



## **Document Brief (Volume 5 of 5)**

July 5, 2024

**Fourth Report of  
KSV Restructuring Inc.  
as CCAA Monitor of  
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.**

## INDEX

Tab	Document	Page Nos.
<b>VOLUME 1</b>		
<b>1</b>	<b>Transcript of Robert Clark dated April 25, 2024</b>	<b>1 – 270</b>
1A	General Ledger Excerpt, various payments to and from Robert Clark	271 – 274
1B	General Ledger Excerpt, payments due to and from RWC	275 – 278
1C	General Ledger Excerpt, payments to SID Renos	279 – 284
1D	General Ledger Excerpt, advertising and promotion	285
1E	General Ledger Excerpt, dividend payments	286
1F	General Ledger Excerpt, management fees	287 – 289
1G	General Ledger Excerpt, credit card payments	290
<b>VOLUME 2</b>		
<b>2</b>	<b>Transcript of Aruba Butt dated April 26, 2024</b>	<b>291 – 564</b>
2A	Private Mortgage Opportunity, 528 Brunswick Avenue, Sault Ste. Marie, dated March 21, 2022	565 – 574
2B	Promissory note loan agreement between Multiville as borrower with personal guarantors Ryan Molony and Aruba Butt, with lender	575 – 576
2C	General Ledger Excerpt, payments to and from Paradisal Bliss Inc.	578 – 580
2D	General Ledger Excerpt, payments to and from Aruba Butt	581 – 584
2E	DSPLN January 2023 Bank Statement	585 – 615
2F	DSPLN February 2023 Bank Statement	616 – 638
2G	DSPLN March 2023 Bank Statement	639 – 665
2H	DSPLN April 2023 Bank Statement	666 – 687
2I	General Ledger Excerpt, DSPLN Payments to <span style="background-color: black; color: white;">Name</span>	689
2J	General Ledger Excerpt, transfers to and from Chubby Assets Inc.	690
2K	General Ledger Excerpt, payments to and from Cobalt Inc.	691
2L	DSPLN May 2023 Bank Statements	692 – 716
2M	DSPLN June 2023 Bank Statements	717 – 739
2N	DSPLN July 2023 Bank Statements	740 – 759
2O	DSPLN August 2023 Bank Statement	760 – 774
2P	Happy Gilmore May 2023 Bank Statement	775 – 791

<b>Tab</b>	<b>Document</b>	<b>Page Nos.</b>
2Q	Happy Gilmore July 2023 Bank Statement	792 – 804
2R	Happy Gilmore August 2023 Bank Statement	805 – 814
2S	Multiville March 2023 Bank Statement	815 – 824
2T	Multiville August 2023 Bank Statement	825 – 829
2U	Joint Captain Real Estate January 2023 Bank Statement	830 – 841
2V	Neat Nest E-Transfer Data	842 – 854
2W	General Ledger Excerpt, Payments to Prospect Real Estate Inc.	855 – 857
2X	Pink Flamingo July 2023 Bank Statement	858 – 864
<b>VOLUME 3</b>		
<b>3</b>	<b>Transcript of Ryan Molony dated May 1, 2024</b>	<b>865 – 1064</b>
3A	Appraisal Report, 1000641558 Ontario Inc.	1065 – 1188
3B	Independent Contractor Agreement dated April 13, 2021	1189 – 1198
3C	Loan Commitment dated July 25, 2023	1199 – 1209
3D	General Ledger Excerpt, payments to and from Ryan Molony	1210 – 1212
3E	General Ledger Excerpt, debt settlements	1213
3F	Happy Gilmore December 2021 Bank Statement	1214 – 1218
3G	Happy Gilmore January 2022 Bank Statement	1219 – 1225
3H	Happy Gilmore May 2023 Bank Statement	1226 – 1242
3I	Happy Gilmore July 2023 Bank Statement	1243 – 1255
3J	General Ledger Excerpt, Multiville Amex and Visa Payments	1256
<b>VOLUME 4</b>		
<b>4</b>	<b>Transcript of Dylan Suitor dated May 6, 2024</b>	<b>1257 – 1505</b>
4A	Promissory Note Loan Opportunity for 642 Hamilton Road, London, Ontario	1506 – 1515
4B	Confidential Pre-Filing Sales Chart	1516 – 1519
4C	Statutory Declaration signed by Dylan Suitor dated September 7, 2023	1520 – 1521
4D	Parcel Register for 403 Lloyd Street, Sudbury, Ontario	1522
4E	Interlude Owner Statement January, 2024	1523 – 1526
4F	Inflows from Nezkai Law, 2023	1527
4G	Inflows from various individuals and entities between November 2022 and December 2023	1528
4H	Parcel Register for 454 Eva Avenue, Sault Ste. Marie, Ontario	1529 – 1532

<b>Tab</b>	<b>Document</b>	<b>Page Nos.</b>
<i>4I</i>	Old Thing Back Promissory Note Renewal	1533 – 1537
<i>4J</i>	List of active charges for the applicants for Sault Ste. Marie, Ontario	1538 – 1541
<i>4K</i>	Parcel Register for 261 Kimberly Avenue, Sault Ste. Marie, Ontario	1542
<i>4L</i>	Trust Ledger for 261 Kimberly Avenue, Sault Ste. Marie, Ontario	1543
<i>4M</i>	Promissory Note Loan Agreement for \$10,233 in relation to 261 Kimberly Avenue	1544 – 1546
<i>4N</i>	Mortgage Term Sheet and commitment for 261 Kimberly Avenue, Sault Ste. Marie, Ontario	1547 – 1556
<i>4O</i>	Promissory Note Renewal dated December 2023 for 261 Kimberly Avenue, Sault Ste. Marie, Ontario	1557 – 1559
<i>4P</i>	Promissory Note November 2023 for 261 Kimberly Avenue, Sault Ste. Marie, Ontario	1560 – 1562
<i>4Q</i>	General Ledger Excerpt, payments to and from Dylan Suitor	1563
<i>4R</i>	General Ledger Excerpt, payments to and from Old Thing Back Inc.	1564 – 1575
<i>4S</i>	General Ledger Excerpt, payments to and from Upgrade Housing Inc.	1576 – 1583
<i>4T</i>	General Ledger Excerpt, payments to and from Prospect Real Estate Inc.	1584 – 1588
<i>4U</i>	Interlude November 2021 Bank Statement	1589 – 1613
<i>4V</i>	Hometown Housing July 2023 Bank Statement	1614
<i>4W</i>	Hometown Housing August 2023 Bank Statement	1615 – 1616
<i>4X</i>	Horses in the Back November 2021 Bank Statement	1617 – 1618
<i>4Y</i>	Neat Nests October 2022 Bank Statement	1619 – 1621
<i>4Z</i>	Promissory Note for the Property located at 29 Hughes Street, Ontario	1622 – 1624
<i>4AA</i>	Interlude August 2022 Bank Statement	1625 – 1659
<b>VOLUME 5</b>		
<b>5</b>	<b>Transcript of Claire Drage dated May 8, 2024</b>	<b>1660 – 1801</b>
<i>5A</i>	Presentation	1802 – 1814
<i>5B</i>	Email Chain Ending February 1, 2022 between Bronwyn Bullen and Lender	1815 – 1819
<i>5C</i>	Parcel Register for 454 Eva, Sudbury, Ontario	1820 – 1823
<i>5D</i>	Promissory Note Loan Renewal for 454 Eva Street, Sudbury, Ontario	1824 – 1828
<i>5E</i>	Payments by Lion's Share Group to Lender	1829



Tab	Document	Page Nos.
	<b>Documents Cited in the Fourth Monitor's Report</b>	
6	Initial Order of the Honourable Justice Kimmel dated January 23, 2024	1830 – 1849
7	Second ARIO of the Honourable Justice Kimmel dated March 28, 2024	1850 – 1879
8	Statutory Declaration of Aruba Butt in relation to the Property located at 162 Spadina Avenue, Sault Ste. Marie, Ontario	1880 – 1882
9	Statutory Declaration of Aruba Butt in relation to the Property located at 485 Pine Street S, Timmins, Ontario	1883 – 1884
10	Parcel Register for the Property located at 162 Spadina Avenue, Sault Ste. Marie, Ontario	1885 – 1886
11	Parcel Register for the Property located at 485 Pine Street S, Timmins, Ontario	1887
12	Promissory Note Renewal between The Lion's Share Group Inc., Interlude Inc. and Dylan Suitor dated October 17, 2023	1888 – 1894
13	Promissory Note Renewal between The Lion's Share Group Inc., Interlude Inc. and Dylan Suitor dated March 8, 2023	1893 – 1895
14	Core Proceeds Master Spreadsheet	1896 – 1904
15	Core Agreement of Purchase and Sale Excerpt, dated February 24, 2022	1905 – 1921
16	First Amendment to Core Agreement of Purchase and Sale Excerpt, dated March 14, 2022	1922 – 1925
17	Second Amended to Core Agreement of Purchase and Sale Excerpt, dated April 29, 2022	1926 – 1928
18	Trust Ledger for 146 Birch Street South, Timmins, Ontario	1929
19	Trust Ledger for 104 London Street, Sault Ste. Marie, Ontario	1930
20	Trust Ledger for 118 Kathleen Street, Sudbury, Ontario	1931
21	351 Balsam Street Mortgage Renewal Term Sheet and Commitment	1932 – 1937
22	Email Correspondence regarding 351 Street Mortgage Renewal Term Sheet and Commitment	1938
23	General Ledger Excerpt, "DEFT SETTLEMENT" Payments	1939 – 1941
24	Private mortgage opportunity for the Property located at 157 Bloor Street W, in Sault Ste. Marie, Ontario	1942 – 1954
25	Parcel Register from the Property located at 369 Wellington Street East, Sault Ste. Marie, Ontario	1955 – 1956

Tab	Document	Page Nos.
26	Promissory Note Loan Agreement between [Name] and Joint Captain Real Estate Inc., with Sam Drage, Aruba Butt and Bronwyn Bullen as Personal Guarantors dated July 22, 2022	1957 – 1959
27	Corporate Profile Report for 1000345782 Ontario Inc.	1960 – 1973
28	Parcel Register for the Property located at 454 Eva Avenue, Sudbury, Ontario	1974 – 1977
29	Parcel Register for the Property located at 536 Montague Avenue, Sudbury, Ontario	1978 – 1981
30	Parcel Register for the Property located at 496 Whissel Avenue, Sudbury, Ontario	1982 – 1983
31	Promissory Note Loan Agreement between the Lion's Share Group Inc. and Old Thing Back. Inc., with Dylan Suitor as Personal Guarantor dated November 7, 2023	1984 – 1988
32	394 Appleby Line, Burlington, Ontario Royal LePage Listing	1989 – 1993
33	Private mortgage opportunity for the Property located at 3 Water Street, St. Catharines, Ontario	1994 – 2002
<b>34</b>	<b>Outstanding Requests from the Applicants</b>	
34A	Outstanding Request Chart made by the Monitor during the Applicants' interviews	2003 – 2011
<b>35</b>	<b>Communications between the Applicants' and their Counsel and the Monitor's Counsel</b>	
35A	February 28, 2024 Cassels Letter to Mr. Dylan Suitor	2012 – 2013
35B	February 29, 2024 Cassels Letter to Ms. Aruba Butt and Mr. Ryan Molony	2014 – 2015
35C	March 8, 2024 Cassels Letter to Bennett Jones	2016 – 2030
35D	March 8, 2024 Cassels Letter to Mr. Dylan Suitor	2031
35E	March 8, 2024 Cassels Letter to Ms. Aruba Butt and Mr. Ryan Molony	2032 – 2033
35F	March 13, 2024 Cassels Letter to Bennett Jones	2034 – 2042
35G	March 15, 2024 Bennett Jones Letter to Cassels	2043 – 2064
35H	March 20, 2024 Bennett Jones Letter to Cassels	2065 – 2081
35I	March 21, 2024 Cassels Letter to Bennett Jones	2082 – 2084
35J	March 24, 2024 Bennett Jones Letter to Cassels	2085 – 2087
35K	March 25, 2024 Bennett Jones Letter to Cassels	2088 – 2089
35L	March 28, 2024 Cassels Letter to Bennett Jones	2090
35M	April 10, 2024 Bennett Jones Letter to Cassels	2091 – 2096

<b>Tab</b>	<b>Document</b>	<b>Page Nos.</b>
35N	April 15, 2024 Bennett Jones Letter to Cassels	2097 – 2108
35O	April 29, 2024 Cassels Letter to Bennett Jones	2109 – 2116
35P	May 2, 2024 Cassels Letter to Bennett Jones	2117 – 2123
35Q	May 9, 2024 Cassels Letter to Bennett Jones	2124 – 2128
35R	May 10, 2024 Cassels Letter to Bennett Jones	2129 – 2136
35S	May 13, 2024 Bennett Jones Letter to Cassels	2137 – 2138
35T	May 14, 2024 Cassels Letter to Bennett Jones	2139 – 2142
35U	May 16, 2024 Bennett Jones Letter to Cassels	2143 – 2144
35V	May 17, 2024 Cassels Letter to Bennett Jones	2145 – 2146
35W	May 21, 2024 Bennett Jones Letter to Cassels	2147 – 2148
35X	May 22, 2024 Cassels Letter to Bennett Jones	2149
35Y	May 28, 2024 Bennett Jones Letter to Cassels	2150 – 2171
35Z	May 31, 2024 Cassels Letter to Bennett Jones	2172 – 2174
35AA	June 10, 2024 Bennett Jones Letter to Cassels	2175 – 2179
35AA(i)	Email from Bronwyn Bullen dated May 9, 2022	2180 – 2183
35AA(ii)	Direction re: funds dated May 5, 2022	2184 – 2190

Court File No. CV-24-00713245-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT  
ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF 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.

Applicants

-----  
This is the Interview of CLAIRE DRAGE,  
taken via videoconferencing with Network Reporting &  
Mediation, Suite 3600, 100 King Street West, Toronto,  
Ontario, on the 8th day of May, 2024.  
-----

A P P E A R A N C E S:

COLIN PENDRITH  
SHAYNE KUKULOWICZ  
JOSHUA JACKSON

FOR THE MONITOR

DAN ROSENBLUTH

FOR THE WITNESS

ALSO PRESENT:

DAVID SIERADZKI

OBSERVING FOR KSV ADVISORY INC.

CLAIRE DRAGE - 2

## I N D E X     O F     P R O C E E D I N G S

DESCRIPTION	PAGE NO.
CLAIRE DRAGE, Affirmed .....	4
INTERVIEW BY MR. PENDRITH: .....	4

## I N D E X     O F     E X H I B I T S

--- EXHIBIT NO. A: Presentation .....	79
--- EXHIBIT NO. B: E-mail chain ending February 1st, 2022 between Bronwyn Bullen and [Lender Name] .....	91
--- EXHIBIT NO. C: Parcel Register for 454 Eva, Sudbury .....	128
--- EXHIBIT NO. D: 454 Eva Promissory Note Renewal ..	128
--- EXHIBIT NO. E: Payments by Lion's Share Group to [Lender Name] .....	137

CLAIRE DRAGE - 3

I N D E X   O F   R E Q U E S T S

Requests are noted by REQUEST and are found on the following pages: 25, 26, 29, 46, 49, 60, 69, 77, 116, 127, 130, 133, 137, 138, 142

\*\*\* The list of requests is provided as a service to counsel and does not purport to be complete or binding upon the parties.

CLAIRE DRAGE - 4

1 --- UPON COMMENCING AT 9:59 A.M.

2 CLAIRE DRAGE, Affirmed

3 INTERVIEW BY MR. PENDRITH:

4 1. Q. Good morning, Ms. Drage, I am just  
5 going to ask you to state your full name for the  
6 record, if you don't mind?

7 A. Yes sir, it's Claire Amanda Drage.

8 2. Q. Perfect and just to give a bit of  
9 framework for why we are here today, so we are  
10 conducting an interview as counsel for the Monitor,  
11 KSV Restructuring in the Balboa Inc., et al, CCAA. Do  
12 you have an understanding of that?

13 A. Yes.

14 3. Q. Okay and you understand that the  
15 interview is part of an investigation that the Monitor  
16 is conducting and that's in accordance with Paragraph  
17 41(K) of the Second Amended and Restated Initial Order  
18 of Justice Kimmel which is dated March 28th, 2024. Do  
19 you have a general understanding of that?

20 A. Yes, yes, I do.

21 4. Q. Perfect. So, I am going to talk a bit  
22 today about the Applicants and just so it's clear who  
23 I am referring to when I use the term Applicants,  
24 those are going to be the Applicants in the CCAA, the  
25 Balboa entities, so those are Balboa Inc., an entity

CLAIRE DRAGE - 5

1           called DSPLN Inc., which I might call Discipline  
2           because I understand that's the short form; Happy  
3           Gilmore Inc., Interlude Inc., Multiville Inc., The  
4           Pink Flamingo Inc., Hometown Housing Inc., The  
5           Mulligan Inc., Horses in the Back Inc., Neat Nests  
6           Inc. and then Joint Captain Real Estate Inc. So, if I  
7           say the Applicants, that's who I am referring to. Is  
8           that understood?

9                     A.    Yes, understood, yeah.

10          5.           Q.    Perfect and those are entities you are  
11           familiar with already, I'm presuming?

12                     A.    Yes, I am, yes.

13          6.           Q.    Great. Just briefly by way of  
14           background, can you tell me a bit about your  
15           education?

16                     A.    Oh, my education? I guess I would say  
17           I'm definitely street smart. Left high school, went  
18           to -- of course I am 57 years old. Went to  
19           secretarial school, from there worked in an HR  
20           consulting company and then in -- that was in England  
21           obviously, hence the accent. But then in '87 after my  
22           husband and I were married, we actually moved to the  
23           Canary Islands to Tenerife which is one of the Canary  
24           Islands in Spain. My first position when I moved to  
25           that island was working for a company called Wimpen



CLAIRE DRAGE - 6

1 who sold timeshare and wholesale apartments to holiday  
2 makers. So, I worked there for a couple of years. I  
3 was in both sales and it all kind of leads to my, sort  
4 of, street smarts and how I got into real estate which  
5 I am assuming would be applicable. Was there for a  
6 couple of years selling real estate, working in the  
7 timeshare, working in contracts, working as an office  
8 manager and then my husband and I purchased a property  
9 management -- well, I worked for a property management  
10 company and later purchased it. And then from that  
11 point on, my education has been self-taught. I also  
12 attended and later taught the creative financing  
13 course for Rich Dad Poor Dad, the Robert Kiyosaki  
14 series here in Canada. I've also got some education  
15 and courses that I've done along the years with regard  
16 to HR, analysis, communication, et cetera. But my  
17 education as such, is high school and street smarts.

18 7. Q. Are you a licenced realtor?

19 A. No.

20 8. Q. Not now or at any point?

21 A. No, never.

22 9. Q. Okay and are you -- I want to start by  
23 talking about the two entities that I understand you  
24 principally run as your main business. There is  
25 Windrose and Lion's Share. Am I correct that those

CLAIRE DRAGE - 7

1 are the two main things or is there something else  
2 that you are involved with as well?

3 A. They are the two main things. There is  
4 also the Windrose Group -- the Windrose Mortgage Fund  
5 Trust that's been recently renamed WRX Capital. I was  
6 a trustee. I am no longer a trustee in that entity.

7 10. Q. Can you tell me about -- why don't we  
8 start with that? What is the Windrose Trust and how  
9 does it work?

10 A. Yeah, the Windrose Trust is a mutual  
11 fund trust that we started -- it would have been the  
12 beginning of last year and the Windrose Mortgage Trust  
13 is a fund that people could invest in. We focussed on  
14 getting our first 150 investors so that we could then  
15 get our registered status and be able to accept  
16 registered funds. It was an opportunity for -- so  
17 investors could invest in the fund, minimum we even  
18 went at low as \$600.00 using cash, registered funds,  
19 et cetera. Those funds would go into the fund and  
20 would be purchasing units and then the fund itself was  
21 used to provide secured mortgages for specifically  
22 borrowers that were real estate investors. They were  
23 either flipping properties or they were doing what we  
24 commonly refer to as the BRRRRR strategy. That's a B  
25 with lots of Rs. So, they would buy, renovate, rent,

CLAIRE DRAGE - 8

1           refinance with a bank, rinse and repeat. If it wasn't  
2           with a bank it might be with a major lender. The fund  
3           is -- oh, sorry.

4       11.           Q.   Is there any intersection between the  
5           fund and the Applicants?

6           A.   The only intersection would be the fund  
7           financed four secured first mortgages for the borrower  
8           -- for the Applicants.

9       12.           Q.   And when did that occur?

10          A.   I don't know off the top of my head.  
11          It would have been last year, 2023.

12       13.           Q.   So, would those have been for property  
13          acquisitions or refinances?

14          A.   Refinances.

15       14.           Q.   Is the lender there, in terms of  
16          mortgage documentation, would it appear that WRX  
17          Capital is the lender or who would be the lender?

18          A.   Yes, yes.

19       15.           Q.   Okay and why is it that this model was  
20          created? I presume there was a prior model that  
21          preceded it and there was a shift to this model. Why  
22          is it that you made that shift?

23          A.   Yeah, it wasn't a shift; it was an  
24          addition to our offering. So, the primary reason for  
25          me wanting to do it was an additional way of raising

CLAIRE DRAGE - 9

1 funds, but more importantly providing our investors  
2 another opportunity that required a smaller dollar  
3 amount and was able to start people off at a lower  
4 level. So, someone wanting to put in their TFSA or  
5 their FHSA when they did the first time homebuyer  
6 savings accounts; having an opportunity to invest in a  
7 fund that was primarily secured first mortgages in  
8 Ontario and they could start small and grow. The  
9 targeted yield ranged from eight to nine percent  
10 depending on the share or the unit structure for the  
11 investor and we also provided two different share  
12 structures, A shares and W shares. The W shares were  
13 Windrose shares which had an additional one percent  
14 yield for the investor if they were already an  
15 existing Windrose client as of December, 2022.

16 16. Q. So, does that mean they were a prior  
17 lender?

18 A. Yeah, lender or borrower, yes.

19 17. Q. So, in that case we are talking about  
20 someone who is a private lender and they may have lent  
21 money and Windrose would have been the broker of that  
22 transaction?

23 A. Correct.

24 18. Q. Not that Windrose was the borrower of  
25 the transaction.

CLAIRE DRAGE - 10

1           A.    So, Windrose Group, a Mortgage Alliance  
2           team with Claire Drage as the licenced mortgage broker  
3           would have brokered a mortgage with that investor. It  
4           also was a great tool for when people were using  
5           registered funds to do a mortgage direct to a  
6           borrower, but they were left with \$20,000.00 left in  
7           their registered fund. That \$20,000.00 sat there with  
8           zero return and not providing them with any return, so  
9           the fund was also an additional way to ensure there  
10          was no cash drag and that all their investment funds  
11          were making money and not sat earning zero.

12       19.           Q.    Were you involved in setting up the  
13          Windrose fund, as we are calling it?

14                A.    Yes, yes.

15       20.           Q.    And you were initially a trustee, but  
16          you are no longer?

17                A.    Correct, we initially ---

18       21.           Q.    Why was that, that that changed?

19                A.    Yeah, so when we started the fund there  
20          were four trustees. There was [Trustee Name]; his role  
21          was as mortgage administrator and advisor. Like, the  
22          four of us together, there was [Trustee Name], exempt  
23          market dealer, so his expertise as a dealer, myself as  
24          a trustee and also [Trustee Name]. She was my  
25          director of marketing and operations and she was an

CLAIRE DRAGE - 11

1 employee of the Lion's Share Group Inc. The -- **Name**  
2 and **Name** decided to remove themselves as trustees  
3 because they were expanding their own funds, was my  
4 understanding and then in middle of February, if I  
5 recall, this year, they requested that I be removed as  
6 a trustee along with halting the fund, not collapsing  
7 it, but working it down to no new redemptions, no new  
8 investments, all of that had ceased and they, the  
9 other trustees, requested that I be removed and so I  
10 adhered to their request. That was the direct result  
11 of the CCAA and then the following negative press.  
12 That was February of this year, middle of February.

13 22. Q. And when you are talking about the  
14 CCAA, do you mean the Balboa CCAA or do you mean ---

15 A. I do, yes, I refer to the Balboa CCAA.

16 23. Q. Sorry, how was it that the Balboa CCAA  
17 was linked to -- I will use the term winding up and  
18 maybe that's not the most precise term, but winding up  
19 the fund?

20 A. It was the reputational risk and the  
21 negative connotations of my name and Windrose Group  
22 that was resulting in unease amongst investors in the  
23 fund and fellow trustees. It felt wise, considering  
24 the fund was under \$3 million, to wind it down until  
25 we knew the outcome of the CCAA and especially as the

CLAIRE DRAGE - 12

1 CCAA was very -- I had never heard of it before until  
2 the 23rd of January, just after 11:00. So, all new,  
3 not sure how it would play out, what it was, what the  
4 process would be. It made logical sense to wind it  
5 down at that time.

6 24. Q. Okay, so you have given me a bit of  
7 information concerning the trust. Can you tell me  
8 about what preceded it as far as Windrose's core  
9 business? What is Windrose's business?

10 A. Yeah, so the Windrose Group and  
11 Mortgage Alliance, either way, they are both Claire  
12 Drage, the Lion's Share and the Windrose Group. So,  
13 maybe I will separate them out like I separate them,  
14 which is the Windrose Group, a Mortgage Alliance team,  
15 is where Claire Drage is the licenced mortgage broker  
16 and we broker mortgages. The Windrose Group started  
17 as a brand way back in 2017 or '18, I don't recall the  
18 exact date, but the Windrose Group became a brand.  
19 This was when my own staff, I started as a mortgage  
20 broker in 2007 and it was just myself and as my  
21 business grew and my client base grew, I went from it  
22 being just Claire Drage, your mortgage options, to  
23 Stephanie had joined me as my marketing manager and we  
24 decided to brand it the Windrose Group. It wasn't --  
25 so the Windrose Group, a Mortgage Alliance team was

CLAIRE DRAGE - 13

1        brokering mortgages. In the beginning of last year,  
2        so January, 2023, I decided that I wanted my own  
3        mortgage brokerage, so therefore not being a corporate  
4        broker and a mortgage alliance, instead have a  
5        franchise and a mortgage alliance. In order for me to  
6        do that, I needed to apply to FSRA, the financial  
7        services regulatory authority for the brokerage to be  
8        approved and subsequently me to be approved as the  
9        principal broker. That allowed us to -- would allow  
10       us to drop the Mortgage Alliance name and we would  
11       have a franchise where we would use services to  
12       Mortgage Alliance. I applied for that in January last  
13       year -- actually December, 2022 if I recall, late  
14       December, 2022, early 2023 was when my initial  
15       application went in to FSRA. I continued as a  
16       mortgage broker under Mortgage Alliance. My  
17       application was approved in October of last year, end  
18       of October, last year. However, there was a -- a  
19       naming requirement that needed to be added to the name  
20       of my brokerage in order to recognize that I was a  
21       franchise with Mortgage Alliance. That never  
22       happened. Windrose Group Inc. as a corporation was  
23       created at the end of 2022. I didn't open up a bank  
24       account until the summer of last year, in anticipation  
25       I would get my FSRA licence and need it. There has



CLAIRE DRAGE - 14

1           been zero to no activity in the Windrose Group Inc. as  
2           a corporation and its own entity.

3       25.           Q.    So, for the period of time, I had  
4           thought, based on your association with the Mortgage  
5           Alliance, that you were always a franchised entity and  
6           now that is not correct.

7           A.    No, that's not.

8       26.           Q.    So, when Windrose the brand or you as  
9           an individual would be brokering loans, there would be  
10          a fee associated with those services. Where was that  
11          fee paid? Was it paid to Mortgage Alliance?

12          A.    Yes.

13       27.           Q.    Was it ever paid to you personally? Or  
14          to any other company you have an interest in?

15          A.    To me personally, no and if a cheque  
16          was sent to me, it was always deposited straight into  
17          Mortgage Alliance's CIBC account. Sometimes lawyers  
18          would not follow the instructions on the letter of  
19          directions that they received and would send the fee  
20          to our office address and it would then be sent to  
21          Mortgage Alliance.

22               MR. ROSENBLUTH: Colin, are you asking after  
23          the funds get sent to Mortgage Alliance, what happens  
24          to them?

25               MR. PENDRITH: I was just asking initially,

CLAIRE DRAGE - 15

1 by way of example, when loan funds are raised,  
2 mechanically there is a fee component of it that gets  
3 taken off the top, I guess and paid somewhere. I'm  
4 trying to understand if it goes to Mortgage Alliance  
5 or if it goes to some other entity. I'm just trying  
6 to ---

7 MR. ROSENBLUTH: And just to assist and try  
8 to clarify, I think the witness and correct me if I'm  
9 mistaken, but I think what she is saying is the funds  
10 would go, in the first instance, to Mortgage Alliance.  
11 BY MR. PENDRITH:

12 28. Q. That's what I understood as well, but  
13 let me know if that's wrong, Claire.

14 A. That's for mortgages, yes.

15 29. Q. And is it different for promissory note  
16 loans?

17 A. Correct.

18 30. Q. How does that work?

19 A. So, promissory note loans were a  
20 consulting and administration fee that we charged and  
21 those funds would go to the Lion's Share Group Inc.  
22 corporate bank account. They would not go to me  
23 personally. They would go into the Lion's Share bank  
24 account.

25 31. Q. So, Lion's Share has a bank account,

CLAIRE DRAGE - 16

1 but Windrose did not, at least not until you opened  
2 one in late 2022?

3 A. Correct.

4 32. Q. Okay, were any of the Windrose broker  
5 fees or other fees paid to Lion's Share ever?

6 A. They were paid to Mortgage Alliance and  
7 then Mortgage Alliance would then pay me, minus their  
8 five percent split. That would go into the Lion's  
9 Share Inc. corporate bank account.

10 33. Q. Does Lion's Share own Windrose or vice  
11 versa?

12 A. No, two separate entities.

13 34. Q. Okay and are you the director and owner  
14 of both?

15 A. Yes.

16 35. Q. And there are no other owners?

17 A. There is -- my husband is a 50 percent  
18 shareholder in both companies.

19 36. Q. And who is your husband?

20 A. Oh, [REDACTED].

21 37. Q. So, I understand in certain cases  
22 Windrose is a lender as well, not just a broker, is  
23 that right?

24 A. No.

25 38. Q. Windrose never lends money to --

CLAIRE DRAGE - 17

1 A. No.

2 39. Q. -- the Applicants?

3 A. No.

4 40. Q. Is Lion's Share sometimes a lender to  
5 the Applicants?

6 A. Yes.

7 41. Q. Okay, tell me about the distinction  
8 between Lion's Share as a broker, if it performs those  
9 services and Lion's Share as a lender and how that  
10 works.

11 A. Yes, absolutely. So, Lion's Share is  
12 not a mortgage broker. Lion's Share acts as a lender  
13 and a borrower.

14 42. Q. Lion's Share is not a broker?

15 A. Correct, not a mortgage broker, no.

16 43. Q. Is it a broker of promissory notes?

17 A. Yes.

18 44. Q. Okay and it takes a fee for doing that?

19 A. Correct, yes.

20 45. Q. Is Lion's Share licenced to be a  
21 broker?

22 MR. ROSENBLUTH: Well, do you mean licenced  
23 as a mortgage broker?

24 BY MR. PENDRITH:

25 46. Q. Or any type of licence?

CLAIRE DRAGE - 18

1 A. No. Lion's Share holds no licences.

2 47. Q. What type of -- is it exclusively  
3 promissory notes that Lion's Share will be involved in  
4 brokering or is it other types of loans?

5 A. It would primarily be promissory note  
6 loans as a lender. There was occasion when Lion's  
7 Share would also do secured mortgages as a lender.

8 MR. ROSENBLUTH: Sorry Colin, you were  
9 asking about activities as a broker or as a lender or  
10 both?

11 MR. PENDRITH: Well, I was asking about  
12 activities -- initially I was asking about licencing  
13 and then in terms of Lion's Share's activities as a  
14 broker, if it was limited to promissory notes and I  
15 think Ms. Drage answered that there had been some  
16 activity with Lion's Share being a lender of secured -  
17 - on a secured basis, so mortgage loans.

18 MR. ROSENBLUTH: So Claire, just to keep  
19 these two things straight, I think what you are saying  
20 is it they would sometimes make secured loans as a  
21 lender.

22 THE DEPONENT: Correct.

23 MR. ROSENBLUTH: Are you also saying they  
24 would broker such loans or only that it would act as a  
25 lender?

CLAIRE DRAGE - 19

1 THE DEPONENT: Act as a lender.

2 MR. ROSENBLUTH: So, did it ever broker  
3 anything other than promissory notes?

4 THE DEPONENT: No.

5 MR. ROSENBLUTH: Okay, does that help,  
6 Colin?

7 MR. PENDRITH: Yes and I think I understood  
8 that is what the witness was saying, but thanks for  
9 clearing that up.

10 MR. ROSENBLUTH: Okay.

11 BY MR. PENDRITH:

12 48. Q. Who made the decisions regarding the  
13 advance of funds as a lender for either Lion's Share  
14 or Windrose? Was that you or was that someone else?

15 A. Primarily myself for oversight. I did  
16 have a staff of 13 people plus myself that would work  
17 in all aspects of analyzing deals, et cetera.

18 49. Q. When Windrose or Lion's Share would act  
19 as a lender, where would the capital -- where would  
20 the funds come from that it was lending out? What was  
21 the model there?

22 A. Yeah, so originally it started back in  
23 -- I'm going to say it was 2016 if I recall, was when  
24 Lion's Share as a corporation, became a lender and  
25 lent out its first promissory note loan. This was

CLAIRE DRAGE - 20

1 prior to me meeting any of the Balboa Applicants.  
2 This was with our other clients that we work with, our  
3 other borrowers, I should say and it honestly started  
4 with -- I had money in my bank account. Lion's Share  
5 had money and so when borrowers were looking for  
6 funds, I, as the lender, was the first one that  
7 started doing promissory note loans. Initially that  
8 was because, of course, it's unsecured and I felt it  
9 was very prudent at the time that my company, Lion's  
10 Share would be the lender. As we worked through the  
11 nuances, fine tuning and paperwork, truly determining  
12 which borrowers would qualify, if at all, for  
13 promissory note loans and we had a very clear  
14 protocols and process for when a borrower would  
15 qualify to even get a promissory note loan. Not all  
16 our borrowers were even offered it, let alone  
17 qualified for it.

18 50. Q. Okay, can you talk me through the  
19 nature of those qualifications that were required in  
20 order for a borrower to be eligible to borrow without  
21 providing security, so on a promissory note basis or  
22 otherwise?

23 A. Yes, absolutely. So, we would start by  
24 qualifying the borrower themselves. I had decided  
25 that we would work with a very, very specific model

CLAIRE DRAGE - 21

1 based on all my prior years of experience working  
2 specifically with real estate investors and so our  
3 qualifying of the borrower would start with they  
4 needed to provide a resume or a pro forma, a business  
5 plan, a financial plan or outlook. They needed to  
6 also provide all the relevant qualifying documentation  
7 you would expect such as income, assets, net worth,  
8 credit bureau analysis and so qualifying the borrower  
9 from an underwriting perspective was, you know, their  
10 capacity to make their loan payments, we would not  
11 loan -- let me back up. Our criteria fit into three  
12 key buckets. The borrower must have a good to  
13 excellent credit rating, so therefore to be paid back  
14 the promissory note loan, they must be able to qualify  
15 at banks or other institutions, credit unions for  
16 example, so regular FIs because it was really  
17 important that they were able to execute on the exit  
18 strategy which was repaying the unsecured loan. It  
19 was also really important that, you know, they had  
20 more to lose by things like -- I mean, not only the  
21 qualifying criteria, but also we wanted to ensure that  
22 they were full-time real estate investors, so they  
23 were borrowers that already owned investment  
24 properties. So, the people we would not loan to would  
25 be -- I used to call them HGTV trained. They think in



CLAIRE DRAGE - 22

1 22 minutes they can buy or flip a property and become  
2 rich and use our funds in order to do that. So, they  
3 needed to have good to excellent credit, already own  
4 an existing portfolio, at least a principal home and  
5 the third criteria was they needed to be full-time, so  
6 full-time real estate investors. We didn't want, you  
7 know, part-timers, weekend warriors trying to flip a  
8 property. All my borrowers, how I sort of got these  
9 borrowers were, they were recommended or referred to  
10 me either when I was teaching Rich Dad Poor Dad  
11 courses or they were involved in another form of real  
12 estate investing training -- whether that was **Borrower**  
13 **Name** who wrote Black Card, **Borrower Name** (ph), **Borrower**  
14 **Name**, but they came from that training and  
15 background, they hadn't just read a book and figured  
16 they could do it. So, the first thing we would do is  
17 qualify the borrowers. We used to say that we would  
18 paper them to hell and that was part of our first  
19 screening process. We would provide them with a long  
20 list, two years T1 generals, we want every page, T4s,  
21 notice of assessments, like I said, net worth,  
22 property tax statements, mortgage statements;  
23 everything third party to prove what they put on their  
24 net worth or application. If they didn't provide all  
25 of that information, then they were not approved,

CLAIRE DRAGE - 23

1 period. So, our initial screening process was just,  
2 we are going to paper you to hell and if you are not  
3 committed to doing that, then we are not going to move  
4 forward. So, our initial underwriting process was to  
5 qualify the borrower. The reason why I liked to work  
6 with borrowers that were full-time was it also meant  
7 that they were dedicated and they were -- they relied  
8 -- they needed the income or the return from this  
9 business they were running in order for them to make  
10 money, so they wouldn't receive any funds until they  
11 had refinanced or sold the property. So, screening  
12 was the --. That was a long, lengthy process. We  
13 would create what we called an REIFP which was a Real  
14 Estate Investment Financing Plan. In that 18 page  
15 document, we would clearly outline the type of  
16 financing we were approving them for. We would have  
17 some theoretical numbers, purchase prices, locations  
18 based on our initial interviews with the borrowers and  
19 provide them with an idea of things like interest  
20 rates, amortizations, cost to borrow and we would not  
21 offer unsecured promissory note loans to every  
22 borrower.

23 51. Q. Understood. Can I stop you for a  
24 moment here, Claire?

25 A. Yeah, sorry, yeah.

CLAIRE DRAGE - 24

1       52.           Q.    You've given me a ton of information  
2                    and it's very -- and I'm going to ask you to continue  
3                    in a moment, but in terms of the -- you called it  
4                    papering them to hell, I think was the expression you  
5                    used and you talked about acquiring pro formas,  
6                    business plans, financial plans, income, asset, net  
7                    worth and all that type of stuff. Did you obtain all  
8                    of the things that you have described from the  
9                    Applicants and their principals?

10                   A.    Yes.

11       53.           Q.    Do you still have all of that?

12                   A.    Yes, I believe so, yes.

13                   MR. PENDRITH: This is not an undertaking  
14                    because we are not in the framework of an examination,  
15                    but it is a request that I am going to put on the  
16                    record for production of those documents that were  
17                    provided by the Applicants to you or your company, Ms.  
18                    Drage.

19                   MR. ROSENBLUTH: We will certainly -- I have  
20                    no issue with the request. The only question -- we  
21                    can do this offline later, but Claire, do you still  
22                    have access to that or would that be something that  
23                    one of the trustees would have access to?

24                   THE DEPONENT: So, the trustees were only  
25                    for the fund.

CLAIRE DRAGE - 25

1 MR. ROSENBLUTH: Sorry, I mean for the ---

2 THE DEPONENT: Oh sorry, the trustees. As  
3 of today, I still have access to that information.

4 MR. ROSENBLUTH: Okay, so we will consider  
5 that, but I don't see an issue with providing it.

6 --- REQUEST

7 BY MR. PENDRITH:

8 54. Q. Thank you. Did you update the  
9 disclosure that was provided by the Applicants? So  
10 obviously, you will be aware that people and company's  
11 financial positions change over time and so it sounds  
12 like when you on-boarded you had a lot of information  
13 that came in. Did you update that information from  
14 time to time and if so, how did that occur?

15 A. Yeah, so our protocol was to update the  
16 information at a minimum on an annual basis. We also  
17 required credit bureaus every 90 days. Sometimes --  
18 90 days to six months old, no older than 90 to 60 days  
19 because the borrowers were purchasing multiple  
20 properties, we would ask the borrowers to provide the  
21 credit bureaus, so it would not be a hard hit to their  
22 credit score which would negatively impact potential  
23 refinancing options.

24 MR. PENDRITH: I am similarly going to  
25 request whatever updates were provided by the

CLAIRE DRAGE - 26

1 Applicants and their principals and when I am speaking  
2 of their principals, I will just clarify, I'm  
3 referring to Robert Clark, Aruba Butt or Aruba Clark  
4 as she may be now known, Dylan Sutor, Ryan Malony and  
5 then also Sam Drage who you are familiar with  
6 obviously and Bronwyn Bullen.

7 MR. ROSENBLUTH: Understood, yes, same  
8 answer.

9 --- REQUEST

10 THE DEPONENT: Can I add a comment? Robby  
11 Clark was not a borrower. Robby Clark was never a  
12 borrower, I have no information that involves Robby  
13 Clark.

14 BY MR. PENDRITH:

15 55. Q. Have you ever done any business with  
16 Robby Clark?

17 A. Like, providing him with financing?  
18 Can you clarify the question for me?

19 56. Q. I'm trying to understand if you have  
20 done business where you have either lent money to  
21 Robby Clark or otherwise done any business with him.

22 A. No.

23 57. Q. Okay.

24 A. He was not a borrower.

25 58. Q. Did you understand he was associated

CLAIRE DRAGE - 27

1 with the Applicants?

2 A. He ran an -- with his wife, Aruba; SID  
3 Management and a contracting company. He was also  
4 instrumental in the exit strategy financing. My role  
5 was acquisition financing of the properties, so the  
6 purchase, the renovations, carrying costs, closing  
7 costs. At first -- with Dylan and then Dylan's power  
8 team included Robby and Aruba.

9 59. Q. Dylan's power team, was the expression  
10 you used?

11 A. Yeah sorry, so a power team in real  
12 estate terms refers to -- there are typically two  
13 groups, the inner circle and an outer circle. Power  
14 team on the inner circle can be coaches, consultants,  
15 property management, realtors, accountants, lawyers,  
16 et cetera. Property management and in the case of  
17 this specific real estate strategy, all the  
18 renovations was performed by the SID Group of  
19 companies.

20 60. Q. So, was Robby's function, as you  
21 understood it, limited to the work being performed  
22 through the SID companies?

23 A. Correct and he was providing advice and  
24 strategies for the Applicants and was also a large  
25 part of negotiating things like the Core purchase back

CLAIRE DRAGE - 28

1 in May of 2022 when it closed, that's the Core, the  
2 REIT was purchased and over 200 properties and he was  
3 also instrumental along the road, he became more  
4 active and interacting with us to provide us with  
5 updates on the refinancing and/or his team with  
6 regards to sales.

7 61. Q. Okay, I'm going to come back to a  
8 number of those points, but before I lose it, you  
9 mentioned an investment finance plan.

10 A. Yes.

11 62. Q. That would have been provided. Did you  
12 provide that plan to the Applicants?

13 A. I don't know.

14 63. Q. Is that something you could check to  
15 see if you still have copies of those?

16 A. Yes.

17 64. Q. And if you do, we would be interested  
18 in seeing those.

19 A. Of course.

20 65. Q. That's the thing that would have  
21 outlined the type of financing that they would have  
22 been qualified for, right?

23 A. Yeah.

24 MR. PENDRITH: So, that would be another  
25 similar request.

CLAIRE DRAGE - 29

1                   MR. ROSENBLUTH: I take it Colin, you are  
2 interested in, just in terms of the scope, of would  
3 there be one of these documents per borrower? Per  
4 property? I just want to know what we're looking for  
5 and what you are asking for.

6                   THE DEPONENT: Our protocol would be to do  
7 one per borrower. I don't know if we've got one for  
8 all of these specific Applicants.

9                   MR. ROSENBLUTH: Okay.

10       --- REQUEST

11       BY MR. PENDRITH:

12       66.           Q.   When you are talking about borrowers,  
13       Ms. Drage, would you look at it as Dylan Suitor is a  
14       borrower and there is a number of companies that Dylan  
15       Suitor has an interest in or do you look at it as this  
16       is Interlude and Interlude is the borrower or this is  
17       Horses in the Back and Horses in the Back is the  
18       borrower?

19                   A.   So, our primary focus is the actual  
20       human beings behind the corporations or in front of  
21       the corporations in this case. So, we would look at  
22       Dylan and then all the corporations he is on. When we  
23       look at, for example, Pink Flamingo or DSPLN, we would  
24       refer to Aruba as the primary, that the borrowers were  
25       -- in that case was Aruba, but then you look at



CLAIRE DRAGE - 30

1 Multiville or Happy Gilmore, Ryan Malony is the  
2 primary and Aruba was the second borrower -- not the  
3 secondary borrower, but Borrower 1 and Borrower 2,  
4 those equally responsible. The companies they  
5 created, we would always get articles of incorporation  
6 to ensure that there were no other directors or  
7 shareholders at that time that also needed to be  
8 qualified.

9 67. Q. Understood. We've learned some  
10 information to the effect that Robby Clark has an  
11 undocumented interest in Ms. Butt's businesses, as  
12 well as an undocumented interest in Mr. Suitor's  
13 businesses, certainly the ones that fall within the  
14 Applicant framework. Do you have any knowledge of  
15 that?

16 A. No.

17 68. Q. Is that surprising to you?

18 MR. ROSENBLUTH: Sorry, whether it's -- can  
19 you just help me with that question, whether it's  
20 surprising to her? It's not really relevant to any  
21 part of this inquiry, is it?

22 MR. PENDRITH: I'm trying to understand  
23 whether that would be something that would be  
24 anticipated based on the way the Applicants carried on  
25 their business. We are not within the strict, sort

CLAIRE DRAGE - 31

1 of, confines of relevance in the sense of a pleading.

2 MR. ROSENBLUTH: I appreciate that.

3 MR. PENDRITH: This is more of a  
4 conversation.

5 MR. ROSENBLUTH: You are quite right, I  
6 appreciate that. I'm not trying to be unduly strict  
7 here; I just want to make sure we stay on track. I  
8 think Claire, was it your understanding that there was  
9 any interest held by Clark, either documented or  
10 undocumented?

11 THE DEPONENT: My understanding was Robby  
12 and Aruba had SID Management and SID Renovation and  
13 their interests lie there, in addition to Aruba was a  
14 borrower.

15 BY MR. PENDRITH:

16 69. Q. But you didn't ever treat Robby as  
17 being a borrower?

18 A. No.

19 MR. PENDRITH: To explain the relevance  
20 here, you know, we've heard a lot of information about  
21 how Lion's Share and/or Windrose would paper them to  
22 hell and there would be disclosure presumably about  
23 who the principals behind the businesses are and if  
24 that information is, in fact, different than what has  
25 been provided to Lion's Share or Windrose, that would

CLAIRE DRAGE - 32

1 be relevant from our perspective.

2 MR. ROSENBLUTH: Fair enough. I mean, if  
3 you are asking is it surprising in the sense that it's  
4 new information, I'm happy to have the witness answer  
5 that, if you would like.

6 BY MR. PENDRITH:

7 70. Q. Based on the way the Applicants ran  
8 their business, are you surprised to learn that Robby  
9 had an interest -- an undocumented interest in the  
10 Dylan Suitor corps and the Aruba Butt corps?

