

January 24, 2024

**TO: LENDERS OF BALBOA INC. ET AL**

**RE: NOTICE OF APPOINTMENT OF LENDER REPRESENTATIVE COUNSEL AND VIRTUAL TOWN HALL MEETING FOR LENDERS ON MONDAY JANUARY 29, 2024 AT 2 PM**

On January 23, 2024, Balboa Inc., DSPLN Inc., Happy Gilmore Inc., Interlude Inc., Multiville Inc., The Pink Flamingo Inc., Hometown Housing Inc., The Mulligan Inc., Horses In The Back Inc., Neat Nests Inc. and Joint Captain Real Estate Inc. (collectively, the “**Companies**”) commenced proceedings under the *Companies’ Creditors Arrangement Act*, also known as the “**CCAA**”, and received an Order from the Court (the “**Initial Order**”), which provides a stay of proceedings against the Companies and grants certain related relief.

Key points regarding the CCAA filing include:

- CCAA protection prevents creditors, suppliers and others from enforcing or continuing the enforcement of any rights or security against the Companies.
- All persons having oral or written agreements with the Companies for the supply of goods and/or services are restrained until further order of the Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Companies.
- The Initial Order under the CCAA prohibits the Companies from paying principal, interest or other debt service costs owing to the Companies’ secured and unsecured lenders (the “**Lenders**”) during the CCAA proceedings.

Pursuant to the Initial Order, KSV Restructuring Inc. was appointed as the monitor of the Companies (the “**Monitor**”). The role of the Monitor is to monitor the business and affairs of the Companies during the CCAA proceedings, report to the Court on developments throughout the CCAA proceedings, and to liaise with various stakeholders as required. The Monitor will be maintaining a website at <https://www.ksvadvisory.com/insolvency-cases/case/sid> where information in respect of the Court filing can be obtained, including an FAQ sheet about this process and all reports of the Monitor filed during the CCAA proceedings.

Pursuant to the Initial Order, Chaitons LLP was appointed as representative counsel for all of the Lenders (the “**Lender Representative Counsel**”) in the CCAA proceedings or any other insolvency proceedings involving the Companies. The Lender Representative Counsel will represent the interest of the Lenders at the expense of the Companies. Lenders will not need to retain their own counsel to assist them in considering issues affecting the Lenders in the insolvency proceedings, including, without limitation, with respect to the settlement or compromise of any rights, entitlements or claims of the Lenders. Lenders can opt out of being represented by Chaitons LLP by notifying in writing the Monitor ([nthurairatnam@ksvadvisory.com](mailto:nthurairatnam@ksvadvisory.com)) and Chaitons LLP ([sidlenders@chaitons.com](mailto:sidlenders@chaitons.com)) within thirty (30) days of the date of the Initial Order that they are opting out of such representation.<sup>1</sup> Any Lenders that opt out as described above may retain their own lawyers at their own expense.

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<sup>1</sup> The form of opt out notice to be used is attached to the Initial Order as Schedule “A”.

Lender Representative Counsel seeks to identify Lender candidates to be nominated as Court-appointed representatives (each, a “**Lender Representative**”) to represent the Lenders in the insolvency proceedings and advise, and where appropriate instruct, the Lender Representative Counsel, including for the purpose of settling or compromising claims of the Lenders in the insolvency proceedings. Any Lender who wishes to be considered as a candidate for Lender Representative must notify in writing Chaitons LLP ([sidlenders@chaitons.com](mailto:sidlenders@chaitons.com)) by no later than 5 pm on February 8, 2024 by providing: (1) their full name and contact information; (2) details of all loans they have provided in respect of the Companies; (3) their bio or *curriculum vitae*; and (4) any other information relevant for the purpose of being considered as a Lender Representative.

**Chaitons LLP will be hosting a virtual town hall meeting for Lenders on Monday January 29, 2024 at 2 pm accessible via the following Zoom link:**

<https://us02web.zoom.us/j/86463372077?pwd=ZmNnVlZJb3YxTjl4TnBEa3FFcni0dz09>

**Webinar ID: 864 6337 2077**

**Passcode: 832038**

**All Lenders are urged to attend this meeting virtually.**

Yours truly,  
CHAITONS LLP

A handwritten signature in blue ink, consisting of a stylized 'G' followed by a horizontal line extending to the right.

George Benchetrit  
PARTNER\*

\*DENOTES PROFESSIONAL CORPORATION

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