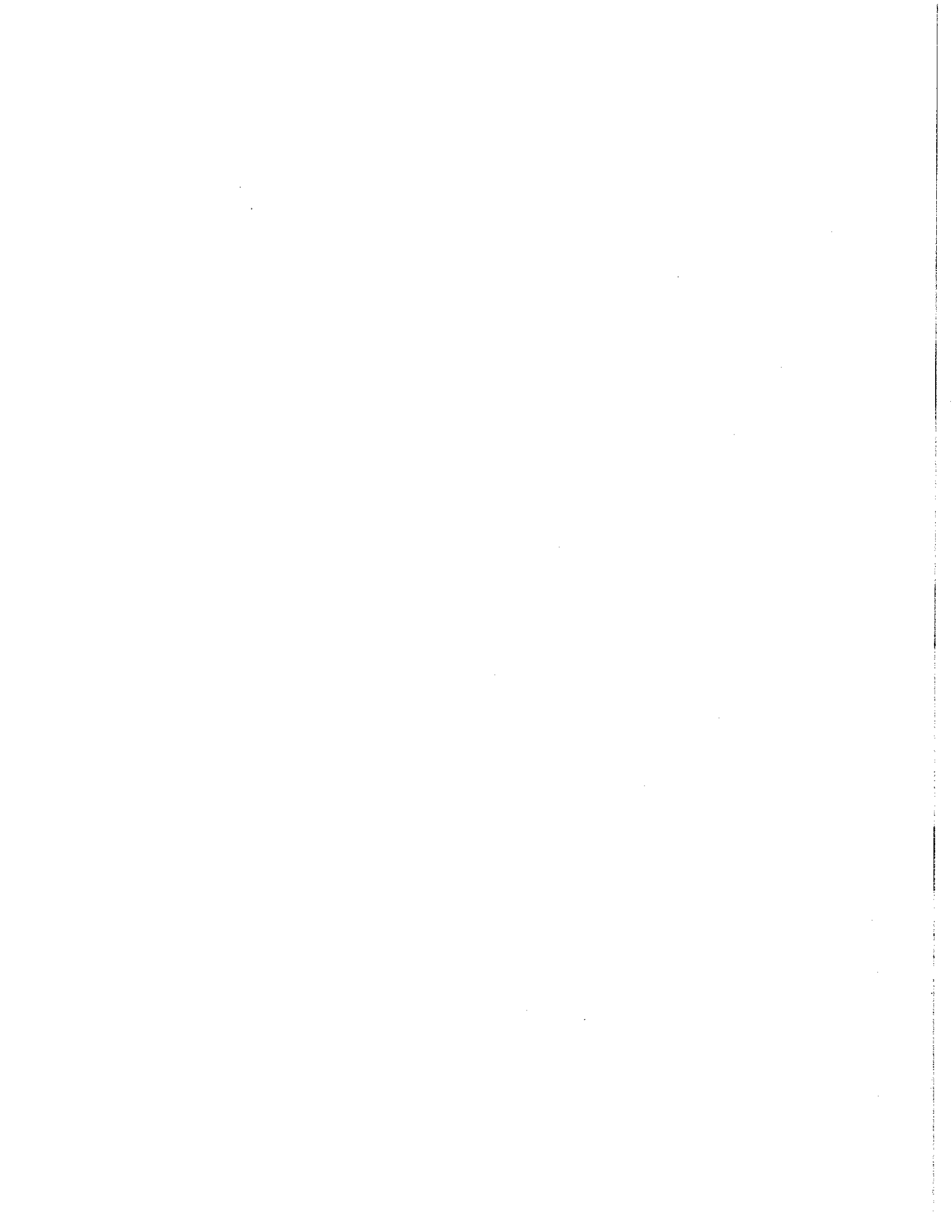
**PLEASE NOTE :**

**All Corporations MUST appoint an individual to act on its behalf if the Corporation wishes to log a vote in the Proposal.**





# **VOTING LETTER**



District of: Ontario  
Division No. 09 – Toronto  
Court No. 31-2898056  
Estate No. 31-2898056

FORM 37  
Voting Letter  
(Paragraph 51(1)(f) of the Act)

In the Matter of the Proposal of  
**Cedarwood Heating & Air Conditioning Limited**  
of the City of Scarborough, in the Province of Ontario

I, \_\_\_\_\_, creditor (or I, \_\_\_\_\_, representative  
of \_\_\_\_\_, (creditor) of \_\_\_\_\_, a creditor in the above matter  
for the sum of \$ \_\_\_\_\_, hereby request the trustee acting with respect to the proposal of  
Cedarwood Heating & Air Conditioning Limited, to record my vote \_\_\_\_\_ (for or against)  
the acceptance of the Proposal as made on the \_\_\_\_\_ day of \_\_\_\_\_,  
20\_\_\_\_\_.

DATED at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Individual Creditor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Signature of Corporate Creditor

Per:

\_\_\_\_\_  
Name and Title of Signing Officer

Return to:  
Dodick Landau Inc. – Licensed Insolvency Trustee  
951 Wilson Avenue, Suite 15L  
Toronto, ON M3K 2A7  
Phone: (416) 645-0542 Fax: (866) 874-1791  
Email: [brenda.mcknight@dodick.ca](mailto:brenda.mcknight@dodick.ca)