11 MR. ROSENBLUTH: Sorry, I guess my  
12 difficulty is that you are putting to the witness,  
13 information that we haven't seen and is it an  
14 undisputed, undocumented interest? Or is it an  
15 assertion? What's the status of this allegation that  
16 he is putting forward?

17 MR. PENDRITH: It's not an allegation. It's  
18 information that I have from Mr. Suitor and Mr. Clark  
19 and Ms. Butt who have told me this and so I'm trying  
20 to understand if this is something that is out of left  
21 field and Ms. Drage is very surprised by it or if it  
22 sort of makes sense because that's how the businesses  
23 operated, where it was all just one big business and  
24 Robby Clark was sort of involved in it, doing things  
25 here and there. That's what I'm trying to assess.

CLAIRE DRAGE - 33

1                   MR. ROSENBLUTH: And that's fine, but just  
2                   to be a bit more precise, whether he is involved in it  
3                   here and there is one thing. Whether the witness has  
4                   an understanding that Clark had a shareholding  
5                   interest in it, whether documented or not is a  
6                   different thing. So, I just want you to, sort of --  
7                   we're going back and forth between those two concepts  
8                   and I don't want the witness to be confused here. I'm  
9                   not trying to be difficult.

10                  MR. PENDRITH: Counsel, respectfully I'm not  
11                  asking a confusing question or trying to trick anyone.  
12                  I'm just trying to understand if this is surprising  
13                  information to her or if it made sense within the  
14                  context of the business.

15                  MR. ROSENBLUTH: Thank you, I will allow her  
16                  to answer that.

17                  THE DEPONENT: I am surprised that it's  
18                  undocumented.

19                  BY MR. PENDRITH:

20       71.           Q.    That is something you would have  
21                      expected to be disclosed to you?

22                    A.    Yes, our -- our understanding was  
23                      always Robby's connection was the SID Management and  
24                      the SID Renovation, the construction.

25       72.           Q.    Had you known that Mr. Clark had an

CLAIRE DRAGE - 34

1 interest in Dylan Suitor's corporations and Aruba  
2 Butt's corporations, would that have impacted the way  
3 you dealt with lenders who were lending to those  
4 corporations?

5 A. The extent to which the connection was  
6 there, would determine how we would qualify the  
7 borrower. So, in Interlude, maybe I could give you an  
8 example; so for example, if Interlude, on review of  
9 the articles of incorporation, the shareholder  
10 directory and the by-laws of the corporation and there  
11 was no other entity or connection, I would have no  
12 reason to believe that anyone else had anything -- any  
13 interest or would need to be qualified the same way as  
14 the directors and shareholders or owners of that  
15 corporation and I saw no evidence of that.

16 73. Q. What you are saying is you saw no  
17 evidence of Mr. Clark being a shareholder on paper?

18 A. Correct, yes.

19 74. Q. But in terms of -- let me give you a  
20 practical example. So, I've noticed in virtually all  
21 of the loans that seem to have been brokered by either  
22 Windrose or Lion's Share, that there is a personal  
23 guarantee given. Is that your understanding?

24 A. Yes.

25 75. Q. Who is that personal guarantee given

CLAIRE DRAGE - 35

1 by, typically?

2 A. The borrowers, so in this case it would  
3 be Dylan for Interlude.

4 MR. ROSENBLUTH: Just to clarify, I think  
5 you mean the principals of the borrowers, fair?

6 THE DEPONENT: Yes, yes.

7 BY MR. PENDRITH:

8 76. Q. So, in the event that there was, in  
9 fact, an additional principal, by way of example, if  
10 50 percent of Dylan Suitor's interest in Interlude was  
11 Robby Clark's; would that have impacted who the  
12 guarantor would be?

13 A. Yes.

14 77. Q. Would it have impacted the disclosure  
15 you provided to lenders?

16 A. Yes, it would be fully disclosed.

17 78. Q. Why would you fully disclose it?

18 A. Because I am aware of it. If he has  
19 ownership in those companies and he has the ability to  
20 borrow under those companies, he would need to sign as  
21 a guarantor.

22 79. Q. And in your view it was necessary to  
23 disclose who the shareholders -- the ultimate  
24 individuals were of the borrower?

25 A. Yes. Sorry, of the borrower? Sorry,

CLAIRE DRAGE - 36

1 can you clarify?

2 80. Q. The borrower, so being Interlude?

3 A. Oh, Interlude, yes, yes.

4 81. Q. Using the example of Interlude as  
5 borrower, if you were giving information to a lender  
6 about an opportunity where Interlude was the borrower,  
7 I understand that you provided information about who  
8 the shareholders of Interlude were, is that right?

9 A. No. I wouldn't put shareholders in the  
10 opportunity package. It would be the -- specifically  
11 stating who the shareholders were. A review of the  
12 articles of incorporation and the directors and  
13 shareholders of that corporation would be Dylan.  
14 Dylan would be the human behind the entity that would  
15 be qualified as a borrower.

16 82. Q. Okay, what was it that made Dylan the  
17 person? Was it because he was a director or officer  
18 or was it because he was a shareholder or both?

19 A. Both, both.

20 83. Q. Okay and so if Mr. Clark was an  
21 undocumented interest-holder, be it shareholder or  
22 otherwise, is that something that you would have  
23 similarly felt the need to disclose to the lender?

24 A. Typical rule of thumb is that if there  
25 is any more than, you know, 25 to 30 percent of shares

CLAIRE DRAGE - 37

1 are owned by one entity; that would be disclosed.

2 84. Q. How did you come up with that ratio or  
3 that percentage holding as the disclosure ---

4 A. It's -- it's typically an industry  
5 standard that anyone that owns more than 25 to 30  
6 percent of shares, it can adjust case by case, each  
7 financial institution will have different guidelines,  
8 but it was an industry standard that they would have  
9 more of a vested interest, so therefore should provide  
10 those personal guarantees.

11 85. Q. Tell me how you first got involved in  
12 working with the Applicants or the individuals behind  
13 the Applicants.

14 A. Yes, I had to -- I had to look back on  
15 history because it's been a number of years, so I'm  
16 going to pop my glasses on and just review my notes to  
17 be sure I provide -- it started -- well, let me back  
18 up. I will start with the first one; that would be my  
19 son obviously. Born in '94, he started working for me  
20 in the Windrose Group on the Mortgage Alliance team in  
21 February, 2021. Bronwyn Bullen, at that time, was  
22 dating my son, Sam and they were high school  
23 sweethearts, so they have been together over 11 years.  
24 She actually started working for me in December, 2016.  
25 She joined us, so I met her through my son and she



CLAIRE DRAGE - 38

1 joined us starting in data entry to start with. Then  
2 end of 2017, so fall of 2017 I met Dylan at a real  
3 estate investment networking group in Burlington.  
4 That was the first time I met Dylan. I would do  
5 presentations to the group with regards to interest  
6 rates, market updates, financial information, et  
7 cetera and over the -- over the coming year, so  
8 October, 2017 to October, 2018 Dylan and I would meet  
9 a number of times. He would talk about his existing  
10 portfolio. He already owned a couple of rental  
11 properties. He was already an up and coming real  
12 estate agent, very knowledgeable, very driven, very  
13 experienced and over, sort of, you know, the end of  
14 2017/2018, we qualified him as a borrower and so the  
15 process was always qualifying the borrower first and  
16 then looking at their overarching goal and strategy,  
17 what strategy do they want to employ in real estate,  
18 the strategy as well as the location. So, the  
19 strategy being are they flipping, are they BRRRRRing,  
20 are they just buying to rent and hold, buying turnkey  
21 properties.

22 MR. ROSENBLUTH: Just for the sake of the  
23 transcript, you said, "Are they BRRRRRing." Can you  
24 clarify that?

25 THE DEPONENT: Yes, certainly, so the

CLAIRE DRAGE - 39

1 BRRRRRRing is the buy, renovate, rent, refinance, rinse  
2 and repeat.

3 MR. ROSENBLUTH: Thank you.

4 THE DEPONENT: Where was I? Yeah, so during  
5 that first year we qualified Dylan, excellent credit,  
6 he was up and coming in his real estate, so his  
7 commissions were six figures each year and he would,  
8 on a couple of occasions if I recall, would come into  
9 our offices and just talk about -- he would bring  
10 specific people in with him, he brought him mom in at  
11 one point that was interested in becoming a mortgage  
12 broker and wanted to chat with me. He brought in some  
13 other clients and introduced us to them and over that  
14 year, he fine-tuned his overarching strategy, to the  
15 best of my knowledge. We didn't fund our first  
16 purchase or -- until October, 2018. I think that  
17 first year we did, if I recall, seven or eight  
18 purchases in 2018 and that was ---

19 BY MR. PENDRITH:

20 86. Q. Were these for Applicant companies or  
21 were these other Dylan Suitor interests that were  
22 outside of the Applicants?

23 A. They were a mix. I don't recall the  
24 exact corporations, Dylan had a couple of corporations  
25 and he continued to add to his group of companies,

CLAIRE DRAGE - 40

1 depending on the strategy, the location, et cetera and  
2 some of those companies have since, to the best of my  
3 knowledge, closed down, so I don't recall which  
4 corporation was the first eight purchases specifically  
5 in 2018.

6 87. Q. Offhand, do you know the ones of his  
7 that have closed down?

8 A. No, no, because there was a number of  
9 them and it was just -- no. Off the top of my head,  
10 because I'm thinking of things like Up-Town Funk, but  
11 that's not in the CCAA -- only have one property left.  
12 No, I don't recall exactly.

13 88. Q. Are you aware if there are, outside of  
14 the CCAA, any corporations that Dylan Suitor continues  
15 to own real estate through?

16 A. Yes.

17 89. Q. What do you know about that?

18 A. Well, Dylan always had two portfolios.  
19 So, he has his portfolio with the Applicants and then  
20 he expanded into multi-family properties. I think he  
21 might have a couple of single family's, but primarily  
22 multi-family's was his own separate portfolio, his  
23 multi-family portfolio that he ran himself also  
24 through his own management and renovation company  
25 currently referred to as Conduit.

CLAIRE DRAGE - 41

1       90.           Q.    Conduit and when you say multi-family,  
2                   do you mean houses with multiple units in it or do you  
3                   mean apartment complexes or something different?

4                   A.    Apartment buildings, yeah.

5       91.           Q.    Which one started first? Was it the  
6                   single family homes or was it the multi-family?

7                   A.    He already owned a couple of properties  
8                   when we first did our deal together. I don't recall  
9                   exactly what those ones were, that would be back in  
10                  2018.

11      92.           Q.    What was the frequency of communication  
12                   you had with Dylan Suitor over the years? Was he  
13                   someone you spoke to daily? Weekly? Monthly?

14                  A.    Me, personally? Primarily -- initially  
15                   weekly as we grew our business relationship and the  
16                   weekly discussions were also with some of my staff and  
17                   they would involve things like, you know, the  
18                   acquisition strategy, closings that were coming up, we  
19                   were waiting for maybe an appraisal report, how were  
20                   the renovations going, what was the need for funds,  
21                   what was the progress, so that we could continue to  
22                   build the information, that we would continue to  
23                   invite and provide to our investors. We called them  
24                   opportunity packages, so therefore having those  
25                   regular updates were extremely important, reminders of

CLAIRE DRAGE - 42

1           our upcoming payments. When we first started the  
2           relationship and there was only, you know, four or  
3           five properties and then 10 or 20, when it started to  
4           grow, those conversations would be more often and then  
5           they would also involve other members of my staff.  
6           One would look after the payments and send reports to  
7           remind about upcoming payments that were due to  
8           lenders, et cetera, as an example.

9       93.           Q.    Can you explain how the payments  
10          worked? So, interest payments that were owing by the  
11          Applicants or other borrowers, I suppose, as well, but  
12          primarily I'm focussed on the Applicants here. Would  
13          they pay the lender directly or would funds sometimes  
14          go through Lion's Share or Windrose?

15                   MR. ROSENBLUTH: Can I -- just to assist  
16          here because there are obviously a few different types  
17          of loans we are talking about, so maybe can you just  
18          focus on one at a time? I think that might make this  
19          easier.

20          BY MR. PENDRITH:

21       94.           Q.    Sure, so tell me about the different  
22          types of loans. Is it limited to mortgage loans and  
23          promissory note loans or is it something more than  
24          that?

25                   A.    Yeah, so am I okay to?

CLAIRE DRAGE - 43

1 MR. ROSENBLUTH: Yes.

2 THE DEPONENT: Okay, so let's talk about the  
3 mortgages. So, the mortgages, payments were always  
4 set up on mortgages by either preauthorized debit or  
5 post-dated cheques. That was always set up at the  
6 lawyer's office on the closing of each acquisition,  
7 each purchase. So, therefore payments would go  
8 directly to -- between borrower and lender. If a --  
9 if a payment would bounce, we would ask the lender to  
10 inform us, so that we could follow-up with the  
11 borrower. If -- and then for promissory note loans,  
12 so promissory note loans, payments would -- we set up  
13 a -- one thing that was really important for me to  
14 understand was the cash flow and the money management  
15 of the borrowers. So therefore, we would monitor and  
16 record that a payment was made, but no funds would be  
17 deposited into our bank account for a payment.

18 MR. ROSENBLUTH: Sorry, just to be clear  
19 Claire, let's just distinguish between promissory  
20 notes where the borrower is Lion's Share versus --  
21 sorry, the lender is Lion's Share versus promissory  
22 notes where Lion's Share is not directly involved.  
23 Can you just walk us through each of those separately?  
24 BY MR. PENDRITH:

25 95. Q. Yes, I think that's a good distinction,

CLAIRE DRAGE - 44

1           thank you.

2                   A.    So, we've done mortgages, so that's  
3           always facilitated post-dated cheque, preauthorized  
4           debit through the lawyers. Where a lender loaned a  
5           promissory note loan directly to the borrower, so  
6           loaned to Interlude or DSPLN, there was some requested  
7           post-dated cheques, but the standard was either a  
8           preauthorized debit directly from the borrower's bank  
9           account to the lender or they could send a monthly e-  
10          transfer. So, if they sent a monthly e-transfer, the  
11          e-mail with the e-transfer will go into our  
12          payments@thewindrosegroup e-mail address. It would  
13          not be deposited by us. It would be recorded and  
14          forwarded to the lender for deposit along with the  
15          applicable password.

16        96.           Q.   Why did you devise that system? I'm  
17          trying to understand why payment wouldn't just be made  
18          directly by e-mail transfer from the borrower to the  
19          lender, if that was the preferred mode of transfer?

20                   A.    Yeah, the primary -- the primary reason  
21          was the volume of their business and wanting to ensure  
22          that the payments were made and did go to the lender.  
23          Therefore by it going through us or via us and  
24          recorded, we could track that. It also was a service  
25          that my lenders enjoyed. They enjoyed the fact that

CLAIRE DRAGE - 45

1 we were tracking, so for example, if every Friday, at  
2 least in the last year and a half when we updated our  
3 system, we would provide the Applicants on a Friday  
4 with a list of all the payments and e-transfers they  
5 had to send for the following seven days. If we did  
6 not receive the e-transfer on the day it was due, it  
7 had to be sent by 1:00, 1:00 p.m., then a member of my  
8 staff -- the protocol was we would then e-mail the  
9 borrowers to remind them that we have not seen the  
10 payment. So, therefore reminding them to send it and  
11 if it was after 1:00, the applicable late fee would be  
12 charged. So, it provided me with the opportunity to  
13 monitor the cash flow and their infrastructure  
14 operations and also provided reassurance to our  
15 investors that they knew that we were monitoring  
16 payments going in and out.

17 97. Q. You mentioned cash flow and money  
18 management tracking. Was there a system within which  
19 it was tracked? Is it a database? An Excel  
20 spreadsheet? A series of spreadsheets? How did you  
21 track all that information?

22 A. Yeah, that was in our -- it would have  
23 -- did I have Salesforce back then? It would be our  
24 Salesforce database system where we would record the  
25 number of payments that were due and then, you know,



CLAIRE DRAGE - 46

1           that would make up the reports that would go once a  
2           week and I had staff members that would monitor that  
3           and there was a level of automation if the payment  
4           wasn't received that would go to the Applicants as  
5           well.

6       98.           Q.    Was the management of these payments  
7           the same system that was used for Lion's Share and for  
8           Windrose or did you have a separate system for each?

9                    A.    Same system.

10      99.           Q.    Same system?

11                    A.    Yeah.

12      100.          Q.    Do you still have access to that data?

13                    A.    Yeah.

14                    MR. PENDRITH: I'm going to request Counsel,  
15           that we be provided with access to the data, whereby  
16           the tracking of the payments of interest amounts, in  
17           respect of the Applicants. We are not asking for data  
18           of unrelated customers.

19                    MR. ROSENBLUTH: Okay, we will consider  
20           that.

21      --- REQUEST

22                    BY MR. PENDRITH:

23      101.          Q.    Thank you. How often would you send an  
24           e-mail reminder because an interest payment was late  
25           or missed? Is that frequent or infrequent?

CLAIRE DRAGE - 47

1 A. Frequent.

2 102. Q. Frequent?

3 A. Yes.

4 103. Q. Was it always frequent or did it only  
5 become frequent at a certain point in time?

6 A. I only started missing payments,  
7 sometimes it was forgetting payments, they just forgot  
8 or their e-transfer limit had been met as the  
9 portfolio starts to grow. Aruba Butt was our primary  
10 contact with regard to property management and the  
11 daily money in and money out, so they started missing  
12 a few payments end of 2022, if I recall.

13 104. Q. And did that continue throughout 2023,  
14 that payments would be missed?

15 A. Periodically, yes.

16 105. Q. Would the data that you have in your  
17 system show when all of those missed payments  
18 occurred?

19 A. Yes.

20 MR. PENDRITH: To the extent that this is  
21 anything incremental, that's part of the data that I'm  
22 looking for.

23 MR. ROSENBLUTH: Yes, that is covered by the  
24 existing request.

25 BY MR. PENDRITH:

CLAIRE DRAGE - 48

1       106.           Q.    Thank you, I appreciate that. Did that  
2                    become concerning to you at any point, that there were  
3                    missed payments happening with some degree of  
4                    regularity?

5                    A.    Of course. Any time any of our  
6                    borrowers would miss payments it was always a concern  
7                    and something that needed to be addressed. Always  
8                    looking at what was being done to resolve the cash  
9                    flow challenges. That was the important priority and  
10                   that was what led and drove lots of our weekly and  
11                   sometimes more than once a week discussions with both  
12                   -- with all of the Applicants.

13       107.           Q.    At the weekly discussions, this was an  
14                    issue that was addressed then? The missed payments?

15                    A.    Yes, yes.

16       108.           Q.    How did you address it?

17                    A.    Always asking, you know, where is cash  
18                    flow, what is the status, you know, where are things  
19                    at, you know, how much money is there available, when  
20                    are rents coming in, what could be -- to payments. It  
21                    was balancing -- their role was to balance between  
22                    payments that were required as well as renovations and  
23                    regular carrying costs.

24       109.           Q.    Did you have insight into the amount of  
25                    rent that was being generated by the Applicant's

CLAIRE DRAGE - 49

1 portfolio?

2 A. Not directly, no.

3 110. Q. What about indirectly?

4 A. We were provided with periodic updates  
5 on expected rent rolls, but we were not provided with  
6 actual rent rolls or copies of leases.

7 111. Q. Would you still have the information  
8 that was provided about the periodic expected rent  
9 rolls?

10 A. Yes, yeah.

11 MR. PENDRITH: I'm going to ask if that  
12 package or packages, if it was several, be provided as  
13 well, please Counsel.

14 MR. ROSENBLUTH: We will consider that.

15 --- REQUEST

16 BY MR. PENDRITH:

17 112. Q. Thank you. Did it become apparent to  
18 you at any point in time that the Applicants did not  
19 generate enough rent revenue to cover their interest  
20 expenses?

21 A. Yes.

22 113. Q. When did that become apparent?

23 A. I mean, it was -- it was obvious based  
24 on payments that there was a cash flow challenge and  
25 along with many vacant units, I would probably say it

CLAIRE DRAGE - 50

1 became more apparent end of November, 2022/beginning  
2 of 2023, the beginning of last year.

3 114. Q. Before that, did you have any sense of  
4 liquidity issues that the Applicants were having?

5 A. No, they had successfully done some  
6 refinances. They successfully had the Core sale.  
7 They had also sold a number of properties, not a huge  
8 amount, but sold a few properties as well. It didn't  
9 become apparent at that time.

10 115. Q. Concerning the Core sale, I'm going to  
11 share or ask my associate Josh to share his screen.  
12 There is a section of Mr. Clark's affidavit which was  
13 sworn in conjunction with the CCAA that talks about  
14 the Core sale and the severe liquidity issues that  
15 were going on in May, 2022. It's Paragraph 50 of the  
16 Affidavit; I'm going to ask Josh to share that if he  
17 could.

18 MR. JACKSON: Sorry, just one second.

19 MR. ROSENBLUTH: Do you need a break?

20 THE DEPONENT: I'm good.

21 MR. ROSENBLUTH: If you need a washroom  
22 break or anything, just let me know, okay?

23 THE DEPONENT: Thank you.

24 BY MR. PENDRITH:

25 116. Q. Anytime you need a break Claire, that's

CLAIRE DRAGE - 51

1 absolutely fine.

2 A. Thank you, Colin.

3 117. Q. Are you able to see the paragraph  
4 that's been highlighted? That's Paragraph 50 of Mr.  
5 Clark's affidavit?

6 A. Yeah.

7 118. Q. So, there is a discussion and it says  
8 here, "To assist in ameliorating the Applicant's  
9 severe liquidity issues, SID Management and SID Reno's  
10 temporarily ceased charging the LTB services fees and  
11 construction management fees as of June, 2022." So,  
12 that's in and around the time of the Core sale and  
13 certainly prior to the date that you identified in  
14 late 2022 when the liquidity issues were becoming a  
15 bit more apparent to you. So, I just wanted to  
16 understand if you had any inkling that this was an  
17 issue as of mid-2022?

18 A. No. No, there was discussions at that  
19 time with lenders, they were in discussion with Scotia  
20 on refinances. I was not aware of this until I saw it  
21 in the affidavit.

22 119. Q. Did the Applicants ever tell you that  
23 their properties were cash flow positive?

24 A. I don't know. With a general statement  
25 of properties, I don't know.

CLAIRE DRAGE - 52

1       120.           Q.    What about in the aggregate?  So,  
2                    moving away from a particular property, for example,  
3                    but was there any information provided about monthly  
4                    or yearly or whatever, this is the amount of money we  
5                    have coming in in revenue and these are our costs.  
6                    Did they ever share that information with you?

7                    A.    No.

8       121.           Q.    Why was that information not shared?

9                    A.    I don't know.

10      122.           Q.    Did you ask for it at any point?

11                   A.    No.  I don't recall.

12      123.           Q.    Would that not be important information  
13                    to assess if the borrower has the capacity to repay a  
14                    new loan?

15                   A.    We provide -- we asked -- we had a  
16                    number of updates with regards to properties that were  
17                    being sold and ones that were being kept.  That was  
18                    updated on a Google sheet, but was shared with my  
19                    staff.

20      124.           Q.    I'm just trying to understand because  
21                    the business model as I understand it, and you correct  
22                    me if I'm wrong on this, is that the properties are  
23                    purchased and then some money is put into renovation  
24                    and all of this is entirely financed.  There is not  
25                    any equity that goes into it from the applicants, it's

CLAIRE DRAGE - 53

1 all borrowed money and then hopefully once everything  
2 is said and done, there is going to be somebody who  
3 will rent at a high enough rate that will cover the  
4 borrowing cost and I want to understand if that was  
5 ever achieved or not. Do you know if that was  
6 achieved?

7 MR. ROSENBLUTH: Can we just break that into  
8 parts? First off, is that an accurate description of  
9 the basic model?

10 THE DEPONENT: Yes.

11 MR. ROSENBLUTH: Okay, so go ahead.

12 THE DEPONENT: Yes, yes and primarily  
13 because if the property did not cash flow, when any --  
14 when they are looking to get their exit strategy  
15 financing, like a large refinance and the multiple  
16 discussions that were had with lenders, that the  
17 Applicants had with lenders and their representatives,  
18 it was all about debt coverage ratio, so requiring  
19 that the property debt covered, DCR, to 1.1 to 1.2.  
20 The majority of lenders would want that 1.2. If a  
21 property was renovated and rented to the best of our  
22 knowledge, if it did not meet the debt coverage ratio  
23 and/or if a singular property brought the entire  
24 portfolio down to below that standard across the  
25 portfolio -- and I refer to a portfolio as the



CLAIRE DRAGE - 54

1 properties in a specific corporation. So, when we  
2 were looking at -- when they were looking at  
3 refinancing and providing us with updates and letters  
4 of interest and discussions and then the portfolio we  
5 saw a pitch deck from them with regard to what the  
6 portfolio was doing, the debt covering was there as a  
7 whole. They did look at pulling out and were listing  
8 and selling properties and during 2023 they would  
9 provide us with regular updates on which properties  
10 were being listed for sale. Those, to my  
11 understanding, those were the ones that would not meet  
12 the debt coverage ratio requirements and/or provided  
13 an influx of cash, being sold on the open market,  
14 versus being held as a rental.

15 BY MR. PENDRITH:

16 125. Q. Explain the debt coverage ratio? Like,  
17 what exactly ---

18 A. Yeah, so when you look at commercial  
19 lending, so when a large -- a lender wants to come in  
20 and finance, you know, \$5/10/50/90 million dollars of  
21 a portfolio, whether it's lots of single family homes  
22 or it's three or four apartment buildings, they look  
23 at what they call a debt coverage ratio which tells  
24 the borrower the dollar amount that the lender is  
25 going to loan. So, the lender for example, will say,

CLAIRE DRAGE - 55

1 "We will provide you with up to 75 percent loan to  
2 value on a portfolio that debt covers 1.2," for  
3 example. The debt coverage formula was basically all  
4 income, so rental income, signage, parking, whatever  
5 rental income was coming in, minus vacancy and/or bad  
6 debt, that was usually five percent. Then it would be  
7 minus expenses, property taxes, utilities if they  
8 weren't paid by the borrower, property management  
9 fees, et cetera and then debt servicing. So, that  
10 debt servicing would involve, you know, a seven  
11 percent, 40 year amortizing interest rate and then the  
12 dollar amount -- and then at the end of that, the  
13 property could support all the portfolio as a whole,  
14 support those payments and still leave that 10 or 20,  
15 that 1.1 or 1.2 positive cash flow at the end. So,  
16 all income minus all expenses, management and  
17 maintenance and bad debt, minus debt servicing of a  
18 new mortgage, equals that debt coverage ratio. So,  
19 you would do what-if scenarios. You would figure out  
20 if a lender said, "I will give you a 40 year  
21 amortization, 65 percent loan to value on the  
22 portfolio that debt services 1.2," you could then do a  
23 what-if scenario to ascertain the value of each  
24 property that the lender is determining. It's not  
25 necessarily the value on the open market. It's the

CLAIRE DRAGE - 56

1 debt servicing value and then that would spew out a  
2 dollar amount. So, sometimes keeping a property that  
3 did negatively cash flow, could be counterbalanced in  
4 a portfolio that might have 100 properties by that  
5 triplex or that five-plex that was at 2.36 and not  
6 just 1.2. That was the exit strategy. That was the  
7 core role of the borrowers or the Applicants, was the  
8 refinance and the exit strategy and there were a  
9 number of letters of interest that we were provided  
10 information on which outlined those requirements. And  
11 outlined when ---

12 MR. ROSENBLUTH: One question at a time, I  
13 think you've answered it.

14 THE DEPONENT: Sorry, thank you. Did that  
15 make sense, Colin?

16 BY MR. PENDRITH:

17 126. Q. So, I mean, I'm a simple person, but  
18 what I'm sort of hearing is a very complex way of  
19 describing, is a property cash flow positive and what  
20 can you lend against it based on the cash flow being  
21 positive or negative. Is that a simplified version of  
22 what you just described?

23 A. Correct, yes.

24 127. Q. In order to do that analysis; don't you  
25 need to know what each property is bringing in and

CLAIRE DRAGE - 57

1           what each property's expenses are?

2                   A.    Yes and that was the -- that was the  
3           primary role of the Applicants as they were doing the  
4           exit strategy financing.

5   128.           Q.    Did they give you that information  
6           though?

7                   A.    They didn't give me the specific data  
8           that was being provided to the lenders that they were  
9           pursuing, who in turn issued letters of interest.

10   129.          Q.    Wouldn't the same information be  
11           relevant to your lenders though? I call them your  
12           lenders; I mean lenders where you were brokering the  
13           deal. Wouldn't that same information, essentially is  
14           a property cash flow positive or are the Applicants in  
15           the aggregate cash flow positive? That would have  
16           been important to lenders that you were brokering  
17           deals for as well, right?

18                  A.    Initially, when our lenders were  
19           financing these, these were either vacant or to-be  
20           vacant properties because it was a BRRRRR strategy.  
21           At renewal, so if it had gone a year and they still  
22           hadn't been able to refinance, at renewal that  
23           information was requested of the borrowers by my  
24           renewal department. The protocol was they would fill  
25           in a two or three page form for us that would outline

CLAIRE DRAGE - 58

1 the current status of the property. That information  
2 was then shared with the lender along with our  
3 recommendation of what renewal options they make like  
4 to consider. So, on initial application, the debt  
5 coverage at the end was based on a synopsis that we  
6 would do to ensure it would meet that requirement.

7 130. Q. Would you do that calculation --

8 A. Yeah, no, we would ---

9 131. Q. -- or was that the Applicant that would  
10 do the calculation of -- that would be based on a  
11 presumed, anticipated, after-renovation value?

12 A. Absolutely. You might recall we talked  
13 about how we qualify the borrowers. So, once we  
14 qualified the borrower, we would then look at each  
15 individual purchase and acquisition. So, each  
16 individual purchase, the protocol for my staff was a  
17 purchase agreement was received and an MLS listing.  
18 We needed a scope of work of what work was being done  
19 as renovations, assuming it was a BRRRR. If it was a  
20 flip we would still require the same thing and so  
21 scope of work, timeline, estimate of costs, the rental  
22 income, so if it was going from a single family to a  
23 duplex, what was the expected rental income going to  
24 be on that property, what was the current value with  
25 three comparables and what was the after-repair value

CLAIRE DRAGE - 59

1 with three comparables, so we could provide our  
2 analysis and on each property determine the loan to  
3 value we were prepared to source financing for.

4 132. Q. So, there was a package of everything  
5 that you just described that the Applicants would  
6 provide to Windrose or Lion's Share and then you would  
7 review that package and sort of, assess it to see if  
8 it made sense?

9 A. Yes, it was typically an e-mail with  
10 all of that key data included.

11 133. Q. Okay, do you retain all of those  
12 records?

13 A. Yes, we do.

14 134. Q. Would you provide that information for  
15 -- and it's going to be a lot, but the Applicant's  
16 properties that were -- where you assisted in the  
17 acquisition of the property or if it was the same  
18 package provided for a refinance, we would request  
19 that you provide those e-mails, please.

20 MR. ROSENBLUTH: Just so I'm clear and I --  
21 who I'm asking here, but the nature of the records is  
22 there is an individual e-mail for an individual  
23 property, either on acquisition or at refinance?

24 THE DEPONENT: Yes, both.

25 MR. ROSENBLUTH: And you think you have

CLAIRE DRAGE - 60

1 access to all of that stuff?

2 THE DEPONENT: As of today, yes.

3 MR. ROSENBLUTH: Okay, we will consider  
4 that.

5 --- REQUEST

6 THE DEPONENT: It would require and maybe  
7 that's something we discuss, just clarity on is it  
8 just those that are in -- those properties that are in  
9 the CCAA or all the properties?

10 MR. ROSENBLUTH: I assume you are only  
11 asking about ---

12 MR. PENDRITH: That's right, I'm only asking  
13 about the ones that are the Applicant's properties. I  
14 have an understanding that there is separate business  
15 that's done and I might ask some general questions  
16 about that in a minute, but this request regarding the  
17 documentary production relates to the Applicant's  
18 properties.

19 MR. ROSENBLUTH: Okay.

20 THE DEPONENT: And just to clarify,  
21 timelines for that, if we are talking about a mortgage  
22 that was done two years ago, it might have had the  
23 original acquisition and two or three renewals since  
24 then, times by 406 properties and that -- it will  
25 require some time.

CLAIRE DRAGE - 61

1                   MR. PENDRITH: I appreciate it's a bit of a  
2 document left there and I'm hoping, because you sound  
3 like a very organized person, that things are in  
4 folders and whatnot and hopefully it won't be too  
5 administratively difficult, but I do appreciate that  
6 there are a number of different properties and many of  
7 them have a number of different loans against them,  
8 so.

9                   MR. ROSENBLUTH: Thank you.

10                  BY MR. PENDRITH:

11       135.           Q.    Thanks. Generally speaking, do you  
12 have an understanding that the promissory note lenders  
13 associated their notes with particular properties?  
14 And I understand that the notes are not secured, it's  
15 not a mortgage loan, but did you have an understanding  
16 that the person making the loan, was loaning in  
17 relation to a particular property?

18                   A.    Yes.

19       136.           Q.    Are you aware that the funds or  
20 proceeds of promissory note loans were not always used  
21 in respect of the property that the loan was  
22 ostensibly associated with?

23                   A.    No, I was not aware.

24       137.           Q.    Did you have insight into how the  
25 proceeds of loans were used?



CLAIRE DRAGE - 62

1                   A.    I do not have access to the borrower's  
2                   bank accounts or how they disburse the funds once they  
3                   hit their accounts.

4    138.           Q.    Did the Applicants or their principals  
5                   tell you that they would move money around amongst the  
6                   Applicant companies and essentially spend it on an as-  
7                   need basis depending on which Applicant might have an  
8                   obligation coming up?

9                   A.    I don't recall.

10   139.           Q.    So, an example of that would be if  
11                   Balboa had just raised \$100,000.00 via a promissory  
12                   note, so it had \$100,000.00 in its bank account, but  
13                   Interlude had an upcoming payment it needed to make on  
14                   something, but zero dollars in its bank account.  
15                   Balboa might transfer some funds to Interlude;  
16                   Interlude would then spend that money. Did you have  
17                   any knowledge of this type of practice going on?

18                   A.    No. Funds went into the bank account  
19                   of the Applicant or the corporation and we had no  
20                   access to their bank accounts or how it was disbursed  
21                   afterwards.

22   140.           Q.    Was there any expectation that the  
23                   funds would be used by the Applicant that was the  
24                   borrower and not disbursed to another Applicant?

25                   A.    Sorry, can you say that again? Repeat

CLAIRE DRAGE - 63

1 the question?

2 141. Q. I'm just trying to understand what your  
3 expectation was when you brokered a loan from -- this  
4 is just a hypothetical, but an individual lender,  
5 lends money to Balboa. Is it your expectation that  
6 those funds will only be used by Balboa?

7 A. Yes.

8 142. Q. And were the lenders advised anything  
9 about the use of the funds by you or your team?

10 MR. ROSENBLUTH: You mean Lion's Share's  
11 lenders?

12 MR. PENDRITH: Lion's Share or Windrose's  
13 lenders, I suppose, for that matter.

14 THE DEPONENT: Sorry, can you ask the  
15 question again?

16 BY MR. PENDRITH:

17 143. Q. So, in a situation where -- we will use  
18 the same example. You have brokered a loan and the  
19 lender is lending \$100,000.00 to Balboa. As part of  
20 being the broker, do you explain to the lender that  
21 the funds are going to be used by Balboa?

22 A. Yes.

23 144. Q. Or do you advise them anything about  
24 the funds could be used for something else?

25 A. So, they would be used for the

CLAIRE DRAGE - 64

1 corporation and the borrower and the property that it  
2 was being loaned against and it was for renovations,  
3 carrying costs and closing costs.

4 MR. ROSENBLUTH: Of that borrower?

5 THE DEPONENT: Of that borrower, of that  
6 entity, like Balboa or DSPLN or Interlude.

7 BY MR. PENDRITH:

8 145. Q. So, your understanding was that the  
9 companies operated in silos, effectively.

10 A. Yes, correct.

11 146. Q. Even though it was -- they were all  
12 kind of doing the same business, but they are siloed  
13 in the sense that from your perspective, funds  
14 shouldn't be crossing over amongst Applicants?

15 A. Correct.

16 147. Q. And if that was going on, is that  
17 something that you would have felt the need to inform  
18 your lenders?

19 MR. ROSENBLUTH: I mean, she said she didn't  
20 know about it, so what else are you asking?

21 BY MR. PENDRITH:

22 148. Q. I'm trying to ask, you know, as far as  
23 you being a mortgage broker, is it something that, had  
24 you known about that, you would have felt the need to  
25 inform lenders? Would that be usual protocol? To

CLAIRE DRAGE - 65

1 tell lenders, you are lending to Company A, but the  
2 funds might not be used by Company A, they might be  
3 used by Company B, C, D, et cetera.

4 A. If I was aware of that, then yes, but  
5 my understanding, you were raising for Balboa or DSPLN  
6 or Interlude, for use in that portfolio for  
7 renovations, carrying costs and closing costs. There  
8 was no -- I don't understand, there was no other  
9 connection amongst the companies. SID Renos and SID  
10 Management was the common factor that linked the  
11 companies. They were all using that same -- those  
12 same two entities.

13 149. Q. Did you have an understanding that some  
14 of the funds that were raised by lenders where you  
15 brokered the deal, some of those funds would be used  
16 to pay SID Renos or SID Management?

17 A. As carrying costs of renovations for  
18 properties, yes.

19 150. Q. What was your understanding of what SID  
20 Renos and SID Management were doing for the  
21 Applicants?

22 A. Yeah, so SID Management was ultimately  
23 the property management company. So, managing the --  
24 so obviously rents coming in, property management with  
25 regard to the day-to-day running of each property;

CLAIRE DRAGE - 66

1 utilities, maintenance, you know, the local property  
2 managers, et cetera. So, all the day-to-day, also  
3 responsible for -- my understanding was rents and  
4 revenue would come into SID Management that was  
5 generated by the portfolios and then after all  
6 expenses or they paid their bills or whatever it may  
7 be, the renovations or carrying costs, to SID Renos,  
8 then the balance would go to the borrowers, they were  
9 the property manager and SID Renos was doing all of  
10 the renovations. That was the entity that was hiring  
11 the contractors and my understanding was SID Renos  
12 would invoice SID Management and vice versa and  
13 invoice the entities, each individual corporation for  
14 the services provided for their specific portfolio.

15 151. Q. Did you have a sense of the magnitude  
16 of fees being charged by SID Renos and SID Management?

17 A. No.

18 152. Q. That wasn't disclosed to you as part of  
19 the weekly meetings or in writing at any point in  
20 time?

21 A. No, no.

22 MR. PENDRITH: It's about 11:25 now. Do you  
23 want to take a five minute break? Or we can push  
24 through to the next topic, it's up to you.

25 THE DEPONENT: Let's do a five minute bio

CLAIRE DRAGE - 67

1 break?

2 MR. PENDRITH: Why don't we do that and we  
3 will come back in five minutes, if that's fine.

4 MR. ROSENBLUTH: Off the record.

5 --- OFF THE RECORD (11:25 A.M.) ---

6 --- UPON RESUMING (11:31 A.M.) ---

7 BY MR. PENDRITH:

8 153. Q. We talked a little bit about promissory  
9 notes and how they are tied to the properties insofar  
10 as the notes specifically reference properties and the  
11 intention was that the proceeds of the note would be  
12 used in respect of that property. Is that common, in  
13 your experience, as far as something that goes on in  
14 the lending industry?

15 A. Yes.

16 154. Q. Whose idea was that? Was that the  
17 Applicant's idea to raise funds that way or was that  
18 your idea or how did that come to be?

19 A. No, no, it was -- it was something we  
20 had been doing for a couple of years before we even  
21 met Dylan, working with our other borrowers. I had  
22 been doing promissory note loans where Lion's Share  
23 was the lender for -- the first one I did was in  
24 2016/2017 and so when any borrower came to us, it was  
25 always us that would structure the financing that we

CLAIRE DRAGE - 68

1 would -- primarily that we would approve, subject to  
2 each property review, each acquisition. So, if we  
3 felt the borrower had the assets and the outside  
4 security to back the promissory note loan, other  
5 assets because of the personal guarantees, then we  
6 would review each property to see if using a  
7 promissory note loan was applicable to each specific  
8 acquisition.

9 155. Q. When funds are raised via promissory  
10 note, do they go through a lawyer's trust account or  
11 do they go -- mechanically, where do the funds go?  
12 So, it's in a lender's bank account. They've got  
13 \$100,000.00 and they're lending it. How does it get  
14 to the Applicant?

15 A. Yes, it would get directly to the  
16 Applicant in a majority of cases; the standard  
17 protocol was that it was going directly into their  
18 corporate bank account. We would provide the lender  
19 with instructions including a void cheque of where to  
20 deposit the funds.

21 156. Q. Would you have a record showing the  
22 deposit of all promissory note proceeds?

23 A. Yes.

24 157. Q. Do you have something showing where it  
25 went?

CLAIRE DRAGE - 69

1 A. Yes.

2 158. Q. Do you still have access to those  
3 documents?

4 A. Yes.

5 MR. PENDRITH: I'm going to ask for  
6 production of those documents that show where the  
7 proceeds of the Applicant's promissory notes were  
8 deposited.

9 MR. ROSENBLUTH: In respect of all  
10 promissory notes issued in favour of any of the CCAA  
11 Applicants?

12 MR. PENDRITH: Correct, I mean, I want to  
13 use a somewhat reasonable time frame. I am less  
14 interested in 2019, but if we could do from 2020  
15 onwards and I appreciate there is going to be a lot of  
16 them.

17 MR. ROSENBLUTH: Yes, we will consider that  
18 and if we feel it's more workable to do a narrower  
19 time frame, we can talk about that.

20 --- REQUEST

21 BY MR. PENDRITH:

22 159. Q. That sounds reasonable and I'm happy to  
23 have that discussion offline. I'm going to share a  
24 document which is one of the loan opportunity  
25 documents, I think that you referenced. This is one



CLAIRE DRAGE - 70

1           for Interlude and it's a property at 157 Bloor Street  
2           West in Sault Ste. Marie prepared by Bronwyn Bullen  
3           and approved by Claire Drage and it's dated April 4th,  
4           2022. Were these documents -- are these ones you are  
5           familiar with?

6                     A.    Yes.

7    160.           Q.    Would you have created a document and I  
8           said you, but I mean Windrose and/or Lion's Share,  
9           would such a document have been created for each  
10          lending opportunity?

11                    A.    Yes, a standard protocol was to create  
12          one for each lending opportunity.

13   161.           Q.    And they were provided to prospective  
14          lenders?

15                    A.    Correct, yes.

16   162.           Q.    Were these documents vetted by the  
17          Applicants? Did the Applicants get a chance to review  
18          them and make sure the content was correct?

19                    A.    No.

20   163.           Q.    Where would the content for these  
21          documents come from?

22                    A.    All of the information would come from  
23          the initial -- I don't know if you recall from the  
24          beginning, the borrower was providing us with a pro  
25          forma or a resume or a description of their

CLAIRE DRAGE - 71

1 activities. We would also collect the information  
2 from their own websites, their own social media posts,  
3 as well as the supporting documentation they would  
4 send us with regard to their existing portfolio and as  
5 their portfolio grew over time, we would update these  
6 on a regular basis to include the properties that they  
7 owned at that time and all they acquired since the  
8 last opportunity we presented.

9 164. Q. Okay, do you know how often you were  
10 updating the portfolio? And when we scroll down, so  
11 that we can just be on the same page about what we are  
12 talking about. So, if you keep scrolling down, it  
13 should be on about Page 8 of the document. You see  
14 there is a portfolio snapshot, Interlude, at this  
15 point in time, 63 properties and then there is some  
16 information about the purchase price, the current  
17 value total, the rental income monthly.

18 A. That was all provided by the  
19 Applicants.

20 165. Q. That would have been provided by the  
21 Applicants.

22 A. Yes.

23 166. Q. And how often was that updated, this  
24 information?

25 A. I don't recall whether it was every

CLAIRE DRAGE - 72

1 week or every month, but on periodic and a regular  
2 basis when there was a fundamental change to the  
3 portfolio.

4 167. Q. I would like to go to the top, Page 2,  
5 if we could. It talks about your opportunity options  
6 and it states, "We thoroughly endorse and approve this  
7 borrower, Dylan Suitor (Interlude Inc.) who has not  
8 only been a client of ours for a number of years, but  
9 has proven himself and his team to be experienced,  
10 professional and ultimately successful." Can you tell  
11 me why, at this point in time, you would be thoroughly  
12 endorsing and approving Dylan Suitor?

13 A. Yes, absolutely. If I recall on the  
14 first page, that would have been April, 2022, we were  
15 in the midst of the closing of the Core sale. There  
16 had been a refinance with BMO, a number of other sales  
17 had occurred, occasional late payments if I recall, I  
18 would need to review our records, but any large  
19 portfolio of this size is going to have some blips  
20 along the road. The constant communication we had,  
21 the discussions with regard to strategy, how the  
22 refinances were going, the information provided with  
23 regard to the lenders they were discussing, the Core  
24 sale was, at that time was literally probably three  
25 weeks away from actually closing. It closed on May

CLAIRE DRAGE - 73

1 9th, 2022 which was significant. That was not only me  
2 paying back a lot of lenders, but would also be  
3 providing with an influx of resources and cash for the  
4 borrowers. That would be the rationale. There was no  
5 reason at that time. Rates started to rise, we were  
6 at the far end of the pandemic, so there were  
7 definitely some unknowns in the market at that time,  
8 like we all experienced, but I had no reason to think  
9 otherwise.

10 168. Q. With the beginning of the rising of the  
11 interest rates, which I understand began in March of  
12 2022, did that change your approach as far as advice  
13 you were giving to lenders or the investors, i.e.  
14 Interlude, Dylan, Aruba, Ryan, et cetera?

15 A. So, I would say the answer to that is  
16 discussing rising interest rates specifically to the  
17 investor, no. There was -- I don't recall any  
18 specific discussions on how that would impact the  
19 portfolio, however we would talk about the protocol  
20 and discussions would be involved with regard to how  
21 can a borrower pivot, should the refinance not occur.  
22 All these properties, could they be sold on the open  
23 market and what would that look like? So, that would  
24 be primarily the focus. The BRRRRR strategy was the  
25 overarching -- at that time, the overarching strategy,

CLAIRE DRAGE - 74

1 but there was also always the option to pivot away  
2 from that and to liquidate some properties if  
3 required.

4 169. Q. Was that what gave rise to the Core  
5 sale; was recognition that there was a need to  
6 liquidate some properties because of the cash flow  
7 issues?

8 A. My understanding was the Core  
9 approached Robby, is my understanding, if I recall  
10 back then and it seemed like a great opportunity for  
11 them, at that time, to go, "Okay, lets sell off a  
12 bunch, let's get an influx of capital." It had been  
13 at that time, it would have been what? Two, nearly  
14 three years -- no, nearly four years since the first  
15 acquisitions with Dylan in 2018, end of 2018, so my  
16 understanding was it felt like a really good  
17 opportunity. Also, you know, the property management  
18 would still continue under the SID umbrella, so my  
19 understanding was it was a great opportunity to sell a  
20 chunk, prove the model and rinse and repeat even that  
21 strategy.

22 170. Q. Do you know how the proceeds of the  
23 Core sale were disbursed?

24 A. I know how the proceeds of the sale  
25 were disbursed with regard to lenders that we brokered

CLAIRE DRAGE - 75

1           were paid back and Lion's Share being paid back. I  
2           don't know -- I wasn't privy to their lawyer's trust  
3           accounts that would have received the entire proceeds  
4           of the sale.

5       171.           Q.    Can you identify -- do you have records  
6           that show where the proceeds went as far as Lion's  
7           Share and the lenders?

8                   A.    That we would have facilitated, yes.

9       172.           Q.    Can you provide that documentation?

10                   A.    Yes.

11                   MR. PENDRITH: That's a request for your  
12           counsel.

13                   THE DEPONENT: Oh, that's a request for my  
14           counsel, sorry.

15                   MR. ROSENBLUTH: You want to know, in terms  
16           of the proceeds of that sale or sales, that it was  
17           received by Lion's Share? You just want the quantum  
18           of funds received by Lion's Share?

19                   MR. PENDRITH: Yes, I would like to  
20           understand the loans that were discharged using the  
21           proceeds, be they Lion's Share loans or individual  
22           lender loans.

23                   MR. ROSENBLUTH: You want to know how much  
24           Lion's Share received from those transactions and what  
25           Lion's Share did with that money, basically?

CLAIRE DRAGE - 76

1 BY MR. PENDRITH:

2 173. Q. Right and so some of it, I'm presuming,  
3 would not have gone to Lion's Share at all; it would  
4 have gone to individual lenders because Lion's Share  
5 was both a lender and a broker. Did the money all  
6 flow through Lion's Share?

7 A. There was some -- I can answer that.  
8 When we went through the Core sale, I don't recall how  
9 any promissory note loans or mortgages that were being  
10 facilitated; the lawyer was responsible for repaying  
11 the lender of any secured mortgages. So, the  
12 Applicants lawyer would have facilitated all of those  
13 funds. When we were looking at the large number and  
14 at that time, their lawyer was under a lot of --  
15 remember this was a six month closing of over a couple  
16 hundred properties and obviously hundreds of mortgages  
17 and loans. The lawyer was rather overwhelmed and the  
18 closing had dragged out longer than expected. It was  
19 due to close, if I recall, around February. Didn't  
20 end up closing until May the 9th. That was as a  
21 result of trying to facilitate hundreds of lenders,  
22 lawyers, et cetera. In order to expedite the process,  
23 we used, at the time we used TD Cash Management. The  
24 Applicants and their lawyer and we agreed that a lump  
25 sum deposit that was separate from Lion's Share funds

CLAIRE DRAGE - 77

1           could be deposited into the Lion's Share Group's bank  
2           account and we immediately disbursed every penny that  
3           was applicable to go direct to the lenders that it  
4           applied to.

5                   MR. ROSENBLUTH:  So, I think Colin, you are  
6           looking for the records that show that last piece, the  
7           disbursements of the money out.  That's what you want?

8                   MR. PENDRITH:  Yes, I think ultimately what  
9           I'm trying to understand is which loans were  
10          discharged as a result of the Core sale and so, as I'm  
11          understanding it there were two separate streams,  
12          although the first portion of those streams is the  
13          same and that proceeds of the sale get paid to Lion's  
14          Share.  Some of these are retained by Lion's Share to  
15          discharge Lion's Share's loans and the other stream is  
16          then disbursed by Lion's Share to the individual  
17          lenders who had promissory notes that were issued by  
18          the Applicants.

19                   MR. ROSENBLUTH:  So, records to ---

20                   MR. PENDRITH:  Show that movement of funds  
21          and what was discharged.

22                   MR. ROSENBLUTH:  Understood, we will  
23          consider all that.

24          --- REQUEST

25          BY MR. PENDRITH:



CLAIRE DRAGE - 78

1       174.           Q.    Thank you.  Were there any promissory  
2                    notes that were issued by the Applicants associated  
3                    with the properties that were sold that did not get  
4                    paid off as a result of the Core sale?

5                    A.    If I recall, yes, but they were only  
6                    Lion's Share loans.  We looked at -- they advised us  
7                    of the proceeds from the sale and where there was a  
8                    shortfall, I would need to review the records, there  
9                    were some that were not paid off, but they were only  
10                   where Lion's Share was the lender.

11       175.           Q.    Did Lion's Share not want to get paid  
12                    on those?

13                   A.    There wasn't -- our understanding was  
14                    there was not enough from the sale proceeds in order  
15                    to pay off all existing promissory note loans.

16       176.           Q.    So, I'm trying to understand how that  
17                    was possible because I thought that there was profit  
18                    from the Core sale that was going to go back into the  
19                    business.

20                   A.    Our understanding was some funds needed  
21                    to be retained by the businesses in order to secure  
22                    future financing.  Our understanding was some funds  
23                    needed to be invested or put in with, I believe if I  
24                    recall, it was BMO and/or Scotia that required a lump  
25                    sum of cash incentive into their accounts.  I was not

CLAIRE DRAGE - 79

1           privy to all of the numbers, but my understanding was  
2           that was the reason why there wasn't sufficient to pay  
3           all of Lion's Share loans, was that ---

4       177.           Q.   Who provided that information to you?

5           A.   I don't recall, Dylan or Robby.

6           MR. ROSENBLUTH:  If you are done with it,  
7           can you take the screen share down?

8           MR. PENDRITH:  Yes, I'm going to come back  
9           to this document, but I'm happy to take it down for  
10          now since we have diverged for now.

11          MR. ROSENBLUTH:  Yes, thank you.

12       BY MR. PENDRITH:

13       178.           Q.   No problem.  Did Dylan or Robby or  
14           whoever provided that information to you about some of  
15           the proceeds needing to go back into the Applicants,  
16           did they provide you with anything in writing?

17           A.   No, not that I recall.

18       179.           Q.   Just before I forget to do it, for  
19           identification purposes, we are going to mark that  
20           presentation as Exhibit A, the one that we looked at.

21       --- EXHIBIT NO. A:  Presentation

22           MR. ROSENBLUTH:  Sure, can you just e-mail  
23           all of that to us afterwards?

24           MR. PENDRITH:  Yes, I'm happy to do so.

25           MR. ROSENBLUTH:  Thanks.

CLAIRE DRAGE - 80

1 BY MR. PENDRITH:

2 180. Q. Just so that I'm clear about this, so  
3 there were some Lion's Share promissory notes that  
4 didn't get paid as a result of the Core sale and these  
5 were notes that were associated with properties that  
6 got moved in the Core sale?

7 A. Yes.

8 181. Q. And Lion's Share was interested in  
9 getting paid on those, but was told it wasn't possible  
10 because the funds needed to go back into the business,  
11 so that the business would have liquidity to allow for  
12 refinancing because that was a BMO or a CIBC  
13 requirement?

14 A. At that time, as I recall, the request  
15 was made and I was comfortable moving forward with it.

16 182. Q. Do you have knowledge of what the money  
17 that went back into the Applicants from the Core sale  
18 was used for?

19 A. Direct knowledge, no.

20 183. Q. What about indirect knowledge?

21 A. My understanding would be, it was  
22 required to provide an investment into -- with other  
23 financial institutions like BMO and Scotia to sweeten  
24 the pot for them to offer refinancing for the rest of  
25 the portfolio.

CLAIRE DRAGE - 81

1 184. Q. Were you aware that certain sums were  
2 dividended out to shareholders?

3 A. No.

4 185. Q. Were you aware of a payment that was  
5 made to the shareholders of Joint Captain?

6 A. Yes, yes I was.

7 186. Q. What do you know about that payment?

8 A. They received -- I don't recall the  
9 exact amount that was paid to them as a result of the  
10 sale.

11 187. Q. Did you understand that to be a  
12 dividend payment or something else?

13 A. I didn't ask.

14 188. Q. Didn't that not really add up though?  
15 Because you are being told on one hand the money needs  
16 to go back into the business because there needs to be  
17 capital there so we can do a refinance and then on the  
18 other hand, you have money leaving the business to the  
19 individual shareholders of the business.

20 A. So, each -- each entity, so each  
21 corporation was treated standalone. So, if Joint  
22 Captain paid Lion's Share all of their loans and all  
23 of their lenders and everyone was made whole from that  
24 sale, there was no requirement for me to question what  
25 they did with the rest of their money, no different

CLAIRE DRAGE - 82

1           than I would with any other borrower, if they made  
2           profit from a sale. So, each entity was treated  
3           separately. If Interlude required to hold back 'x'  
4           amount of dollars because that was the next refinance  
5           charge that was being happening, and the future lender  
6           needed some assets under their management to entice  
7           the refinance to occur, that would be a discussion we  
8           would have.

9       189.           Q.    Was there an analysis done as to where  
10           the promissory note exposure was, as to which  
11           applicant?

12                    A.    Analysis? What do you mean? We did  
13           payout statements from the sale, so we knew exactly  
14           what was owed.

15                    MR. ROSENBLUTH: Meaning you knew which  
16           Applicants had the promissory notes that were or were  
17           not being fully repaid?

18                    THE DEPONENT: Yes, yes.

19       BY MR. PENDRITH:

20       190.           Q.    Which Applicants were those, if you  
21           know offhand?

22                    A.    If I recall, Interlude.

23                    MR. ROSENBLUTH: So, these are the ones that  
24           are not going ---

25                    THE DEPONENT: Correct, Interlude had some

CLAIRE DRAGE - 83

1           Lion's Share balances left over. If I recall, I think  
2           it was only Interlude, if I recall. There was a lot  
3           going on back then with hundreds of payouts and  
4           things. If I recall, it was only Interlude.

5           BY MR. PENDRITH:

6       191.           Q.    Which was the entity which you  
7           understood needed to have the extra money in it for  
8           the purposes of the refinancing?

9                    A.    That was Interlude. It held the  
10          largest amount of properties.

11       192.           Q.    So, Dylan had told you that it's  
12          Interlude that has to have the extra money?

13                    A.    Correct, yes.

14       193.           Q.    Okay.

15                    A.    Each entity was treated as its own  
16          entity. There was no -- there wasn't an amalgamation  
17          or a group of companies, it was -- they were all  
18          separate. Even Happy Gilmore from Multiville; both  
19          Ryan and Aruba, but still two separate entities with  
20          groups of companies within them and groups of  
21          properties within them.

22           BY MR. PENDRITH:

23       194.           Q.    Following the Core sale, did you have  
24          any understanding of the solvency of the Applicants as  
25          at that point in time?    So, May/June?

CLAIRE DRAGE - 84

1                   A.    No.  May/June, that time, no, not at  
2                   all.

3    195.           Q.    Did you have an understanding of the  
4                   solvency of the Applicants at any point subsequent?

5                   A.    November/December of that year was when  
6                   we started to see a few bounced payments.  They had  
7                   also stopped purchasing, also with our endorsement in  
8                   the fall of 2022, as we started to see a delay in some  
9                   of those refinances, were not going as fast as  
10                  expected, that there was no further acquisition from  
11                  the fall of 2022.  They weren't purchasing any more  
12                  properties.  Core sale is done -- the rest of the  
13                  properties and/or the refinances.

14   196.           Q.    I understand from Mr. Suitor, he  
15                   described it as, "Claire sounding the alarm that we  
16                   had to constrict the business."  Did you give advice  
17                   at any point to the Applicants that, "Your portfolio  
18                   has gotten too big.  You have too much leverage; you  
19                   need to cut it back."  Was that advice you gave at any  
20                   point in time?

21                  A.    The advice I would have given to them  
22                   would have been, we are not going to finance any more  
23                   future acquisitions.  So, I'm not going to finance any  
24                   more future acquisitions.

25   197.           Q.    Do you remember when you would have

CLAIRE DRAGE - 85

1 given that advice?

2 A. That would have been the fall of 2022  
3 or it was still September. I mean, the refinances  
4 were taking too long. They were just taking a long  
5 time and in 2022 rates were still rising. There was  
6 still supply and demand, inflation, so many unknowns.  
7 I was not comfortable moving forward with any new  
8 purchases. I wanted to ensure that they were able to  
9 manage the existing portfolio as well as any future  
10 growth, you know, strategically.

11 198. Q. Was there any link between the advice  
12 that, "We can't grow anymore" and the situation that  
13 occurred with the **Previous Borrower's Companies**

14 A. A link in which way?

15 199. Q. So, let me give you my understanding  
16 and tell me if this is correct or incorrect. **Borrower**  
17 **Name** had a similar type of real estate business that  
18 grew, potentially quicker than it should have and  
19 encountered liquidity issues that ultimately led to a  
20 bankruptcy event. Is that right?

21 A. A consumer proposal, a consumer  
22 proposal, yes.

23 200. Q. You were involved in brokering loans  
24 that were part of the group of creditors?

25 A. Yes.



CLAIRE DRAGE - 86

1       201.           Q.    The consumer proposal, when did that  
2                    happen?

3                    A.    December, 2022, hold on, hold on. I  
4                    don't recall the exact date, it was just before  
5                    Christmas.

6                    MR. ROSENBLUTH: If you don't know, that's  
7                    fine. We can find out another way.

8                    THE DEPONENT: Yeah, December, 2022 -- 2021.

9                    BY MR. PENDRITH:

10       202.           Q.   I think it might be '21.

11                    A.    '21, it was the 23rd of December, 2021  
12                    because it took about a year and four months, if I  
13                    recall, for it to wrap up.

14       203.           Q.    Why don't we pull up a document that  
15                    will assist a little bit with the timeline? We are  
16                    going to look at a document that's called Bronwyn  
17                    Bullen e-mail with **Lender Name**. Are you familiar with  
18                    **Lender Name**?

19                    A.    Yes.

20       204.           Q.    She is a lender?

21                    A.    Yes.

22       205.           Q.    This is an e-mail chain and I would  
23                    just ask you to scroll up a little bit. Sorry, the  
24                    first e-mail at the bottom, but just the top of the e-  
25                    mail, so we can see the date please. Perfect, right

CLAIRE DRAGE - 87

1           there. So, this is an e-mail from Claire Drage,  
2           mortgage broker and team leader info at the Windrose  
3           Group to [Lender Name] on February 1st, 2022. It is  
4           titled, "Action required, [Borrower Name] Group of  
5           Companies Update" and if we scroll down, you will see  
6           there is some information regarding the proposal.  
7           Timeline-wise this is February of 2022. Does that  
8           assist you in an identifying way?

9                   A. Yes, yeah.

10          206.           Q. You would have been involved in the ---

11                   A. Yeah, so it would have been December  
12          23rd, 2021.

13          207.           Q. If we could scroll up to the next e-

14          mail, I understand that [Lender Name] was actually not a  
15          lender to the [Borrower Company] and you will see a  
16          response from [Lender Name] below to Bronwyn Bullen  
17          stating, "I've gone through all our paperwork and  
18          can't seem to locate this borrower. I don't believe  
19          we have money with [Borrower Name]" And then at the top,  
20          Bronwyn Bullen advises, "Our apologies, our system  
21          sent this out to you in error. You do not have any  
22          loans with this borrower. The borrower is  
23          restructuring the portfolio through a trustee. All  
24          our secured lenders are getting their full investment  
25          back from the sale of the portfolio and the unsecured

CLAIRE DRAGE - 88

1 creditors have an offer for us to buyout their loan.  
2 This is an isolated case with a borrower and does not  
3 affect any of our other borrowers." Was it the case  
4 that, like the Applicants, the **Borrower Companies** had  
5 mortgage loans and promissory notes?

6 A. They had both; yes, she had both, yes.

7 208. Q. Was it a similar type of business?

8 A. No. There were similarities. They  
9 were both real estate investors. They were BRRRRRing  
10 and flipping. **Borrower** primarily focussed on large,  
11 single family homes, larger properties in Ottawa, so  
12 primarily in the Ottawa area and her primary focus  
13 during the acquisitions of these properties, she would  
14 do a combination of flipping, so selling them, adding  
15 secondary units and/or also setting them up for Airbnb  
16 and/or student rentals.

17 209. Q. But was the issue at its core, one of  
18 overleverage and not being able to pay the carrying  
19 costs?

20 A. I truly believe, to the best of my  
21 knowledge as I remember and I recall during that  
22 process, the impact of COVID along with student  
23 rentals she was renting to -- just her and her husband  
24 running everything including the contractors; I  
25 believe it was a combination. The size of the

CLAIRE DRAGE - 89

1 portfolio was much smaller and it was typically of  
2 single family homes and as she tried to refinance,  
3 specifically the student rentals or the Airbnb's, they  
4 require -- I mean, back then they weren't as popular  
5 as they are now, but a totally different underwriting  
6 criteria by the lenders for those types of properties.

7 210. Q. When you are saying by the lenders, you  
8 mean by a traditional bank?

9 A. Yeah, yeah, the banks or even some of  
10 the, like non-traditional, you know -- bank but even  
11 sort of the credit unions and when you are looking to  
12 refinance something that has had student rentals in it  
13 and/or you know, during the pandemic struggled with  
14 rental income coming in, would impact cash flow.

15 211. Q. Through this process, did you learn  
16 that the unsecured creditors didn't end up getting  
17 paid in full?

18 A. Yes.

19 212. Q. Did that become a concern with the  
20 Applicants, given the amount of leverage that they  
21 were taking on?

22 A. At the time, no.

23 213. Q. Why was it not concerning in respect of  
24 the Applicants?

25 A. I would -- I would say different

CLAIRE DRAGE - 90

1           markets, different secondary markets, high rental  
2           income markets; it felt like it wasn't the same  
3           scenario as what **Borrower** went through and the type of  
4           business that she ran.

5       214.           Q.     Sorry, the primary distinction was the  
6           nature of the properties being rented? You know,  
7           rented to -- like vacation-type properties and  
8           Airbnb's and student housing as opposed to regular  
9           people who are just looking for a place to rent for a  
10          year or two or five?

11                   A.     Correct. Also, I think it's important  
12          that the distinction with **Name** was, I mean it was her  
13          and her husband and I think her -- another family  
14          member that was helping her with the business. The  
15          infrastructure was not as strong and also the type of  
16          renovations were much more significant. You know,  
17          adding additional units, converting a single family  
18          home literally into a duplex, so the length of time it  
19          would take for that type of conversion and renovation  
20          and permits and through the pandemic and the cost of  
21          products and service and materials, the time was not  
22          on her side when it came from acquisition to actually  
23          being able to put in income-generating individuals.  
24          So, her projects were much, much bigger. You know,  
25          they weren't, you know, old little single family homes

CLAIRE DRAGE - 91

1 in Sault Ste. Marie. They were three or four bedroom  
2 homes in Ottawa that would be converted into duplexes  
3 adding additional units, et cetera. So, much more  
4 significant in the construction permit process. Much  
5 of the work the Applicants did didn't always require a  
6 permit of every building.

7 215. Q. I would like to go back to -- and why  
8 don't we mark this as the next exhibit please, we will  
9 call it E-mail Chain Ending February 1st, 2022 between  
10 Bronwyn Bullen and [Lender Name], Exhibit B, please.

11 --- EXHIBIT NO. B: E-mail chain ending February 1st, 2022  
12 between Bronwyn Bullen and [Lender Name]

13 BY MR. PENDRITH:

14 216. Q. If we could go back to the Dylan Suitor  
15 opportunity that we looked at before. This is  
16 approximately -- it's a little bit later, but  
17 approximately the same time frame. Could we go down  
18 to the Interlude information in the chart, I think it  
19 was on Page 8. Do you see in the chart there is  
20 rental income of \$66,000.00 approximately?

21 A. Yeah.

22 217. Q. Did you have a sense of what the  
23 borrowing costs were for Interlude at the time?

24 A. I don't recall.

25 218. Q. You were aware that the Applicants 100

CLAIRE DRAGE - 92

1 percent financed everything?

2 A. Yes.

3 219. Q. So, at minimum, the purchase price of  
4 \$16.7 million dollars would be their borrowing cost?  
5 It probably is more than that because they didn't just  
6 buy the property, they also were going to renovate it,  
7 so they raised money to renovate too.

8 MR. ROSENBLUTH: Sorry, what's the question?

9 MR. PENDRITH: I'm trying to understand if  
10 you would know, at minimum, it's going to be at least  
11 \$16.7 million dollars.

12 MR. ROSENBLUTH: Of debt.

13 BY MR. PENDRITH:

14 220. Q. Of debt, associated with Interlude at  
15 this point in time?

16 A. Yes.

17 221. Q. And based on your understanding, it  
18 would probably be quite a bit higher than that?

19 A. Sorry, the question? The debt would be  
20 higher or?

21 222. Q. Did you understand that the debt would  
22 be a higher number than the \$16.7 million because if  
23 the purchase price is \$16.7 million, you were aware  
24 that the Applicants weren't just borrowing to buy,  
25 they were also borrowing to cover carrying costs and

CLAIRE DRAGE - 93

1 cover renovation expenses?

2 A. Yes, yes.

3 223. Q. So, it's some number presumably  
4 somewhere between \$16.7 million and hopefully not more  
5 than \$24.5 million, but who knows. I'm just trying to  
6 understand, during this point in time, so we're in  
7 April of 2022; Interlude's debt was eight percent,  
8 nine percent, ten percent for first mortgages?

9 A. Yes, it would be a range between eight  
10 to nine percent interest rate, yes.

11 224. Q. Okay and plus usually a broker's fee as  
12 well.

13 A. Yes.

14 225. Q. And that's about one percent usually?

15 A. One percent was the standard protocol.

16 226. Q. Okay and on the promissory notes it was  
17 a higher interest rate typically?

18 A. Yes, it was 17 percent.

19 227. Q. Okay, so you had borrowing in the range  
20 of eight plus one to 17 percent, is sort of the range.

21 A. Yes.

22 228. Q. Even if we use the low end of that, how  
23 is it that the monthly income is going to cover the  
24 carrying costs?

25 A. It wouldn't. The strategy is to buy,



CLAIRE DRAGE - 94

1 renovate and rent. So, there is always going to be a  
2 period of time until the entire portfolio is fully  
3 occupied, where it's not going to cash flow. On  
4 purchase or acquisition and at any point in time, it's  
5 not necessarily going to cash flow or the rental  
6 income cover the existing private debt. The goal is  
7 always the rental income that's projected on  
8 completion of the entire portfolio, there would be  
9 sufficient debt coverage ratio to refinance, as they  
10 had already been successful in doing, along with the  
11 Core sale.

12 229. Q. What were the successes, if you can  
13 describe those?

14 A. Yeah, they had done a number of smaller  
15 refinances. I know BMO was a couple of times. There  
16 was some credit union ones. If I recall there was a  
17 small Scotia one. Remember, the Applicants were  
18 responsible for the exit strategy. They were the ones  
19 responsible for the refinancing; I focussed on the  
20 purchase financing. They were primarily focussed on  
21 the other side, you know, repaying us back. There had  
22 been some sales; they had sold some properties as  
23 well. Of course, remembering that, you know, the  
24 portfolio first started with Dylan in southwest  
25 Ontario, so St, Catharines, Welland, Niagara, that

CLAIRE DRAGE - 95

1 kind of area, around that area and it wasn't until  
2 later that they expanded into the other markets, Sault  
3 Ste. Marie, Timmins and Sudbury when the numbers in  
4 the southwest areas didn't start to make sense. We  
5 couldn't purchase properties cheap enough anymore to  
6 make the numbers make sense in order to hold.

7 230. Q. So, the numbers here, to me these don't  
8 make sense at all, just being very candid. I see  
9 there being, at most, about \$800,000.00 of rental  
10 income which is not enough to carry \$10 million, let  
11 alone \$16 million, let alone possibly \$24 million. At  
12 what point did you start getting concerned, if you  
13 ever did, about the ability to meet obligations?

14 A. When they started to not make payments  
15 and the refinances weren't coming to fruition.

16 MR. ROSENBLUTH: This is late, 2022?

17 THE DEPONENT: Yes, yeah, very late, 2022,  
18 November or December, 2022.

19 BY MR. PENDRITH:

20 231. Q. Did the Applicants seem to share this  
21 concern?

22 A. If I recall, the primary concern was  
23 raising more money, you know, continuing to raise more  
24 funds to cover the carrying costs, while at the same  
25 time managing the renovations, getting as many units

CLAIRE DRAGE - 96

1           tenanted as possible and, you know, getting those  
2           refinances done ranging from the large refinances they  
3           were sourcing with lenders as individual corporations.  
4           So, you know, when they were going to Scotia in the  
5           summer of 2022, they started and my understanding got  
6           a letter of interest -- I didn't see the letter of  
7           interest from Scotia and it was per corporation, so  
8           Interlude was applying for 30 properties or Balboa or  
9           DSPLN or it was always one or two of the corporations  
10          were going first. Remembering that these major banks,  
11          these lenders are used to, in their commercial  
12          division, they are used to financing large, multi-  
13          family buildings, so one roof with 30 units. Their  
14          portfolio was quite unique, as in the fact that it was  
15          hundreds of properties with hundreds of roofs, some of  
16          them being that previous slide; you saw a number of  
17          properties; that is not the number of rental units.  
18          So, some of them being duplexes, triplexes and the odd  
19          five-plex, I think, is in their portfolio. So, right  
20          up until November of last year, the portfolios were  
21          always individually pursuing financing, like Interlude  
22          or Happy Gilmore or DSPLN; it wasn't as a  
23          conglomeration or a group.

24        232.           Q.    The new lending that was occurring that  
25        you were privy to, that was typically at higher

CLAIRE DRAGE - 97

1 interest rates in the latter part of 2022 and into  
2 2023, as compared to previously?

3 A. The end of 2023, yes, but I first was  
4 privy to the letter of interest that were coming  
5 through from Ocean View and -- I'm not even sure if  
6 I'm allowed to say the names, am I?

7 MR. ROSENBLUTH: It's fine.

8 THE DEPONENT: CNRS (ph) was the other  
9 lender that was providing letter of interests and  
10 that's when we started to see interest rates were much  
11 higher than they were being offered than what would  
12 have been, you know, when talking to Scotia a year and  
13 a half earlier. Or in between when they also started  
14 to pursue credit unions. We had recommended a  
15 strategy that another one of our borrowers had been  
16 successful in which was instead of looking to finance  
17 a large chunk of properties all at once, like you  
18 know, 406; taking 10 or 15 and putting them together  
19 and financing them with credit unions that had an  
20 appetite for this type of portfolio because we had  
21 seen it proven by one of our other borrowers -- a  
22 couple of our other borrowers.

23 BY MR. PENDRITH:

24 233. Q. Did you have any involvement in the  
25 Lift Capital mortgages?

CLAIRE DRAGE - 98

1 A. No.

2 234. Q. Did you have concerns at any point that  
3 the Applicants might be running a Ponzi scheme?

4 A. No.

5 235. Q. It didn't concern you that they were  
6 raising new money to pay off old money? Or was that  
7 just the idea the whole time?

8 A. Sorry, raising new money to pay old  
9 money? No, because the old money was -- may have  
10 needed to be repaid for different reasons and/or there  
11 was equity in those properties that doing a new first  
12 mortgage to pay out the existing lender and maximizing  
13 the equity in that property would provide them with an  
14 influx of cash that they could use for renovations,  
15 carrying costs, et cetera.

16 236. Q. Okay, we have seen over time, would you  
17 agree that the amount of leverage that the Applicants  
18 had continued to increase over time? It didn't go  
19 down.

20 A. It didn't go down, but as a result of  
21 interest building and building, yes. But my concern  
22 was also mitigated by the fact that \$3.2 million was  
23 due to be released from Core. There was a letter of  
24 interests on the table. They were pushing in the  
25 refinancing. Howard Capital had been introduced as

CLAIRE DRAGE - 99

1 providing solutions to them. They had stopped buying.  
2 They were engaged with multiple discussions with us,  
3 had no reason to doubt their desire to see every  
4 lender made whole and the success of this portfolio,  
5 so that they also received something out of it, other  
6 than the sweat equity they had put in over the years.

7 237. Q. Are you aware that certain individuals  
8 pulled money out of the corporations though?

9 MR. ROSENBLUTH: Sorry, who are you asking  
10 about?

11 BY MR. PENDRITH:

12 238. Q. Well, Ms. Butt, for example; are you  
13 aware that she was paid certain amounts? You may not  
14 know the specifics, but are you aware that she pulled  
15 money out of the corporations?

16 MR. ROSENBLUTH: Are you talking about the  
17 Applicant corporations or the SID companies?

18 BY MR. PENDRITH:

19 239. Q. The Applicant corporations?

20 A. No.

21 240. Q. You are aware of the dividend that was  
22 paid to either Bronwyn or Sam?

23 A. Yes, I was aware that they received a  
24 payment as a result of the excess funds that came from  
25 the sale of those properties they had in Core.

CLAIRE DRAGE - 100

1       241.           Q.   Based on your understanding of the  
2                   Applicant's financial position, would it be your  
3                   expectation that funds would not be being paid to Ms.  
4                   Butt or related corporations that Ms. Butt owns?

5                   A.   Absolutely.

6       242.           Q.   Why would that be inappropriate?

7                   A.   Oh, oh, no sorry. Could you repeat the  
8                   question again for me?

9       243.           Q.   So, the question was if you were aware  
10                  of funds being paid initially to corporations owned by  
11                  Ms. Butt that are non-Applicants and then to the  
12                  extent that occurred, would it be improper?

13                  MR. ROSENBLUTH: Just breaking that up, I  
14                  think what the witness said; I just want to be clear  
15                  for the transcript. I think the first part of that  
16                  question, the answer was no. You said you were not  
17                  aware of payments going to Ms. Butt?

18                  THE DEPONENT: I was not aware of any  
19                  payments going to Aruba, Ms. Butt and it would be  
20                  inappropriate at the time when the primary focus was  
21                  ensuring all our lenders payments were being made and  
22                  the refinances were going through. Putting everything  
23                  in -- my understanding was everything was being put  
24                  into the portfolio including personal funds.

25                  BY MR. PENDRITH:

CLAIRE DRAGE - 101

1       244.           Q.    You understood that personal funds from  
2                    who were going into the portfolio?

3                    A.    From all the Applicants were going into  
4                    the portfolio.  They were putting in everything they  
5                    could to keep things moving forward towards the end  
6                    goal.

7                    MR. ROSENBLUTH:  Just to be precise, when  
8                    you say personal funds from Applicants, I think you  
9                    mean personal funds from the principals of the  
10                   Applicants, is that right?  The Applicants are  
11                   corporations.

12                   THE DEPONENT:  Yes, correct, the principals  
13                   of the Applicants, the human beings.

14                   MR. ROSENBLUTH:  Yes, thank you.

15                   BY MR. PENDRITH:

16       245.           Q.    What was it that caused you to believe  
17                    that Mr. Suitor and Ms. Butt, Mr. Malony, Mr. Drage,  
18                    Ms. Bullen were putting money -- their own personal  
19                    money into the corporations?

20                    A.    When we would have meetings with regard  
21                    to payments that were still outstanding and if they  
22                    weren't able to be made specifically in the last few  
23                    months, the discussion was I have put everything in I  
24                    possibly can of my own funds.  I have already  
25                    liquidated assets and put money in, as much as I



CLAIRE DRAGE - 102

1 possibly can. That was the messaging, that is what I  
2 was told.

3 246. Q. Did they provide you any documents to  
4 show that occurred?

5 A. No.

6 247. Q. So, you certainly weren't aware that  
7 significant amounts of funds were transferred to other  
8 entities that are controlled by these individuals?  
9 You have no knowledge of that?

10 A. No, no.

11 248. Q. Okay, I want to take you to a form of  
12 promissory note loan agreement and just talk about --  
13 this is one of the ones in the application record.  
14 It's found at Volume 2.

15 MR. ROSENBLUTH: Sorry, are we moving on to  
16 a different topic now?

17 MR. PENDRITH: Did you want to take a break  
18 or?

19 MR. ROSENBLUTH: No, because I just wanted  
20 to state and I know I'm not the one asking questions  
21 today, but given the seriousness of the issue that you  
22 are raising, it's our expectation that to the extent  
23 there is any -- the Monitor has any evidence  
24 whatsoever that would suggest that Ms. Drage did have  
25 knowledge of such funds being transferred out to

CLAIRE DRAGE - 103

1 principals of the Applicants or their affiliates, we  
2 would expect that that evidence would be put to the  
3 witness during this session, to give her the  
4 opportunity to comment on it. So, I am just going to  
5 say that for the record and expect that the interview  
6 will be conducted accordingly.

7 MR. PENDRITH: Okay, I mean, I'm not certain  
8 we have an obligation to put things specifically to  
9 the witness. We are here just having a discussion,  
10 but for what it's worth, I think you should be aware  
11 that the Applicants have provided information that you  
12 were aware of inter-company transfers and I think it's  
13 unclear as to whether or not that would include  
14 transfers outside of the Applicant infrastructure, but  
15 certainly there had been an indication based on the  
16 interviews conducted previously, that you were  
17 apprised of money flowing around amongst Applicant  
18 entities and you have told me today that you did not  
19 know about that.

20 MR. ROSENBLUTH: And if there is any  
21 documentary evidence, other than the say-so of other  
22 witnesses, we would expect that to be put to the  
23 witness and it sounds like what you are saying is  
24 there has been no allegation -- you have talked about  
25 inter-company transfers. In terms of what I might

CLAIRE DRAGE - 104

1 call extra-company transfers, distribution out to the  
2 principals. What I'm hearing you say and please  
3 correct me if I'm wrong is that there is no allegation  
4 that Ms. Drage was aware of that, which is fine, and  
5 therefore I take it there is no other evidence to be  
6 put to this witness.

7 MR. PENDRITH: Well, we are not making an  
8 allegation. We are just making inquiries to try and  
9 ascertain what occurred.

10 MR. ROSENBLUTH: Sorry, I mean allegations  
11 by others. I appreciate that you are not making  
12 allegations, but you are saying that other witnesses  
13 having indicated that Ms. Drage had certain knowledge  
14 about certain inter-company transfers. I would expect  
15 that any documentary evidence that might support that,  
16 would be put to this witness to give her an  
17 opportunity to comment on it and separately, what I am  
18 understanding is that there has been no allegation by  
19 any other witness, that Ms. Drage had any knowledge of  
20 extra-company transfers, in the sense of money coming  
21 out of Applicants into the hands of their principals  
22 and if that's the case, then that's fine and if it's  
23 not the case, then, you know, we expect the  
24 particulars of those allegations and any supporting  
25 evidence would be put to this witness, so that she can

CLAIRE DRAGE - 105

1 comment on it.

2 MR. PENDRITH: Right and I don't think this  
3 is a Browne and Dunn scenario. Like, we are not in  
4 the context of a regular proceeding where we are  
5 obtaining evidence that is subject to those sorts of  
6 rules, but certainly I don't think that there is a  
7 document that I have seen where Ms. Drage is  
8 acknowledging awareness of a transfer outside of the  
9 Applicant infrastructure, but there is a lot of  
10 documents and we are still piecing things together, so  
11 I don't know. We may discover that, I don't know.  
12 I'm just asking questions at this point, but there is  
13 nothing that's coming to mind where it would occur to  
14 me to put that to the witness and if I had that  
15 document in my back pocket, I would be asking you  
16 about it.

17 MR. ROSENBLUTH: I understand, okay. That's  
18 fine; I think we are on the same page, thank you.

19 BY MR. PENDRITH:

20 249. Q. I would like to take you to -- Josh, if  
21 you wouldn't mind pulling up Volume 2, Page 391  
22 please? This is an example of a promissory note loan  
23 agreement. It's one of many. It happens to be  
24 between Interlude as borrower with personal guarantor,  
25 Dylan Suitor and lender is the Lion's Share Group Inc.

CLAIRE DRAGE - 106

1 I wanted to understand, how is it that this got  
2 created? Is this something which is a template? Is  
3 this something that -- we see lots of versions and  
4 they seem very similar, so I just wanted to understand  
5 the practice of using these types of documents and  
6 take a minute to review it, if you need to?

7 A. Yeah, no problem, so there are -- there  
8 is a core template and then there is our database  
9 system that would input all of the core data. Things  
10 like how to advance funds, what was the consulting fee  
11 going to be, you know, the closing date, the interest  
12 amount. Some of those fields in our system would  
13 auto-populate based on things like calculating the  
14 monthly interest payments and then it would be a merge  
15 of the core template and the data in our database,  
16 would create this Word document that then would be  
17 adjusted accordingly when necessary and then an PDF  
18 being sent for signature.

19 250. Q. Did you have a lawyer help prepare the  
20 original version of this?

21 A. Over the years, we have had multiple  
22 lawyers review, some of which -- this templates were  
23 used not just when Lion's Share was the lender, but  
24 also when our other investors went direct to our  
25 borrowers and on occasion their lawyers reviewed it as

CLAIRE DRAGE - 107

1 well and made suggestions and changes. So, since the  
2 first one we ever did, I guess, in 2016, it's evolved  
3 into its current state today.

4 251. Q. So, at the top you will see Mr. Suitor  
5 is listed as the personal guarantor. Did you have an  
6 understanding of what that meant in the context of  
7 promissory notes or similarly mortgage agreements that  
8 may have been prepared by Windrose?

9 A. Yes.

10 252. Q. What is your understanding of what that  
11 means to be a personal guarantor?

12 A. So, a personal guarantor, in my  
13 understanding, is if Interlude, as the entity, doesn't  
14 have the resources to repay this loan back and was  
15 owed, then Dylan Suitor, as an individual, will be  
16 required to pull on his own external resources from  
17 that specific corporation in order to repay it back.  
18 Therefore, his assets outside of Interlude and/or  
19 within Interlude itself would be important to know, so  
20 Dylan would be responsible which would mean that we  
21 could sue Dylan personally, as well as of course,  
22 things like impacts on his credit score, et cetera.  
23 So, he was personally saying, if Interlude or my  
24 entity can't pay it back, I will make sure I'm  
25 personally responsible for this.

CLAIRE DRAGE - 108

1       253.           Q.    Did you discuss that with him and the  
2                   other individuals that gave personal guarantees?

3                   A.    I don't recall any specific  
4                   discussions. My understanding, based on their  
5                   expertise and the fact that they already owned real  
6                   estate and the training and support they already had  
7                   prior and personal guarantee being a standard phrase  
8                   or wording, that there was an understanding of their  
9                   knowledge and understanding of what that meant.

10       254.           Q.    Okay.

11                   A.    Also part of that initial on-boarding  
12                   of the borrower was, you know, you are personally on  
13                   the hook for these promissory note loans, so you know,  
14                   if this specific, you know, property was not  
15                   successful and there were no other resources in that  
16                   corporation, we will pursue you personally. You  
17                   couldn't just bank drop the company and walk away from  
18                   that debt. It's also standard practice when someone  
19                   is doing a commercial mortgage under a corporate  
20                   entity that a personal guarantee is always offered as  
21                   part of that process or required, I should say, not  
22                   offered, required.

23       255.           Q.    And are you aware that the individual -  
24                   - certain individuals have taken the position that  
25                   these guarantees are not binding?

CLAIRE DRAGE - 109

1           A.    I recall some discussions late last  
2           year on one of our meetings where there was -- maybe  
3           it was early this year, late last year there was a --  
4           I will refer to it as a flippant remark with regard to  
5           the lien being able to be put on title, not referring  
6           to the personal guarantee not worth the paper it's  
7           written on.

8       256.           Q.    Sorry, there was a comment by someone  
9           that the personal guarantee was not worth the paper it  
10          was written on?

11           A.    No, it's the lien that can be placed on  
12          the property noted, could be argued.

13           MR. ROSENBLUTH:   Whether there was some --  
14          title to the guarantor's property, as opposed to the  
15          borrower's property, I think it what the witness is  
16          saying.

17           THE DEPONENT:   Correct.

18       BY MR. PENDRITH:

19       257.           Q.    Why don't we scroll down and look at  
20          that provision in the note, just for reference?

21           THE DEPONENT:   May I guide you?

22           MR. PENDRITH:   I think it's up.

23           THE DEPONENT:   It is, yes.

24           MR. PENDRITH:   I think it's at the top of  
25          the page there.



CLAIRE DRAGE - 110

1 THE DEPONENT: Yeah.

2 MR. PENDRITH: It will be 12.

3 MR. ROSENBLUTH: We are looking at it now,  
4 right?

5 BY MR. PENDRITH:

6 258. Q. Oh yes, sorry, I see that. So, the  
7 note is secured by the lender's right to register this  
8 note on title on all or any properties held by the  
9 borrowers and guarantors as security, if not paid in  
10 full by 6:00 p.m. on September 1st, 2024. Why was  
11 that provision included?

12 A. Why was it included?

13 259. Q. Why was this included in the promissory  
14 notes?

15 A. It's a logical clause to ensure that  
16 it's really clear that any or all properties the lien  
17 can be registered on if they don't repay back, this is  
18 the default clause.

19 260. Q. Did you or did Windrose or Lion's Share  
20 communicate anything to the lenders about these  
21 clauses?

22 A. Yes.

23 261. Q. What would you have communicated?

24 A. That those clauses were specifically  
25 put into the promissory note loan agreements.

CLAIRE DRAGE - 111

1                   MR. ROSENBLUTH: Just for clarity, are you  
2 saying, did you communicate that to every single  
3 lender or on occasion? Can we just be a little more  
4 precise?

5                   THE DEPONENT: Every lender would have  
6 received a copy of this for review and signature and  
7 that clause is very clear and it's bolded, it's  
8 highlighted and I would need to review if the specific  
9 copy of wording of that is also included in the  
10 promissory note loan opportunity package that the  
11 lender would have received.

12                  MR. ROSENBLUTH: So, you are saying outside  
13 of this document itself, you may or may not have  
14 discussed this particular point with any particular  
15 lender?

16                  THE DEPONENT: Correct, yes.

17 BY MR. PENDRITH:

18 262.           Q.    Would there be discussions with the  
19 lenders or would it just be by virtue of sending the  
20 loan opportunity documents that may also speak to  
21 this?

22                  A.    A standard protocol during the  
23 discussions with any lender with regard to an  
24 unsecured loan was that it is high risk. Should they  
25 default, this clause allows the provision to register

CLAIRE DRAGE - 112

1 a lien on title or properties that the borrower and  
2 the guarantors own. As standard protocol, that was  
3 part of the discussion with our lenders.

4 263. Q. Did you understand that it created a  
5 security interest in the properties?

6 A. Yes, yes.

7 264. Q. So, was this -- I'm just trying to  
8 understand how you conceived this. Was this  
9 effectively like a mortgage, but it doesn't turn into  
10 a mortgage until it's been in default?

11 A. No, my understanding totally different.  
12 A mortgage is a mortgage which has different -- a  
13 mortgage you can force a power of sale. You know,  
14 this interest that would be registered on title, would  
15 not force a sale however if a sale occurred or a  
16 refinance occurred, it would show up on title and  
17 therefore need to be addressed.

18 265. Q. By being paid out?

19 A. Paid out, refinanced or dealt with at  
20 that time. It couldn't be ignored.

21 266. Q. Did you get legal advice in respect to  
22 this provision?

23 A. Yes.

24 267. Q. Okay, my understanding and I want to be  
25 transparent here, is what we have learned from certain

CLAIRE DRAGE - 113

1 individuals is that Ms. Butt is of the belief that the  
2 personal guarantee simply means she is guaranteeing  
3 that the company will pay the money that's owed under  
4 the promissory note or the mortgage loan and that she  
5 is not actually personally on the hook for any  
6 shortfall if it's not paid.

7 MR. ROSENBLUTH: That has been her  
8 testimony?

9 MR. PENDRITH: That has been her interview  
10 evidence.

11 MR. ROSENBLUTH: That's fascinating.

12 MR. PENDRITH: It was fascinating to me as  
13 well and there has been some similar statements of  
14 apparent lack of understanding.

15 MR. ROSENBLUTH: So, what is your question  
16 now?

17 BY MR. PENDRITH:

18 268. Q. Did you have any discussions with Ms.  
19 Butt concerning what any of this meant? And by any of  
20 this, I mean the personal guarantees and the right to  
21 register the note on all properties of the guarantor?

22 MR. ROSENBLUTH: And just to clarify, I  
23 think what you are sort of -- are you asking  
24 essentially their current statements of what they  
25 think the guarantee means, are you asking whether that

CLAIRE DRAGE - 114

1           came from this witness in any way?

2           BY MR. PENDRITH:

3       269.           Q.    No, I'm asking if there were  
4           discussions at all with Ms. Butt about what the  
5           guarantees meant and the provision about registration  
6           of the promissory note on properties owned by the  
7           personal guarantor, if those were things that were  
8           even discussed with Ms. Butt.

9                    A.    I don't recall a specific discussion  
10          with regard to that. I don't recall. Sorry, I'm a  
11          bit surprised, you know, based on the personal  
12          guarantees that are always offered on financing when  
13          you are doing any borrowing in a corporate name,  
14          unless that lender releases you of that corporate  
15          covenant, that is a standard practice and this would  
16          not be Ms. Butt's first rodeo.

17                   MR. ROSENBLUTH: So, when you say you are a  
18          bit surprised, are you suggesting, did you know that  
19          Ms. Butt or others took that position until Mr.  
20          Pendrith told you that right now?

21                   THE DEPONENT: That's correct, I'm shocked.

22           BY MR. PENDRITH:

23       270.           Q.    When you say this wasn't her first  
24           rodeo, what do you mean by that?

25                   A.    She has borrowed money before. She

CLAIRE DRAGE - 115

1 owns real estate. She has had businesses that she has  
2 managed. You know, when you are borrowing under a  
3 corporation, it's standard practice to give personal  
4 guarantees especially when the corporation is new, as  
5 it acquires assets and value. Ms. Butt was also --  
6 Dylan was the first borrower that we were working with  
7 before we were introduced to Aruba and Ryan as  
8 potential borrowers.

9 271. Q. I'm shifting topics slightly to a prior  
10 topic and I just want to make sure we don't lose track  
11 of it, but if I didn't ask for it, I was hoping you  
12 could provide the investor presentations, the  
13 opportunity presentations.

14 MR. ROSENBLUTH: That's the REIFP? Is that  
15 the same?

16 MR. PENDRITH: So, the example that was  
17 given was the one with Interlude and it had a picture  
18 of Dylan, so I'm hoping you can provide copies of  
19 those presentations please, that were given to  
20 lenders.

21 MR. ROSENBLUTH: Is that the same thing as  
22 the REIFP?

23 THE DEPONENT: No, it's the same one that  
24 had the Sault Ste. Marie property for Dylan that was  
25 on it.

CLAIRE DRAGE - 116

1                   MR. ROSENBLUTH: So, you are asking for  
2                   essentially all of these documents that were ever  
3                   prepared for any Applicant borrowers?

4                   MR. PENDRITH: Yes, thank you.

5                   MR. ROSENBLUTH: We will consider that.

6                   --- REQUEST

7                   MR. PENDRITH: Thank you.

8                   MR. ROSENBLUTH: Can we go off the record  
9                   for one moment, please?

10                  MR. PENDRITH: We can, no problem.

11                  --- OFF THE RECORD (12:39 P.M.) ---

12                  --- UPON RESUMING (12:44 P.M.) ---

13                  BY MR. PENDRITH:

14       272.           Q.    Are you aware of the Applicant  
15                   principals other businesses? The real estate ones?  
16                   And here I'm talking about some of the ones that are  
17                   actually referenced in the Dylan Suitor presentation  
18                   which, I'm happy to pull that up again for reference  
19                   if that's helpful, but these are things like -- well,  
20                   why don't we pull it back up Josh, if you don't mind?  
21                   I'm presuming that you are familiar with it because  
22                   it's referenced in the presentation, but the chart is  
23                   on Page 8. Interlude is the first one, which is an  
24                   Applicant corp. Neat Nests you will be familiar with.

25                   A.    Yeah.

CLAIRE DRAGE - 117

1       273.           Q.    And then if you keep going down, you've  
2                    got Hometown, Horses in the Back, but then you've got  
3                    something called Old Thing Back. Is that an entity  
4                    that you were familiar with?

5                    A.    Yes.

6       274.           Q.    Do you continue to do business with Old  
7                    Thing Back?

8                    A.    No.

9       275.           Q.    That has terminated?

10                   MR. ROSENBLUTH: Can you clarify the  
11                   question?

12                   BY MR. PENDRITH:

13       276.           Q.    Yes, has the business with Old Thing  
14                    Back been terminated, if it ever existed?

15                    A.    We don't terminate business; we just  
16                    haven't financed anything in that name for a long  
17                    time.

18       277.           Q.    Are you aware if there are any  
19                    outstanding loans or Old Thing Back owes money to  
20                    either Lion's Share or individual borrowers or  
21                    Windrose?

22                    A.    I don't know off the top of my head. I  
23                    don't know.

24       278.           Q.    Let's scroll down a little bit. Do you  
25                    see there is also -- continue, please. You mentioned



CLAIRE DRAGE - 118

1           this before, an entity called Up-Town Funk Inc.?

2                   A.    Yeah.

3       279.           Q.    Are you aware if that's an active  
4           business?

5                   A.    I don't know if it's still an active  
6           business.

7       280.           Q.    Was it one that you were involved in  
8           setting up financing for?

9                   A.    Yeah.

10      281.           Q.    In the same way that you set up  
11           financing for the Applicants?

12                   A.    Correct, yes.

13      282.           Q.    Was there any difference in your mind  
14           between Up-Town Funk and any of the other Applicants?

15                   A.    No, these were all Dylan's.

16      283.           Q.    And then similarly, Upgrade Housing,  
17           you were aware of that and were involved in doing some  
18           financing for Upgrade Housing?

19                   A.    Yeah, yeah.

20      284.           Q.    Are there outstanding loans, to your  
21           knowledge that Up-Town Funk or Upgrade Housing are  
22           involved in?

23                   A.    I don't know. I would need to review.

24      285.           Q.    Do you have any knowledge of the  
25           current real estate holdings of those entities? Up-

CLAIRE DRAGE - 119

1 Town Funk, Upgrade and what we looked at previous?

2 A. No, not as of today on the top of my  
3 head.

4 286. Q. Without specifics, do you know if they  
5 were expanding businesses or contracting businesses?

6 A. Contracting.

7 287. Q. How is it that you know they were  
8 contracting?

9 A. They sold properties, some of them were  
10 in the Core sale, if I recall and some were moved over  
11 to Interlude.

12 288. Q. Some of their properties were  
13 transferred to Interlude?

14 A. Yeah. When we first ---

15 289. Q. Do you know when that occurred?

16 A. I don't know off the top of my head.  
17 Interlude became the primary entity. The other  
18 corporations were set up, as you can see from those  
19 dates, a number of years ago when we first started  
20 working with Dylan and then I was aware that their  
21 accounting strategy may have changed between having  
22 multiple corporations with multiple different  
23 properties. My understanding at the time was each  
24 corporation was setup based on, you know, the  
25 strategy, location, the type of property, how long it

CLAIRE DRAGE - 120

1 would take for properties to be renovated. Over time,  
2 as things moved over, some properties moved over into  
3 Interlude. My understanding was they were -- if they  
4 purchased the property, for example, in Old Thing  
5 Back, this is not specific but is an example, the  
6 property purchase might have been in Old Thing Back  
7 and as five or six properties were finished and  
8 refinanced and reno'd, that the finished product would  
9 then move into Interlude, for example. Therefore  
10 Interlude would have a portfolio of completed  
11 properties, was my understanding of the strategy at  
12 specific points of time and how that may have shifted  
13 over time into Interlude being our primary.

14 290. Q. So, you were aware that properties  
15 owned by the Applicants and sometimes non-Applicant  
16 related companies would be transferred amongst one  
17 another?

18 A. Non-Applicant related companies? No.

19 291. Q. So, when I say related, I mean related  
20 to the Applicant in the sense that they have -- Dylan  
21 Suitor maybe the ultimate shareholder, but they are  
22 not one of the Applicants in the CCAA.

23 A. Correct.

24 292. Q. And so the example here would be the  
25 Old Thing Back, which you mentioned, might transfer a

CLAIRE DRAGE - 121

1 property to Interlude.

2 A. Correct, yes.

3 293. Q. In those circumstances, how do you deal  
4 with existing loans that would have been extended to -  
5 - in this scenario, a loan made to Old Thing Back when  
6 Old Thing Back is the debtor, but now the property is  
7 owned by Interlude? How do you address that?

8 A. A standard protocol was any transfer of  
9 title, if we were made aware of it, was typically at a  
10 point in time when a refinance and/or repayment of any  
11 loans or debts on it have occurred. That was our  
12 standard protocol.

13 294. Q. Who would provide the information to  
14 you about the transfer of title? Would the Applicants  
15 tell you about it or what happened?

16 A. Varying circumstances. On some  
17 properties, the Applicants would let us know. On  
18 others, it might be apparent when we pulled our own  
19 purview reports which was an annual report -- not  
20 always annual, but we would pull on the property when  
21 we did a renewal, so my renewals department would pull  
22 a purview to see if there is anything else on title,  
23 if there are any liens and also value. The purview  
24 was used to determine value along with the information  
25 that was provided by the Applicants at that time.

CLAIRE DRAGE - 122

1       295.           Q.    Did you have any issues with transfers  
2                   amongst the Applicants or transfers by the Applicants  
3                   or to the Applicants where the entity is, for example,  
4                   Old Thing Back or any of the other non-Applicant  
5                   companies; you didn't have an issue with this, is what  
6                   I'm getting at?

7                   A.    No.

8       296.           Q.    Okay, I want to take you to a property  
9                   transfer and I don't know if you will recall this one  
10                  specifically.  It's an address 454 Eva Avenue; I  
11                  believe it's in Sault Ste. Marie.  I'm going to ask  
12                  Josh if he can pull up the PIN for that.  So, if you  
13                  scroll to the bottom of the PIN, you will see that on  
14                  ---

15                  MR. ROSENBLUTH:  Sorry Colin, can you just  
16                  give me the address of this one again?

17                  MR. PENDRITH:  Yes, it's 454 Eva Avenue, E-  
18                  V-A, Avenue.

19                  MR. ROSENBLUTH:  In which?

20                  MR. PENDRITH:  I believe it's Sault Ste.  
21                  Marie.

22                  MR. ROSENBLUTH:  I see a City of Greater  
23                  Sudbury on there.

24                  MR. PENDRITH:  Maybe it's Sudbury, I  
25                  apologize.

CLAIRE DRAGE - 123

1 MR. ROSENBLUTH: Okay, that's fine, thank  
2 you.

3 BY MR. PENDRITH:

4 297. Q. As you will see reflected on this  
5 parcel register, there is a transfer on September 25th  
6 of 2023 from Hometown Housing which is an Applicant  
7 company to Old Thing Back which is not an Applicant  
8 company and then there is a transfer that reverses it  
9 on January 15th where Old Thing Back transfers it back  
10 to Hometown Housing for \$2.00. Was this a transfer or  
11 were these two transfers, were you aware of either of  
12 them?

13 A. I don't recall.

14 298. Q. Would it have been the practice of the  
15 Applicants to tell you when things like this were  
16 happening?

17 A. I'm just trying to recall. I want to  
18 say no, like standard practice. I don't recall this  
19 one, I don't know about this one.

20 299. Q. And what about generally speaking?  
21 Were they generally speaking telling you about when  
22 they were going to move properties around?

23 A. I would say generally speaking yes.

24 300. Q. So, for context, the Applicants have  
25 told us that this was an inadvertent transfer that

CLAIRE DRAGE - 124

1           occurred. That Hometown Housing should not have  
2           transferred the property to Old Thing Back and that it  
3           was just a mistake and it was transferred back to  
4           Hometown Housing to reverse the mistake. Does that  
5           add any clarity to your memory about whether this is  
6           something you recall?

7                   A. I don't recall it, but that answer  
8           would make sense based on those corporations.  
9           Hometown and Old Thing Back were companies where they  
10          were -- no more acquisitions were going into those  
11          corporations. They were being wound down. Interlude  
12          would remain to be the primary corporation.

13       301.           Q. Interlude was the one that you knew  
14          carried the most debt.

15                   A. Correct, correct.

16       302.           Q. Are your records of the debt of the  
17          Applicants, different than the Applicants records of  
18          the debt? I understand there is a bit of discord.

19                   A. Yes, yes.

20       303.           Q. At a high level, what is the discord?

21                   A. So, this would be Lion's Share, where  
22          Lion's Share is the lender, is the creditor. My  
23          understanding, if I recall, they thought it was \$37  
24          million as the principal amount on promissory note  
25          loans and we are at \$40.1 million with obviously

CLAIRE DRAGE - 125

1 additional payments that are missed, et cetera or  
2 payments that are owing, interest that's owing, fees  
3 et cetera. Secured, we were at \$2.4 million. I  
4 believe, if I recall, they weren't far off that. So,  
5 my understanding was there was maybe a \$3 or \$4  
6 million dollar difference of principal owed in  
7 promissory note loans.

8 304. Q. How did you figure out what the  
9 difference was? Was there a package of documents from  
10 the Applicants you looked at and a package of  
11 documents you looked at on your own end and you cross-  
12 referenced them or how did you reconcile these?

13 A. Yeah, we used the list that was in the  
14 CCAA because we figured -- I feel extremely confident  
15 with the data we have, with the information we have.  
16 We have an 18 point checklist for every promissory  
17 note loan that we do, to ensure the staff follow the  
18 right protocols to get it reported in the right ways  
19 in our system and we started with the list of  
20 properties and the dollar amount they had assigned per  
21 corporation of secured, first, seconds and promissory  
22 note loans to see where that discrepancy was. We also  
23 noted that some of the naming conventions in the CCAA  
24 documents were actually ours. So, for example, you  
25 will notice properties have got Scotia 1.0 in the



CLAIRE DRAGE - 126

1 naming convention. That's a direct from our database,  
2 so that would be based on reports that we provided the  
3 Applicants to confirm the amount that we have owing,  
4 based on our records.

5 305. Q. Would you provide us with the reports  
6 that you are referencing that you provided to the  
7 Applicants?

8 MR. ROSENBLUTH: So, can you just be a bit  
9 more precise?

10 MR. PENDRITH: I'm referencing the reports  
11 that Ms. Drage just mentioned, so I don't know how I  
12 can be any more precise than ---

13 MR. ROSENBLUTH: Fair enough, so Claire, how  
14 would we ---

15 THE DEPONENT: Which time? Like every time  
16 we sent them a report or a specific date of time?

17 MR. ROSENBLUTH: So, this is a periodic  
18 report that you would send to the Applicants?

19 THE DEPONENT: At their request.

20 MR. ROSENBLUTH: Summarizing the outstanding  
21 balances, okay. We will consider that.

22 MR. PENDRITH: Thank you.

23 MR. ROSENBLUTH: Is there a time frame on  
24 that request?

25 MR. PENDRITH: So, recent is very important

CLAIRE DRAGE - 127

1 obviously because it gives us the most clear current  
2 picture, but I am interested in going back to 2021.  
3 If they are monthly, hopefully that's not too many,  
4 it's only 36, I guess, covering those three years.

5 MR. ROSENBLUTH: Okay, we will look at  
6 what's out there and we will consider it.

7 --- REQUEST

8 BY MR. PENDRITH:

9 306. Q. I understand for the 454 Eva property  
10 that we were looking at, that there was a promissory  
11 note renewal that occurred during the period of time  
12 when the property was briefly held by Old Thing Back  
13 and I will ask Josh to pull that up on the screen.  
14 Just for orientation, it's a Lion's Share as lender  
15 promissory note, Old Thing Back is borrower with  
16 personal guarantor, Dylan Suitor and then if you  
17 scroll down, you will be more familiar with the form  
18 of note than I would.

19 MR. ROSENBLUTH: Sorry to interrupt. The  
20 title search that we just looked at, did we formally  
21 mark that as an exhibit?

22 MR. PENDRITH: Yes, we should mark the  
23 parcel register, so we will call this Parcel Register  
24 for 454 Eva in Sudbury and we will mark that as  
25 Exhibit C, I believe. Thank you for the reminder and

CLAIRE DRAGE - 128

1 before we forget, we will also mark this promissory  
2 note renewal, we will call it 454 Eva Promissory Note  
3 Renewal.

4 --- EXHIBIT NO. C: Parcel Register for 454 Eva, Sudbury

5 --- EXHIBIT NO. D: 454 Eva Promissory Note Renewal

6 MR. PENDRITH: And so in Section 6 you will  
7 see the reference to 454 Eva, note will be repaid in  
8 full on or before April 21st, 2024 or the sale of 454  
9 Eva Avenue in Sudbury, whichever is soonest and so I'm  
10 trying to understand, in my own mind, how this renewal  
11 note could have been taken out during that brief  
12 period when there was an allegedly inadvertent  
13 transfer of the property by Upgrade to Old Thing Back  
14 and back.

15 MR. ROSENBLUTH: Sorry, what is the date of  
16 this document? I missed it.

17 MR. PENDRITH: Yes, we can scroll down and  
18 the date it's signed should give us some clarity on  
19 that. So, it's signed by both Mr. Suitor and Ms.  
20 Drage on the 7th, it looks like.

21 MR. ROSENBLUTH: Okay, thank you.

22 MR. PENDRITH: 7th of November, 2023, so  
23 that's right in the pocket between September 25th,  
24 2023 and January 15, 2024.

25 MR. ROSENBLUTH: Okay, thank you. Sorry,

CLAIRE DRAGE - 129

1           your question was?

2           BY MR. PENDRITH:

3       307.           Q.    I'm just trying to understand how this  
4           note came to be because this seems inconsistent with  
5           what I'm being told by the Applicants which is that it  
6           was a mistake that the property got transferred over  
7           and it had happened inadvertently. This seems to be a  
8           borrowing in specific respect of that property while  
9           it's being owned by the new entity, Old Thing Back, so  
10          I'm trying to understand if Ms. Drage has any  
11          information about that or if this helps refresh her  
12          memory.

13                   A.    I don't recall this specific promissory  
14          note loan. My renewals department would prepare this  
15          promissory note loan and would also base it on  
16          information that was in the file including things like  
17          a purview report that may or may not have been pulled  
18          at the time that this was created on that specific  
19          property.

20       308.           Q.    Can you check with what's in your file  
21           and see if there is anything that would shed light on  
22           this transfer? I'm presuming that there would have  
23           been some information provided by the Applicants or in  
24           this case, Mr. Suitor would provide it saying, "I have  
25           a promissory note, it's expiring, I need to renew it"

CLAIRE DRAGE - 130

1 and I would like to know what was communicated by Mr.  
2 Suitor and if there is anything in the file that sheds  
3 light on whether this was, in fact, an intentional  
4 transfer to Old Thing Back.

5 MR. ROSENBLUTH: Sorry, so the question is  
6 for anything in the witness's file that sheds light on  
7 the transfer of the property?

8 MR. PENDRITH: The transfer and the raising  
9 of money in the hands of Old Thing Back, to me seem  
10 related. They happened in close succession. You have  
11 a September 25th transfer and then a November  
12 promissory note renewal where the borrower is  
13 ostensibly the owner of the property. So, those  
14 things seem to be purposeful and I'm trying to  
15 understand if there is anything in the file that would  
16 shed light on the intent behind the transfer or this  
17 particular loan or note.

18 MR. ROSENBLUTH: We will consider that. I  
19 take it that the prior note would have been in the  
20 name of the correct owner at that time? I.e. not Old  
21 Thing Back? Is that what your information is?

22 --- REQUEST

23 MR. PENDRITH: I actually don't know and if  
24 there is anything in the file that would provide that  
25 information, I guess a copy of the original note, that

CLAIRE DRAGE - 131

1 would be helpful.

2 THE DEPONENT: The standard process where  
3 Lion's Share is the lender is we are aware of whether  
4 Dylan can repay back any promissory note loans that  
5 come up for renewal and Dylan does not reach out to us  
6 in the majority of cases, to remind us that it's up  
7 for renewal, that he can't pay it back, but it's based  
8 on the information that we collect on our weekly calls  
9 So, in this case we would have prepared the renewal,  
10 closing off any previous renewals and putting it in  
11 the name of information we would have on file. I do  
12 not recall Dylan specifically telling me that title  
13 changed hands.

14 BY MR. PENDRITH:

15 309. Q. There are two other properties where a  
16 similar type of transfer occurred. The properties are  
17 on a street called Whissel, W-H-I-S-S-E-L, it's 496  
18 Whissel Avenue in Sudbury where there was a transfer  
19 on the same date to Old Thing Back and then a reversal  
20 of that transfer again in January and then the last  
21 property is 536 Montague Avenue, also in Sudbury where  
22 there was a transfer to Old Thing Back and then a  
23 reversal of that transfer and I would like to know, if  
24 you have it in your records, if there were any  
25 promissory notes or other lending that occurred in

CLAIRE DRAGE - 132

1 respect of those two properties between the applicable  
2 dates which is September 25th, 2023 and January, 15th,  
3 I believe it was, 2024.

4 MR. ROSENBLUTH: So, hang on, let me just  
5 make sure I've got all this. With respect to those  
6 two properties, both the transfer and the retransfer  
7 occurred on the same dates we looked at with 454 Eva?

8 MR. PENDRITH: Yes, it's basically the same  
9 thing occurred with those two other properties. So,  
10 I'm just trying to understand if there was a  
11 promissory note renewal or other lending in respect to  
12 those properties during the window that Old Thing Back  
13 briefly held them.

14 MR. ROSENBLUTH: So, I take it you currently  
15 don't have that information? You don't have  
16 information of there being any lending activity during  
17 that period, so you are trying to find out if we have  
18 that information?

19 MR. PENDRITH: Correct, I'm trying to  
20 understand if there is anything else because  
21 promissory notes typically wouldn't be registered on  
22 title, so it's not something I can just pull like a  
23 mortgage document.

24 MR. ROSENBLUTH: Okay, we can look at that  
25 and we will consider that. Sitting here today, I take

CLAIRE DRAGE - 133

1           it you don't happen to recall one way or the other?

2                   THE DEPONENT: I don't recall.

3                   MR. ROSENBLUTH: Okay.

4       --- REQUEST

5                   MR. PENDRITH: Thank you. I would like to  
6       open up a document called LSG Payments, speaking to  
7       Josh.

8                   MR. JACKSON: Just one second, sorry.

9       BY MR. PENDRITH:

10    310.           Q.    These are transfers, e-transfers made  
11       apparently from Lion's Share Group Inc. to [Lender  
12       Name] who I understand to be a private lender. And  
13       I'm trying to understand, there is a message. It's  
14       from Dylan Suitor, spelled incorrectly, "Plus NSF fee  
15       for [Address and Lender Name]" and there is a series  
16       of these payments where it appears to me that what's  
17       happening is that Lion's Share is paying interest to a  
18       lender when Dylan Suitor or one of Dylan Suitor's  
19       corporations has bounced a cheque as NSF and I wanted  
20       to know if you have any information about that.

21                   A.    Yes. These specifically wouldn't be  
22       because -- because of the naming convention on that  
23       one, it would be a mortgage, so yes, I am aware of  
24       those payments going to [Lender Name].

25    311.           Q.    So, why was it that Lion's Share is



CLAIRE DRAGE - 134

1 stepping in to pay the interest?

2 A. So, depending on the specific scenario,  
3 that would have been March, 2023, so in May we were  
4 due to have the Core \$3.2 million released. There  
5 were refinances occurring. Myself, Claire as the CEO  
6 and owner of Lion's Share Group felt comfortable that  
7 I would use my resources to ensure that those payments  
8 were made whole where necessary.

9 312. Q. But if we continue down and the  
10 payments continue into September and November.

11 A. Yeah.

12 313. Q. What was the context there?

13 A. The same. Letter of interests were  
14 coming forward, there was the -- the end was in sight.  
15 I truly felt that the end was there, the refinances  
16 were going to occur. They were also -- in the middle  
17 to the end of 2023, listing multiple properties for  
18 sale, so short term cash flow.

19 MR. ROSENBLUTH: I just want to clarify  
20 something for the witness. These are not situations  
21 where the Lion's Share is simply forwarding on  
22 existing ---

23 THE DEPONENT: No, no.

24 MR. ROSENBLUTH: Okay, thank you.

25 THE DEPONENT: Correct.

CLAIRE DRAGE - 135

1 BY MR. PENDRITH:

2 314. Q. What made you confident throughout 2023  
3 that a refinance was going to occur? What gave you  
4 that confidence?

5 A. Yeah, I think it was a number of  
6 things. The letters of interest that we saw, we were  
7 doing audience with the borrowers where we had  
8 webinars in the summer of last year where each of the  
9 Applicants in this case presented a webinar to all  
10 their lenders with regard to the challenges they were  
11 facing, but also what they were doing to resolve it.  
12 So, multiple sort of strategies ranging from selling  
13 properties, the letter of interests were coming  
14 through, the refinance was looking promising, also  
15 going to the credit unions for smaller charges, you  
16 know, still pursuing Core for the \$3.2 million; I  
17 truly felt that at any moment something -- you know,  
18 one of those letter of interests or refinances,  
19 smaller or larger or sales were going to provide the  
20 resolution. Also feeling confident when the -- you  
21 know, the equity and the value and the borrowers  
22 constant communication with us and planning and  
23 updates, you know. We also hosted weekly webinars  
24 with our lenders, to provide them with updates without  
25 the Applicants and prior to those webinars, the

CLAIRE DRAGE - 136

1 borrowers would provide us with updates on the  
2 statuses of where the refinances were at, where the  
3 letter of interests were at. I felt confident that  
4 the refinances would come through and that would  
5 provide a positive solution, especially to the secured  
6 and provide, you know, a positive cash-flowing  
7 outcome. I saw the pitch deck from Howard Capital;  
8 saw the positive outcome that this would have. Also  
9 anticipation of rents dropping, inflation getting  
10 under control, so things were moving in the right  
11 direction, so I felt confident that these Applicants  
12 could come through with their refinance and their exit  
13 strategy to make everyone whole.

14 315. Q. As far as concrete stuff that you saw  
15 indicating that there was an opportunity through an  
16 LOI or otherwise, was the pitch deck the most concrete  
17 thing that you actually got to look at that gave you  
18 hope?

19 A. That, in addition to the actual letters  
20 of interest.

21 316. Q. So, you did receive copies of the LOIs?

22 A. Yes.

23 317. Q. Do you still have them?

24 A. Yes.

25 318. Q. Could you share them with us as well as

CLAIRE DRAGE - 137

1 the pitch deck, please?

2 MR. ROSENBLUTH: We will add that to the  
3 list which is all sort of the same answer.

4 MR. PENDRITH: Understood, so it's treated  
5 as, effectively, an under advisement.

6 MR. ROSENBLUTH: Yes, thank you, so copies  
7 of the pitch deck and LOIs regarding potential  
8 refinancing.

9 --- REQUEST

10 MR. PENDRITH: Thank you and so we should  
11 mark this as the next exhibit and we will call it  
12 Payments by Lion's Share Group to Lender Name .

13 --- EXHIBIT NO. E: Payments by Lion's Share Group to  
14 Lender Name

15 MR. ROSENBLUTH: If you are able, I'm just  
16 looking at the clock, I mean, I don't want to hold you  
17 to 1:15 on the dot, but if you are able to start  
18 wrapping up, that would be greatly appreciated.

19 MR. PENDRITH: Let me ask one last series of  
20 questions and then I will wrap it up, if you are okay?

21 MR. ROSENBLUTH: Thank you.

22 BY MR. PENDRITH:

23 319. Q. Josh, if you could pull up, there is an  
24 Investor Lender Disclosure Statement, this one happens  
25 to be in respect of 396 Fairview, but I think they're

CLAIRE DRAGE - 138

1 generic. If you wouldn't mind pulling that up? Can  
2 you explain what this form was used for, if you are  
3 familiar with it?

4 A. Yeah, so Form 1 is an investor  
5 disclosure that's prepared by my office and signed by  
6 myself. It discloses all the risks to the lender with  
7 regard to the specific mortgage opportunity they are  
8 investing in.

9 320. Q. So, these would have been provided for  
10 mortgages, but not promissory notes?

11 A. Yes.

12 321. Q. Do you have copies of each of these for  
13 the mortgages that were brokered on behalf of the  
14 Applicants?

15 A. Yes.

16 MR. PENDRITH: Can we have copies of these,  
17 please?

18 MR. ROSENBLUTH: It's on the list.

19 --- REQUEST

20 BY MR. PENDRITH:

21 322. Q. Thank you. Did you ever identify in  
22 Box 6, it's on Page 5 of the document, it says,  
23 "Describe any conflicts or potential conflicts of  
24 interest in connection with this mortgage investment  
25 other than those described above." Did you ever fill

CLAIRE DRAGE - 139

1 out anything in this box?

2 A. With regard to the Applicants?

3 323. Q. When you were doing this for an  
4 Applicant property?

5 A. Yes, so the primary one would be Sam  
6 and Bronwyn are my children and also employees of  
7 Lion's Share Group -- sorry, contractors.

8 324. Q. That would be -- sorry, go ahead?

9 A. Contractors of Lion's Share, sorry,  
10 they weren't employees, they were contractors. That  
11 would be for Joint Captain; that was our standard  
12 protocol.

13 325. Q. Understood. On Page 13 ---

14 MR. ROSENBLUTH: Just to close that, are you  
15 saying that outside of Joint Captain loans, you would  
16 not enter any information into the Box 6 generally?

17 THE DEPONENT: For these Applicants, no.

18 MR. ROSENBLUTH: Sorry Colin, this may be a  
19 silly question, but Box 6 refers to, "Other than as  
20 described above" are there any conflicts. I haven't  
21 looked at one of these Form 1s in some time. Is there  
22 anything else described above?

23 MR. PENDRITH: I don't believe there is  
24 anything described above.

25 MR. ROSENBLUTH: Okay, fair enough. Anyway,

CLAIRE DRAGE - 140

1 we will ---

2 MR. PENDRITH: Yes, there is no -- question  
3 on this.

4 MR. ROSENBLUTH: Yes, they speak for  
5 themselves, that's fine.

6 BY MR. PENDRITH:

7 326. Q. So, just going down to Page 13, in  
8 Section 4(A), it says, "Documentary evidence  
9 respecting the borrower's ability to meet the mortgage  
10 payments" and it is not ticked. Did you ever tick  
11 that box and provide that information to the lenders?

12 A. I don't know.

13 327. Q. If you didn't and in this case you  
14 didn't, would there be a reason not to provide that  
15 information?

16 A. No.

17 328. Q. Would you ever set up a mortgage or a  
18 promissory note for that matter, where you didn't  
19 believe in the borrower's ability to meet the  
20 payments?

21 A. No.

22 329. Q. If documentary evidence respecting the  
23 borrower's ability to meet mortgage payments was  
24 provided to lenders in respect of the Applicant's  
25 loans, would you provide copies of that disclosure,

CLAIRE DRAGE - 141

1           please?

2                   MR. ROSENBLUTH:   There were the  
3           presentations, right?   Which have some of this  
4           information in it.

5                   MR. PENDRITH:   And if you tell me that was  
6           the disclosure, I'm not certain those presentations  
7           speak to the borrower's ability to meet mortgage  
8           payments, just based on my review of them, but if  
9           there is something else that was provided, that would  
10          speak to this Section 4 ---

11                   MR. ROSENBLUTH:   Sure, so this by definition  
12          is only on the mortgage category, so that's the scope  
13          of your question, correct?

14                   MR. PENDRITH:   Yes, this is -- and if in  
15          respect of the promissory notes the same type of  
16          disclosure was made, speaking to the ability of the  
17          borrower to meet the payments, I would appreciate  
18          receiving that too.   I would imagine it's going to be  
19          either it happened all the time or it never happened,  
20          but.

21                   MR. ROSENBLUTH:   Okay, so any documents that  
22          were provided to the lenders that would evidence a  
23          borrower's ability to meet mortgage payments or  
24          analogously, a borrower's ability to meet his  
25          promissory note payments.



CLAIRE DRAGE - 142

1 MR. PENDRITH: That's right, thank you.

2 MR. ROSENBLUTH: Okay.

3 --- REQUEST

4 MR. PENDRITH: And I appreciate it's 1:19,  
5 so why don't we break and I thank you for being here,  
6 Ms. Drage. I may have some follow-up questions, but I  
7 will connect with your counsel regarding that, thank  
8 you.

9 MR. ROSENBLUTH: Okay, off the record,  
10 please.

11 --- WHEREUPON THE EXAMINATION WAS ADJOURNED AT 1:19 P.M.

12

13 I hereby certify that this is the  
14 interview of CLAIRE DRAGE, taken  
15 before me to the best of my skill  
16 and ability on the 8th day of May,  
17 2024.

18

19

-----  
20 Jovana Velimirovic - Court Reporter

21

22 Reproductions of this transcript are in direct  
23 violation of O.R. 587/91 Administration of Justice Act  
24 January 1, 1990, and are not certified without the  
25 original signature of the Court Reporter



THE WINDROSE GROUP  
A MORTGAGE ALLIANCE TEAM  
LICENSE # 10530



# PRIVATE MORTGAGE OPPORTUNITY

for Review – 157 Bloor St W, Sault Ste Marie

PREPARED BY: Bronwyn Bullen

APPROVED BY: Claire Drage

April 04, 2022

This document is confidential and prepared specifically for your review as a potential investor. If you have any questions or need further clarification, please reach out for clarification.

We look forward to working with you and discussing the deal further.

# YOUR OPPORTUNITY OPTIONS

We thoroughly endorse and approve this borrower, Dylan Suitor (Interlude Inc), who has not only been a client of ours for a number of years, but has proven himself and his team to be experienced, professional and ultimately successful. With this in mind, Dylan is continuing to expand his already large portfolio with multiple projects on the go as well as others under contract to close. To assist with his ability to maximise economies of scale and acquire more properties during prime buying months in strong markets we are seeking a higher loan to value than would be standard. With this mind, we would like to present to you **three options** to select from based on your available funds and comfort level:

1. **\$245,000** which is 100% of the purchase price (loan to value), or 61.25% loan to value based on the After Repair Value of \$400,000 with a monthly interest rate of 9% and a 3% lender fee resulting in an overall return of **12%** per year broken down as follows:
  - \$1,837.50 per month in interest only payments at 9%
  - \$7,350.00 lender fee deducted from the advance to the borrower 3%
2. **\$220,500** which is 90% of the purchase price (loan to value) of \$245,000 with a monthly interest rate of 9% and a 2% lender fee resulting in an overall return of **11%** per year.
  - \$1,653.75 per month in interest only payments at 9%
  - \$4,410.00 lender fee deducted from the advance to the borrower 2%
3. **\$196,000** which is 80% of the purchase price (loan to value) of \$245,000 with a monthly interest rate of 8% and a 2% lender fee resulting in an overall return of **10%** per year.
  - \$1,306.67 per month in interest only payments at 8%
  - \$3,920.00 lender fee deducted from the advance to the borrower 2%

# DEAL SYNOPSIS

<b>Mortgage Amount</b>	From \$196,000 to \$245,000 as previously outlined
<b>Position</b>	1 <sup>st</sup> Position
<b>Purpose</b>	Your funds will be used to provide a private mortgage that will be used to purchase this property which has an accepted Offer to Purchase signed and agreed upon by all parties
<b>Term</b>	Our client, Dylan Suitor is seeking a private mortgage for a 1 year term open after the first 3 months
<b>Return &amp; Payments to You</b>	<p>The return is as outlined in the three options ranging from an overall annual return of 10% to 12% per year. The borrower will cover all your legal costs and any other expenses you incur to ensure that this is your net return.</p> <p>You will receive monthly payments of interest only based on the option you select.</p>
<b>Property Location</b>	The property is a Single family home located at 157 Bloor Street W, Sault Ste Marie
<b>Current Value</b>	<b>\$245,000</b> Purchase Price from an assignment Estimated After Repair/Completed Value to be <b>\$400,000</b>
<b>Current Liens</b>	None, this is a 1 <sup>st</sup> position mortgage with no other liens on title.
<b>Security</b>	You will be named as the lender on title of the property along with the borrower providing a personal guarantee by way of a General Security Agreement. You will also be named on the property insurance policy as a beneficiary should any claims be made while you are on title. Our standard policy is also to register an Assignment of Rents in your favour which allows you to collect rent from any current and future tenants directly should any default occur.
<b>Strategy</b>	Purchase, renovate, rent out with high quality tenants and then refinance with a major bank.
<b>Advance Date (est.)</b>	April 19, 2022

## Eligible Funds

This opportunity can be funded using your cash, secured line of credit or registered funds with an existing self-directed trustee using a RRSP, LIRA or TFSA. If registered funds are with the same trustee we have the ability combine spousal accounts into one mortgage. Our preferred trustees are Olympia Trust and Community Trust.

## THE BORROWER



The borrower is Interlude Inc, with Dylan Suitor providing a personal guarantee.

Dylan is a veteran real estate investor whose focus is on the following strategies:

1. buy and flips in strong markets (primary and secondary)
2. buy-renovate-rent-refinance on small multi-family
3. buy-renovate-rent-refinance on large multi-family (5+ Units)
4. buy and hold turnkey properties

Over the years Dylan has amassed a large portfolio with more than 120+ properties and he has his sights on continued portfolio growth.

Our team has been working with Dylan for a number of years and he has demonstrated to us his ability to not only create a clear investment model but also adapt based on market and economic conditions. Dylan is also a realtor and runs his own growing team of successful investor focused agents. His commissions from his real estate business alone are \$950k+ per year and he is able to leverage that skill set to target strong markets and opportunities within that market including off market deals. Here is some information on Dylan as a realtor and his commitment to not only the community but the continued growth and mentorship of other realtors. <http://www.elevationrealty.ca/about/dylan-suitor/>

Dylan's excellent knowledge of the investment market in specific cities such as St Catharines, Welland, Niagara and Sudbury has led to him creating a win-win scenario. His expertise is to clearly identify properties that are under market value and typically owned by tired landlords or home owners that have not kept the properties well maintained. He focuses on markets that can generate great cash flow with good market rents and low vacancy. The properties he seeks out are those that can be converted into multiple units and provide either a fellow investor with a turnkey rental (newly renovated with great pre-qualified tenants) or hold the property and create cash flow for his business. Some of the renovations are extensive with conversions into multi-family, adding additions etc., while

others are more cosmetic. Dylan has a full time Project Manager to not only coordinate trades but keep each project moving forward. Even though Dylan is a high energy go getter and often works 16-18 hour days (we don't think he has an off switch!), he also appreciates the value of a quality power team so that he can efficiently scale up while producing a quality product – safe secure housing for Canadians! With an investor like Dylan who has many projects on the go at any one time – in both acquisition, renovation, staging, listing, renting or sell – we have weekly, sometimes more, conference calls to keep up to date on each project and his on-going needs to continue to grow.

Dylan is very clear on his business model that he likes to share with all his investors:

### **Every house must fit all the following criteria:**

- ✓ Purchased at 40-60% of the After Repair Value & Renovated to 70-75% of the After Repair Value and then Sold or refinanced at 100% of the After Repair Value
- ✓ 10% of the After Repair Value will be spent on the sale of the home OR 25% of the equity will remain in the home
- ✓ 7% minimum CAP rate obtained

### **What value do we bring to the table?**

- ✓ Securing profitable homes that fit the model with vetted quality contractors to improve the homes
- ✓ Managing the marketing and selling of the homes via a competent Realtor (this is not always Dylan – he believes in utilizing his power team in each region)
- ✓ Value added renovations and ongoing improvements
- ✓ Providing a team to get the home financed if applicable
- ✓ Providing the necessary bookkeeping to determine profitability
- ✓ A proven track record in numerous areas of real estate investing
- ✓ Proven power team in each market

Over the last few years we have completed many loans and mortgages with Dylan, and we have helped support his continued growth in the strong markets he is in. He exemplifies everything we want in a borrower; payments made on time, smooth closings and an excellent business model.

Dylan is very active on social media and enjoys sharing his experiences and progress especially with his investors who help support these projects. Check them out as well as stay connected as you watch the progress of your investment:

- Facebook: <https://www.facebook.com/people/Dylan-Suitor>
- Instagram: [https://www.instagram.com/dylansuitorelevate\\_realtor/](https://www.instagram.com/dylansuitorelevate_realtor/)

- LinkedIn: <https://www.linkedin.com/in/dylan-suitor-34573046/>

On the regular updates we receive we have seen first-hand the quality and detail Dylan puts into each project. Dylan has an eye for opportunity with strong negotiating skills to create a win-win for both seller and buyer (him) while at the same time working with his Project Manager to push the projects forward and handle trades. When you renovate as many properties as he does it is so much easier to have not only economies of scale but a replicable model. For example, the flooring type, paint colours, kitchen design is consistent in a majority of his properties. His philosophy is that, the better the workmanship, the better-quality tenants it will attract. This strategy helps protect his and your investment for the long-term.

The current markets in Ontario specifically are split into two categories and different investment strategies work better in some rather than others as demonstrated below:

**Primary Markets:** These are the largest, densely populated housing markets that have a large and expanding population base typically of 100k+. The housing demand in these areas is split into two categories; principal homes (your regular home owners) and multi-family for real estate investors. As our borrowers are real estate investors it is important to ensure that they understand the market, their end customer and that the numbers make sense ("emotion" won't pay the bills or their lenders like yourself back!). Supply and demand drives all markets and where there is high demand by regular home owners looking to buy a principal home, it drives the purchase price higher often leading to bidding wars and an "emotional price premium" paid by the buyer. Where this occurs, investors have to ensure the numbers make sense and as market rents are simply not high enough to create a cash-flowing property, they typically look to these markets for the **Flip** strategy or **BRRRR Conversion** (major renovations and adding additional income generating units). With the Flip, their end customer is that regular home buyer and they can renovate and market the property accordingly (adding more bathrooms, bedrooms, open plan living, home office space etc.). However, this only works if they can purchase the property at a reasonable price (often thru wholesalers, privately, or because the property needs a lot of work that regular buyers aren't interested in or cannot see beyond!) – creating enough money in the buy, room for contingencies (cost overrun's, long closings, permits being issued etc.), covering carrying costs and having a clear time-line to sell. The primary strategy for our borrowers is to **BRRRR** and so they are typically not in these primary markets but secondary instead.



**Secondary Markets:** There is no cut and dry definition of a secondary market other than they are typically much smaller in population and/or less densely populated. In Ontario specifically they could also be considered a little more remote, far away or less desirable

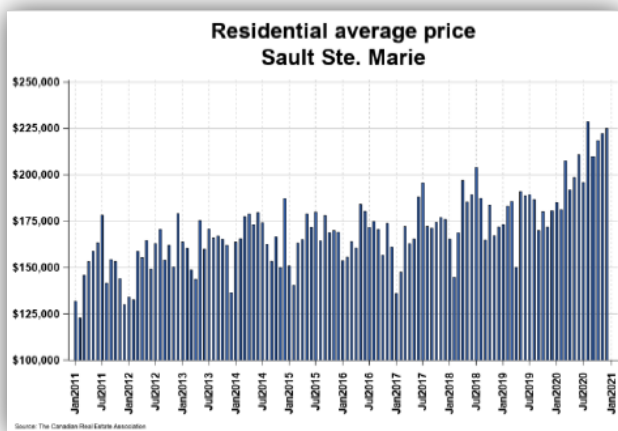


to live in the winter! However, there is good solid employment, low vacancy and stability in the economy. Demand may be lower than the crazy primary markets right now which therefore keeps property prices reasonable. However, because the demand is lower, you are less likely to see significant lift in the value of the property beyond the cost of purchase, carrying costs and improvements. However, the purchase price versus the higher market rent these properties can achieve means that the numbers work especially for the **BRRRR** strategy. The investor is looking to purchase say a duplex for a good price, add some value with some renovations and create safe, secure housing for good tenants leaving a cashing flowing property once the refinance is complete. The major income source for the borrower in these scenarios is the monthly cash flow the property will generate after the refinance is complete which typically means leaving 20% equity.

This particular opportunity is in one of these secondary markets and below is highlighted the strong economics which makes the strategy work:

## Sault St. Marie

**Location:** Sault Ste. Marie was incorporated as a City in 1912, although its rich history dates back to the 1600's. Situated at the heart of the Great Lakes (west of Sudbury), along the banks of the St. Mary's River, Sault Ste. Marie is an international port of entry to the United States and continues to be an important destination for business, trade and travel.



Known as being the 'Friendliest City in Algoma', Sault Ste. Marie is one of the most beautiful and exciting northern cities in Canada.

<https://saultstemarie.ca/City-Hall/About-Sault-Ste-Marie.aspx>

**Market Growth:** On an annual basis, home sales totaled a record 1,767 units over the course of 2020. This was up 8.9% from the same period in 2019. The average price of homes sold in December 2020 was \$224,960,

advancing 24.6% from December 2019.

**The Strategy and Model:** These borrowers actively offer on properties below the market average with the goal of renovating to build equity. Their target purchase price of \$215,000 for detached homes give them a head start prior to renovations as



their goal is to hit 8%-10% cap rates (the rate of return that is expected). They have positioned themselves with a strong power team in the area who are very active on the Sault St Marie Real Estate Board to gain access to property databases. They thoroughly research comparable sales and ensure that they buy all under market value which allows lots of cushion for renovation budgets and refinance solutions. They offer on the lowest priced properties in the city day in & day out ensuring lowest purchase prices ongoing.

**Vacancy Rate:** A vacancy rate of 4.9% averaged across all properties but a big drop off on detached homes, which shows great strength at 3.3%.

**Comparable Rents:** Their goal is to purchase properties where each unit, after the renovation, will generate market rents of \$1,800 to \$2,200 per month.

## Portfolio Snapshot

Check out this list of some of his **current Flips and Buy-Renovate-Rent-Refinance** on the go that we have been involved in under **Interlude Inc** – you can see some great history and a clear pattern of his specific niche. We have also highlighted below the volume and holdings in other Corporations owned by Dylan Suitor that we have been involved in. Dylan's strategy is to maximise holdings in each corporation ensuring they are not over leveraged while also benefiting from the tax benefits of corporate holdings. See **Past Projects** at the back of this information package for a summary of some of the projects that have already been completed with us:

Interlude Inc			Incorporated: November 13, 2020	
Properties Total No.	Purchase Price Total	Current Value Total	Rental Income Monthly	Overall Status
63	\$16,781,830	\$24,500,000	\$66,704.33	50% Under Renovation % Being Refinanced 50% Completed & Rented

## Other Corporations and Current Portfolio Strength:

Neat Nests Inc.			Incorporated: March 1, 2019	
Properties Total No.	Purchase Price Total	Current Value Total	Rental Income Monthly	Overall Status
8	\$5,502,500	\$10,825,000	\$45,050.70	62.50% Under Renovation 0% Being Refinanced 37.50% Completed & Rented

<u>Home Town</u> Housing Inc.			Incorporated: March 1, 2019	
Properties Total No.	Purchase Price Total	Current Value Total	Rental Income Monthly	Overall Status
18	\$3,180,000	\$10,168,000	\$45,195	11.12% Under Renovation 0% Being Refinanced 88.88% Completed & Rented

Horses In the Back Inc.			Incorporated: July 24, 2020	
Properties Total No.	Purchase Price Total	Current Value Total	Rental Income Monthly	Overall Status
3	\$965,000	\$1,900,000	\$9,556	33.33% Under Renovation 0% Being Refinanced 66.67% Completed & Rented

Old Thing Back Inc.			Incorporated: April 19, 2013	
Properties Total No.	Purchase Price Total	Current Value Total	Rental Income Monthly	Overall Status
4	\$871,000	\$2,315,000	\$10,800	75% Under Renovation 0% Being Refinanced 25% Completed & Rented

Up-Town Funk Inc.			Incorporated: March 5, 2019	
Properties Total No.	Purchase Price Total	Current Value Total	Rental Income Monthly	Overall Status
31	\$5,035,500	\$10,655,000	\$8,250.00	5% Under Renovation 0% Being Refinanced 95% Completed & Rented

Upgrade Housing Inc.			Incorporated: March 5, 2019	
Properties Total No.	Purchase Price Total	Current Value Total	Rental Income Monthly	Overall Status
34	\$7,222,411	\$12,741,000	\$79,158	5% Under Renovation 95% Being Refinanced 95% Completed & Rented

## THE PROPERTY

**Property & Strategy:** The property is a single-family home located at 157 Bloor Street W in Sault Ste Marie. The goal is to purchase, renovate, rent to quality tenants and then refinance with a major bank. The end result being a single family home that has 20% equity while creating monthly cash flow for the borrowers.

**Purchase Price:** \$245,000

**Renovations and Estimated Costs:** \$45,000

**After Repair Value:** \$400,000 based on comparable properties in the area.

**Expected Market Rents:** \$1,800 - \$2,000 per month x 1 units creating positive cash flow after refinancing with a major bank at best rates, 30 year amortization and leaving 20% equity remaining.

## SECURITY

The borrowers are Interlude Inc, with Dylan Suitor who is the primary shareholder and owner of the corporation and he is also providing a personal guarantee.

You will be named as the lender on title of the property along with Dylan providing personal guarantees by way of a General Security Agreement.

You will also be named on the property insurance policy as a beneficiary should any claims be made while you are on title.

Our standard policy is also to register an Assignment of Rents in your favour which allows you to collect rent from any current and future tenants directly should any default occur.

We also add a clause into our mortgage agreements that means that a lien can be placed on title on all properties owned by the borrowers, not just the subject property in the case of default.

## EXIT STRATEGY

Your mortgage will be fully repaid on the anticipated exit strategy which is to complete the renovations, fill the property with good quality tenants at or above market rent and then refinance with a major bank within the term of this mortgage.

## THE TERMS

- 1<sup>st</sup> mortgage borrowed for 1 year open after 3 months. There may be the possibility of extending if the property doesn't sell or is refinanced - although unlikely and as mentioned earlier it will likely be paid out sooner
- Annual Interest rate of return ranging from an overall annual return of 10% to 12% per year. The borrower will cover all your legal costs and any other expenses you incur to ensure that this is your net return.
- You will receive monthly payments of interest only as outlined above based on the option you select.
- If an extension on the term at renewal is not provided and if the mortgage is not repaid in full within 1 year of advance, an additional fee/penalty will apply along with an increase in the interest rate.
- All fees and costs incurred by the lender will be paid for by the borrower i.e. title registration fees, legal fees etc.
- A mortgage broker fee will be payable by the borrowers on advance to Claire Drage

# CLAIRE DRAGE

CEO | Mortgage Broker

289.800.9620 | [investor@thewindrosegroup.ca](mailto:investor@thewindrosegroup.ca)



- 
- for underwriting and facilitating this mortgage.
  - Claire Drage will follow up with all parties to ensure the terms of this agreement are upheld right until full repayment to you, the investor, and then, with your permission, we rinse and repeat.

## PAST PROJECTS

Here is an example of some of the past projects we have been involved with and have been completed by the borrowers:

**Location:** 75 Queenston, St Catharines  
**Strategy:** Triplex Renovation and Rent  
**Purchase Price:** \$230,000  
**Renovations:** \$70,000  
**New Appraised Value:** \$440,000

**Location:** 92 Lake St. Catherines  
**Strategy:** Single Family to Duplex and Rent  
**Purchase Price:** \$205,000  
**Renovations:** \$100,000  
**New Appraised Value:** \$440,000

**Location:** 454 Burton, Sudbury  
**Strategy:** Duplex to Triplex and Rent  
**Purchase Price:** \$195,000  
**Renovations:** \$50,000  
**New Appraised Value:** \$300,000

### Claire with Dylan – Rent to Own Seminar



### KW Award for Top Producer



## BEFORE AND AFTER





**From:** Bronwyn Bullen <bronwyn@thewindrosegroupp.ca>  
**Sent:** Tuesday, February 01, 2022 11:38 AM  
**To:** Personal Email  
**Subject:** Re: ACTION REQUIRED: Former Borrower Companies Update

Hi Name,

Our apologies, our system sent this out to you in Error,  
 you do not have any loans with this borrower.

This borrower is restructuring the portfolio through a trustee, all our secured lenders are getting their full investment back from the sale of the portfolio and the unsecured creditors have been offered for us to buy out there loan. This is an isolated case with a borrower and does not affect any of our other borrowers.

If you want to Chat further please let me know

Cheers

As always, take care,



## BRONWYN BULLEN

Manager, Private Financing & Investments

289-800-9620 | [bronwyn@thewindrosegroupp.ca](mailto:bronwyn@thewindrosegroupp.ca)

[www.thewindrosegroupp.ca](http://www.thewindrosegroupp.ca)

connect with us 



My personal support team includes:

Peter Abbatangelo | Director, Mortgage Lending | 289-800-9622 | [peter@thewindrosegroupp.ca](mailto:peter@thewindrosegroupp.ca)

Stephanie Procter | Director, Marketing & Operations | 289-799-8510 | [stephanie@thewindrosegroupp.ca](mailto:stephanie@thewindrosegroupp.ca)

Bronwyn Bullen | Manager, Private Financing & Investments | 289-800-9620 | [bronwyn@thewindrosegroupp.ca](mailto:bronwyn@thewindrosegroupp.ca)

Jeannine Fletcher | Manager, Private Financing & Investments | 289-800-9620 | [jeannine@thewindrosegroupp.ca](mailto:jeannine@thewindrosegroupp.ca)

Sam Drage | Manager, Fulfilment & Compliance | 289-767-0915 | [sam@thewindrosegroupp.ca](mailto:sam@thewindrosegroupp.ca)

Bianca Del Bois | Digital Marketing Assistant & Event Coordinator | 289-787-0655 | [bianca@thewindrosegroupp.ca](mailto:bianca@thewindrosegroupp.ca)

Kim Dube | Manager, Finance & Human Resources | 289-800-9625 | [kim@thewindrosegroupp.ca](mailto:kim@thewindrosegroupp.ca)  
Andrea McComb | Mortgage Administration | 289-767-0944 | [andrea@thewindrosegroupp.ca](mailto:andrea@thewindrosegroupp.ca)  
Kate Bourque | Bookkeeper | 289-767-0949 | [kate@thewindrosegroupp.ca](mailto:kate@thewindrosegroupp.ca)

Should you wish not to receive any future email correspondence from me at all, feel free to [click here to unsubscribe](#). Thank you.

---

**From:** Lender Email  
**Date:** Tuesday, February 1, 2022 at 10:59 AM  
**To:** Bronwyn Bullen <[bronwyn@thewindrosegroupp.ca](mailto:bronwyn@thewindrosegroupp.ca)>  
**Subject:** FW: ACTION REQUIRED: Former Borrower Companies Update

Hi Bronwyn, I've been going through all of our paperwork and cant seem to locate this borrower. I don't believe we have money with Borrower. Can you confirm?

I remember this was an option provided to us but we didn't proceed. Just looking for confirmation, as this is the first time we've heard of this situation.

Thanks

Name

---

**From:** Claire Drage - Mortgage Broker & Team Leader <[info@thewindrosegroupp.ca](mailto:info@thewindrosegroupp.ca)>  
**Sent:** February 1, 2022 10:24 AM  
**To:** Lender Email  
**Subject:** ACTION REQUIRED: Former Borrower Companies Update





Hi [Name],

Yesterday you would have received the official Proposal documents from the Trustee's office (50+ pages). As part of my goal in keeping you well informed of all the nuances of this proposal I wanted to take a minute to break down that information to make it easier to digest. Included is a lot of information below is that summary:

The Proposal stipulates, in summary, two options to be voted on by all Creditors on **February 10, 2022**:

**Option 1: Accept the Proposal as presented which in brief (please read for full details) means:**

- Based on the Trustee's current accounting would mean there is estimated gross dividend of up to 65 cents (\$0.65) on the dollar available for Unsecured Creditors. Please note that this number is a moving target and I personally feel it would be higher based on recent sales of the portfolio as you can see from our regular updates
- Amalgamate all 7 Corporations into one "Just Right Investments"
- [Borrower Names] will list and sell all properties and using their "best efforts" to recoup as much as possible from the market
- [Borrower Names] will be listing and selling their principal home that is in their personal name and although is not part of this Proposal they are agreeing to provide all proceeds from that sale (estimated to be at least \$350,000) towards the Proposal to ensure that the unsecured creditors receive as much as possible
- [Borrower Names] are to be personally removed from being liable against any future claims for money still left owing once the proposal is completed. **This impacts the unsecured creditors who would not be able to pursue Rasna and Pierre after this is done for any losses they may occur.** As their remaining personal assets are very limited, it is felt by the Trustee that this would be a fruitless exercise to pursue them afterwards as there are no assets to cease other than potential future income.
- [Borrower Names] will continue to draw a salary ONLY until this Proposal is completed to cover personal living expenses (monitored by the Trustee)
- Assigned [Name] and myself as "Inspectors" to provide some oversight of the entire process until the Proposal is completed

**OR**

**Option 2: File Bankruptcy:**

If the required vote is not achieved to approve the Proposal as outlined in Option 1 in its entirety on February 10, 2022 then it is automatic that a Bankruptcy will be filed. This will mean that the Trustee will be given the task to sell all assets under what is known as a "Fire Sale" immediately. This would be devastating to the unsecured creditors. As can be seen in the Proposal, the Trustee estimates that if they go this route, the Unsecured Creditors may receive 48 cents (\$0.48) to 60 cents (0.60) of their Proven Claim but this is subject to litigation which they cannot forecast at this time.

As most of you know I am one of the largest unsecured creditors named in this Proposal – I cannot of course provide any influence over your decision but will let you know that it is logical for me to seriously consider Option 1 as Option 2 just doesn't seem to benefit anyone other than the Trustee.

What are your next steps?

### **For SECURED Creditors (1st Mortgage Holders):**

As you know all properties are being sold and we are providing you with updates as this happens. As there is sufficient equity in all the properties that you have mortgages on that we placed, you will incur no loss of principle amount owed. If we have informed you that the property you have a mortgage on has been sold and has yet closed, **you must still complete this process**. It would therefore be beneficial for you to approve the Proposal as presented however we recommend you read through the documentation you have received and confirm you are in agreement (please consult your own counsel as applicable as this is not deemed to be legal advice), here are the next steps:

1. Let us know by replying to this email with a simple "agreed, please complete the forms" or with your comments/questions.
2. On receipt of your email, we will complete your Form 37 and Form 31 for you and send to you for your signature
3. Attend the February 10, 2022 Creditors Meeting **or** if you are in agreement with above, then we can act as your Proxy and vote on your behalf and we will complete Form 59 to allow us to do this

### **For UNSECURED Creditors (Promissory Note Loan Holders):**

If your unsecured loans have already been assigned to myself, then there is no further action to take. If you are still waiting for this to happen as we work through them all, here are your next steps. Even if we have agreed to have your loan assigned to us, if it doesn't occur prior to February 10, 2022, **you must still complete this process**. **Your deadline to determine if you wish to have your loan assigned to me is February 8, 2022** in order to make sure this process is under way ahead of the Trustee meeting & vote. Decide if you wish to approve the Proposal as presented (we recommend you read through the documentation you have received and confirm you are in agreement (please consult your own counsel as applicable as this is not deemed to be legal advice), here are the next steps:

1. Let us know by replying to this email with a simple "agreed, please complete the forms" or with your comments/questions.
2. On receipt of your email, we will complete your Form 37 and Form 31 for you and send to you for your signature
3. Attend the February 10, 2022 Creditors Meeting **or** if you are in agreement with above, then we can act as your Proxy and vote on your behalf and we will complete Form 59 to allow us to do this

This update is for Windrose clients that we have represented in their loan transactions with **Borrower Names** on Just Right Rentals.

If you are clear on your decision after reviewing this email and the trustee documentation please respond in writing with your decision and we can prepare these forms for signature on your behalf. I know this is a lot of information to digest, and if you have concerns we have cleared space **tomorrow at 1PM** for an open session with Claire & Bronwyn to ask any questions. [Please register for that session here.](#)

Here we have also provided you with the most recent update on the [Just Right Rentals Proposal and Portfolio as of January 31st](#). You will have access to this report until February 11th.



## CLAIRE DRAGE

Chief Executive Officer

ONT License: M08007610 | BC License: 503317 | Lic #10530

289-800-9620 | [claire@thewindrosegroupp.ca](mailto:claire@thewindrosegroupp.ca)

[www.thewindrosegroupp.ca](http://www.thewindrosegroupp.ca)

connect with us    



My personal support team includes:

Peter Abbatangelo | Director, Mortgage Lending | 289-800-9622 | [peter@thewindrosegroupp.ca](mailto:peter@thewindrosegroupp.ca)

Stephanie Procter | Director, Marketing & Operations | 289-799-8510 | [stephanie@thewindrosegroupp.ca](mailto:stephanie@thewindrosegroupp.ca)

Bronwyn Bullen | Manager, Private Financing & Investments | 289-800-9620 | [bronwyn@thewindrosegroupp.ca](mailto:bronwyn@thewindrosegroupp.ca)

Jeannine Fletcher | Manager, Private Financing & Investments | 289-800-9620 | [jeannine@thewindrosegroupp.ca](mailto:jeannine@thewindrosegroupp.ca)

Sam Drage | Manager, Fulfilment & Compliance | 289-767-0915 | [sam@thewindrosegroupp.ca](mailto:sam@thewindrosegroupp.ca)

Bianca Del Bois | Digital Marketing Assistant & Event Coordinator | 289-787-0655 | [bianca@thewindrosegroupp.ca](mailto:bianca@thewindrosegroupp.ca)

Kim Dube | Manager, Finance & Human Resources | 289-800-9625 | [kim@thewindrosegroupp.ca](mailto:kim@thewindrosegroupp.ca)

Andrea McComb | Mortgage Administration | 289-767-0944 | [andrea@thewindrosegroupp.ca](mailto:andrea@thewindrosegroupp.ca)

Kate Bourque | Bookkeeper | 289-767-0949 | [kate@thewindrosegroupp.ca](mailto:kate@thewindrosegroupp.ca)

If you no longer wish to receive these emails, please reply and type "Remove" in the subject line. Thank you.

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

PROPERTY DESCRIPTION: PCL 2688 AND PCL 4065 SEC SES FIRSTLY LT 606 PLAN M100 EXCEPT N 17 FT LT 606 PLAN M100 SECONDLY N 17 FT LT 606 PLAN M100 CITY OF SUDBURY

PROPERTY REMARKS:

ESTATE/QUALIFIER:  
FEE SIMPLE  
ABSOLUTE

RECENTLY:  
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:  
1993/04/05

OWNERS' NAMES  
INTERLUDE INC.

CAPACITY SHARE  
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
				<div></div>		
				<div></div>		
				<div></div>		
LT706363	1991/05/31	TRANSFER		*** COMPLETELY DELETED ***	<div></div>	
LT706364	1991/05/31	CHARGE		*** COMPLETELY DELETED ***		
LT706365	1991/05/31	CHARGE		*** COMPLETELY DELETED ***		
LT774645	1993/12/09	CHARGE		*** COMPLETELY DELETED *** <div></div>		
LT774646	1993/12/09	DISCH OF CHARGE		*** COMPLETELY DELETED ***	CAISSE POPULAIRE LASALLE SUDBURYLIMITEE	
SD22769	2005/07/07	DISCH OF CHARGE		*** COMPLETELY DELETED *** CAISSE POPULAIRE LASALLE SUDBURY LTEE		
REMARKS: RE: LT706364						
SD22773	2005/07/07	DISCH OF CHARGE		*** COMPLETELY DELETED *** CAISSE POPULAIRE LASALLE SUDBURYLIMITEE		
REMARKS: RE: LT774645						
SD22977	2005/07/08	TRANSFER		*** COMPLETELY DELETED *** <div></div>	<div></div>	
REMARKS: PLANNING ACT STATEMENTS						
SD22978	2005/07/08	CHARGE		*** COMPLETELY DELETED *** <div></div>	CAISSE POPULAIRE NOLIN DE SUDBURY INCORPOREE	

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
SD22979	2005/07/08	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** CAISSE POPULAIRE NOLIN DE SUDBURY INCORPOREE		
	REMARKS: SD22978					
SD72354	2007/02/16	CHARGE				
SD101301	2007/12/17	DISCH OF CHARGE				
	REMARKS: RE: SD72354					
SD142700	2009/04/07	LR'S ORDER				
	REMARKS: DELETE LT706364 AND SD22769.					
SD144980	2009/05/08	CHARGE				
SD180460	2010/08/19	CHARGE				
SD190609	2011/01/07	CHARGE				
SD193200	2011/02/23	CHARGE				
SD193201	2011/02/23	NO ASSGN RENT GEN				
	REMARKS: SD193200.					
SD193202	2011/02/23	DISCH OF CHARGE		*** COMPLETELY DELETED ***		

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
		REMARKS: SD180460.				
SD193203	2011/02/23	DISCH OF CHARGE				
		REMARKS: SD190609.				
SD194449	2011/03/15	DISCH OF CHARGE		*** COMPLETELY DELETED *** CAISSE POPULAIRE NOLIN DE SUDBURY INCORPOREE		
		REMARKS: SD22978.				
SD197483	2011/04/29	CHARGE				
SD197484	2011/04/29	NO ASSGN RENT GEN				
		REMARKS: SD197483.				
SD197942	2011/05/06	DISCH OF CHARGE				
		REMARKS: SD193200.				
SD214268	2011/11/23	DISCH OF CHARGE				
		REMARKS: SD197483.				
SD215965	2011/12/14	CHARGE			CAISSE POPULAIRE DES VOYAGEURS INC.	
SD215966	2011/12/14	NO ASSGN RENT GEN			CAISSE POPULAIRE DES VOYAGEURS INC.	
		REMARKS: SD215965.				
SD313777	2016/04/19	CHARGE				

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
SD315594	2016/05/20	DISCH OF CHARGE		*** COMPLETELY DELETED *** CAISSE POPULAIRE DES VOYAGEURS INC.		
		REMARKS: SD144980.				
SD376463	2019/06/03	TRANS POWER SALE		*** COMPLETELY DELETED *** CAISSE POPULAIRE DES VOYAGEURS INC.	UPGRADE HOUSING INC.	
		REMARKS: SD215965. PLANNING ACT STATEMENTS.				
SD376464	2019/06/03	CHARGE		*** COMPLETELY DELETED *** UPGRADE HOUSING INC.		
SD376465	2019/06/03	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** UPGRADE HOUSING INC.		
		REMARKS: SD376464				
SD418547	2021/04/07	TRANSFER		*** COMPLETELY DELETED *** UPGRADE HOUSING INC.	INTERLUDE INC.	
SD453995	2022/06/23	CERTIFICATE		*** COMPLETELY DELETED *** CITY OF GREATER SUDBURY		
		REMARKS: TAX ARREARS				
SD461625	2022/09/27	APL (GENERAL)		*** COMPLETELY DELETED *** CITY OF GREATER SUDBURY		
		REMARKS: SD453995				
SD463432	2022/10/21	DISCH OF CHARGE				
		REMARKS: SD376464.				
SD484263	2023/09/25	TRANSFER		*** COMPLETELY DELETED *** INTERLUDE INC.	OLD THING BACK INC.	
SD490687	2024/01/15	TRANSFER	\$2	OLD THING BACK INC.	INTERLUDE INC.	C


NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

# PROMISSORY NOTE RENEWAL

1824

**Borrowers:** Old Thing Back (the "Borrowers") with personal guarantor(s) Dylan Suitor (the "Borrowers")

**Lenders:** The Lion's Share Group Inc. (the "Lenders")

1. **Principle Amount Renewed:** The Lender hereby agrees to renew the previous promissory note loan with a principal amount of **\$195,606.44** CAD which was due for renewal on October 21, 2023.
2. FOR VALUE RECEIVED, The Borrowers promise to pay to the Lenders at such address as may be provided in writing to the Borrowers, the principle sum of \$195,606.44 CAD. The term is 6 Month Term fully open. The Initial Interest Rate charged for the term will be 17% per annum compounding monthly with monthly payments of \$2,771.09 interest only. Monthly payments will commence one month from advance date by the Lenders. Monthly payments must be made via Pre-Authorized Debit Form included in this Agreement.
3. A consulting and administration fee of \$1,956.06 is payable by the Borrower to Claire Drage for the preparation and administration of this renewal and is **payable now**. This fee will be collected via a one-time Pre-Authorised Debit under the previously signed **Blanket Pad Form for Broker/Admin Fees** on signing of this document. 
4. Principle amount of **\$195,606.44** is made up of the following:
  - a) \$166,785.67 renewal amount
  - b) \$21,265.17 = 9x deferred payments of \$2,362.80
  - c) \$2,250.00 = 9x deferred admin fee of \$250 (reduced from \$500)
  - d) \$4,725.59 = 2x NSF payments of \$2,362.80
  - e) \$500.00 = 2x NSF admin fee of \$250 (reduced from \$500)
  - f) \$80.00 = bank fees incurred at original funding
5. Principle owing at the end of the term will be \$195,606.44 plus any accrued interest, if applicable, and any applicable fees as outlined in this agreement.
6. This Note will be repaid in full on or before April 21, 2024, or the sale of 454 Eva Ave, Sudbury ON P3C 4N4 whichever is soonest. The Lenders and Borrowers may agree to a further 30 or 60 day extension under the same terms, subject to approval specifically by the Lenders. The Borrowers are aware that they are fully responsible for contacting the Lenders representative (Claire Drage) in writing to request such an extension with an explanation.
7. At any time while not in default under this Note, the Borrowers may pay the outstanding balance then owing under this Note to the Lenders without further bonus or penalty.
8. Notwithstanding anything to the contrary in this Note, if the Borrowers default in the performance of any obligation under this Note, then the Lenders may declare the principle amount owing and interest due under this Note at that time to be immediately due and payable.



Borrowers Initials



Lenders Initials



9. All costs, expenses and expenditures including, and without limitation, legal costs, fees and disbursements on a **substantial indemnity basis**, incurred by the Lenders in enforcing this Note as a result of any default by the Borrowers, will be added to the principle then outstanding and will immediately be paid by the Borrowers. In the case of the Borrowers default and the acceleration of the amount due to the Lenders all amounts outstanding under this Note will bear interest at the rate of 3% higher than the Initial Interest Rate charged per annum from the date of demand until paid. This Note is secured by the Lenders right to register this Note on title on **all or any properties held by the Borrowers and Guarantors as security** (the 'Security'), if not paid in full by 6:00pm on April 21, 2024. This includes, but is not limited to, the property located at 454 Eva Ave, Sudbury ON P3C 4N4, Canada.
10. **Renewal/End of Term:** The Borrowers are aware that this note loan is due and payable at the end of the term; this is based on the date outlined. A renewal or extension of the term is not guaranteed and automatically forthcoming. The Lenders may, at their discretion and subject to a written request being received through their representative within 30 days of the end of the term, grant an extension. Changes to the interest rate and additional fees may apply and are to be negotiated at the time.
11. **Repayment at end of Term:** The Borrowers are aware that should a renewal request not be received in writing by the Lenders representative, and an approval agreed upon and granted by the Lenders before the end of the term, that this note loan is due and payable immediately. The interest rate to be charged and payable by the Borrowers after the end of the term, will be 3% higher than the Initial Interest Rate charged – this will apply until full repayment. A penalty for non-repayment at the end of the term of \$1,000 will also be applied to the balance owing until full repayment is made. Non-repayment of this note loan at the end of the term will be deemed in default and legal action shall commence immediately with applicable fees payable as outlined herein.
12. If any term, covenant, condition or provision of this Note is held by a Court of competent jurisdiction to be invalid, void or unenforceable, it is the parties' intent that such provision be reduced in scope by the Court only to the extent deemed necessary by that Court to render the provision reasonable and enforceable and the remainder of the provisions of this Note will in no way be affected, impaired or invalidated as a result.
13. This Note will be construed in accordance with and governed by the laws of the Province of **Ontario**.
14. This Note will inure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the Borrowers and the Lenders.
15. The Borrowers hereby waive presentment for payment, notice of non-payment, protest and notice of protest.
16. **Fee Schedule:**
- a) **Payment Date Change Requests:** Requests for any changes in the Borrowers payment date after funding, must be submitted in writing to their representative and approved by the Lenders. If the date change can be accommodated and approved, fees may apply - **\$125** (\$75 Lenders Fee & \$50 Administration Fee).



Borrowers Initials



Lenders Initials

- b) **Missed Payment Fee (if applicable):** Payable for each missed, late installment and for processing each NSF cheque or other returned payment due and payable during the term as outlined in this agreement. Any payment including final payout of the note that is made after 1:00 P.M. on any date, shall be deemed for the purpose of calculating interest to have been made and received on the next bank business day - **\$500** (\$250 Lenders Fee & \$250 Administration Fee)
- c) **Default Proceedings:** for each action or proceeding instituted - \$2,500.00 excluding legal fees
- d) **Renewal of Note Loan:** At the discretion of the Lenders to offer a renewal or extension of this agreement. Upon renewal or extension, the rate of interest and fees charged may be increased. All applicable Lenders fees, legal expenses & disbursements associated with renewal or extension are separate and at the cost of the Borrowers and to be determined on renewal.
- e) **Discharge Statements:** One discharge statement can be requested at no charge at any time during the term of the note loan. Any additional statements that are requested - **\$200.00**
- f) **Demand Letter in Default:** \$350.00 plus Lenders legal fees estimated to be \$500.

IN WITNESS WHEREOF the parties have duly affixed their signatures under seal:

**SIGNED, SEALED, AND DELIVERED**

2023-11-07

\_\_\_\_\_  
Date: (dd/mm/yyyy).

 Dylan Suitor

\_\_\_\_\_  
Old Thing Back(Borrowers)

(Borrowers)

 Dylan Suitor

\_\_\_\_\_  
Dylan Suitor (Borrowers/Guarantors)

**SIGNED, SEALED, AND DELIVERED**

2023-11-07

\_\_\_\_\_  
Date: (dd/mm/yyyy).

 Claire Drage

\_\_\_\_\_  
The Lion's Share Group Inc. (Lenders)

 DS

Borrowers Initials

 CD

Lenders Initials

**PRE AUTHORIZED PAYMENT AGREEMENT****The Lion's Share Group Inc.**Tel: 289-800-9620 [accounts@lionssharegroup.com](mailto:accounts@lionssharegroup.com) 16 Noble Kirk Drive, Freelon ON L8B 0Z21. **Category:** Personal: ☐ Business: ☒2. **Customer Information (please print clearly):****Name(s):** Old Thing Back - Dylan Suitor -**Mailing Address:** Personal: as per ID and for Business as per Articles of Incorporation and/or void cheque on file3. **Customer Bank Account Information**

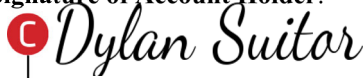
As per Void Cheque on file for this borrower/corporation.

**I acknowledge that a Void Cheque has been provided (via email) that matches the borrowers names (or will be sent immediately to [accounts@lionssharegroup.com](mailto:accounts@lionssharegroup.com)) for the specific account funds are to be deducted from.**


Chequing Account: ☒ Savings Account: ☐4. **Pre-Authorized Debit (PAD) Details**You, the Payor, authorize **The Lion's Share Group Inc (Payee)**. to debit the bank account identified above for:

- the Fixed Amount of **\$2,771.09** for **454 Eva Ave, Sudbury ON P3C 4N4** (Ref: MACC-355199 454 Eva HML CD Renewal)
- Occurring at set intervals of **Monthly**
- With the first payment commencing **November 21, 2023** and continuing until end of Loan or Mortgage Agreement Term or Payout, or if written notice is provided along with alternative payment arrangements, whichever is soonest.

You, the Payor, may revoke your authorization at any time, subject to providing notice of 30 days and adhering to the terms and conditions of your Loan or Mortgage Agreement with the Payee. To obtain a sample cancellation form, or for more information on your right to cancel a PAD Agreement, contact your financial institution or visit [www.payments.ca](http://www.payments.ca)

**Signature of Account Holder:**

**Signature of Joint Account Holder (if applicable)**

Name: Old Thing Back

Dylan Suitor

Signing Officers

2023-11-07

Date: \_\_\_\_\_

Date: \_\_\_\_\_

You have certain recourse rights if any debit does not comply with this agreement. For example, you have the right to



Borrowers Initials




Lenders Initials

A signature line for borrowers, consisting of a red circle with a white 'C' inside, followed by a horizontal line and a large, stylized 'DS' in cursive script.


Borrowers Initials

A signature line for lenders, consisting of a red circle with a white 'C' inside, followed by a horizontal line and a large, stylized 'CD' in cursive script.

Lenders Initials

 **THE LION'S SHARE GROUP INC.** [interac.ca](#) >  
From: notify@payments.interac.ca  
To: [REDACTED]


Thu, Mar 30, 2023 at 8:22 a.m. ☆

 View in browser | Français ?


Hi [REDACTED]

THE LION'S SHARE GROUP INC. sent you \$1,903.75 (CAD).

**Message:**  
From Dylan Siutor plus NSF fee for [REDACTED] 455 Percy RENEWAL

 **THE LION'S SHARE GROUP INC.** [interac.ca](#) >  
From: notify@payments.interac.ca  
To: [REDACTED]


Thu, May 25, 2023 at 4:51 p.m. ☆

 View in browser | Français ?


Hi [REDACTED],

THE LION'S SHARE GROUP INC. sent you \$1,903.75 (CAD).

**Message:**  
From Dylan Suitor plus NSF fee for [REDACTED] 455 Percy RENEWAL #1

 **THE LION'S SHARE GROUP INC.** [interac.ca](#) >  
From: notify@payments.interac.ca  
To: [REDACTED]


Fri, Sep 1, 2023 at 11:33 a.m. ☆

 View in browser | Français ?


Hi [REDACTED]

THE LION'S SHARE GROUP INC. sent you \$1,768.75 (CAD).

**Message:**  
From Aruba Butt plus NSF for [REDACTED] 51 Pardee RENEWAL

 **THE LION'S SHARE GROUP INC.** [interac.ca](#) >  
From: notify@payments.interac.ca  
To: [REDACTED]


Mon, Nov 6, 2023 at 5:34 a.m. ☆

 View in browser | Français ?


Hi [REDACTED]

THE LION'S SHARE GROUP INC. sent you \$1,903.75 (CAD).

**Message:**  
From Dylan Suitor Interlude for May plus NSF for [REDACTED] 455 Percy RENEWAL #1 CLOSED AND RENEWED

 **THE LION'S SHARE GROUP INC.** [interac.ca](#) >  
From: notify@payments.interac.ca  
To: [REDACTED]

Thu, Nov 9, 2023 at 5:18 p.m. ☆

 View in browser | Français ?

Hi [REDACTED]

THE LION'S SHARE GROUP INC. sent you \$1,903.75 (CAD).

**Message:**  
From Dylan Suitor, Interlude, for June payment pus NSF for [REDACTED] 455 Percy RENEWAL #2 & SCOTIA 1.0 CLOSED AND RENEWED

Court File No.: CV-24-00713245-00CL

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

THE HONOURABLE	)	TUESDAY, THE 23 <sup>RD</sup>
	)	
JUSTICE KIMMEL	)	DAY OF JANRUARY, 2024

**IN THE MATTER OF THE *COMPANIES' CREDITORS***  
***ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR**  
**ARRANGEMENT OF 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 "Applicants", and each an "Applicant")**

**INITIAL ORDER**

**THIS APPLICATION**, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day by judicial videoconference via Zoom.

**ON READING** the affidavit of Robert Clark sworn January 23, 2024 and the Exhibits thereto, and the Pre-Filing Report of KSV Restructuring Inc. ("**KSV**") as the proposed monitor dated January 23, 2024, and on being advised that the secured creditors who are likely to be affected by the charge created herein were given notice, and on hearing the submissions of counsel to the Applicants, counsel to KSV, the proposed Lender Representative Counsel (as defined below), and such other counsel that were present, and on reading the consent of KSV to act as the monitor (in such capacity, the "**Monitor**"),

**SERVICE**

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

**APPLICATION**

2. **THIS COURT ORDERS AND DECLARES** that each of the Applicants is a company to which the CCAA applies.

**POSSESSION OF PROPERTY AND OPERATIONS**

3. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their respective current and future assets, licences, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and the Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, contractors, agents, experts, accountants, counsel and such other persons (collectively, "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

4. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, on, or after the date of this Order:

- (a) all outstanding and future wages, salaries, commissions, employee and pension benefits (including, without limitation, employee medical, dental, vision, insurance and similar benefit plans or arrangements), vacation pay and employee expenses payable prior to, on, or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements, and all other payroll and benefits processing and servicing expenses; and

- (b) the fees and disbursements of any Assistants retained or employed by any of the Applicants in respect of these proceedings, at their standard rates and charges.

5. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after the date of this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied or to be supplied to any of the Applicants on or following the date of this Order.

6. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes;
- (b) all goods and services taxes, harmonized sales taxes or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by any of the Applicants in connection with the sale of goods and services by any of the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of



municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by any of the Applicants.

7. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (i) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date; (ii) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of the Property; and (iii) to not grant credit or incur liabilities except in the ordinary course of the Business.

### **RESTRUCTURING**

8. **THIS COURT ORDERS** that each of the Applicants shall, subject to such requirements as are imposed by the CCAA, have the right to:

- (a) dispose of redundant or non-material assets not exceeding \$50,000 in any one transaction or \$100,000 in the aggregate; and
- (b) pursue all avenues of refinancing, restructuring, selling or reorganizing its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing, restructuring, sale or reorganization,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business.

### **NO PROCEEDINGS AGAINST THE APPLICANTS, THE BUSINESS OR THE PROPERTY**

9. **THIS COURT ORDERS** that until and including February 2, 2024, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**", and collectively, "**Proceedings**") shall be commenced or continued against or in respect of any of the Applicants or the Monitor, or their respective

employees, advisors, counsel and other representatives acting in such capacities, or affecting the Business or the Property, except with the prior written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Applicants, or their respective employees, advisors, counsel and other representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended pending further Order of this Court or the prior written consent of the Applicants and the Monitor.

10. **THIS COURT ORDERS** that during the Stay Period, no Proceeding shall be commenced or continued against or in respect of Aruba Butt, Dylan Suitor and/or Ryan Molony (collectively, the "**Additional Stay Parties**"), or against or in respect of any of the Additional Stay Parties' current or future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, and including all proceeds thereof (collectively, the "**Additional Stay Parties' Property**") with respect to any guarantee, contribution or indemnity obligation, liability or claim in respect of or that relates to any agreement involving any of the Applicants or the obligations, liabilities and claims of and against any of the Applicants (collectively, the "**Related Claims**"), except with the prior written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Additional Stay Parties or the Additional Stay Parties' Property in respect of the Related Claims are hereby stayed and suspended pending further Order of this Court or the prior written consent of the Applicants and the Monitor.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

11. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, organization, governmental unit, body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of any of the Applicants or the Monitor, or their respective employees, advisors and other representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended except with the prior written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall: (i) empower any Applicant to carry on any business which such Applicant is not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by

section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

#### **NO INTERFERENCE WITH RIGHTS**

12. **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, rescind, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence, authorization or permit in favour of or held by any of the Applicants, except with the prior written consent of the Applicants and the Monitor, or leave of this Court.

#### **CONTINUATION OF SERVICES**

13. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements or arrangements with any of the Applicants or statutory or regulatory mandates for the supply or license of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, cash management services, payroll and benefit services, accounting services, temporary labour and staffing services, warehouse and logistics services, security services, insurance, transportation services, maintenance services, construction services, utility or other services to the Business or any of the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply or license of such goods or services as may be required by any of the Applicants or exercising any other remedy provided under the agreements or arrangements, and that each of the Applicants shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the applicable Applicant in accordance with the normal payment practices of the applicable Applicant or such other practices as may be agreed upon by the supplier or service provider and the applicable Applicant and the Monitor, or as may be ordered by this Court.

#### **NON-DEROGATION OF RIGHTS**

14. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or

licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to any of the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

#### **APPOINTMENT OF LENDER REPRESENTATIVE COUNSEL**

15. **THIS COURT ORDERS** that Chaitons LLP (the "**Lender Representative Counsel**") is hereby appointed as representative counsel for all of the secured and unsecured lenders of the Applicants (collectively, the "**Lenders**"), including, without limitation, all of the Lenders that have RRSPs or other registered accounts administered by Olympia Trust Company, in these proceedings, any proceeding under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") or in any other proceeding respecting the insolvency of the Applicants that may be brought before this Court (collectively, the "**Insolvency Proceedings**"), for any 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.

16. **THIS COURT ORDERS** that the Lender Representative Counsel shall be entitled but not required to commence the process of identifying no more than six (6) Lenders to be nominated as Court-appointed representatives (collectively, the "**Lender Representatives**") as soon as practicable following the date hereof. The Lender Representatives, if and once appointed, shall represent the Lenders other than any Opt-Out Lender (as defined below), if any, in the Insolvency Proceedings and advise, and where appropriate instruct, the Lender Representative Counsel, including, without limitation, for the purpose of settling or compromising claims of the Lenders in the Insolvency Proceedings. The Lender Representative Counsel may rely upon the advice, information and instructions received from the Lender Representatives, if any, in carrying out its mandate without further communications or instructions from the Lenders, except as may be recommended by the Lender Representative Counsel or ordered by this Court.

17. **THIS COURT ORDERS** that, with the exception of any Opt-Out Lender, (i) the Lender Representative Counsel and the Lender Representatives, if any, shall represent all of the Lenders in the Insolvency Proceedings, and (ii) the Lenders shall be bound by the actions of the Lender Representative Counsel and the Lender Representatives, if any, in the Insolvency Proceedings.

18. **THIS COURT ORDERS** that, subject to confidentiality arrangements acceptable to the Applicants and the Monitor, the Applicants, The Windrose Group Inc. and Lift Capital Incorporated shall provide the following information to the Lender Representative Counsel (collectively, the "**Lender Information**"), in each case, without charge: (i) the names, last known address, last known email addresses (if any) and entitlements of all of the Lenders (excluding any Opt-Out Lender that has delivered an Opt-Out Notice (as defined below) prior to the delivery of the Information), in each case, to the extent in the possession or control of the Applicants, The Windrose Group Inc. and/or Lift Capital Incorporated, to be used solely for the purposes of the Insolvency Proceedings; and (ii) upon request of the Lender Representative Counsel, such documents and data as may be reasonably relevant to the issues affecting the Lenders in the Insolvency Proceedings, to the extent in the possession or control of the Applicants, The Windrose Group Inc. and/or Lift Capital Incorporated. In providing the Lender Information, these parties are not required to obtain the express consent of any Lender authorizing the disclosure of the Lender Information to the Lender Representative Counsel for the purposes of the Insolvency Proceedings, and further, in accordance with clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, each of these parties is authorized and permitted to disclose the Lender Information to the Lender Representative Counsel for the purposes of the Insolvency Proceedings, without the knowledge or consent of the Lenders.

19. **THIS COURT ORDERS** that notice of the appointment of Lender Representative Counsel shall be provided by: (i) the Lender Representative Counsel sending a letter to the Lenders at the addresses provided pursuant to paragraph 18 of this Order, advising of such appointment as soon as practicable following the date hereof; (ii) the inclusion of the details of such appointment in the CCAA Notice (as defined below); and (iii) the posting of notice of such appointment on the Monitor's Website (as defined below).

20. **THIS COURT ORDERS** that any Lender who does not wish to be represented by the Lender Representative Counsel and the Lender Representatives, if any, in the Insolvency Proceedings shall, within thirty (30) days of the date hereof, notify the Monitor and the Lender Representative Counsel in writing that such Lender is opting out of representation by the Lender Representative Counsel and the Lender Representatives, if any, by delivering to the Monitor and the Lender Representative Counsel an opt-out notice in the form attached as Schedule "A" hereto

(each, an "**Opt-Out Notice**"), and shall thereafter not be bound by the actions of the Lender Representative Counsel or the Lender Representatives, if any, and shall represent itself or themselves, as the case may be, or be represented by any counsel that such Lender may retain at its or their, as the case may be, sole expense (each such Lender that delivers an Opt-Out Notice in compliance with the terms of this paragraph, an "**Opt-Out Lender**"). The Monitor shall deliver copies of all Opt-Out Notices received to the Applicants as soon as reasonably practicable.

21. **THIS COURT ORDERS** that all reasonable and documented fees and disbursements as may have been incurred by the Lender Representative Counsel prior to the date of this Order or which shall be incurred by the Lender Representative Counsel shall be paid by the Applicants on a bi-weekly basis, forthwith upon the rendering of accounts to the Applicants. Any disagreement regarding such fees and disbursements may be remitted to this Court for determination.

22. **THIS COURT ORDERS** that no action or proceeding may be commenced against the Lender Representative Counsel or the Lender Representatives, if any, in such capacities and/or in respect of the performance of their duties under this Order, without leave of this Court on seven (7) days' notice to the Lender Representative Counsel or the Lender Representatives, as applicable, the Applicants and the Monitor.

23. **THIS COURT ORDERS** that the Lender Representative Counsel is authorized to take all steps and to do all acts necessary or desirable to carry out the terms of this Order, including dealing with any Court, regulatory body or government ministry, department or agency, and to take all such steps as are necessary or incidental thereto. The Lender Representative Counsel and the Lender Representatives, if any, shall have no liability as a result of their appointment or the fulfillment of their duties in carrying out the provisions of this Order save and except for any gross negligence or wilful misconduct on their part.

#### **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

24. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of any of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any

obligations of any of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

#### **APPOINTMENT OF MONITOR**

25. **THIS COURT ORDERS** that KSV is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by any of the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

26. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) advise the Applicants in their preparation of the Applicants' cash flow statements;
- (d) monitor all payments, obligations and transfers as between the Applicants;
- (e) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Business and financial affairs or to perform its duties arising under this Order;



- (f) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (g) perform such other duties as are required by this Order or by this Court from time to time.

27. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or the Property, or any part thereof.

28. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act* or the *Ontario Occupational Health and Safety Act*, and regulations thereunder (collectively, "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

29. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Applicants with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is



confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

30. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor its employees, advisors and other representatives acting in such capacities shall incur any liability or obligation as a result of the Monitor's appointment or the carrying out by it of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded to the Monitor by the CCAA or any applicable legislation.

31. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants in these proceedings shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on or subsequent to the date of this Order, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel to the Monitor and counsel to the Applicants in these proceedings on a bi-weekly basis or pursuant to such other arrangements agreed to between the Applicants and such parties and, in addition, the Monitor, and counsel to the Applicants are hereby authorized to maintain their respective retainers, if any, provided by the Applicants prior to the commencement of these proceedings, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

32. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

33. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the Applicants' counsel and the Lender Representative Counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$750,000, unless permitted by further Order of this Court, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order. The Administration Charge shall have the priority set out in paragraph 35 hereof.

**VALIDITY AND PRIORITY OF THE CHARGE CREATED BY THIS ORDER**

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

35. **THIS COURT ORDERS** that the Administration Charge (as constituted and defined herein) shall constitute a charge on the Property and such Administration Charge shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person notwithstanding the order of perfection or attachment; provided that the Administration Charge shall rank behind Encumbrances in favour of any Persons that have not been served with notice of the application for this Order. The Applicants and the beneficiaries of the Administration Charge shall be entitled to seek priority of the Administration Charge ahead of such Encumbrances on a subsequent motion including, without limitation, at the Comeback Hearing (as defined below), on notice to those Persons likely to be affected thereby.

36. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any of the Property that rank in priority to, or *pari passu* with, the Administration Charge, unless the Applicants also obtain the prior written consent of the Monitor and the beneficiaries of the Administration Charge, or further Order of this Court.

37. **THIS COURT ORDERS** that the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Administration Charge (collectively, the "**Chargees**") thereunder shall not otherwise be limited or impaired in any way by: (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (iii) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (iv) the provisions of any federal or provincial statutes; or (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained

in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds any of the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Administration Charge shall not create or be deemed to constitute a breach by any of the Applicants of any Agreement to which any Applicant is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Administration Charge; and
- (c) the payments made by the Applicants pursuant to this Order and the granting of the Administration Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

38. **THIS COURT ORDERS** that the Administration Charge created by this Order over leases of real property in Canada shall only be a charge in the applicable Applicant's interest in such real property lease.

#### **SERVICE AND NOTICE**

39. **THIS COURT ORDERS** that the Monitor shall: (i) without delay, publish in the *Globe and Mail (National Edition)*, a notice containing the information prescribed under the CCAA (the "**CCAA Notice**"); and (ii) within ten (10) days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against any of the Applicants of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with subsection 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not make the claims, names and addresses of the individuals who are creditors publicly available.

40. **THIS COURT ORDERS** that The Guide Concerning Commercial List E-Service (the "**Guide**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at: <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended (the "**Rules of Civil Procedure**"). Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL: <https://www.ksvadvisory.com/experience/case/sid> (the "**Monitor's Website**").

41. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide or the CCAA and the regulations thereunder is not practicable, the Applicants, the Monitor, and their respective counsel and agents are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile or other electronic transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown in the books and records of the Applicants and that any such service, distribution or notice shall be deemed to be received: (i) if sent by courier, on the next business day following the date of forwarding thereof; (ii) if delivered by personal delivery or facsimile or other electronic transmission, on the day so delivered; and (iii) if sent by ordinary mail, on the third business day after mailing.

42. **THIS COURT ORDERS** that the Applicants, the Monitor and each of their respective counsel and agents are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding true copies thereof by electronic message (including by e-mail) to the Applicants' creditors or other interested parties and their advisors, as applicable. For greater certainty, any such service or distribution shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of subsection 3(c) of the *Electronic Commerce Protection Regulations* (SOR/2013-221).

**COMEBACK HEARING**

43. **THIS COURT ORDERS** that the comeback motion in these proceedings shall be heard on January 31, 2024 at 9:30 a.m. (Eastern Time) (the "**Comeback Hearing**").

**GENERAL**

44. **THIS COURT ORDERS** that any interested party (including the Applicants) may apply to this Court to amend or vary this Order at the Comeback Hearing on not less than two (2) business days' notice to the service list in these proceedings and any other Persons likely to be affected by the Order sought; provided, however, that the Chargees shall be entitled to rely on this Order as granted and on the Administration Charge and priorities set forth in paragraph 35 hereof with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied or stayed.


45. **THIS COURT ORDERS** that, notwithstanding paragraph 44 of this Order, each of the Applicants, the Monitor or the Lender Representative Counsel may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their powers and duties hereunder or in the interpretation of this Order.

46. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of any of the Applicants, the Business or the Property.

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

48. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

49. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Eastern Time) on the date of this Order without the need for entry or filing.

 Digitally signed by  
Jessica Kimmel  
Date: 2024.01.23  
17:50:43 -05'00'

---

**SCHEDULE "A"**  
**FORM OF OPT-OUT NOTICE**

To: Chaitons LLP, in its capacity as Court-appointed Lender Representative Counsel  
 5000 Yonge Street, 10<sup>th</sup> Floor  
 North York, ON M2N 7E9  
 Attention: George Benchetrit  
 Email: george@chaitons.com

KSV Restructuring Inc., in its capacity as Court-appointed Monitor  
 220 Bay Street, 13th Floor  
 Toronto, ON M5J 2W4  
 Attention: Christian Vit  
 Email: cvit@ksvadvisory.com

with a copy to:

Bennett Jones LLP  
 Applicants' Counsel  
 3400 One First Canadian Place  
 Toronto, ON M5X 1A4  
 Attention: Joshua Foster  
 Email: fosterj@bennettjones.com

with a copy to:

Cassels Brock & Blackwell LLP  
 Monitor's Counsel  
 Suite 3200, Bay Adelaide Centre – North Tower  
 40 Temperance Street  
 Toronto, ON M5H 0B4  
 Attention: Ryan Jacobs and Joseph Bellissimo  
 Email:  
 rjacobsj@cassels.com/jbellissimo@cassels.com

I, in my individual capacity or in my capacity as an authorized representative of the undersigned, as applicable (in either capacity, the "**Opt-Out Lender**"), hereby provide written notice that the Opt-Out Lender does not wish to be represented by Chaitons LLP, representative counsel (the "**Lender Representative Counsel**") for all of the secured and unsecured lenders of 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 "**Applicants**") in any proceeding respecting the insolvency of the Applicants (the "**Insolvency Proceedings**"). By opting out of this representation, the Opt-Out Lender hereby acknowledges and understands that if it wishes to take part in the Insolvency Proceedings, then it must do so as an independent party. Further, the Opt-Out Lender hereby acknowledges and understands that it is responsible for its own legal representation or for retaining its own legal counsel should it choose to do so, and that it would be personally liable for the costs of its own legal representation.

The Opt-Out Lender hereby acknowledges and understands that a copy of this Opt-Out Notice will be provided to the Applicants.

\_\_\_\_\_  
 Witness

\_\_\_\_\_  
 Signature of Opt-Out Lender or its  
 authorized representative

Name of individual or authorized  
representative of the Opt-Out Lender: \_\_\_\_\_

Name of Opt-Out Lender  
(if not a natural person): \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_

**TO OPT OUT, THIS FORM MUST BE COMPLETED AND RECEIVED AT THE  
ABOVE ADDRESS ON OR BEFORE FEBRUARY 22, 2024.**



AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 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.

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

Proceeding commenced at Toronto

**INITIAL ORDER**

**BENNETT JONES LLP**

3400 One First Canadian Place  
P.O. Box 130

Toronto, Ontario M5X 1A4

Sean Zweig (LSO# 57307I)

Tel: (416) 777-6254

Email: [zweigs@bennettjones.com](mailto:zweigs@bennettjones.com)

Joshua Foster (LSO# 79447K)

Tel: (416) 777-7906

Email: [fosterj@bennettjones.com](mailto:fosterj@bennettjones.com)

Thomas Gray (LSO# 82473H)

Tel: (416) 777-7924

Email: [grayt@bennettjones.com](mailto:grayt@bennettjones.com)

Lawyers for the Applicants

Court File No.: CV-24-00713245-00CL

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

THE HONOURABLE	)	THURSDAY, THE 28 <sup>TH</sup>
	)	
JUSTICE KIMMEL	)	DAY OF MARCH, 2024

**IN THE MATTER OF THE *COMPANIES' CREDITORS***  
***ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR**  
**ARRANGEMENT OF 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 "Applicants", and each an "Applicant")**

**SECOND AMENDED AND RESTATED INITIAL ORDER**  
**(Amending Initial Order Dated January 23, 2024, as Amended and Restated on February**  
**15, 2024)**

**THIS MOTION**, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), for a Second Amended and Restated Initial Order was heard this day by judicial videoconference via Zoom.

**ON READING** the affidavits of Robert Clark sworn January 23, 2024 and the Exhibits thereto, January 28, 2024 and the Exhibits thereto (the "**First Clark Affidavit**"), March 24, 2024 and the Exhibits thereto, and March 27, 2024 and the Exhibits thereto, the Pre-Filing Report of KSV Restructuring Inc. ("**KSV**") as the proposed monitor dated January 23, 2024, the First Report of KSV as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**") dated January 29, 2024, the Supplement to the First Report of the Monitor dated February 13, 2024, the Second Report of the Monitor dated March 26, 2024, the Amended Initial Order of this Court dated January 31, 2024, and the Amended and Restated Initial Order of this Court dated February 15, 2024, and on being advised that the secured creditors who are likely to

be affected by the charges created herein were given notice, and on hearing the submissions of counsel to the Applicants, counsel to the Monitor, the Secured Lender Representative Counsel (as defined below), the Unsecured Lender Representative Counsel (as defined below), counsel to the DIP Lender (as defined below), and such other counsel that were present, no else appearing although duly served as appears from the affidavits of service of Joshua Foster, filed, and on reading the consent of KSV to act as the Monitor,

### **SERVICE AND DEFINITIONS**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined shall have the meaning ascribed to them in the First Clark Affidavit.

3. **THIS COURT ORDERS** that, with the exception of paragraphs 30-38, references in this Order to the "date of this Order", the "date hereof" or similar phrases refer to the date the Initial Order of this Court was granted in these proceedings, being January 23, 2024 (the "**Initial Order**").

### **APPLICATION**

4. **THIS COURT ORDERS AND DECLARES** that each of the Applicants is a company to which the CCAA applies.

### **PLAN OF ARRANGEMENT**

5. **THIS COURT ORDERS** that each of the Applicants shall have the authority to file and may, subject to further Order of this Court, file with the Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

### **POSSESSION OF PROPERTY AND OPERATIONS**

6. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their respective current and future assets, licences, undertakings and properties of every nature

and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and the Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, contractors, agents, experts, accountants, counsel and such other persons (collectively, "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

7. **THIS COURT ORDERS** that, subject to the terms of the DIP Agreement and the Definitive Documents (each as defined below), the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, on, or after the date of this Order with the prior written consent of the Monitor, in consultation with the Secured Lender Representatives (as defined below):

- (a) all outstanding and future wages, salaries, commissions, employee and pension benefits (including, without limitation, employee medical, dental, vision, insurance and similar benefit plans or arrangements), vacation pay and employee expenses payable prior to, on, or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements, and all other payroll and benefits processing and servicing expenses;
- (b) amounts owing for goods and services actually supplied to the Applicants prior to the date of this Order, with the Monitor considering, among other factors, whether (i) the supplier or service provider is essential to the Business and ongoing operations of the Applicants and the payment is required to ensure ongoing supply, (ii) making such payment will preserve, protect or enhance the value of the Property or the Business, (iii) making such payment is required to address environmental or regulatory concerns, and (iv) the supplier or service provider is required to continue to provide goods or services to the Applicants after the date of this Order, including pursuant to the terms of this Order; and

- (c) the fees and disbursements of any Assistants retained or employed by any of the Applicants in respect of these proceedings, at their standard rates and charges.

8. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein and subject to the terms of the DIP Agreement and the Definitive Documents, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after the date of this Order, and in carrying out the provisions of this Order, in each case, with the prior written consent of the Monitor, in consultation with the Secured Lender Representatives, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied or to be supplied to any of the Applicants on or following the date of this Order.

9. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes;
- (b) all goods and services taxes, harmonized sales taxes or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by any of the Applicants in connection with the sale of goods and services by any of the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and

- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by any of the Applicants.

10. **THIS COURT ORDERS** that, except as specifically permitted herein and in the DIP Agreement and the Definitive Documents, the Applicants are hereby directed, until further Order of this Court: (i) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date; (ii) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of the Property; and (iii) to not grant credit or incur liabilities except in the ordinary course of the Business.

11. **THIS COURT ORDERS** that notwithstanding any other provision of this Order and for greater certainty, the Applicants shall not make any payments or incur any liabilities, including without limitation drawing on the credit facility provided under the DIP Agreement, without the prior written consent of the Monitor.

## **RESTRUCTURING**

12. **THIS COURT ORDERS** that each of the Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the DIP Agreement and the Definitive Documents, have the right to:

- (a) dispose of redundant or non-material assets not exceeding \$500,000 in any one transaction or \$1,500,000 in the aggregate, in each case, with the prior written consent of the Monitor; and
- (b) pursue all avenues of refinancing, restructuring, selling or reorganizing its Business or Property, in whole or part, with the oversight and involvement of the Monitor and subject to prior approval of this Court being obtained before any material refinancing, restructuring, sale or reorganization,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "**Restructuring**").

**NO PROCEEDINGS AGAINST THE APPLICANTS, THE BUSINESS OR THE PROPERTY**

13. **THIS COURT ORDERS** that until and including April 30, 2024, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**", and collectively, "**Proceedings**") shall be commenced or continued against or in respect of any of the Applicants or the Monitor, or their respective employees, advisors, counsel and other representatives acting in such capacities, or affecting the Business or the Property, except with the prior written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Applicants, or their respective employees, advisors, counsel and other representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended pending further Order of this Court or the prior written consent of the Applicants and the Monitor.

14. **THIS COURT ORDERS** that during the Stay Period, no Proceeding shall be commenced or continued against or in respect of Aruba Butt, Dylan Suitor and/or Ryan Molony (collectively, the "**Additional Stay Parties**"), or against or in respect of any of the Additional Stay Parties' current or future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, and including all proceeds thereof (collectively, the "**Additional Stay Parties' Property**") with respect to any guarantee, contribution or indemnity obligation, liability or claim in respect of or that relates to any agreement involving any of the Applicants or the obligations, liabilities and claims of and against any of the Applicants (collectively, the "**Related Claims**"), except with the prior written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Additional Stay Parties or the Additional Stay Parties' Property in respect of the Related Claims are hereby stayed and suspended pending further Order of this Court or the prior written consent of the Applicants and the Monitor.

15. **THIS COURT ORDERS** that, to the extent any prescription, time or limitation period relating to any Proceeding against or in respect of the Additional Stay Parties or the Additional

Stay Parties' Property in respect of the Related Claims that is stayed pursuant to this Order may expire, the term of such prescription, time or limitation period shall hereby be deemed to be extended by a period equal to the Stay Period.

### **NO EXERCISE OF RIGHTS OR REMEDIES**

16. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, organization, governmental unit, body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of any of the Applicants or the Monitor, or their respective employees, advisors and other representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended except with the prior written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall: (i) empower any Applicant to carry on any business which such Applicant is not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

### **NO INTERFERENCE WITH RIGHTS**

17. **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, rescind, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence, authorization or permit in favour of or held by any of the Applicants, except with the prior written consent of the Applicants and the Monitor, or leave of this Court.

### **CONTINUATION OF SERVICES**

18. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements or arrangements with any of the Applicants or statutory or regulatory mandates for the supply or license of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, cash management services, payroll and benefit services, accounting services, temporary labour and staffing services, warehouse and logistics services, security services, insurance, transportation services, maintenance services, construction services, utility or other services to the Business or



any of the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply or license of such goods or services as may be required by any of the Applicants or exercising any other remedy provided under the agreements or arrangements, and that each of the Applicants shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the applicable Applicant in accordance with the normal payment practices of the applicable Applicant or such other practices as may be agreed upon by the supplier or service provider and the applicable Applicant and the Monitor, or as may be ordered by this Court.

#### **NON-DEROGATION OF RIGHTS**

19. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to any of the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

#### **NO PRE-FILING VERSUS POST-FILING SET-OFF**

20. **THIS COURT ORDERS** that no Person shall be entitled to set off any amounts that (i) are or may become due to any of the Applicants in respect of obligations arising prior to the date hereof with any amounts that are or may become due from any of the Applicants in respect of obligations arising on or after the date of this Order, or (ii) are or may become due from any of the Applicants in respect of obligations arising prior to the date hereof with any amounts that are or may become due to any of the Applicants in respect of obligations arising on or after the date of this Order, in each case without the prior written consent of the applicable Applicant and the Monitor or further Order of this Court.

#### **APPOINTMENT OF SECURED LENDER REPRESENTATIVE COUNSEL**

21. **THIS COURT ORDERS** that Chaitons LLP (the "**Secured Lender Representative Counsel**") is hereby appointed as representative counsel for all of the secured lenders of the

Applicants (collectively, the "**Secured Lenders**"), including, without limitation, all of the Secured Lenders that have RRSPs or other registered accounts administered by Olympia Trust Company, in these proceedings, any proceeding under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") or in any other proceeding respecting the insolvency of the Applicants that may be brought before this Court (collectively, the "**Insolvency Proceedings**"), for any issues affecting the Secured Lenders in the Insolvency Proceedings, including, without limitation, with respect to the settlement or compromise of any rights, entitlements or claims of the Secured Lenders.

22. **THIS COURT ORDERS** that the Secured Lender Representative Counsel shall be entitled but not required to commence the process of identifying no more than six (6) Secured Lenders to be nominated as Court-appointed representatives (collectively, the "**Secured Lender Representatives**") as soon as practicable following the date hereof. The Secured Lender Representatives, if and once appointed, shall represent the Secured Lenders other than any Secured Opt-Out Lender (as defined below), if any, in the Insolvency Proceedings and advise, and where appropriate instruct, the Secured Lender Representative Counsel, including, without limitation, for the purpose of settling or compromising claims of the Secured Lenders in the Insolvency Proceedings. The Secured Lender Representative Counsel may rely upon the advice, information and instructions received from the Secured Lender Representatives, if any, in carrying out its mandate without further communications or instructions from the Secured Lenders, except as may be recommended by the Secured Lender Representative Counsel or ordered by this Court.

23. **THIS COURT ORDERS** that, with the exception of any Secured Opt-Out Lender, (i) the Secured Lender Representative Counsel and the Secured Lender Representatives, if any, shall represent all of the Secured Lenders in the Insolvency Proceedings, and (ii) the Secured Lenders shall be bound by the actions of the Secured Lender Representative Counsel and the Secured Lender Representatives, if any, in the Insolvency Proceedings.

24. **THIS COURT ORDERS** that, subject to confidentiality arrangements acceptable to the Applicants and the Monitor, the Applicants, The Windrose Group Inc. and Lift Capital Incorporated shall provide the following information to the Secured Lender Representative Counsel (collectively, the "**Secured Lender Information**"), in each case, without charge: (i) the

names, last known address, last known email addresses (if any) and entitlements of all of the Secured Lenders (excluding any Secured Opt-Out Lender that has delivered a Secured Opt-Out Notice (as defined below) prior to the delivery of the Secured Lender Information), in each case, to the extent in the possession or control of the Applicants, The Windrose Group Inc. and/or Lift Capital Incorporated, to be used solely for the purposes of the Insolvency Proceedings; and (ii) upon request of the Secured Lender Representative Counsel, such documents and data as may be reasonably relevant to the issues affecting the Secured Lenders in the Insolvency Proceedings, to the extent in the possession or control of the Applicants, The Windrose Group Inc. and/or Lift Capital Incorporated. In providing the Secured Lender Information, these parties are not required to obtain the express consent of any Secured Lender authorizing the disclosure of the Secured Lender Information to the Secured Lender Representative Counsel for the purposes of the Insolvency Proceedings, and further, in accordance with clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended (the "**PIPEDA**") each of these parties is authorized and permitted to disclose the Secured Lender Information to the Secured Lender Representative Counsel for the purposes of the Insolvency Proceedings, without the knowledge or consent of the Secured Lenders.

25. **THIS COURT ORDERS** that notice of the appointment of Secured Lender Representative Counsel shall be provided by: (i) the Secured Lender Representative Counsel sending a letter to the Secured Lenders at the addresses provided pursuant to paragraph 24 of this Order, advising of such appointment as soon as practicable following the date hereof; (ii) the inclusion of the details of such appointment in the CCAA Notice (as defined below); and (iii) the posting of notice of such appointment on the Monitor's Website (as defined below).

26. **THIS COURT ORDERS** that any Secured Lender who does not wish to be represented by the Secured Lender Representative Counsel and the Secured Lender Representatives, if any, in the Insolvency Proceedings shall, within thirty (30) days of the date hereof, notify the Monitor and the Secured Lender Representative Counsel in writing that such Secured Lender is opting out of representation by the Secured Lender Representative Counsel and the Secured Lender Representatives, if any, by delivering to the Monitor and the Secured Lender Representative Counsel an opt-out notice in the form attached as Schedule "A" hereto (each, a "**Secured Opt-Out Notice**"), and shall thereafter not be bound by the actions of the Secured Lender Representative Counsel or the Secured Lender Representatives, if any, and shall represent itself

or themselves, as the case may be, or be represented by any counsel that such Secured Lender may retain at its or their, as the case may be, sole expense (each such Secured Lender that delivers a Secured Opt-Out Notice in compliance with the terms of this paragraph, a "**Secured Opt-Out Lender**"). The Monitor shall deliver copies of all Secured Opt-Out Notices received to the Applicants as soon as reasonably practicable.

27. **THIS COURT ORDERS** that all reasonable and documented fees and disbursements as may have been incurred by the Secured Lender Representative Counsel prior to the date of this Order or which shall be incurred by the Secured Lender Representative Counsel shall be paid by the Applicants on a bi-weekly basis, forthwith upon the rendering of accounts to the Applicants. Any disagreement regarding such fees and disbursements may be remitted to this Court for determination.

28. **THIS COURT ORDERS** that no action or Proceeding may be commenced against the Secured Lender Representative Counsel or the Secured Lender Representatives, if any, in such capacities and/or in respect of the performance of their duties under this Order, without leave of this Court on seven (7) days' notice to the Secured Lender Representative Counsel or the Secured Lender Representatives, as applicable, the Applicants and the Monitor.

29. **THIS COURT ORDERS** that the Secured Lender Representative Counsel is authorized to take all steps and to do all acts necessary or desirable to carry out the terms of this Order, including dealing with any Court, regulatory body or government ministry, department or agency, and to take all such steps as are necessary or incidental thereto. The Secured Lender Representative Counsel and the Secured Lender Representatives, if any, shall have no liability as a result of their appointment or the fulfillment of their duties in carrying out the provisions of this Order save and except for any gross negligence or wilful misconduct on their part.

#### **APPOINTMENT OF UNSECURED LENDER REPRESENTATIVE COUNSEL**

30. **THIS COURT ORDERS** that Goldman Sloan Nash & Harber LLP (the "**Unsecured Lender Representative Counsel**") is hereby appointed as representative counsel for all of the unsecured lenders of the Applicants other than (i) The Lion's Share Group Inc. and (ii) any other unsecured lenders directly or indirectly controlled by, or under common control or otherwise affiliated with, The Lion's Share Group Inc. or its principal, Claire Drage (collectively, the

"Unsecured Lenders"), including, without limitation, all of the Unsecured Lenders that have RRSPs or other registered accounts administered by Olympia Trust Company, in the Insolvency Proceedings, for any issues affecting the Unsecured Lenders in the Insolvency Proceedings, including, without limitation, with respect to the settlement or compromise of any rights, entitlements or claims of the Unsecured Lenders.

31. **THIS COURT ORDERS** that the Unsecured Lender Representative Counsel shall be entitled but not required to commence the process of identifying no more than six (6) Unsecured Lenders to be nominated as Court-appointed representatives (collectively, the "**Unsecured Lender Representatives**") as soon as practicable following the date hereof. The Unsecured Lender Representatives, if and once appointed, shall represent the Unsecured Lenders other than any Unsecured Opt-Out Lender (as defined below), if any, in the Insolvency Proceedings and advise, and where appropriate instruct, the Unsecured Lender Representative Counsel, including, without limitation, for the purpose of settling or compromising claims of the Unsecured Lenders in the Insolvency Proceedings. The Unsecured Lender Representative Counsel may rely upon the advice, information and instructions received from the Unsecured Lender Representatives, if any, in carrying out its mandate without further communications or instructions from the Unsecured Lenders, except as may be recommended by the Unsecured Lender Representative Counsel or ordered by this Court.

32. **THIS COURT ORDERS** that, with the exception of any Unsecured Opt-Out Lender, (i) the Unsecured Lender Representative Counsel and the Unsecured Lender Representatives, if any, shall represent all of the Unsecured Lenders in the Insolvency Proceedings, and (ii) the Unsecured Lenders shall be bound by the actions of the Unsecured Lender Representative Counsel and the Unsecured Lender Representatives, if any, in the Insolvency Proceedings.

33. **THIS COURT ORDERS** that, subject to confidentiality arrangements acceptable to the Applicants and the Monitor, the Applicants, The Windrose Group Inc. and The Lion's Share Group Inc. shall provide the following information to the Unsecured Lender Representative Counsel (collectively, the "**Unsecured Lender Information**"), in each case, without charge: (i) the names, last known address, last known email addresses (if any) and entitlements of all of the Unsecured Lenders (excluding any Unsecured Opt-Out Lender that has delivered an Unsecured Opt-Out Notice (as defined below) prior to the delivery of the Unsecured Lender Information), in

each case, to the extent in the possession or control of the Applicants, The Windrose Group Inc. and/or The Lion's Share Group Inc., to be used solely for the purposes of the Insolvency Proceedings; and (ii) upon request of the Unsecured Lender Representative Counsel, such documents and data as may be reasonably relevant to the issues affecting the Unsecured Lenders in the Insolvency Proceedings, to the extent in the possession or control of the Applicants, The Windrose Group Inc. and/or The Lion's Share Group Inc. In providing the Unsecured Lender Information, these parties are not required to obtain the express consent of any Unsecured Lender authorizing the disclosure of the Unsecured Lender Information to the Unsecured Lender Representative Counsel for the purposes of the Insolvency Proceedings, and further, in accordance with clause 7(3)(c) of the PIPEDA, each of these parties is authorized and permitted to disclose the Unsecured Lender Information to the Unsecured Lender Representative Counsel for the purposes of the Insolvency Proceedings, without the knowledge or consent of the Unsecured Lenders.

34. **THIS COURT ORDERS** that notice of the appointment of Unsecured Lender Representative Counsel shall be provided by: (i) the Unsecured Lender Representative Counsel sending a letter to the Unsecured Lenders at the addresses provided pursuant to paragraph 33 of this Order, advising of such appointment as soon as practicable following the date hereof; and (ii) the posting of notice of such appointment on the Monitor's Website.

35. **THIS COURT ORDERS** that any Unsecured Lender who does not wish to be represented by the Unsecured Lender Representative Counsel and the Unsecured Lender Representatives, if any, in the Insolvency Proceedings shall, within thirty (30) days of the date hereof, notify the Monitor and the Unsecured Lender Representative Counsel in writing that such Unsecured Lender is opting out of representation by the Unsecured Lender Representative Counsel and the Unsecured Lender Representatives, if any, by delivering to the Monitor and the Unsecured Lender Representative Counsel an opt-out notice in the form attached as Schedule "B" hereto (each, an "**Unsecured Opt-Out Notice**"), and shall thereafter not be bound by the actions of the Unsecured Lender Representative Counsel or the Unsecured Lender Representatives, if any, and shall represent itself or themselves, as the case may be, or be represented by any counsel that such Unsecured Lender may retain at its or their, as the case may be, sole expense (each such Unsecured Lender that delivers an Unsecured Opt-Out Notice in compliance with the terms of this paragraph, an "**Unsecured Opt-Out Lender**"). The Monitor

shall deliver copies of all Unsecured Opt-Out Notices received to the Applicants as soon as reasonably practicable.

36. **THIS COURT ORDERS** that all reasonable and documented fees and disbursements as may have been incurred by the Unsecured Lender Representative Counsel prior to the date of this Order or which shall be incurred by the Unsecured Lender Representative Counsel shall be paid by the Applicants on a bi-weekly basis, forthwith upon the rendering of accounts to the Applicants. Any disagreement regarding such fees and disbursements may be remitted to this Court for determination.

37. **THIS COURT ORDERS** that no action or Proceeding may be commenced against the Unsecured Lender Representative Counsel or the Unsecured Lender Representatives, if any, in such capacities and/or in respect of the performance of their duties under this Order, without leave of this Court on seven (7) days' notice to the Unsecured Lender Representative Counsel or the Unsecured Lender Representatives, as applicable, the Applicants and the Monitor.

38. **THIS COURT ORDERS** that the Unsecured Lender Representative Counsel is authorized to take all steps and to do all acts necessary or desirable to carry out the terms of this Order, including dealing with any Court, regulatory body or government ministry, department or agency, and to take all such steps as are necessary or incidental thereto. The Unsecured Lender Representative Counsel and the Unsecured Lender Representatives, if any, shall have no liability as a result of their appointment or the fulfillment of their duties in carrying out the provisions of this Order save and except for any gross negligence or wilful misconduct on their part.

#### **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

39. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of any of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of any of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a Plan in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.



**APPOINTMENT OF MONITOR**

40. **THIS COURT ORDERS** that KSV is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by any of the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

41. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements;
- (b) report to this Court, the Secured Lender Representatives and/or the Unsecured Lender Representatives at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) liaise and consult with the Applicants, the Secured Lender Representatives and/or the Unsecured Lender Representatives, to the extent required, with respect to all matters relating to the Property, the Business, the Restructuring, and such other matters as may be relevant to these proceedings;
- (d) assist the Applicants, to the extent required by the Applicants, in their dissemination, to the DIP Lender and its counsel of financial and other information as agreed to between the Applicants and the DIP Lender, which may be used in these proceedings including reporting on a basis as agreed with the DIP Lender;
- (e) advise the Applicants in their preparation of the Applicants' cash flow statements and reporting required by the DIP Lender, which information shall be reviewed



with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis as agreed with the DIP Lender;

- (f) monitor all payments, obligations and transfers as between the Applicants and parties related thereto;
- (g) advise the Applicants in their development of the Plan (if any) and any amendments to the Plan;
- (h) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' meetings for voting on the Plan;
- (i) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Business and financial affairs or to perform its duties arising under this Order;
- (j) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (k) (i) conduct an investigation into the use of funds borrowed by the Applicants, pre-filing transactions conducted by the Applicants and/or their principals and affiliates, and such other matters as may be requested by the Secured Lender Representatives and agreed by the Monitor, in each case, to the extent such investigation relates to the Property, the Business or such other matters as may be relevant to the proceedings herein as determined by the Monitor, and (ii) report to the Secured Lender Representatives, the Unsecured Lender Representatives and the Court on the findings of such investigation as the Monitor deems necessary and appropriate; and
- (l) perform such other duties as are required by this Order or by this Court from time to time.

42. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or the Property, or any part thereof.

43. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act* or the *Ontario Occupational Health and Safety Act*, and regulations thereunder (collectively, "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

44. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Applicants, including, without limitation, the DIP Lender, with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

45. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor its employees, advisors and other representatives acting in such capacities shall incur any liability or obligation

as a result of the Monitor's appointment or the carrying out by it of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded to the Monitor by the CCAA or any applicable legislation.

46. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants in these proceedings shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on or subsequent to the date of this Order, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel to the Monitor and counsel to the Applicants in these proceedings on a bi-weekly basis or pursuant to such other arrangements agreed to between the Applicants and such parties and, in addition, the Monitor, and counsel to the Applicants are hereby authorized to maintain their respective retainers, if any, provided by the Applicants prior to the commencement of these proceedings, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

47. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

48. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the Applicants' counsel, the Secured Lender Representative Counsel and the Unsecured Lender Representative Counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$1,500,000, unless permitted by further Order of this Court, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order. The Administration Charge shall have the priority set out in paragraphs 55 and 57 hereof.

## **DIP FINANCING**

49. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from Harbour Mortgage Corp. or its permitted assignee (the "**DIP Lender**") in order to finance the Applicants' working capital requirements and other

general corporate purposes and capital expenditures, provided that the borrowings under such credit facility shall not exceed \$12,000,000, plus interest, fees and expenses, unless permitted by further Order of this Court.

50. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the DIP agreement between the Applicants and the DIP Lender dated as of January 26, 2024 and attached to the First Clark Affidavit as Exhibit "F" (as may be amended and/or assigned from time to time, the "**DIP Agreement**").

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

52. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's Charge shall not exceed the amount of \$12,000,000, plus interest, fees and expenses, unless permitted by further Order of this Court, or secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 55 and 57 hereof.

53. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the DIP Agreement, the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon seven (7) days' notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the DIP Agreement,

Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the DIP Agreement, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and

- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

54. **THIS COURT ORDERS AND DECLARES** that, unless agreed to by the DIP Lender, the DIP Lender shall be treated as unaffected in any Plan filed by any of the Applicants under the CCAA, or any proposal filed by any of the Applicants under the BIA, with respect to any advances made under the DIP Agreement and the Definitive Documents.

#### **VALIDITY AND PRIORITY OF THE CHARGES CREATED BY THIS ORDER**

55. **THIS COURT ORDERS** that the priorities of the Administration Charge and the DIP Lender's Charge (together, the "**Charges**"), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$1,500,000); and

Second – DIP Lender's Charge (to the maximum amount of \$12,000,000, plus interest, fees and expenses).

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

57. **THIS COURT ORDERS** that each of the Charges (as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other

security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person notwithstanding the order of perfection or attachment.

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

59. **THIS COURT ORDERS** that the Charges and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by: (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (iii) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (iv) the provisions of any federal or provincial statutes; or (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds any of the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Agreement or the Definitive Documents shall create or be deemed to constitute a breach by any of the Applicants of any Agreement to which any Applicant is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the DIP Agreement, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and

- (c) the payments made by the Applicants pursuant to this Order, the DIP Agreement or the Definitive Documents, and the granting of the Administration Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

60. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a charge in the applicable Applicant's interest in such real property lease.

### **SERVICE AND NOTICE**

61. **THIS COURT ORDERS** that the Monitor shall: (i) without delay, publish in the *Globe and Mail (National Edition)*, a notice containing the information prescribed under the CCAA (the "**CCAA Notice**"); and (ii) within ten (10) days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against any of the Applicants of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with subsection 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not make the claims, names and addresses of the individuals who are creditors publicly available.

62. **THIS COURT ORDERS** that The Guide Concerning Commercial List E-Service (the "**Guide**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at: <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended (the "**Rules of Civil Procedure**"). Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL: <https://www.ksvadvisory.com/experience/case/sid> (the "**Monitor's Website**").



63. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide or the CCAA and the regulations thereunder is not practicable, the Applicants, the Monitor, and their respective counsel and agents are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile or other electronic transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown in the books and records of the Applicants and that any such service, distribution or notice shall be deemed to be received: (i) if sent by courier, on the next business day following the date of forwarding thereof; (ii) if delivered by personal delivery or facsimile or other electronic transmission, on the day so delivered; and (iii) if sent by ordinary mail, on the third business day after mailing.

64. **THIS COURT ORDERS** that the Applicants, the Monitor and each of their respective counsel and agents are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding true copies thereof by electronic message (including by e-mail) to the Applicants' creditors or other interested parties and their advisors, as applicable. For greater certainty, any such service or distribution shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of subsection 3(c) of the *Electronic Commerce Protection Regulations* (SOR/2013-221).

65. **THIS COURT ORDERS** that any interested party wishing to object to the relief sought in a motion brought by the Applicants or the Monitor in these proceedings shall, subject to further order of this Court, provide the service list in these proceedings (the "**Service List**") with responding motion materials or a written notice (including by e-mail) stating its objection to the motion and the grounds for such objection by no later than 5:00 p.m. (Eastern Time) on the date that is two (2) days prior to the date such motion is returnable (the "**Objection Deadline**"). The Monitor shall have the ability to extend the Objection Deadline after consulting with the Applicants.

#### **GENERAL**

66. **THIS COURT ORDERS** that any interested party that wishes to amend or vary this Order shall be entitled to appear or bring a motion before this Court on not less than seven (7)



business days' notice to the Service List and any other party or parties likely to be affected by the Order sought; provided, however, that the Chargees shall be entitled to rely on this Order as granted and on the Charges and priorities set forth in paragraphs 55 and 57 hereof with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied or stayed.

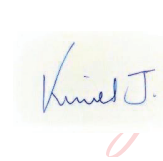
67. **THIS COURT ORDERS** that, notwithstanding paragraph 66 of this Order, each of the Applicants, the Monitor, the Secured Lender Representative Counsel or the Unsecured Lender Representative Counsel may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their powers and duties hereunder or in the interpretation of this Order.

68. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of any of the Applicants, the Business or the Property.

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

70. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

71. **THIS COURT ORDERS** that the Initial Order, as amended and restated on February 15, 2024, is hereby amended and restated pursuant to this Order, and this Order and all of its provisions are effective as of 12:01 a.m. (Eastern Time) on the date of this Order without the need for entry or filing.



Digitally signed  
by Jessica  
Kimmel  
Date: 2024.03.28  
15:13:50 -04'00'

---

**SCHEDULE "A"**  
**FORM OF SECURED LENDER OPT-OUT NOTICE**

To: Chaitons LLP, in its capacity as  
 Court-appointed Lender  
 Representative Counsel  
 5000 Yonge Street, 10<sup>th</sup> Floor  
 North York, ON M2N 7E9  
 Attention: George Benchetrit  
 Email: george@chaitons.com

KSV Restructuring Inc., in its capacity as  
 Court-appointed Monitor  
 220 Bay Street, 13th Floor  
 Toronto, ON M5J 2W4  
 Attention: Christian Vit  
 Email: cvit@ksvadvisory.com

with a copy to:

Bennett Jones LLP  
 Applicants' Counsel  
 3400 One First Canadian Place  
 Toronto, ON M5X 1A4  
 Attention: Joshua Foster  
 Email: fosterj@bennettjones.com

with a copy to:

Cassels Brock & Blackwell LLP  
 Monitor's Counsel  
 Suite 3200, Bay Adelaide Centre – North  
 Tower  
 40 Temperance Street  
 Toronto, ON M5H 0B4  
 Attention: Ryan Jacobs and Joseph Bellissimo  
 Email:  
 rjacobs@cassels.com/jbellissimo@cassels.com

I, in my individual capacity or in my capacity as an authorized representative of the undersigned, as applicable (in either capacity, the "**Opt-Out Lender**"), hereby provide written notice that the Opt-Out Lender does not wish to be represented by Chaitons LLP, representative counsel (the "**Lender Representative Counsel**") for all of the secured lenders of 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 "**Applicants**") in any proceeding respecting the insolvency of the Applicants (the "**Insolvency Proceedings**"). By opting out of this representation, the Opt-Out Lender hereby acknowledges and understands that if it wishes to take part in the Insolvency Proceedings, then it must do so as an independent party. Further, the Opt-Out Lender hereby acknowledges and understands that it is responsible for its own legal representation or for retaining its own legal counsel should it choose to do so, and that it would be personally liable for the costs of its own legal representation.

The Opt-Out Lender hereby acknowledges and understands that a copy of this Opt-Out Notice will be provided to the Applicants.

\_\_\_\_\_  
 Witness

\_\_\_\_\_  
 Signature of Opt-Out Lender or its  
 authorized representative

Name of individual or authorized  
representative of the Opt-Out Lender: \_\_\_\_\_

Name of Opt-Out Lender  
(if not a natural person): \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_

**TO OPT OUT, THIS FORM MUST BE COMPLETED AND RECEIVED AT THE  
ABOVE ADDRESS ON OR BEFORE FEBRUARY 22, 2024.**

**SCHEDULE "B"**  
**FORM OF UNSECURED LENDER OPT-OUT NOTICE**

<p>To: Goldman Sloan Nash &amp; Harber LLP,  in its capacity as Court-appointed  Lender Representative Counsel  480 University Ave, Suite 1600  Toronto, ON M5G 1V6  Attention: Mario Forte  Email: forte@gsnh.com</p>	<p>KSV Restructuring Inc., in its capacity as  Court-appointed Monitor  220 Bay Street, 13th Floor  Toronto, ON M5J 2W4  Attention: Christian Vit  Email: cvit@ksvadvisory.com</p>
--	--

with a copy to:

Bennett Jones LLP  
Applicants' Counsel  
3400 One First Canadian Place  
Toronto, ON M5X 1A4  
Attention: Joshua Foster  
Email: fosterj@bennettjones.com

with a copy to:

Cassels Brock & Blackwell LLP  
Monitor's Counsel  
Suite 3200, Bay Adelaide Centre – North  
Tower  
40 Temperance Street  
Toronto, ON M5H 0B4  
Attention: Ryan Jacobs and Joseph Bellissimo  
Email:  
rjacobs@cassels.com/jbellissimo@cassels.com

I, in my individual capacity or in my capacity as an authorized representative of the undersigned, as applicable (in either capacity, the "**Opt-Out Lender**"), hereby provide written notice that the Opt-Out Lender does not wish to be represented by Goldman Sloan Nash & Harber LLP, representative counsel (the "**Lender Representative Counsel**") for certain of the unsecured lenders of 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 "**Applicants**") in any proceeding respecting the insolvency of the Applicants (the "**Insolvency Proceedings**"). By opting out of this representation, the Opt-Out Lender hereby acknowledges and understands that if it wishes to take part in the Insolvency Proceedings, then it must do so as an independent party. Further, the Opt-Out Lender hereby acknowledges and understands that it is responsible for its own legal representation or for retaining its own legal counsel should it choose to do so, and that it would be personally liable for the costs of its own legal representation.

The Opt-Out Lender hereby acknowledges and understands that a copy of this Opt-Out Notice will be provided to the Applicants.

---

Witness

---

Signature of Opt-Out Lender or its  
authorized representative

Name of individual or authorized  
representative of the Opt-Out Lender: \_\_\_\_\_

Name of Opt-Out Lender  
(if not a natural person): \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_

**TO OPT OUT, THIS FORM MUST BE COMPLETED AND RECEIVED AT THE  
ABOVE ADDRESS ON OR BEFORE APRIL 27, 2024.**

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 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.

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

Proceeding commenced at Toronto

**SECOND AMENDED AND RESTATED**  
**INITIAL ORDER**

**BENNETT JONES LLP**

3400 One First Canadian Place  
P.O. Box 130  
Toronto, Ontario M5X 1A4

Sean Zweig (LSO# 57307I)

Tel: (416) 777-6254

Email: [zweigs@bennettjones.com](mailto:zweigs@bennettjones.com)

Joshua Foster (LSO# 79447K)

Tel: (416) 777-7906

Email: [fosterj@bennettjones.com](mailto:fosterj@bennettjones.com)

Thomas Gray (LSO# 82473H)

Tel: (416) 777-7924

Email: [grayt@bennettjones.com](mailto:grayt@bennettjones.com)

Lawyers for the Applicants

**IN THE MATTER OF** title to: Lot 212, Plan 1598  
162 Spadina Ave, Sault Ste. Marie, Ontario

**AND IN THE MATTER OF** the mortgage thereof from  
DSPLN Inc. in favour of 1896891 Ontario Inc.

I, Aruba Butt, President of DSPLN Inc., SOLEMNLY DECLARE that:

1. I/We am/are the Chargor(s) in the above noted Charge/Mortgage and as such have knowledge of the facts hereinafter deposed to.
2. To the best of my/our knowledge and belief the buildings on the property have never been and will not be at the date of completion of the above transaction insulated with urea formaldehyde foam insulation.
3. There are no liens, easements, charges, mortgages or encumbrances affecting the Lands, except as disclosed by the registered title.
4. There are no judgements or executions against me/us and so far as I/we know, there are none affecting the Lands.
5. None of the undersigned is a non-resident of Canada within the meaning of the Income Tax Act of Canada.
6. Each of the undersigned is of the full age of eighteen years.
7. The property is not subject to any provisions of the Family Law Act.
8. I/We am/are familiar with the provisions of the *Construction Lien Act, 1983* applicable to this Declaration and have had the necessary provisions thereof explained to me/us by my/our solicitor prior to the execution of this Declaration. The above-mentioned Charge is/are not being given with the intention to use the proceeds thereof to finance any alteration, addition or repair to or any construction, erection, demolition or installation on the lands described in the above Charge or structure thereon.
9. I/We confirm the following:
  - (a) The property shall be owner occupied in compliance with bylaws and zoning.
  - (b) There will be no further financing registered against the title to the subject property on the date of closing or anytime thereafter without the authorization and consent of the lender;
  - (c) The property taxes are paid up to date and are not in arrears for previous calendar years;
  - (d) I/We am/are not in arrears or owe any money under the *Income Tax Act* (Canada), the *Excise Tax Act* (Canada), the *Retail Sales and Tax Act* (Ontario), and the *Workplace Safety Insurance Act* (Ontario);
  - (e) I/We have reviewed the provisions of the Bankruptcy and Insolvency Act, specifically section 199, a copy of which is attached hereto as "Schedule A". I/We represent and warrant that I/we am/are not an undischarged bankrupt as defined in the Bankruptcy and Insolvency Act; and
  - (f) THAT during the time I/we have owned the property, the use of the property and the buildings and structures thereon has not been for the growth or manufacture of any illegal substances or for any criminal purpose, and that to the best of my knowledge and belief, the use of the property and the buildings and structures thereon has never been for the growth or manufacture of illegal substances or for any criminal purpose.
10. There have been no alterations, additions or modifications to the present date. The buildings and any appurtenances thereto located on the property are situate wholly within the limits of the lot lines and there are no encroachments therefrom, thereon or thereover.



11. The Charge(s)/Mortgage(s) of Land executed by the undersigned in favor of the Chargee(s) does not contravene the provisions of the *Planning Act, 1983*, as amended because the present registered owner(s) and the Chargor(s) does/do not retain the fee or the equity of redemption in, or a power or right to grant assign or exercise a power of appointment with respect to any land abutting the land affected by the Charge (s)/Mortgage(s) of land.
12. The Standard Charge Terms No. 200033 is included in a Charge/Mortgage dated made by me/us to the Chargee(s), and the Chargor(s), hereby acknowledges receiving a copy of this Set of Standard Charge Terms before signing the Charge/Mortgage.

AND I make this solemn Declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath.

DECLARED before me  
at the City of Mississauga  
in the Province  
of Ontario  
this 5<sup>th</sup> day of October  
2021.



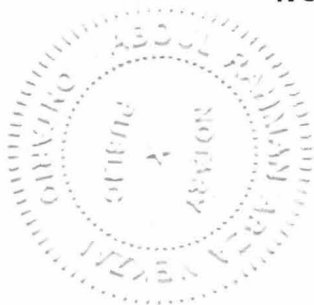
A COMMISSIONER, ETC.

DocuSigned by:

A handwritten signature in black ink, appearing to read "Aruba Butt".

1770D54E0F4A488...

Aruba Butt



## **SCHEDULE "A"**

[http://www.court.ca.gov/court/law/stat/rsb-1985-c-b-3/Section\\_199.html](http://www.court.ca.gov/court/law/stat/rsb-1985-c-b-3/Section_199.html)

### **Failure to disclose fact of being undischarged**

#### **199. An undischarged bankrupt who**

(a) engages in any trade or business without disclosing to all persons with whom the undischarged bankrupt enters into any business transaction that the undischarged bankrupt is an undischarged bankrupt, or

(b) obtains credit to a total of \$1,000 or more from any person or persons without informing them that the undischarged bankrupt is an undischarged bankrupt,

is guilty of an offence punishable on summary conviction and is liable to a fine not exceeding five thousand dollars or to imprisonment for a term not exceeding one year, or to both.

R.S., 1985, c. B-3, s. 199;

1992, c. 27, s. 72;

2005, c. 47, s. 111.

IN THE MATTER OF title to:  
 Lot 58, Plan M63T  
 485 Pine Street South, Timmins

AND IN THE MATTER OF the mortgage thereof  
 from DSPLN INC. in favour of Unknown Name; and  
 Unknown Name

I, Aruba Butt, President of DSPLN INC., SOLEMNLY DECLARE that:

1. DSPLN INC. is the absolute owner of the above mentioned lands and either personally or by its tenants has been in actual, peaceable, continuous, exclusive, open, undisturbed and undisputed possession and occupation thereof, and of the houses and other buildings used in connection therewith throughout its period of ownership of the property.
2. I am not aware of any person or corporation having any claim or interest in the said lands or any part thereof adverse to or inconsistent with registered title and am positive that none exists.
3. Possession and occupation of the above lands by the mortgagor have been undisturbed throughout by any action, suit or other proceedings or adverse possession or otherwise on the part of any person whomsoever and during such possession and occupation, no payment has ever been made or acknowledgment of title given by the undersigned, or, so far as I know, by anyone else, to any person in respect of any right, title, interest or claim upon the said lands.
4. To the best of my knowledge and belief, the buildings used in connection with the premises are situate wholly within the limits of the lands above described, and there is no dispute as to the boundaries of the said lands. Except as may be registered on title, I have never heard of any claim of easement affecting the lands, either for light, drainage, or right of way or otherwise.
5. DSPLN INC. does not retain the fee or the equity of redemption in, or a power or right to grant, assign or exercise a power of appointment with respect to any land abutting the lands being mortgaged or charged in the subject transaction.
6. DSPLN INC. is not a non-resident of Canada within the meaning of Section 116 of the Income Tax Act (Canada) and nor will DSPLN INC. be a non-resident of Canada at the time of closing.
7. No part of the loan proceeds will be used to finance any alterations, addition or repair to any existing building on the Property, or any construction, erection or other permanent installation on the Property.
8. There has been and there will be no work performed or materials supplied to the Property which could give rise to the right of anyone to claim a lien against the property pursuant to the *Construction Lien Act*, or any other amendments thereto.
9. There is not currently and nor has there been within the past 45 days, any construction, alterations, renovations improvements or building materials supplied to the subject property.
10. No part of the Property will be used for any illegal or criminal purpose, including but not limited to use as a grow-house operation.
11. The Property will not be owner occupied as my principal residence and the Property will be rented out.
12. All taxes and any local improvement rates on the Property, including interest and penalties, have been paid and are up to date.

- AND I make this solemn Declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath.

}  
}  
}  
}  
}  
}

Designed by:  
*Abul*  
1770D64E5F4A8

## Aruba Butt

A COMMISSIONER, ETC.

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

PROPERTY DESCRIPTION:LT 212 PL 1598 KORAH; PT LANE PL 1598 KORAH CLOSED BY T220708 PT 8 1R4904; S/T & T/W T177781; S/T T221041, T225344E; SAULT STE. MARIE

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE  
LT CONVERSION QUALIFIED

RECENTLY:

FIRST CONVERSION FROM BOOK

PIN CREATION DATE:

2005/08/22

OWNERS' NAMES

DSPLN INC.

CAPACITY SHARE

ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES * AND ESCHEATS OR FORFEITURE TO THE CROWN.						
THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY CONVENTION.						
ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 2005/08/22 **						
J1598	1901/07/30	PLAN SUBDIVISION				C
1R2563	1976/04/15	PLAN REFERENCE				C
T221041	1981/07/24	TRANSFER EASEMENT			BELL CANADA	C
1R4904	1981/12/29	PLAN REFERENCE				C
T225344E	1982/02/03	TRANSFER EASEMENT			THE CORPORATION OF THE CITY OF SAULT STE. MARIE	C
AL236932	2021/10/08	TRANSFER	\$185,000	Unknown Name Unknown Name	DSPLN INC.	C
REMARKS: PLANNING ACT STATEMENTS.						
AL236962	2021/10/08	CHARGE	\$148,000	DSPLN INC.	1896891 ONTARIO INC.	C
AL236963	2021/10/08	NO ASSGN RENT GEN		DSPLN INC.	1896891 ONTARIO INC.	C
REMARKS: AL236962						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AL268503	2023/08/15	CHARGE	\$250,000	DSPLN INC.	Unknown Name	C
AL268504	2023/08/15	NO ASSGN RENT GEN		DSPLN INC.		C
REMARKS: AL268503.						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

PROPERTY DESCRIPTION: PCL 2517 SEC WAT SRO; LT 58 PL M63T TISDALE RESERVING TO THE MONETA PORCUPINE MINES, LIMITED, ITS SUCCESSORS AND ASSIGNS, ALL ORES, MINES, MINERALS AND MINERAL RIGHTS ON, IN, OR UNDER THE SAID LAND, TOGETHER WITH THE RIGHT OF INGRESS, AND EGRESS TO THE SAID MONETA PORCUPINE MINES, LIMITED, ITS' SERVANTS, AGENTS AND WORKMEN TO AND FROM AND IN, ON OR UNDER THE SAID LANDS FOR THE PURPOSE OF EXPLORING FOR, WORKING, WINNING, GETTING AND REMOVING ANY ORE, MINES AND MINERALS, OR CARRYING ON ANY OPERATIONS IN CONNECTION THEREWITH, AND GENERALLY TO DO ALL OTHER ACTS AND THINGS NECESSARY OR PROPER FOR WORKING AND OBTAINING THE SAID ORES, MINES AND MINERALS. S/T REASONABLE COMPENSATION BEING PAID FOR ANY DAMAGE DONE IN THE COURSE OF THE SAID OPERATIONS TO THE PROPERTY OR RIGHTS OF THE OWNER FOR THE TIME BEING OF THE SURFACE RIGHTS ON THE SAID PROPERTY. ALSO RESERVING TO THE ONTARIO NORTHLAND TRANSPORTATION COMMISSION THE RIGHT TO CROSS SAID LAND AND TO LAY DOWN THEIR ROW 99 FT IN WIDTH ON AND OVER SAID LAND OR ANY PART THEREOF AS MAY HEREAFTER BE FOUND NECESSARY OR EXPEDIENT; SAID RESERVATION TO BE OF THE SURFACE RIGHTS ONLY IN ACCORDANCE WITH THE TERMS OF AN ORDER OF THE LIEUTENANT-GOVERNOR-IN-COUNCIL, DATED 22ND DAY OF FEBRUARY, A.D. 1909; CITY OF TIMMINS

PROPERTY REMARKS:

ESTATE/QUALIFIER:  
FEE SIMPLE  
ABSOLUTE

RECENTLY:  
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:  
2004/06/21

OWNERS' NAMESCAPACITY SHARE  
DSPLN INC.ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
CB42882	2008/06/09	CHARGE	\$86,000	Unknown Name Unknown Name	NATIONAL BANK OF CANADA	C
CB179939	2022/09/22	TRANSFER	\$300,000	Unknown Name	DSPLN INC.	C
REMARKS: PLANNING ACT STATEMENTS.						
CB180094	2022/09/28	CHARGE	\$240,000	DSPLN INC.	Unknown Name Unknown Name	C
CB180095	2022/09/28	NO ASSGN RENT GEN		DSPLN INC.	Unknown Name Unknown Name	C
REMARKS: CB180094						
CB182620	2022/12/22	CHARGE	\$500,000	DSPLN INC.	LIFT CAPITAL INCORPORATED Unknown Name Unknown Name Unknown Name IZO LOOK HOLDINGS INC.	C
CB182621	2022/12/22	NO ASSGN RENT GEN		DSPLN INC.	LIFT CAPITAL INCORPORATED Unknown Name Unknown Name Unknown Name IZO LOOK HOLDINGS INC.	C
REMARKS: CB182620						


NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

# PROMISSORY NOTE RENEWAL

1888

**Borrowers:** Interlude Inc. (the "Borrowers") with personal guarantor(s) Dylan Suitor (the "Borrowers")

**Lenders:** The Lion's Share Group Inc. (the "Lenders")

1. **Principle Amount Renewed:** The Lender hereby agrees to renew the previous promissory note loan with a principal amount of **\$13,750.78** CAD which was due for renewal on September 18, 2023.
2. FOR VALUE RECEIVED, The Borrowers promise to pay to the Lenders at such address as may be provided in writing to the Borrowers, the principle sum of \$13,750.78 CAD. The term is 6 Month Term fully open. The Initial Interest Rate charged for the term will be 17% per annum compounding monthly with monthly payments of \$194.80 interest only. Monthly payments will commence one month from advance date by the Lenders. Monthly payments m
3. A consulting and administration fee of \$250.00 is payable by the Borrower to Claire Drage for the preparation and administration of this renewal and is **payable now**. This fee will be collected via a one-time Pre-Authorised Debit under the previously signed **Blanket Pad Form for Broker/Admin Fees** on signing of this document. 
4. Principle amount of **\$13,750.78** is made up of the following:
  - a) \$11,187.93 renewal amount
  - b) \$950.97 = 6x deferred payments of \$158.50
  - c) \$1,500.00 = 6x deferred admin fee of \$250 (reduced from \$500)
  - d) \$111.88 = consulting and administration fee outstanding from previous renewal
5. Principle owing at the end of the term will be \$13,750.78 plus any accrued interest, if applicable, and any applicable fees as outlined in this agreement.
6. This Note will be repaid in full on or before March 18, 2024, or the sale of 261 Kimberly Ave, Timmins ON P4N 1L8 whichever is soonest. The Lenders and Borrowers may agree to a further 30 or 60 day extension under the same terms, subject to approval specifically by the Lenders. The Borrowers are aware that they are fully responsible for contacting the Lenders representative (Claire Drage) in writing to request such an extension with an explanation.
7. At any time while not in default under this Note, the Borrowers may pay the outstanding balance then owing under this Note to the Lenders without further bonus or penalty.
8. Notwithstanding anything to the contrary in this Note, if the Borrowers default in the performance of any obligation under this Note, then the Lenders may declare the principle amount owing and interest due under this Note at that time to be immediately due and payable.
9. All costs, expenses and expenditures including, and without limitation, legal costs, fees and disbursements on a **substantial indemnity basis**, incurred by the Lenders in enforcing this Note as a result of any default by the Borrowers, will be added to the principle then outstanding and will immediately be paid by the Borrowers. In the case of



Borrowers Initials



Lenders Initials



the Borrowers default and the acceleration of the amount due to the Lenders all amounts outstanding under this Note will bear interest at the rate of 3% higher than the Initial Interest Rate charged per annum from the date of demand until paid. This Note is secured by the Lenders right to register this Note on title on **all or any properties held by the Borrowers and Guarantors as security** (the 'Security'), if not paid in full by 6:00pm on March 18, 2024. This includes, but is not limited to, the property located at 261 Kimberly Ave, Timmins ON P4N 1L8, Canada. **The Borrower(s) and guarantor(s) hereby grants the Lender the right to, and acknowledges the Lender has the right to, register an interest in the land or lands owned by the Borrower, pursuant to s. 71 of the Land Titles Act, RSO 1990, c L.5.**

10. **Renewal/End of Term:** The Borrowers are aware that this note loan is due and payable at the end of the term; this is based on the date outlined. A renewal or extension of the term is not guaranteed and automatically forthcoming. The Lenders may, at their discretion and subject to a written request being received through their representative within 30 days of the end of the term, grant an extension. Changes to the interest rate and additional fees may apply and are to be negotiated at the time.
11. **Repayment at end of Term:** The Borrowers are aware that should a renewal request not be received in writing by the Lenders representative, and an approval agreed upon and granted by the Lenders before the end of the term, that this note loan is due and payable immediately. The interest rate to be charged and payable by the Borrowers after the end of the term, will be 3% higher than the Initial Interest Rate charged – this will apply until full repayment. A penalty for non-repayment at the end of the term of \$1,000 will also be applied to the balance owing until full repayment is made. Non-repayment of this note loan at the end of the term will be deemed in default and legal action shall commence immediately with applicable fees payable as outlined herein.
12. If any term, covenant, condition or provision of this Note is held by a Court of competent jurisdiction to be invalid, void or unenforceable, it is the parties' intent that such provision be reduced in scope by the Court only to the extent deemed necessary by that Court to render the provision reasonable and enforceable and the remainder of the provisions of this Note will in no way be affected, impaired or invalidated as a result.
13. This Note will be construed in accordance with and governed by the laws of the Province of **Ontario**.
14. This Note will inure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the Borrowers and the Lenders.
15. The Borrowers hereby waive presentment for payment, notice of non-payment, protest and notice of protest.
16. **Fee Schedule:**
  - a) **Payment Date Change Requests:** Requests for any changes in the Borrowers payment date after funding, must be submitted in writing to their representative and approved by the Lenders. If the date change can be accommodated and approved, fees may apply - **\$125** (\$75 Lenders Fee & \$50 Administration Fee).

Borrowers Initials

Lenders Initials

- b) **Missed Payment Fee (if applicable):** Payable for each missed, late installment and for processing each NSF cheque or other returned payment due and payable during the term as outlined in this agreement. Any payment including final payout of the note that is made after 1:00 P.M. on any date, shall be deemed for the purpose of calculating interest to have been made and received on the next bank business day - **\$500** (\$250 Lenders Fee & \$250 Administration Fee)
- c) **Default Proceedings:** for each action or proceeding instituted - \$2,500.00 excluding legal fees
- d) **Renewal of Note Loan:** At the discretion of the Lenders to offer a renewal or extension of this agreement. Upon renewal or extension, the rate of interest and fees charged may be increased. All applicable Lenders fees, legal expenses & disbursements associated with renewal or extension are separate and at the cost of the Borrowers and to be determined on renewal.
- e) **Discharge Statements:** One discharge statement can be requested at no charge at any time during the term of the note loan. Any additional statements that are requested - **\$200.00**
- f) **Demand Letter in Default:** \$350.00 plus Lenders legal fees estimated to be \$500.

IN WITNESS WHEREOF the parties have duly affixed their signatures under seal:

**SIGNED, SEALED, AND DELIVERED**

2023-10-16

Date: (dd/mm/yyyy).

 Dylan Suitor

Interlude Inc.(Borrowers)

(Borrowers)

 Dylan Suitor

Dylan Suitor (Borrowers/Guarantors)

**SIGNED, SEALED, AND DELIVERED**

2023-10-17

Date: (dd/mm/yyyy).

 Claire Drage

The Lion's Share Group Inc. (Lenders)

 DS

Borrowers Initials

 CD

Lenders Initials

**PRE AUTHORIZED PAYMENT AGREEMENT****The Lion's Share Group Inc.**Tel: 289-800-9620 [accounts@lionssharegroup.com](mailto:accounts@lionssharegroup.com) 16 Noble Kirk Drive, Freelon ON L8B 0Z21. **Category:** Personal: ☐ Business: ☒2. **Customer Information (please print clearly):****Name(s):** Interlude Inc. - Dylan Suitor -**Mailing Address:** Personal: as per ID and for Business as per Articles of Incorporation and/or void cheque on file3. **Customer Bank Account Information**


As per Void Cheque on file for this borrower/corporation.

**I acknowledge that a Void Cheque has been provided (via email) that matches the borrowers names (or will be sent immediately to [accounts@lionssharegroup.com](mailto:accounts@lionssharegroup.com)) for the specific account funds are to be deducted from.**


Chequing Account: ☒ Savings Account: ☐4. **Pre-Authorized Debit (PAD) Details**You, the Payor, authorize **The Lion's Share Group Inc (Payee)**, to debit the bank account identified above for:

- the Fixed Amount of **\$194.80** for **261 Kimberly Ave, Timmins ON P4N 1L8** (Ref: MACC-524204 261 Kimberly HML CS RENEWAL #2)
- Occurring at set intervals of **Monthly**
- With the first payment commencing **October 18, 2023** and continuing until end of Loan or Mortgage Agreement Term or Payout, or if written notice is provided along with alternative payment arrangements, whichever is soonest.

You, the Payor, may revoke your authorization at any time, subject to providing notice of 30 days and adhering to the terms and conditions of your Loan or Mortgage Agreement with the Payee. To obtain a sample cancellation form, or for more information on your right to cancel a PAD Agreement, contact your financial institution or visit [www.payments.ca](http://www.payments.ca)

**Signature of Account Holder:**

Dylan Suitor
**Signature of Joint Account Holder (if applicable)**

Name: Interlude Inc.

Dylan Suitor

Signing Officers

2023-10-16

Date: \_\_\_\_\_

Date: \_\_\_\_\_

You have certain recourse rights if any debit does not comply with this agreement. For example, you have the right to



Borrowers Initials



Lenders Initials

A signature line for borrowers, consisting of a red circle with a white 'C' inside, followed by a horizontal line and the word 'Borrowers Initials'.

Borrowers Initials

A signature line for lenders, consisting of a red circle with a white 'C' inside, followed by a horizontal line and the word 'Lenders Initials'.

Lenders Initials

**Borrowers:** Interlude Inc. (the "Borrowers") with personal guarantor(s) Dylan Suitor (the "Borrowers")

**Lenders:** The Lion's Share Group Inc (the "Lenders")

**Principle Amount Renewed: \$16,688.39 CAD.** This amount is based on:

Original Promissory Note Loan Agreement Principle Amount of:	\$10,795.75
Interest Accrued from December 9, 2022 to June 09, 2023 at 17%:	\$917.64
New payments to be made June 09, 2023 to December 09, 2023:	\$4,675.00
to Administration Fee as per Clause 3. Below:	\$300.00
<b>Total:</b>	<b>\$16,688.39</b>

1. FOR VALUE RECEIVED, The Borrowers promise to pay to the Lenders at such address as may be provided in writing to the Borrowers, the principle sum of **\$16,688.39 CAD**. The term is 6 Month Term fully open. The Initial Interest Rate charged for the term will be 17% per annum compounding monthly but only payable on the amounts drawn as per Clause 4., below. The interest shall accrue each month and be paid at the end of the term or on full repayment. Advance date to be June 09, 2023; this is subject to change with notice.
2. The borrower acknowledges that Claire Drage, Mortgage Broker will **continue** to make the monthly payments of **\$779.17** on behalf of the Borrower for the \$55,000.00 Promissory Note loan with **Unknown Name** and **Unknown Name** that closed on June 09, 2023 and will be paid back at the end of the term or on full repayment whichever is sooner.
3. An administration fee of \$300.00 shall apply as noted above and included in this Loan.
4. Principle owing at the end of the term will be **\$16,688.39** plus any accrued interest, if applicable, and any applicable fees as outlined in this agreement.
5. This Note will be repaid in full on or before December 09, 2023, or the sale or refinance of 261 Kimberly Ave, Timmins ON P4N 1L8 whichever is soonest. The Lenders and Borrowers may agree to a 30 or 60 day extension under the same terms, subject to approval specifically by the Lenders. The Borrowers are aware that they are fully responsible for contacting the Lenders representative (Claire Drage) in writing to request such an extension with an explanation.
6. At any time while not in default under this Note, the Borrowers may pay the outstanding balance then owing under this Note to the Lenders without further bonus or penalty.
7. Notwithstanding anything to the contrary in this Note, if the Borrowers default in the performance of any obligation under this Note, then the Lenders may declare the principle amount owing and interest due under this Note at that time to be immediately due and payable.
8. All costs, expenses and expenditures including, and without limitation, legal costs, fees and disbursements on a **substantial indemnity basis**, incurred by the Lenders in enforcing this Note as a result of any default by the Borrowers, will be added to the



Borrowers Initials



Lenders Initials

principle then outstanding and will immediately be paid by the Borrowers. In the case of the Borrowers default and the acceleration of the amount due to the Lenders all amounts outstanding under this Note will bear interest at the rate of 3% higher than the Initial Interest Rate charged per annum from the date of demand until paid. This Note is secured by the Lenders right to register this Note on title on **all or any properties held by the Borrowers and Guarantors as security** (the 'Security'), if not paid in full by 6:00pm on December 09, 2023. This includes, but is not limited to, the property located at 261 Kimberly Ave, Timmins ON P4N 1L8, Canada.

9. **Renewal/End of Term:** The Borrowers are aware that this note loan is due and payable at the end of the term; this is based on the date outlined. A renewal or extension of the term is not guaranteed and automatically forthcoming. The Lenders may, at their discretion and subject to a written request being received through their representative within 30 days of the end of the term, grant an extension. Changes to the interest rate and additional fees may apply and are to be negotiated at the time.
10. **Repayment at end of Term:** The Borrowers are aware that should a renewal request not be received in writing by the Lenders representative, and an approval agreed upon and granted by the Lenders before the end of the term, that this note loan is due and payable immediately. The interest rate to be charged and payable by the Borrowers after the end of the term, will be 3% higher than the Initial Interest Rate charged – this will apply until full repayment. A penalty for non-repayment at the end of the term of \$1,000 will also be applied to the balance owing until full repayment is made. Non-repayment of this note loan at the end of the term will be deemed in default and legal action shall commence immediately with applicable fees payable as outlined herein.
11. If any term, covenant, condition or provision of this Note is held by a Court of competent jurisdiction to be invalid, void or unenforceable, it is the parties' intent that such provision be reduced in scope by the Court only to the extent deemed necessary by that Court to render the provision reasonable and enforceable and the remainder of the provisions of this Note will in no way be affected, impaired or invalidated as a result.
12. This Note will be construed in accordance with and governed by the laws of the Province of Ontario.
13. This Note will inure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the Borrowers and the Lenders.
14. The Borrowers hereby waive presentment for payment, notice of non-payment, protest and notice of protest.
15. **Fee Schedule:**
  - a) **Payment Date Change Requests:** Requests for any changes in the Borrowers payment date after funding, must be submitted in writing to their representative and approved by the Lenders. If the date change can be accommodated and approved, fees may apply - **\$125** (\$75 Lenders Fee & \$50 Administration Fee).
  - b) **Missed Payment Fee (if applicable):** Payable for each missed, late installment and for processing each NSF cheque or other returned payment due and payable during the term as outlined in this agreement. Any payment including final payout of the note that is



Borrowers Initials



Lenders Initials

made after 1:00 P.M. on any date, shall be deemed for the purpose of calculating interest to have been made and received on the next bank business day - **\$200** (\$100 Lenders Fee & \$100 Administration Fee) 1895

- c) **Default Proceedings:** for each action or proceeding instituted - \$2,500.00 excluding legal fees
- d) **Renewal of Note Loan:** At the discretion of the Lenders to offer a renewal or extension of this agreement. Upon renewal or extension, the rate of interest and fees charged may be increased. All applicable Lenders fees, legal expenses & disbursements associated with renewal or extension are separate and at the cost of the Borrowers and to be determined on renewal.
- e) **Discharge Statements:** One discharge statement can be requested at no charge at any time during the term of the note loan. Any additional statements that are requested - **\$200.00**
- f) **Demand Letter in Default:** \$350.00 plus Lenders legal fees estimated to be \$500.

IN WITNESS WHEREOF the parties have duly affixed their signatures under seal:

**SIGNED, SEALED, AND DELIVERED**

2023-08-03

Date: (dd/mm/yyyy).

**SIGNED, SEALED, AND DELIVERED**

2023-08-02

Date: (dd/mm/yyyy).

 *Dylan Suitor*

Interlude Inc. (Borrowers)

 *Dylan Suitor*

Dylan Suitor (Borrowers/Guarantors)

 *Claire Drage*

The Lion's Share Group Inc (Lender)

<b>Total Purchase Price</b>	<b>75,850,443.00</b>	<b>Balance Due on Closing</b>	<b>Deposit</b>	<b>Mortgage Payouts</b>
-----------------------------	----------------------	-------------------------------	----------------	-------------------------

		<b>70,095,650.09</b>	<b>850,000.00</b>	<b>46,376,431.31</b>
<b>Corp Name</b>	<b>Purchase Price</b>			
Aruba Butt	699,901.56	646,819.11	7,843.28	486,796.50
BoredWalk Inc.	2,266,347.91	2,108,457.67	25,397.29	1,339,432.14
DSPLN Inc.	6,849,592.18	6,347,440.23	76,758.33	4,139,669.25
The Pink Flamingo Inc.	7,185,656.03	6,614,562.65	80,524.35	5,574,921.82
Corn Soup Inc.	277,738.71	258,073.51	3,112.41	130,713.48
Unknown Name	333,286.46	309,264.34	3,734.90	194,264.28
Unknown Name	305,512.59	283,779.73	3,423.65	141,018.55
Happy Gilmore Inc.	810,997.05	745,747.45	9,088.25	506,929.59
Multiville Inc.	12,526,016.03	11,580,071.22	140,369.83	8,173,223.88
Happy Town Housing Inc.	2,944,030.38	2,719,818.93	32,991.58	1,487,220.88
Hard Rock Capital Inc.	3,927,225.43	3,618,441.01	44,009.52	1,511,183.69
Hometown Housing Inc.	4,360,497.82	4,001,347.91	48,864.88	3,074,289.52
Horses In The Back Inc.	611,025.17	569,754.56	6,847.31	310,320.67
Interlude Inc.	12,808,198.57	11,869,193.24	143,532.04	8,615,553.53
Upgrade Housing Inc.	9,495,886.65	8,774,955.46	106,413.40	4,661,957.08
Joint Captain Real Estate Inc.	4,993,742.09	4,599,027.40	55,961.19	2,852,750.62
Old Thing Back Inc.	2,010,828.29	1,864,847.26	22,533.87	1,433,206.63
Parkplace Inc.	1,888,623.26	1,735,326.72	21,164.41	1,451,480.02
Up Town Funk Inc.	1,555,336.80	1,448,721.68	17,429.51	291,499.18
<b>Total</b>	<b>75,850,443.00</b>			

**46,376,431.31**



	Tax & Water Arrears		Utilities		Reliance Home Comfort
	Tax Arrears	Water (Flat)	Hydro	Water (Metered)	
	590,916.47	78,073.55	28,192.02	11,351.22	43,800.00
Corp Name					
Aruba Butt	4139.46	0.00	0.00	257.22	513.00
BoredWalk Inc.	13089.80	3936.21	4944.20	217.63	-
DSPLN Inc.	37923.83	11811.01	2536.43	0.00	3,120.00
The Pink Flamingo Inc.	65619.39	9258.50	8022.33	1272.20	7,100.00
Corn Soup Inc.	1825.53	0.00	0.00	0.00	-
Unknown Name	100.86	0.00	0.00	0.00	-
Unknown Name	102.59	0.00	0.00	0.00	356.00
Happy Gilmore Inc.	3292.94	4169.17	3157.01	0.00	-
Multiville Inc.	102721.17	14304.62	1964.61	402.50	12,759.00
Happy Town Housing Inc.	8173.51	0.00	0.00	885.47	2,233.00
Hard Rock Capital Inc.	38052.93	11180.60	1321.78	1695.78	2,874.00
Hometown Housing Inc.	81485.22	0.00	99.30	0.00	3,260.00
Horses In The Back Inc.	5195.10	0.00	0.00	402.65	451.00
Interlude Inc.	77537.11	15371.99	4382.30	2406.24	8,561.00
Upgrade Housing Inc.	69153.90	0.00	0.00	2191.30	2,573.00
Joint Captain Real Estate Inc.	46423.56	8041.45	817.03	0.00	-
Old Thing Back Inc.	21226.01	0.00	947.03	800.86	-
Parkplace Inc.	4748.95	0.00	0.00	548.92	-
Up Town Funk Inc.	10104.61	0.00	0.00	270.45	-

	NOSI Discharge Payout	Brokerage Fee	Purchaser Mortgage Interest	Legal Fees	
	28,054.25	758,504.43	17,575.54	NLPC 246,868.18	Chariot Law 82,987.20
Corp Name					
Aruba Butt		6,999.02	162.18	2,277.95	765.76
BoredWalk Inc.		22,663.48	525.14	7,376.22	2,479.59
DSPLN Inc.		68,495.92	1,587.14	22,293.16	7,494.07
The Pink Flamingo Inc.	9,876.38	71,856.56	1,665.01	23,386.94	7,861.75
Corn Soup Inc.		2,777.39	64.36	903.95	303.87
Unknown Name		3,332.86	77.23	1,084.74	364.65
Unknown Name		3,055.13	70.79	994.34	334.26
Happy Gilmore Inc.		8,109.97	187.92	2,639.53	887.30
Multiville Inc.	8,163.58	125,260.16	2,902.44	40,768.05	13,704.59
Happy Town Housing Inc.		29,440.30	682.17	9,581.85	3,221.03
Hard Rock Capital Inc.		39,272.25	909.99	12,781.82	4,296.74
Hometown Housing Inc.		43,604.98	1,010.38	14,191.98	4,770.78
Horses In The Back Inc.	466.69	6,110.25	141.58	1,988.69	668.52
Interlude Inc.	9,547.60	128,081.99	2,967.83	41,686.46	14,013.32
Upgrade Housing Inc.		94,958.87	2,200.32	30,905.98	10,389.35
Joint Captain Real Estate Inc.		49,937.42	1,157.12	16,252.98	5,463.60
Old Thing Back Inc.		20,108.28	465.94	6,544.58	2,200.03
Parkplace Inc.		18,886.23	437.62	6,146.85	2,066.32
Up Town Funk Inc.		15,553.37	360.39	5,062.11	1,701.68

	Disbursement before Promissory Notes		Promissory Notes	Disbursements after Promissory Notes	Final Amount to Vendor Corp
	22,682,895.92		11,082,375.96	11,600,519.96	11,600,519.96
<b>Corp Name</b>					
Aruba Butt	152,751.32			152,751.32	152,751.32
BoredWalk Inc.	739,190.56			739,190.56	739,190.56
DSPLN Inc.	2,129,267.74		1,553,485.62	575,782.12	126,364.46
The Pink Flamingo Inc.	914,246.11		1,553,485.62	(639,239.51)	-
Corn Soup Inc.	124,597.35	1/2 to DSPLN		124,597.35	62,298.67
Unknown Name	113,774.62	1/2 to DSPLN		113,774.62	56,887.31
Unknown Name	141,271.73	1/2 to DSPLN		141,271.73	70,635.86
Happy Gilmore Inc.	225,462.27		1,463,882.12	(1,238,419.85)	-
Multiville Inc.	3,224,266.45		1,463,882.12	1,760,384.33	521,964.47
Happy Town Housing Inc.	1,211,372.30			1,211,372.30	1,211,372.30
Hard Rock Capital Inc.	2,038,880.95		-	2,038,880.95	2,038,880.95
Hometown Housing Inc.	827,500.63			827,500.63	827,500.63
Horses In The Back Inc.	250,856.73			250,856.73	250,856.73
Interlude Inc.	3,092,615.92		4,356,788.93	(1,264,173.01)	-
Upgrade Housing Inc.	4,007,039.06			4,007,039.06	2,742,866.05
Joint Captain Real Estate Inc.	1,674,144.81		690,851.55	983,293.26	983,293.26
Old Thing Back Inc.	401,881.77			401,881.77	401,881.77
Parkplace Inc.	272,176.22			272,176.22	272,176.22
Up Town Funk Inc.	1,141,599.41			1,141,599.41	1,141,599.41
	22,682,895.92				11,600,519.96

	Payment to Vendor Corp May 9	Payment to Vendor corp in Oct 2022
--	---------------------------------	---------------------------------------

	9,733,610.71	
<b>Corp Name</b>		
Aruba Butt	145,302.38	
BoredWalk Inc.	711,785.77	
DSPLN Inc.	2,796.06	
The Pink Flamingo Inc.	-	
Corn Soup Inc.	60,825.17	
Unknown Name	55,065.13	
Unknown Name	69,031.61	
Happy Gilmore Inc.	-	
Multiville Inc.	381,005.81	
Happy Town Housing Inc.	1,178,723.51	
Hard Rock Capital Inc.	1,993,460.26	
Hometown Housing Inc.	775,250.88	
Horses In The Back Inc.	242,919.80	
Interlude Inc.	-	900,000.00
Upgrade Housing Inc.	1,439,046.70	
Joint Captain Real Estate Inc.	927,897.52	
Old Thing Back Inc.	378,000.65	
Parkplace Inc.	247,973.30	
Up Town Funk Inc.	1,124,526.17	
	9,733,610.71	

Diff to be paid to Corp	NLPC Outstanding Legals
----------------------------	----------------------------

not paid

7,448.94	1,129.99
27,404.79	
123,568.41	122,604.25
-	
1,473.50	1,129.99
1,822.18	
1,604.25	1,129.99
-	60,454.93
140,958.66	51,979.84
32,648.79	1,129.99
45,420.69	3,390.00
52,249.75	
7,936.93	
	92,659.90
403,819.34	
55,395.73	19,774.96
23,881.13	
24,202.92	1,695.00
17,073.24	
966,909.25	357,078.84

	Final Payout	Final Draft Payments	Payment Date
--	--------------	----------------------	--------------

Corp Name			
Aruba Butt	6,318.95	7,283.10	14-Dec
BoredWalk Inc.	27,404.79	49,912.71	14-Dec
DSPLN Inc.	964.16		
The Pink Flamingo Inc.	-	-	
Corn Soup Inc.	343.51	343.51	14-Dec
Unknown Name	1,822.18	1,822.18	14-Dec
Unknown Name	474.26	474.26	14-Dec
Happy Gilmore Inc.	(60,454.93)		
Multiville Inc.	88,978.82	28,523.89	14-Dec
Happy Town Housing Inc.	31,518.80		
Hard Rock Capital Inc.	42,030.69	42,030.69	14-Dec
Hometown Housing Inc.	52,249.75		
Horses In The Back Inc.	7,936.93		
Interlude Inc.	(92,659.90)	132,659.85	14-Dec
Upgrade Housing Inc.	403,819.34	311,159.44	14-Nov
Joint Captain Real Estate Inc.	35,620.77	35,620.77	14-Dec
Old Thing Back Inc.	23,881.13		
Parkplace Inc.	22,507.92		
Up Town Funk Inc.	17,073.24		
	<b>609,830.41</b>	<b>609,830.41</b>	

**May 9 Mortgage  
Payouts**

<b>47,394,890.97</b>
486,796.50
1,339,432.14
4,113,374.36
5,574,921.82
130,713.48
194,264.28
141,018.55
506,929.59
8,165,150.93
1,487,220.88
1,511,183.69
3,074,289.52
310,320.67
9,667,275.64
4,661,957.08
2,853,856.01
1,433,206.63
1,451,480.02
291,499.18

Vendors As per attached Schedule A  
Purchaser AVANEW FUND 2 SINGLE FAMILY RENTAL GP INC.  
Address As per attached Schedule A  
Closing Date May 4 2022

Note	Receipts	Note	Disbursements	Previous Payout	Difference
Purchase Funds	70,095,650.09				
Deposit	850,000.00	Mortgage Payout	46,376,431.31	47,387,151.56	(1,010,720.25)
		Bates Law in Trust	2,917,921.08	2,915,718.06	2,203.02
		Cardinal Law Professional Corporation in Trust	3,635,219.18	3632698.73	2,520.45
		Carson Law Office Professional Corporation in Trust	447,005.12		
		Scarfone Hawkins LLP in Trust	4,661,957.08		
		Chan H. Kim in Trust	266,885.96		
		Chris Argiropoulos Professional Corporation in Trust	5,188,446.77	5,185,715.86	2,730.91
		Diamond & Diamond Lawyers LLP in Trust	6,333,273.03		
		Gina Ceci in Trust	1,111,665.49		
		Integris Law Professional Corporation in Trust	627,532.52		
		Ramirez Allison LLP in Trust	596,076.41		
		Torchwood Law in Trust	154,689.97		
		Matlow, Miller, Cummins, Thrasher LLP In Trust	356,583.52		
		Parnes Rothman LLP in Trust	197,730.29		
		Jeffrey Elliott Professional Corporation in Trust	151,699.29		
		Dudzic Barristers & Solicitors In Trust	154,017.55		
		Rabideau Law Professional Corporation in Trust	218,425.75		
		Jesmond Wong in Trust	160,186.16		
		Hedley, McLachlin & Attema in Trust	637,360.88		
		Wilson Law Partners LLP in Trust	158,553.13	158,450.56	102.57
		Michelle E Hubert in Trust	188,458.76	188,276.30	182.46
		Spagnuolo Professional Corporation In Trust	73,306.08		
		Jenkins & Gilvesy in Trust	344,311.40		
		MHN Lawyers LLP, in Trust	951,459.86		
		HAHN LAW in Trust	314,985.40		
		Rose & Rose Barristers & Solicitors In Trust	2,111,456.80		
		Steven Z Cooper Professional Corporation in Trust	1,568,812.01		
		Waterous Holden Amey Hitchon LLP, in Trust	2,954,442.05		
		Olympia	7,785,726.27		
		Bank of Montreal	1,083,753.78		
		Bank of Montreal - Miller	883,471.17		
		Bank of Nova Scotia	141,018.55		

Note	Receipts	Note	Disbursements	Previous Payout	Difference
		Property Taxes & Water Payments	668,990.02		
		Town of Cobalt			
		Tax Arrears Payment	5,800.56		
		Water Arrears Payment	-		
		City of Coniston			
		Tax Arrears Payment	1,142.32		
		Town of Temiskaming Shores			
		Tax Arrears Payment	17,790.83		
		Water Arrears Payment	-		
		City of St Catharines			
		Tax Arrears Payment	83,409.91		
		City of Welland			
		Tax Arrears Payment	3,024.54		
		Water Arrears Payment	-		
		Town of Kirkland Lake			
		Tax Arrears Payment	11,987.39		
		Water Arrears Payment	1,622.38		
		City of Sault Ste. Marie			
		Tax Arrears Payment	112,537.95		
		City of Sudbury			
		Tax Arrears Payment	221,522.71		
		City of Timmins			
		Tax Arrears Payment	133,700.26		
		Water Arrears Payment	76,451.17		

Note	Receipts	Note	Disbursements	Previous Payout	Difference
		Utilites Payment	39,543.24		
		<b>Town of Cobalt</b>			
		Hydro Arrears Payment	-		
		Water Arrears Payment	-		
		<b>City of Coniston</b>			
		Hydro Arrears Payment	-		
		Water Arrears Payment	1,272.20		
		<b>Town of Temiskaming Shores</b>			
		Hydro Arrears Payment	1,345.59		
		Water Arrears Payment	-		
		<b>City of St Catharines</b>			
		Hydro Arrears Payment	3,104.07		
		Water Arrears Payment	5,317.28		
		<b>City of Welland</b>			
		Hydro Arrears Payment	-		
		Water Arrears Payment	622.84		
		<b>Town of Kirkland Lake</b>			
		Hydro Arrears Payment	7,657.55		
		Water Arrears Payment	-		
		<b>City of Sault Ste. Marie</b>			
		Hydro Arrears Payment	1,250.96		
		Water Arrears Payment	-		
		<b>City of Sudbury</b>			
		Hydro Arrears Payment	2,261.27		
		Water Arrears Payment	4,138.90		
		<b>City of Timmins</b>			
		Hydro Arrears Payment	12,572.58		
		Water Arrears Payment	-		
		Reliance Home Comfort	43,800.00		
		NOSI Discharge Payout	28,054.25		
		Disbursement to Goodmans	17,575.54		
		Disbursement to Clients	23,771,255.73		
<b>Total</b>	<b>70,945,650.09</b>	<b>Total</b>	<b>70,945,650.09</b>		



---

**AGREEMENT OF PURCHASE AND SALE**

---

**Among**

**ROBERT CLARK**

**-and-**

**ARUBA BUTT**

**-and-**

**SIDRWC INC.**

**-and-**

**2707793 ONTARIO INC.**

**-and-**

**the Persons listed in Schedule “A” attached hereto**

**-and-**

**CORE ACQUISITION CO. INC.**

**dated as of**

**February 24, 2022**

## TABLE OF CONTENTS

### AGREEMENT OF PURCHASE AND SALE

#### ARTICLE 1 INTERPRETATION

Section 1.1	Defined Terms. ....	1
Section 1.2	Gender and Number.....	7
Section 1.3	Headings, etc.....	7
Section 1.4	Currency.....	8
Section 1.5	Certain Phrases, etc.....	8
Section 1.6	Schedules. ....	8
Section 1.7	References to Persons and Agreements. ....	8
Section 1.8	Statutes.....	8
Section 1.9	Non-Business Days.....	8

#### ARTICLE 2 PURCHASED ASSETS

Section 2.1	Purchased Assets.....	9
Section 2.2	Excluded Assets.....	9

#### ARTICLE 3 PURCHASE PRICE

Section 3.1	Purchase Price.....	10
Section 3.2	Allocation.....	10
Section 3.3	Payment. ....	10
Section 3.4	Payment of Deposit.....	11
Section 3.5	Vendor's Solicitors as Deposit Agent.....	12
Section 3.6	Land Transfer Tax and Registration Fees on Transfer. ....	12
Section 3.7	Holdback Escrow.....	13

#### ARTICLE 4 ADJUSTMENTS

Section 4.1	Adjustments. ....	13
Section 4.2	Post-Closing Adjustments.....	14
Section 4.3	Vendor Receivables. ....	15
Section 4.4	No Effect on Other Rights. ....	15
Section 4.5	Metered Utilities. ....	16
Section 4.6	Survival of Adjustment Obligations. ....	16

#### ARTICLE 5 REPRESENTATIONS AND WARRANTIES

Section 5.1	Representations and Warranties of the Vendors.....	16
Section 5.2	Representations and Warranties of the Purchaser.....	20
Section 5.3	Exceptions.....	21

## **ARTICLE 6 INVESTIGATION OF PURCHASED ASSETS**

Section 6.1	Materials to be Produced by Vendor. ....	21
Section 6.2	Access to Properties.....	21
Section 6.3	Authorization of Inquiries with Governmental Entities.....	22
Section 6.4	Due Diligence Condition .....	22
Section 6.5	Title.....	23

## **ARTICLE 7 PRE-CLOSING**

Section 7.1	Confidentiality. ....	24
Section 7.2	Conduct of Business. ....	24
Section 7.3	Property Contracts and Leases.....	25
Section 7.4	Risk, Expropriation and Damage.....	26

## **ARTICLE 8 CLOSING CONDITIONS**

Section 8.1	Closing Conditions for the Benefit of the Purchaser. ....	27
Section 8.2	Conditions for the Benefit of the Vendors.....	27
Section 8.3	Vendor's Closing Deliveries.....	28
Section 8.4	Purchaser's Closing Deliveries.....	30
Section 8.5	Forms of Closing Deliveries. ....	31
Section 8.6	Actions to Satisfy Closing Conditions.....	31
Section 8.7	New Management Agreement .....	31

## **ARTICLE 9 CLOSING**

Section 9.1	Date, Time and Place of Closing. ....	31
Section 9.2	Non-Assigned Contracts.....	31
Section 9.3	Tender and Electronic Registration. ....	32

## **ARTICLE 10 TERMINATION**

Section 10.1	Termination Rights. ....	33
Section 10.2	Effect of Termination.....	33

## **ARTICLE 11 POST-CLOSING COVENANTS**

Section 11.1	Further Assurances. ....	34
Section 11.2	Indemnification.....	34
Section 11.3	Non-Merger and Survival.....	37

## **ARTICLE 12 MISCELLANEOUS**

Section 12.1	Notices. ....	37
--------------	---------------	----

Section 12.2	Time of the Essence .....	38
Section 12.3	Brokers.....	38
Section 12.4	Announcements. ....	39
Section 12.5	Third Party Beneficiaries. ....	39
Section 12.6	Expenses. ....	39
Section 12.7	Amendments. ....	39
Section 12.8	Waiver.....	39
Section 12.9	Entire Agreement.....	39
Section 12.10	Successors and Assigns. ....	39
Section 12.11	Severability. ....	40
Section 12.12	Obligations Joint and Several .....	40
Section 12.13	Governing Law .....	40
Section 12.14	Planning Act. ....	40
Section 12.15	Execution and Delivery. ....	40

### **ADDENDA**

Schedule "A" Properties and Vendor Entities  
 Schedule "B" Permitted Encumbrances  
 Schedule "C" Delivery Materials  
 Schedule "D" Legal Descriptions  
 Schedule "E" Rent Rolls

## AGREEMENT OF PURCHASE AND SALE

This Agreement of Purchase and Sale (this “**Agreement**”), dated the 24<sup>th</sup> day of February, 2022, is by and among:

**ROBERT CLARK**

-and-

**ARUBA BUTT**

-and-

**SIDRWC INC.**

-and-

**2707793 ONTARIO INC.**

-and-

**The Persons listed in Schedule “A” attached hereto (the “Vendors”)**

-and-

**CORE ACQUISITION CO. INC. (the “Purchaser”)**

### **BACKGROUND:**

- A.** Vendors own, legally or beneficially, directly or indirectly, the Properties set out in Schedule “A” and legally described in Schedule “D” hereto;
- B.** Vendors wish to sell the Properties and other Purchased Assets to the Purchaser and the Purchaser desires to purchase the Properties and other Purchased Assets upon and subject to the terms and conditions hereinafter set forth.

**NOW, THEREFORE**, in consideration of One Dollar and the covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

### **Article 1 INTERPRETATION**

#### **Section 1.1 Defined Terms.**

As used in this Agreement, the following terms have the following meanings:

“**Acceptance Date**” means the date this Agreement has been fully executed and delivered by the Vendors and the Purchaser.

“**Additional Deposit**” has the meaning specified in Section 3.4(1)(b).

**“Agreement”** means this agreement of purchase and sale.

**“Ancillary Agreements”** means all agreements, certificates and other instruments delivered or given pursuant to this Agreement.

**“Anti-Money Laundering Laws”** has the meaning specified in Section 5.1(s).

**“Applicable Matters”** has the meaning specified in Section 6.5(1).

**“Arbitration Act”** means the *Arbitration Act, 1991*(Ontario), S.O. 1991, c. 17, as amended and includes the regulations thereunder.

**“Assignment and Assumption of Contracts”** has the meaning specified in Section 8.3(h).

**“Assignment and Assumption of Leases”** has the meaning specified in Section 8.3(g).

**“Assumed Property Contracts”** has the meaning specified in Section 2.1(d).

**“Authorization”** means, with respect to any Person, any order, permit, approval, consent, waiver, licence or similar authorization of any Governmental Entity having jurisdiction over the Person.

**“Business Day”** means any day of the year, other than a Saturday, Sunday or any day on which banks are customarily closed for business in Toronto, Ontario,

**“Chattels”** means all personal or movable property, including refrigerators, stoves, ovens, dishwashers, washing machines and dryers, hot water heaters and air conditioners, in each case, located at a Property, owned or leased by any Vendor, and specifically excludes the Excluded Assets and any personal or moveable property or any other chattels which are owned by any Tenants.

**“Claim”** means any civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding and any claim or demand resulting therefrom or any other claim or demand of whatever nature or kind.

**“Closing”** means the completion of the Transaction of purchase and sale contemplated in this Agreement including the payment of the Purchase Price and delivery of the Closing Deliveries.

**“Closing Date”** provided that Due Diligence Conditions have been satisfied or waived, means the day that is sixty (60) days after the expiration of the Due Diligence Date, or such earlier or later date as may be agreed to by the Parties in writing.

**“Closing Deliveries”** has the meaning specified in Section 8.5.

**“Closing Escrow Agreement”** has the meaning specified in Section 8.3(q).

**“Competition Act”** means the *Competition Act* R.S.C. 1985, c. C-34, as amended, and includes the regulations thereunder.

**“Extension Period”** has the meaning specified in Section 6.4.

**“Clark”** means Robert W. Clark and Aruba Butt.

**“Cut-Off Time”** means 5:00 p.m. Toronto Time on the day that is three (3) Business Days prior to the Due Diligence Date.

**“Damages”** means any debts, dues, accounts, costs, charges, losses, liabilities, obligations, fees, awards, fines, penalties, interest, expenses and damages or reasonable legal fees and expenses of any and every nature and kind whatsoever and howsoever arising whether resulting from an action, suit, proceeding, grievance, complaint, arbitration, mediation, claim or demand that is instituted or asserted by a third party, including a Governmental Entity, or a cause, matter, thing, act, omission or state of facts not involving a third party, including legal expenses on a substantial indemnity basis and any amounts paid to settle a Claim or to satisfy a judgment or administrative award or decision.

**“Data Room”** means the internet-based Google Drive data room on behalf of the Vendors with respect to the Transaction and to which the Purchaser, the Purchaser’s Solicitors and such as the Representatives as has been requested by the Purchaser, have been granted access.

**“Deficiency”** has the meaning specified in Section 5.1(bb).

**“Deposit”** has the meaning specified in Section 3.4(1)(b).

**“Deposit Agent”** has the meaning specified in Section 3.5.

**“Disclosed”** means information which has been provided or is made available for the Purchaser’s or the Purchaser’s Solicitors’ review by the Cut-Off Time, and consisting of: (a) all information in the Data Room; and (b) all information disclosed by way of registered title to any of the Properties.

**“Due Diligence Condition”** has the meaning specified in Section 6.4(1).

**“Due Diligence Date”** means the 11<sup>th</sup> Business Day after the Acceptance Date.

**“Encumbrance”** means in the case of any of the Purchased Assets: (i) any mortgage, hypothec, prior claim, charge, pledge, security interest, assignment, encumbrance, lien (statutory or otherwise), title retention agreement or arrangement, or any other arrangement or condition, that in substance secures payment or performance of an obligation, (ii) any attachment or judgment (other than a judgment in recognition of property or in prescription), and (iii) any agreement, option, lease, sublease, licence, easement, right-of-way, servitude, right to use, restriction, restrictive covenant, by-law, regulation, ordinance, encroachment, title defect or irregularity, adverse claim, right or registration that creates, evidences or otherwise gives notice of an interest or right in or to, or that restricts or otherwise affects title to or the use of the Purchased Assets or any of them.

**“Environmental Laws”** means all applicable Laws relating to public health, occupational health or the protection of the environment and all Authorizations issued pursuant to such Laws, agreements or statutory requirements in force as of the date of this Agreement or on the Closing Date.

**“Environmental Reports”** means each of the environmental reports and assessments, if any, relating to a Property and Disclosed to the Purchaser.

**“Escrow Agent”** means an escrow agent who shall be mutually selected by the Purchaser and Clark, each acting reasonably, on or before the Due Diligence Date.

**“Escrow Holdback”** has the meaning specified in Section 3.7.

**“Excise Tax Act”** means the *Excise Tax Act* (Canada), R.S.C. 1985, c. E-15, as amended, and includes the regulations thereunder.

**“Excluded Assets”** has the meaning specified in Section 2.2.

**“Final Adjustment Notice Date”** has the meaning specified in Section 4.2(2).

**“Financial Encumbrances”** means Encumbrances that secure monetary obligations, including, without limitation, mortgages and charges.

**“Force Majeure”** means any of the following events: acts of God, floods, earthquakes, tidal waves, hurricanes, windstorms, severe weather conditions, lightning, fire, wars (whether declared or not), riots, insurrections, rebellions, civil commotions, sabotage, pandemics, such as COVID-19, or other public health emergencies, strikes, shortage of labour, partial or entire failure of utilities, delays in transportation, accidents, orders, legislation, regulations and directives of any Governmental Entities, or such other events beyond the reasonable control of the Vendors.

**“Governmental Entity”** means (i) any governmental or public department, court, minister, governor-in-council, cabinet, commission, tribunal, board, bureau, agency, commissioner or instrumentality, whether international, multinational, national, federal, provincial, state, municipal, local, or other; (ii) any subdivision or authority of any of the above; (iii) any stock exchange; and (iv) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above.

**“Hazardous Materials”** means any of the following: (i) oil or petroleum products and by-products, (ii) asbestos and asbestos-containing materials, (iii) polychlorinated biphenyls (PCB’s), (iv) underground storage tanks, (v) any fungus, fungal material, mold or mold spores, (vi) rodents, vermin, insects, termites or other pests and their excrement, and (vii) any and all other hazardous substances, pollutants, contaminants, waste, by products, constituent or other materials or condition which are regulated under Environmental Laws.

**“House”** has the meaning specified in Section 2.1(b).

**“Indemnity Escrow Agreement”** has the meaning specified in Section 3.7.

**“Initial Deposit”** has the meaning specified in Section 3.4(1).

**“Interim Period”** means the time period commencing on the waiver by the Purchaser of the Due Diligence Conditions and ending on the Closing Date.

**“IOTA”** means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5th Supp.), as amended, and includes the regulations thereunder.

**“Joint Allocation”** has the meaning specified in Section 3.2(1).

**“Knowledge”** means, (i) with respect to SIDRWC Inc., SID Renos and the Manager only, the actual knowledge of such Person’s senior-level employees who are primarily responsible for the matter in question in the course of their normal duties after reasonable inquiry (including, without limitation, Clark, Ryan Molony, [Unknown Name], [Unknown Name], [Unknown Name] and all property managers); and (ii) in respect of each of the Vendors, means the actual knowledge of such Vendor’s officers, directors and shareholders after reasonable inquiry.. For these purposes, “Knowledge” does not include the knowledge of any other Person or constructive knowledge.



**“Land”** has the meaning specified in Section 2.1(a).

**“Laws”** means any and all applicable (i) laws (including Environmental Laws), constitutions, treaties, statutes, codes, ordinances, orders, decrees, rules, regulations and by-laws, including zoning by-laws, permits, the Residential Tenancy Act and municipal residential licensing; (ii) judgments, orders, writs, injunctions, decisions, awards and directives of any Governmental Entity, including the Competition Bureau, and (iii) policies, guidelines, notices and protocols of any Governmental Entity, including the Competition Bureau.

**“Leases”** means in respect of each Property the full benefit of all leases, subleases agreements to lease or sublease (including any amendments, revisions and supplements to same, as well as any side letters, incentive agreements or similar matters), offers to lease or sublease, renewals of leases or subleases, storage agreements, parking agreements and other agreements, rights or licences allowing any Person to use, possess or occupy any portion of the relevant Land or any space within the relevant House or any part of it, together with all security for, and guarantees and indemnities of, the tenants’, subtenants’, licensees’, or occupants’ obligations thereunder, in each case as amended, renewed, supplemented or otherwise varied.

**“Leasing Costs”** has the meaning specified in Section 4.1(2).

**“LOI”** means the letter of intent between CORE Acquisition Co. Inc. and Clark dated January 6, 2022.

**“Management Agreement”** means, in respect of each Property, the existing management agreement (and such amendments and supplements thereof) between the applicable Vendor and the Manager.

**“Manager”** means RWC Property Management Inc.

**“New Leases”** means Leases entered into after the date of this Agreement in compliance with Section 7.3.

**“New Management Agreement”** has the meaning specified in Section 8.7.

**“Non-Assigned Assumed Property Contracts”** has the meaning specified in Section 9.2(a).

**“Notice”** has the meaning specified in Section 12.1.

**“OFAC”** has the meaning specified in Section 5.1(s).

**“Parties”** means the Vendors, Clark, the Purchaser and any other Person who may become a party to this Agreement (including by way of assignment or otherwise).

**“Permitted Encumbrances”** means in respect of any Property: (i) Encumbrances which are registered or filed against title to such Property as of the Cut-Off Time but excluding the Financial Encumbrances (each of which is to be discharged on Closing) existing; (ii) any other Encumbrances registered or filed against title to such Property or against the title to the interest of the applicable Nominee Holder (or Beneficial Holder, as applicable) in such Property from and after the Cut-Off Time, which are registered at the instance of or with the concurrence of the Purchaser or arise because of any act of the Purchaser or of anyone for whom the Purchaser is responsible at law; and (iii) those Encumbrances described in Schedule “B” attached hereto.

**“Person”** means a natural person, partnership, limited partnership, limited liability partnership, corporation, limited liability company, unlimited liability company, joint stock company, trust, unincorporated association, joint venture or other entity and includes a Governmental Entity, and pronouns have a similarly extended meaning.

**“Planning Act”** means the *Planning Act* (Ontario), R.S.O. 1990, c. P. 13, as amended and the regulations thereunder.

**“Portfolio”** means all of the Properties, as a whole.

**“Property”** means each parcel of Land and the improvements located on it, including House(s), and **“Properties”** means all of the Lands and Houses.

**“Property Contracts”** means in respect of each Property those agreements, contracts, licences, undertakings, engagements or commitments of any nature (other than Leases and registered Encumbrances) that are Disclosed to the Purchaser and relate to the construction, ownership, operation, maintenance, repair, cleaning, security, fire protection, servicing or any other aspect of the Property, including agency, brokerage and agreements relating to the Leases, including the Warranties but excluding any existing asset management agreement or property management agreement.

**“Purchase Price”** has the meaning specified in Section 3.1.

**“Purchased Assets”** has the meaning specified in Section 2.1.

**“Purchaser”** has the meaning specified at the beginning of this Agreement.

**“Purchaser Indemnatee”** has the meaning specified in Section 11.2(1).

**“Purchaser’s Deliveries”** has the meaning specified in Section 8.4.

**“Purchaser’s Losses”** has the meaning specified in Section 11.2(1).

**“Purchaser’s Solicitors”** means Goodmans LLP.

**“Receiving Party”** has the meaning specified in Section 9.3(2).

**“Representatives”** has the meaning specified in Section 7.1.

**“Removed Property”** has the meaning specified in Section 6.2(4), Section 6.4(4), Section 7.4(3).

**“Rent Rolls”** means the rent rolls in Schedule “E” hereto.

**“Sales Taxes”** means harmonized sales tax.

**“SID Renos”** means 2707793 Ontario Inc., an Ontario corporation.

**“Taxes”** means (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Entity, (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity on or in respect of amounts of the type described in clause (i) above or this

clause (ii); (iii) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of being a member of an affiliated, consolidated, combined or unitary group for any period; and (iv) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any party.

**“Tenant”** means a tenant under a Lease.

**“Tendering Party”** has the meaning specified in Section 9.3(2).

**“Third Party Claim”** has the meaning specified in Section 11.2(3)(a).

**“Title Company”** means such title insurance company as selected by the Purchaser.

**“Title Policy”** means an owner’s policy of title insurance issued by the Title Company in form and substance satisfactory to Purchaser, in the amount of the Purchase Price, insuring Purchaser (or Purchaser’s designee) as the owner of fee title to the Properties as of the Closing Date, subject only to the Permitted Encumbrances and including the following endorsements, without limitation: (i) “extended coverage” deleting all general or standard exceptions, (ii) a zoning endorsement (with parking), (iii) survey, location and access endorsements, (iv) a contiguity endorsement, if applicable, (v) a tax parcel endorsement, (vi) a covenants, conditions and restrictions violations endorsement, (vii) an access endorsement; (viii) a government response endorsement; (ix) a post-policy date fraud endorsement and (x) other endorsements as may be reasonably requested by Purchaser and available in the Province of Ontario.

**“Transaction”** means the transaction of purchase and sale contemplated by this Agreement.

**“Vendors”** have the meaning specified at the beginning of this Agreement and **“Vendor”** means any of them.

**“Vendor’s Deliveries”** has the meaning specified in Section 8.3.

**“Vendor’s Losses”** has the meaning specified in Section 11.2(2).

**“Vendor Receivables”** has the meaning specified in Section 2.2(d).

**“Vendor’s Solicitors”** means Nekzai Law.

**“Warranties”** means warranties, guarantees and indemnities remaining in existence, if any, for the construction, renovation and the existing operation of any of the Houses.

**“Work Order”** has the meaning specified in Section 7.2.

## **Section 1.2      Gender and Number.**

Any reference in this Agreement or any Ancillary Agreement to gender includes all genders. Words importing only the singular number include the plural and vice versa.

## **Section 1.3      Headings, etc.**

The provision of a Table of Contents, the division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and are not to affect its interpretation.

#### **Section 1.4      Currency.**

All references in this Agreement to “dollars” or to “\$” are expressed in Canadian currency unless otherwise indicated.

#### **Section 1.5      Certain Phrases, etc.**

In this Agreement and any Ancillary Agreement: (i) the words “including”, “includes” and “include” mean “including (or includes or include) without limitation”; (ii) unless otherwise specified, the words “Article” and “Section” followed by a number mean and refer to the specified Article or Section of this Agreement; (iv) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word “from” means “from and including” and the word “until” means “to and including”; and (v) unless otherwise expressly stated, the phrase “sole discretion” means “sole, absolute and unfettered discretion”. Notwithstanding any other provision of this Agreement or any Laws to the contrary, it is the express intention of the parties that the words “sole discretion” mean the exercise of the applicable right, determination or discretion in a manner that is completely and absolutely subjective in all respects and does not create or imply a duty or obligation of any kind on the part of the Person exercising such right, determination or discretion to act objectively or to apply any objective criteria or to conform to any other standard, it being the intention that the exercise of “sole discretion” by any Person will not be subject to any restriction, limitation, challenge or review of any kind whatsoever at any time by the other Party, any court or any other Person.

#### **Section 1.6      Schedules.**

The recitals set forth above and the schedules attached to this Agreement form an integral part of this Agreement for all purposes.

#### **Section 1.7      References to Persons and Agreements.**

Any reference in this Agreement or any Ancillary Agreement to a Person includes its heirs, administrators, executors, legal representatives, successors and permitted assigns. Except as otherwise provided in this Agreement or any Ancillary Agreement, the term “Agreement” and any reference in this Agreement to this Agreement, any Ancillary Agreement or any other agreement or document includes, and is a reference to, this Agreement, such Ancillary Agreement or such other agreement or document as it may have been, or may from time to time be, amended, restated, replaced, supplemented or novated and includes all schedules to it.

#### **Section 1.8      Statutes.**

Except as otherwise provided in this Agreement or any Ancillary Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted.

#### **Section 1.9      Non-Business Days.**

Whenever payments are to be made, an action is to be taken or the Closing Date or Due Diligence Date or other date specifically defined in this Agreement arises on a day which is not a Business Day, such payment must be made, such action must be taken and such date will arise on the next succeeding Business Day.

## Article 2 PURCHASED ASSETS

### Section 2.1      Purchased Assets.

Subject to the terms and conditions of this Agreement, the Vendors agree to sell to the Purchaser and the Purchaser agrees to purchase from the Vendors on the Closing Date the following (collectively, the “**Purchased Assets**”):

- (a)     **Land.** The land and premises described in Schedule “A”, and all appurtenances to it and rights and benefits in respect of it (collectively, the “**Land**”);
- (b)     **Houses.** In respect of each parcel of Land, all buildings, structures, improvements, appurtenances, attachments, fixtures and fixed equipment located on, in or under the Land and owned by the applicable Vendor, including all systems including heating, ventilation, air-conditioning, electrical, lighting, plumbing and water systems and all floor coverings, furnaces and boilers and fittings (the “**Houses**”);
- (c)     **Leases.** The valid Leases compliant with all applicable Laws that are in existence on the Acceptance Date and any valid New Leases compliant with all applicable Laws ;
- (d)     **Assumed Property Contracts.** The full benefit of all Property Contracts that are (i) in existence on the date of this Agreement and Disclosed to the Purchaser, and which the Purchaser agrees to assume on Closing by way of written confirmation to Clark on or before the Due Diligence Date, or (ii) entered into after the Acceptance Date in compliance with Section 7.3 (the “**Assumed Property Contracts**”);
- (e)     **Permitted Encumbrances.** The full benefit of all Permitted Encumbrances, save and except such Permitted Encumbrances that the Vendors are expressly required by this Agreement to discharge, delete, release and/or otherwise deal with (including any Financial Encumbrances);
- (f)     **Chattels.** All Chattels; and
- (g)     **Other.** All other undertaking, property, assets, rights, interests, entitlements, benefits and privileges of any nature or kind owned by each Vendor and used in connection with the Purchased Assets described above in this Section 2.1, in each case as are owned by such Vendor and are transferable, including but not limited to any refund or rebate of realty taxes.

### Section 2.2      Excluded Assets.

Notwithstanding Section 2.1, the Purchased Assets do not include any of the following assets (the “**Excluded Assets**”):

- (a)     Property Contracts other than the Assumed Property Contracts;
- (b)     the chattels, personal or movable property of Tenants;
- (c)     insurance policies relating to the Purchased Assets and all rights of any Vendor of every nature arising out of such policies (subject to Section 7.4); and

- (d) rental receivables of any Vendor against any Tenant which have accrued or are payable prior to the Closing Date, on a pro-rata basis (the “**Vendor Receivables**”).

### **Article 3**

#### **PURCHASE PRICE**

##### **Section 3.1 Purchase Price.**

The consideration payable by the Purchaser to the Vendors (or as they may otherwise direct in writing prior to Closing) for the Purchased Assets (the “**Purchase Price**”) is One Hundred and Eighteen Million One Hundred and Sixty Thousand Seven Hundred and Ninety-Seven (\$118,160,797), inclusive of Sales Taxes, and subject to adjustment in accordance with Section 3.2(3) and Article 4.

##### **Section 3.2 Allocation.**

- (1) The Vendors and the Purchaser hereby agree to allocate the Purchase Price amongst the Properties in accordance with Schedule “A” attached hereto.
- (2) The Vendors and the Purchaser hereby agree to allocate the Purchase Price in respect of each Property among the Lands, Houses and other classes of Purchased Assets associated with that Property on a reasonable basis, supportable by applicable accounting principals, and the Vendors and the Purchaser shall execute and file all of their own tax returns and prepare and file all of their own financial statements and other instruments on the basis of same. Notwithstanding the foregoing, in the event that the Vendors and the Purchaser are not able to agree upon such allocation among the Lands, Houses and other classes of Purchased Assets associated with that Property prior to or on Closing, then such parties shall be entitled to allocate the Purchase Price amongst such components as each of them see fit, provided that same shall be done on a commercially reasonable basis.
- (3) In the event that the Purchaser determines not to waive the Due Diligence Condition in respect of any one or more the Properties listed on Schedule “A” hereto, the Purchase Price shall be reduced by the deduction of the amount allocated thereto on Schedule “E” hereto applicable to such Property or Properties and the applicable Property or Properties shall be deemed to have been removed from this Agreement. Similarly, if the Closing does not occur with respect to any one or more of the Properties as a result of default of the terms of this Agreement in respect of any particular Property or Properties and/or by application of Section 6.2(4), Section 6.4(4) and/or Section 7.4, the Purchase Price shall be reduced by deducting the amount allocated thereto on Schedule “E” hereto applicable to such Property or Properties, and the applicable Property or Properties shall be deemed to have been removed from this Agreement.

##### **Section 3.3 Payment.**

At the Closing, the Purchase Price shall be satisfied, subject to adjustment in accordance with the other applicable terms hereof, as follows:

- (a) as to the amount of the Deposit, by such amount being credited on account of the Purchase Price;
- (b) as to the amount of the Escrow Holdback, by such amount being paid by the Purchaser to the Escrow Agent by wire transfer of immediately available funds, in accordance with Section 3.7; and

- (c) as to the balance of the Purchase Price after payment of the consideration specified in Section 3.3(a) and Section 3.3(b) and the making of adjustments in accordance with the other applicable terms of this Agreement, by the Purchaser paying such amount to the Vendor's Solicitors, in trust, by wire transfer of immediately available funds.

#### **Section 3.4 Payment of Deposit.**

- (1)
  - (a) A first deposit (the **"Initial Deposit"**) of One Hundred Thousand Dollars (\$100,000) shall be paid by the Purchaser by certified cheque, bank draft or wire transfer of immediately available funds to the Vendor's Solicitor, within two (2) Business Days after the execution and delivery of this Agreement, to be deposited into the trust account of the Vendor's Solicitor; and
  - (b) A second deposit (the **"Additional Deposit"** and together with the Initial Deposit, collectively, the **"Deposit"**) of Seven Hundred and Fifty Thousand Dollars (\$750,000) shall be paid by the Purchaser by certified cheque, bank draft or wire transfer of immediately available funds to the Vendor's Solicitor within two (2) Business Days following waiver by the Purchaser of the Due Diligence Condition, to be deposited into the trust account of the Vendor's Solicitor.
- (2) The Initial Deposit and the Additional Deposit (if applicable) will be held by the Vendor's Solicitors in trust for the credit of the Purchaser pending Closing on the terms and conditions of this Agreement. Subject to the terms hereof, on Closing, the Deposit will be released to Clark (or as they may otherwise direct in writing prior to Closing) and credited on account of the Purchase Price.
- (3) If the Closing does not occur for any reason other than a default of the Purchaser under this Agreement, including where Closing does not occur due to non-waiver or non-satisfaction by the Purchaser of any of the conditions set forth in Section 8.1, the Vendor's Solicitors shall return the full amount of the Deposit to the Purchaser (and the Vendor's Solicitors are irrevocably and unconditionally directed by each of the Parties to do so), without limiting the Purchaser's right to claim additional Damages and/or pursue all other available remedies solely in respect of any default of the Vendors under this Agreement (including specific performance), subject in each case to the terms of this Agreement. The Damages which can be claimed by the Purchaser as a result of a default of the Vendors, (and which for greater clarity shall not include either party's failure to settle the terms of the New Management Agreement and Indemnity Escrow Agreement by the Due Diligence Date in accordance with the terms of this Agreement) , shall be limited to the amount of all reasonable legal fees and disbursements, consultants fees, financing costs, appraisal costs, site inspection expenses, lender fees, subscription fees to data sites for information collection and other costs incurred by the Purchaser in connection with its due diligence in respect of the Purchased Assets. This Section 3.4(3) shall survive and not merge on any termination of this Agreement or this Agreement becoming null and void.
- (4) If the Closing does not occur solely as a result of a default of the Purchaser under this Agreement, which default of the Purchaser for certainty does not include non-waiver or non-satisfaction by the Purchaser of the conditions set forth in Section 8.1, the full amount of the Deposit will become the property of and be paid to Clark (or as they may otherwise direct in writing) and the Vendor's Solicitors are irrevocably and unconditionally directed by each of the Parties to do so and acceptance of the Deposit shall be the Vendors' sole remedy against the Purchaser for failure to complete the Transaction. The Deposit shall be paid to the Vendor as liquidated damages in full and final satisfaction of any Claim that any Vendor may have against the Purchaser for failure to complete the Transaction, and for certainty, the Deposit shall constitute the limit of the amount of

said liquidated Damages. This Section 3.4(4) shall survive and not merge on any termination of this Agreement or this Agreement becoming null and void.

### **Section 3.5 Vendor's Solicitors as Deposit Agent.**

Vendor's Solicitors have agreed to hold the Deposit and to disburse it as provided in this Agreement (in its capacity as a deposit agent, the Vendor's Solicitors are referred to herein as the "**Deposit Agent**"). In that regard, the Purchaser and the Vendors agree as follows:

- (a) The Deposit Agent will not be liable for any action taken or omitted to be taken by it in good faith, unless proven to have been negligent or as a result of its wilful misconduct.
- (b) The Deposit Agent does not, and will not be deemed to, assume any duty, liability or responsibility other than to hold the Deposit in accordance with the provisions of this Agreement and to pay the Deposit to the Person becoming entitled thereto in accordance with the terms of this Agreement.
- (c) If the Deposit Agent is uncertain as to its duties or rights hereunder or receive instructions, Claims from any Party hereto or from any third party with respect to the Deposit which, in its opinion, conflict with any provision of this Agreement or with any other instruction, claim or demand from any Party hereto, the Deposit Agent may refrain from taking any action authorized and directed hereunder until it has been authorized or directed otherwise in writing by the Purchaser and the Vendors, or by an order of a court of competent jurisdiction from which no further appeal may be taken.
- (d) The Deposit Agent may be relieved and discharged from its obligations in respect of the Deposit at any time after fifteen (15) days' written Notice by the Deposit Agent to the Vendors, the Purchaser and the Purchaser's Solicitors, and upon such relief and discharge, the Deposit Agent shall deliver the Deposit as directed by the Purchaser and the Vendors jointly or, failing such direction, shall pay the Deposit into court.
- (e) Neither the disbursement of the Deposit to any other party or into court or pursuant to an order of the court, as provided herein, nor the discharge of the Deposit Agent from its duties and obligations in respect of the Deposit, nor any dispute between any Vendor and Purchaser, whether or not involving the Deposit, will in any way hinder the ability of Vendor's Solicitors to continue to act as legal counsel to the Vendors.

It is the intention of the Parties that this Section 3.5 will benefit the Deposit Agent, notwithstanding that it is not party to this Agreement, and the Parties acknowledge that the Deposit Agent has agreed to hold the Deposit in reliance upon this Section 3.5.

### **Section 3.6 Land Transfer Tax and Registration Fees on Transfer.**

- (1) The Purchaser is liable for and shall pay all land transfer tax, and other similar taxes, duties and fees in respect of the registration of each transfer, and other like charges properly payable upon and in connection with the sale, assignment and transfer of the Purchased Assets from the Vendors to the Purchaser.
- (2) The provisions of this Section shall survive and not merge on Closing.



### **Section 3.7      Holdback Escrow.**

In order to secure the Vendors' obligations under this Agreement that survive the Closing (including all Vendor indemnification obligations set forth herein), at Closing the Purchaser shall deposit a portion of the Purchase Price to the Escrow Agent in an amount equal to Five Percent (5%) of the Purchase Price (the **"Escrow Holdback"**), which shall be held by the Escrow Agent in an interest-bearing trust account for a maximum period of twelve (12) months pursuant to the terms of an indemnity escrow agreement to fund the indemnity of the Vendors in Section 11.2 and all other post-Closing obligations of the Vendors, the form of which is to be agreed to by the Vendors and the Purchaser, each acting reasonably, on or before the Due Diligence Date (the **"Indemnity Escrow Agreement"**).

## **Article 4 ADJUSTMENTS**

### **Section 4.1      Adjustments.**

- (1) The Purchase Price will be adjusted as of the Closing Date (with the Closing Date being allocated to the Purchaser) for all items of income and expense and other items that are adjusted in accordance with usual commercial practice for adjustment between a vendor and purchaser with respect to the purchase and sale of comparable properties, in the case of each Property, in the municipality in which the Property is located, the Vendors being responsible for all expenses and entitled to all income related to the Purchased Assets in respect of the period prior to the Closing Date and the Purchaser being responsible for all expenses and entitled to all income related to the Purchased Assets in respect of the period from and including the Closing Date, in each case except as otherwise provided herein, including collected rent and additional rent, real estate taxes, all utilities applicable to the property, other operating charges and items customarily adjusted at closing are to be adjusted pro rata by parcel as of midnight the day immediately preceding the Closing Date, and shall take into account the Vendors' obligation to cover all operating and carrying costs until such time.

The adjustments will, to the extent applicable, include:

- (a) realty taxes (including local improvement charges and assessments);
- (b) rent accrued for the month in which the Closing occurs and all other landlord recoveries owing from any Tenants, including parking income;
- (c) pre-paid rents under the Leases relating to the period after Closing and interest accrued thereon to the Closing Date;
- (d) unmetered utility charges and fuel costs, utility deposits, damage/security deposits relating to Leases, interest accruing to Tenants, if any, on security deposits;
- (e) security or other deposits relating to Assumed Property Contracts;
- (f) payments under Assumed Property Contracts; and
- (g) such other matters referred to in this Agreement which are stated to be the subject of adjustment and shall exclude any other matters in this Agreement which are stated not to be the subject of adjustment.

**THIS FIRST AMENDMENT TO AGREEMENT OF PURCHASE AND SALE** is made as of this 14<sup>th</sup> day of March, 2022.

**AMONG:**

**ROBERT CLARK**

**-and-**

**ARUBA BUTT**

**-and-**

**SIDRWC INC.**

**-and-**

**2707793 ONTARIO INC.**

**-and-**

**the Persons listed in Schedule “A” attached hereto**

**-and-**

**CORE ACQUISITION CO. INC.**

**RECITALS:**

- A. The parties hereto entered into an agreement of purchase and sale made as of February 24, 2022 (the “**Purchase Agreement**”);
- B. The parties hereto have agreed to amend the Purchase Agreement on and subject to the terms and conditions contained herein; and
- C. Unless otherwise defined, the capitalized terms used herein shall have the same meanings as in the Purchase Agreement.

**NOW THEREFORE**, in consideration of the mutual covenants and agreements set forth in this Agreement and the sum of Ten Dollars (\$10.00) paid by each of the parties to the others and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto agree as follows:

- 1. The definition of “Due Diligence Date” in section 1.1 of the Purchase Agreement is hereby deleted in its entirety and replaced with the following:

**“Due Diligence Date”** means March 14, 2022”

2. The definition of “Closing Date” in section 1.1 of the Purchase Agreement is hereby deleted in its entirety and replaced with the following:

**“Closing Date”** means April 21, 2022, or such earlier or later date as may be agreed to by the Parties in writing.

3. The definition of “Escrow Agent” in Section 1.1 of the Purchase Agreement is hereby deleted in its entirety and all references to “Escrow Agent” are deemed to be deleted from the Agreement.
4. The definition of “Indemnity Escrow Agreement” in Section 1.1 of the Purchase Agreement is hereby deleted in its entirety and all references to “Indemnity Escrow Agreement” are deemed to be deleted from the Agreement.

5. Section 3.1 of the Purchase Agreement is hereby deleted in its entirety and replaced with the following:

“The consideration payable by the Purchaser to the Vendors (or as they may otherwise direct in writing prior to Closing) for the Purchased Assets (the **“Purchase Price”**) is Seventy-Nine Million (\$79,000,000), inclusive of Sales Taxes, and subject to adjustment in accordance with Section 3.2(3) and Article 4.”

6. Section 3.3 of the Purchase Agreement is hereby deleted in its entirety and replaced with following:

“At the Closing, the Purchase Price shall be satisfied, subject to adjustment in accordance with the other applicable terms hereof, as follows:

- (a) as to the amount of the Deposit, by such amount being credited on account of the Purchase Price; and
- (b) as to the balance of the Purchase Price less the amount of the Escrow Holdback, and after payment of the consideration specified in Section 3.3(a) and the making of adjustments in accordance with the other applicable terms of this Agreement, by the Purchaser paying such amount to the Vendor’s Solicitors, in trust, by wire transfer of immediately available funds.”

7. Section 3.7 of the Purchase Agreement is hereby deleted in its entirety and replaced with following:

“In order to secure the Vendors’ obligations under this Agreement that survive the Closing (including all Vendor indemnification obligations set forth herein), at Closing the Purchaser shall withhold payment of a portion of the Purchase Price in an amount equal to Five Percent (5%) of the Purchase Price (the **“Escrow Holdback”**), which shall accrue interest at a rate of six (6%) per cent per annum which shall be payable quarterly on the outstanding balance of the Escrow Holdback at such time. The Purchaser shall be entitled to apply the Escrow Holdback only to fund any amounts due to it pursuant to the indemnity

of the Vendors in Section 11.2 and all other post-Closing obligations of the Vendors, including those pursuant to Section 4.2, strictly in accordance with the terms of this Agreement. The Purchaser will notify Clark in writing of any application of the Escrow Holdback by it from time to time. Any remaining balance of the Escrow Holdback as at the date which is 12 months following the Closing Date shall be remitted to the Vendors or as they may direct.”

8. All references to “5:00 p.m.” in Section 6.4(2) is hereby deleted in its entirety and replaced with “11:59 p.m.”.
9. Section 7.2 of the Purchase Agreement is hereby amended by adding the following at the end thereof:  
  
 “The Vendors, Clark, the Manager, SIDRWC Inc. and SID Renos agree that the deficiencies listed in Schedule “F” to this Agreement will be corrected prior to Closing and that evidence of each such correction acceptable to the Purchaser shall be provided in respect of each of such matters prior to Closing falling which adjustments shall be made in accordance with Section 4.1(2)(c).”
10. Schedule “A” to the Purchase Agreement is hereby deleted in its entirety and replaced with Schedule “A” to this Amending Agreement.
11. Schedule “D” to the Purchase Agreement is hereby deleted in its entirety and replaced with Schedule “B “ to this Amending Agreement.
12. Schedule “E” to the Purchase Agreement is hereby deleted in its entirety and replaced with Schedule “C” to this Amending Agreement.
13. Schedule “D” to this Amending Agreement is hereby added as Schedule “F” to the Purchase Agreement.
14. This Amending Agreement is supplementary to the Purchase Agreement and is to be read with and construed in accordance with the Purchase Agreement as if this Amending Agreement and the Purchase Agreement constitute one agreement.
15. The Purchaser hereby waives the Due Diligence Condition.
16. Other than as provided in this Amending Agreement, all other terms and conditions of the Purchase Agreement shall remain in full force and effect, unamended, and the parties hereto hereby ratify and confirm the same.
17. This Amending Agreement is binding upon and enures to the benefit of the parties hereto and their respective successors and permitted assigns.
18. This Amending Agreement shall be governed in all respects, including validity, interpretation and effect, by the laws of the Province of Ontario and the federal laws of Canada applicable therein, without giving effect to any principles of conflict of laws thereof which would result in the application of the laws of any other jurisdiction.

19. This Amending Agreement may be signed in counterparts, and each counterpart may be delivered by electronic, facsimile or similar transmission, and each of such counterparts constitutes an original document and such counterparts, taken together, constitute one and the same instrument.

***[SIGNATURE PAGES FOLLOW]***

**THIS AMENDMENT TO AGREEMENT OF PURCHASE AND SALE** is made as of this 29<sup>th</sup> day of April, 2022.

**AMONG:**

**ROBERT CLARK**

**-and-**

**ARUBA BUTT**

**-and-**

**SIDRWC INC.**

**-and-**

**2707793 ONTARIO INC.**

**-and-**

**the Persons listed in Schedule “A” attached hereto**

**-and-**

**CORE ACQUISITION CO. INC.**

**RECITALS:**

- A. The parties hereto entered into an agreement of purchase and sale made as of February 24, 2022, as amended by agreements dated March 14, 2022, letter agreement dated, April 21, and letter agreements dated April 27, 2022 (the “**Purchase Agreement**”);
- B. The parties hereto have agreed to further amend the Purchase Agreement on and subject to the terms and conditions contained herein; and
- C. Unless otherwise defined, the capitalized terms used herein shall have the same meanings as in the Purchase Agreement.

**NOW THEREFORE**, in consideration of the mutual covenants and agreements set forth in this Agreement and the sum of Ten Dollars (\$10.00) paid by each of the parties to the others and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto agree as follows:

1. The definition of “Closing Date” in section 1.1 of the Purchase Agreement is hereby amended by adding the following at the end thereof:

“provided however that the parties agree that the Closing Date will be extended day to day until the requirements of the Purchaser and its lender with respect to the discharges of all the mortgages and other security registered against the Properties are available and Closing can occur, with the Vendors, Clark, the Manager, SIDRWC Inc. and SID Renos hereby agreeing that they will be responsible for the interest payable by the Purchaser on its loan with respect to this transaction for each day of delay after May 4, 2022, which amount shall be adjusted for accordingly.”

2. Section 2.3 is hereby added after Section 22 of the Purchase Agreement as follows:

“ Section 2.3 **Excluded Properties**

“The parties agree that:

(a) the Properties listed on Schedule G (the ‘**Excluded Properties**’) are hereby removed from the Closing scheduled to occur on May 4, 2022, such that the Purchase Price payable in respect of that Closing is \$75,850,443.00. The Excluded Properties will continue to subject to this Agreement provided that the conditions remaining in respect thereto are satisfied by May 10<sup>th</sup>, 2022, in which case the Closing with respect to the Excluded Properties (or some of them, as applicable) will occur three (3) Business Days thereafter, but in any event not later than May 13, 2022.

(b) If the Excluded Properties or any of them are not purchased pursuant of the terms of this Agreement by May 13, 2022 then they will be included in the next transaction entered into between, *inter alios*, Clark, the Manager, SIDRWC Inc. and SID Renos and the Purchaser or an affiliate thereof, at the same purchase prices as allocated to the Excluded Properties pursuant to this Agreement.”

3. Neat Nests Inc., Prospect Real Estate Holdings Inc. and Zach Files Real Estate Inc. (collectively, the “**Removed Parties**”) are hereby: (a) no longer deemed as “Vendors” under the Purchase Agreement; (b) removed as parties to the Purchase Agreement; and (c) released and discharged from their liabilities, obligations, covenants, agreements, representations and warranties under the Purchase Agreement. Accordingly, the Removed Parties shall no longer have rights or benefits under the Purchase Agreement and shall no longer be required, or have any right, to agree or consent to any matters arising under, related to, or in connection with the Purchase Agreement, as amended from time to time.
4. Schedule “A” to this Amending Agreement is hereby added as Schedule “G” to the Purchase Agreement.
5. This Amending Agreement is supplementary to the Purchase Agreement and is to be read with and construed in accordance with the Purchase Agreement as if this Amending Agreement and the Purchase Agreement constitute one agreement.

6. Other than as provided in this Amending Agreement, all other terms and conditions of the Purchase Agreement shall remain in full force and effect, unamended, and the parties hereto hereby ratify and confirm the same.
7. This Amending Agreement is binding upon and enures to the benefit of the parties hereto and their respective successors and permitted assigns.
8. This Amending Agreement shall be governed in all respects, including validity, interpretation and effect, by the laws of the Province of Ontario and the federal laws of Canada applicable therein, without giving effect to any principles of conflict of laws thereof which would result in the application of the laws of any other jurisdiction.
9. This Amending Agreement may be signed in counterparts, and each counterpart may be delivered by electronic, facsimile or similar transmission, and each of such counterparts constitutes an original document and such counterparts, taken together, constitute one and the same instrument.

***[SIGNATURE PAGES FOLLOW]***





### **TRUST LEDGER**

**RE: Borrowers:** Hometown Housing Inc.  
**Lenders:** Lender Name  
**Address:** 118 Kathleen Street, Sudbury, Ontario  
**Closing Date:** July 25, 2023

<b>TRUST LEDGER</b>		
<b>NOTE</b>	<b>RECEIPT</b>	<b>DISBURSED</b>
Mortgage Funds	\$326,255.46	
Tax Arrears Payment		\$13,617.44
Legal Fees		\$1977.50
Disbursements		\$218.72
Title Insurance		\$496.80
Lender Fees (Upgrade Lift)		\$3087.08
NLPC Fees (Upgrade Lift)		\$2108.19
Balance Due to Borrower		\$695.73
Balance Due to Borrower		\$304,054.00
<b>TOTAL</b>	<b>\$326,255.46</b>	<b>\$326,255.46</b>



**TRUST LEDGER**

**RE: Borrowers:** The Pink Flamingo Inc.  
**Address:** 104 London Street, Sault Ste. Marie  
**Closing Date:** July 19, 2023

<b>TRUST LEDGER</b>		
<b>NOTE</b>	<b>RECEIPT</b>	<b>DISBURSED</b>
Mortgage Funds	\$129,322.64	
Tax Arrears Payment		\$3998.95
Legal Fees		\$1977.50
Disbursements		\$165.74
Balance Due to Borrower		\$123,180.45
<b>TOTAL</b>	<b>\$129,322.64</b>	<b>\$129,322.64</b>



### **TRUST LEDGER**

**RE: Borrowers:** Hometown Housing Inc.  
**Lenders:** Lender Name  
**Address:** 118 Kathleen Street, Sudbury, Ontario  
**Closing Date:** July 25, 2023

<b>TRUST LEDGER</b>		
<b>NOTE</b>	<b>RECEIPT</b>	<b>DISBURSED</b>
Mortgage Funds	\$326,255.46	
Tax Arrears Payment		\$13,617.44
Legal Fees		\$1977.50
Disbursements		\$218.72
Title Insurance		\$496.80
Lender Fees (Upgrade Lift)		\$3087.08
NLPC Fees (Upgrade Lift)		\$2108.19
Balance Due to Borrower		\$695.73
Balance Due to Borrower		\$304,054.00
<b>TOTAL</b>	<b>\$326,255.46</b>	<b>\$326,255.46</b>

## MORTGAGE RENEWAL TERM SHEET AND COMMITMENT

I/We, Lender names (Mortgagee/Lender) hereby agree to extend the existing mortgage of \$135,920.00 to DSPLN Inc. (Mortgagor/Borrower) with Aruba Butt as guarantor to be secured by way of the existing **1<sup>st</sup> mortgage** registered upon the following terms and conditions:

Address of Property: 351 Balsam Street S, Timmins, ON P4N 2E6

Legal Description: Pcl 41694 SEC WAT SRO; LT

Principle Amount: \$135,920.00

Interest Rate: 9%

Interest Calculation: Calculated Yearly (interest only payments) not in advance

Payments: \$1,019.40 Interest only

Payment Frequency: Monthly

Closing Date: Continuance of the existing mortgage maturing June 06, 2023

Term: 6 Month Term Open after three months

Expiry and Repayment: December 06, 2023

Amortization: Registered as 25 Years but payments based on Interest Only



Fees and Disbursements: To Be paid by Borrower(s) as outlined below

- 1) This mortgage is renewable at the end of the Term subject to review and approval by the lender, requalifying and fees to be negotiated at the time.
- 2) All parties agree that there is a Lender Extension Fee of \$3,218.40. This fee is payable now and to be deposited into the allocated Olympia Trust Account on or before first payment of July 6th, 2023 \*\* This fee is comprised of a lender fee plus an additional \$500 lender renewal fee.
- 3) All parties agree that there is a mortgage broker renewal fee of \$1,450.00 payable now and will be deducted using the existing signed PAD on file which will then be forwarded to The Mortgage Alliance Company of Canada, 200 2005 Sheppard Avenue E, Toronto, ON M2J 5B4. If a signed PAD is not on file for mortgage broker fees, an e-transfer can be sent to [investor@thewindrosegroup.ca](mailto:investor@thewindrosegroup.ca).
- 4) All parties agree that, with the exception of the changes noted herein, all other terms and conditions as outlined in the original Term Sheet signed December 01, 2022 and Standard Mortgage Charge registered on title apply.
- 5) The borrower is to ensure payments continue as noted above and in the original Term Sheet so the original debit from the borrowers account will continue.
- 6) **Changes to Administration Fees and Costs:** Updated and current schedule of administration and servicing fees (may change without notice to you);


  
 Borrower Initials    Lenders Initials

- a. **Payment Date Change Requests:** Requests for any changes in the borrower's payment date after funding, must be submitted in writing and approved by both the lender and trustee. If the date change can be accommodated and approved, fees may apply - **\$250 (\$150 Lender Fee & \$100 Administration/Broker Fee).**
- b. **Missed Payment Fee:** payable for each missed or late installment and for processing each NSF cheque or other returned payment. Any payment including final payout of the mortgage that is made after 1:00 P.M. on any date, shall be deemed for the purpose of calculating interest to have been made and received on the next bank business day - **\$500 (\$250 Lender Fee & \$250 Administration /Broker Fee).**
- c. **Demand Letter in Default:** **\$500** plus lenders legal fees estimated to be \$500.
- d. **Default Proceedings:** for each action or proceeding instituted - **\$2,500.00**
- e. **Renewal of Mortgage:** At the discretion of the Mortgagee to offer a renewal or extension of this agreement. Upon renewal or extension, the rate of interest charged may be increased. All applicable lender fees, legal expenses & disbursements associated with renewal or extension are separate and at the cost of the Mortgagor and to be determined on renewal. Administration fee - **\$500.00 plus mortgage broker fees may apply**
- f. **Annual Mortgage Statements:** for preparation of each statement- **\$200.00**
- g. **Possession:** Attempting to take possession following default- **\$2,500.00**
- h. **Maintenance:** For administering maintenance and security of the property in our possession following default per day- **\$150.00**
- i. **Mortgage Discharge: \$300.00 Lender Fee.** Please note that a lawyer will be involved and be required to represent the lender and discharge the mortgage from title when the mortgage is paid out in full. The lenders legal fees are the full responsibility of the borrower and start from \$400 plus disbursements and taxes and are in addition to this Mortgage Discharge Fee.
- j. **Insurance:** A fee payable for dealing with each cancellation, premium payment or other non-compliance with insurance requirements- **\$300 (\$150 Lender Fee & \$150 Administration/Broker Fee).**

IN WITNESS WHEREOF the parties have duly affixed their signatures under seal:

<u>2023-06-28</u> Date: (dd/mm/yyyy)	<div style="text-align: center;"></div> <hr/> DSPLN Inc. / Mortgagor/Borrower
<u>2023-06-28</u> Date: (dd/mm/yyyy)	<div style="text-align: center;"></div> <hr/> Aruba Butt / Mortgagor/Borrower
<u>2023-06-28</u> Date: (dd/mm/yyyy)	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid black; background-color: black; color: white; padding: 5px; text-align: center;">Lender Name</div> <div style="border: 1px solid black; background-color: black; color: white; padding: 5px; text-align: center;">Lender Name</div> </div> <hr/> <div style="display: flex; justify-content: space-between;"> <div style="border: 1px solid black; background-color: black; color: white; padding: 5px; text-align: center;">Lender Names</div> <div style="border: 1px solid black; background-color: black; color: white; padding: 5px; text-align: center;">Mortgagee/Lender</div> </div>

  
 Borrower Initials

  
 Lenders Initials

## LETTER OF DIRECTION

The Mortgage Alliance Company of Canada  
 200 2005 Sheppard Avenue E, Toronto ON M2J 5B4  
 License #: 10530

June 9, 2023

**ATTENTION:** DSPLN Inc.

**RE:** LETTER OF DIRECTION - FEE AGREEMENT

<b>APPLICATION #:</b>	MACC-578305
-----------------------	-------------

**CLIENT INFORMATION:**

<b>Name:</b>	DSPLN Inc. and Aruba Butt
--------------	---------------------------

<b>Address:</b>	394 Appleby Line, Burlington, ON, L7L 2X8
-----------------	---

**PROPERTY INFORMATION:**

<b>Mortgaged Property:</b>	351 Balsam Street S, Timmins, ON P4N 2E6
----------------------------	--

<b>Lender:</b>	<div style="background-color: black; color: white; padding: 2px;">Lender Name</div>	<b>Closing Date:</b>	June 06, 2023
----------------	---	----------------------	---------------

**LOAN INFORMATION:**

<b>Loan Amount:</b>	\$135,920.00	<b>Payment &amp; Frequency:</b>	\$1,019.40 Monthly
---------------------	--------------	---------------------------------	--------------------

<b>Lender Fee Including Renewal Fees:</b>	\$3,218.40	<b>Interest Rate:</b>	9%
---	------------	-----------------------	----

<b>Net Advance:</b>	\$135,920.00 – Lender Fee payable Now (Renewal)
---------------------	---


**BROKERAGE INFORMATION:**

<b>Brokerage Fee:</b>	\$1,450.00
-----------------------	------------


As a deduction on closing from the proceeds, we the undersigned hereby irrevocably authorize and direct you to pay the above noted **Brokerage Fee of \$1,450.00** to Mortgage Alliance by mail to the address noted above (please include a copy of this Letter of Direction with payment).

**Client Authorization**

~~2023-06-28~~ \_\_\_\_\_  
 Witness

  
 \_\_\_\_\_  
 DSPLN Inc. (Borrower)

~~2023-06-28~~ \_\_\_\_\_  
 Witness

  
 \_\_\_\_\_  
 Aruba Butt (Guarantor)

**LENDER FEE & MONTHLY PAYMENT INSTRUCTIONS**

Please include subject property address on all cheques.

<b>OLYMPIA TRUST INSTRUCTIONS</b>	
If lender fee is due to Olympia Trust cheque must be addressed to <b>Olympia Trust</b> and mailed via courier or registered mail.	
<b>Courier:</b>	2200-9 Avenue SE Calgary AB T2G0P6
<b>Registered Mail:</b>	PO Box 2581 STN Central Calgary AB T2P 1C8

**Mortgage Brokerages, Lenders and Administrators Act**

This document must be provided to the borrower 2 business days prior to the signing of any mortgage instruments, unless waived below.

**Disclosure to Borrower****Cost of Borrowing Disclosure:**

Property to be mortgaged: 351 Balsam Street S, Timmins, Ontario P4N 2E6 , Detached ,

**Details of Mortgage:**

The principal amount of the First mortgage \$ 135,920.00, will be repayable in Monthly installments of \$ 1,019.40, to be paid on the 6th of every month , only interest, starting on July 06, 2023. The net advance of funds is \$ 131,251.60.

The total amount of all payments over the 6 Months term will be \$ 6,116.40. The mortgage will be amortized over

**Interest:**

The date on which interest begins to accrue is: June 06, 2023 and if any grace period is given, the details are:

N/A

The annual interest rate is 9.000 % and the compounding period is Monthly.

Interest for each payment period is calculated against the balance owing. Each payment is applied first to the accumulated cost of borrowing, and then to the outstanding principal. Any interest unpaid becomes part of the balance owing for the purposes of calculating the interest charged in future payment periods.

Where the annual interest rate may change, the method of determining the annual interest rate is:

**Fees and Costs Payable by Borrower:**

	Comments	Value	Included In APR
Brokerage Fee		\$ <u>1,450.00</u>	<u>X</u>
Other Lender Fees		\$ <u>3,218.40</u>	<u>X</u>
<b>Total Costs:</b>		\$ <u>4,668.40</u>	

**Total Cost of Borrowing:**

Total Cost of Borrowing (including interest) to be paid over the term of the mortgage: \$ 10,784.80 APR: 15.869 %

*The APR is not the contract rate of the mortgage. It is the interest costs, plus the non-interest costs required to obtain the mortgage, expressed as a percentage of the average mortgage balance over the term of the mortgage.*

**Terms and Conditions:**

Prepayment Privileges: See commitment for details

Transferability: See commitment for details

Method of Payment: See commitment for details

Special Conditions: See commitment for details

Particulars / Penalties: See commitment for details

**Conflict of Interest Disclosure:****Referral Fees to Brokerage and/or Broker/Agent:**

*Describe any direct or indirect interest that the Brokerage has or, as currently contemplated, may acquire in the transaction for which this disclosure statement is provided.*

☒ **Mortgage - Commissions**

*The brokerage will receive a commission and may receive contingent commissions from the Lender. Commissions are generally a fixed percentage of principal amounts of the mortgage being placed. Contingent commissions may be based on factors such as the volume of business placed with the Lender, or a certain percentage growth in the placement of business over a previous period, and may be paid in cash or some other form of compensation.*

☒ **Other Compensation**

*The Lender involved in this transaction may provide the brokerage fees or incentives dependant on the interest rate and the term(s) accepted by the Borrower. The brokerage may retain the fees and incentives or may use them for the benefit of another of the brokerage's clients.*



**Mortgage Brokerages, Lenders and Administrators Act**

This document must be provided to the borrower 2 business days prior to the signing of any mortgage instruments, unless waived below.

**Disclosure to Borrower****Information on Brokerage:**

The Brokerage is representing The Borrower & the Lender, not to the preference of either in this transaction.

The Brokerage has acted for 86 lenders during the previous fiscal year.

☐ The Brokerage has acted as a lender in the previous fiscal year.

☐ The Brokerage has not acted as a lender in the previous fiscal year.

Name and Address of Brokerage: The Mortgage Alliance Company of Canada License #: 10530 200-2005 Sheppard Avenue E.  
Toronto, ON M2J 5B4

Name of Authorized Person signing on behalf of Brokerage: Claire Drage, Broker License #: M08007610

Date: 06/06/2023

Authorized Signature: \_\_\_\_\_

**Disclosure of Material Risks:**

The brokerage has reviewed with the borrower the general risks associated with a mortgage commitment. These risks include: risk of falling into arrears, default and foreclosure, prepayment penalties, etc.

**Acknowledgment**

I / we acknowledge receipt of a copy of this form, and corresponding Amortization Schedule and that I / we have reviewed the information.

Date: 2023-06-28 Borrower: \_\_\_\_\_ Aruba Butt  
DSPLN Inc

Date: 2023-06-28 Borrower: \_\_\_\_\_ Aruba Butt  
Aruba Butt

I / we waive the 2 business days requirement for this disclosure.

Date: 2023-06-28 Borrower: \_\_\_\_\_ Aruba Butt  
DSPLN Inc

Date: 2023-06-28 Borrower: \_\_\_\_\_ Aruba Butt  
Aruba Butt

This form is provided "as-is" and D+H Limited Partnership ("D+H") makes no representations, warranties or conditions with regard to this form. Without limiting the generality of the foregoing, D+H does not warrant that this form complies with any applicable legislation and/or regulation. To the maximum extent permitted by applicable law, D+H disclaims all warranties and conditions implied or statutory, including, but not limited to, any warranties or conditions of merchantability, fitness for a particular purpose, and non-infringement.

**From:** [Name] <[Email Address]>  
**Sent:** Monday, April 8, 2024 8:52 AM  
**To:** Balboa <Balboa@ksvadvisory.com>  
**Cc:** [Name] <[Email Address]>; [Name] <[Email Address]>; [Name] <[Email Addresses]>  
**Subject:** no more Applicant shows and fraud

Hello KSV,

Thank you for your information at last night's zoom meeting.

1) As a secured lender I want to advise KSV that I do not support any DIP financing used to enable the Applicants to put on any more shows.

2) People in the Secured Lender Whatsapp chat have identified that they received payments from Lions Share rather than the usual Balboa company they received their typical payments from. This may indicate a ponzi scheme type payment arrangement. To that point Olympia would have records of this. I believe investors will also be forwarding their records on this to you.

3) I believe the most plain and definitive proof of fraud will be documented by interviewing the secured lenders.

-I was not aware I was investing in any larger enterprise. My original agreement was only with Aruba and DSPLN. This fact is documented in my original offer. Because these facts were withheld from me I was unable to accurately assess the risks of the investment and this is fundamental to the fraud.

-I was not notified nor aware that additional liens were placed upon my original investment. This is documented in my renewal documents.

-Any investment that occurred after Claire and the Applicants began to shield their assets in anticipation of the CCAA process shows intent to defraud.

4) [Name] was fired by Claire and will know all the financial arrangements. Interviewing her would be fruitful

Thank you for your time,

[Name]

Date	Entity	Memo/Description	Split	Amount
6/13/2022	DSPLN Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0003	Due to/From Robert Clark	-125,000.00
1/6/2022	Happy Gilmore Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0002	Loan Payment:Deft Settlement	-39,750.00
1/13/2022	Happy Gilmore Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0003	Loan Payment:Deft Settlement	-100,000.00
1/17/2022	Happy Gilmore Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0004	Loan Payment:Deft Settlement	-50,000.00
1/19/2022	Happy Gilmore Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0005	Loan Payment:Deft Settlement	-50,000.00
1/21/2022	Happy Gilmore Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0006	Loan Payment:Deft Settlement	-34,606.26
1/28/2022	Happy Gilmore Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0007	Loan Payment:Deft Settlement	-70,000.00
12/1/2022	Happy Gilmore Inc.	Direct Deposit/Pre-Authorized Payment , DEFT SETTLEMENT FLE 0008	Loan Payment:Deft Settlement	-1,525.00
5/11/2022	Joint Captain Real Estate Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE	Dividend	-400,000.00
2/22/2021	Interlude Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0001	legal & professional fees	-10,000.00
2/25/2021	Interlude Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0002	Due to / From Upgrade Housing	-19,375.00
3/3/2021	Interlude Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0003	legal & professional fees	-5,000.00
5/3/2021	Interlude Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0005	Due to/ From Old Thing Back	-30,000.00
5/3/2021	Interlude Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0004	Due to / From Upgrade Housing	-70,000.00
5/7/2021	Interlude Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0006	Due to / From Upgrade Housing	-45,000.00
5/11/2021	Interlude Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0007	Due to / From Upgrade Housing	-100,000.00
5/20/2021	Interlude Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0008	Due to / from Dylan Suitor PREC	-43,073.97
6/7/2021	Interlude Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0009	Due to / from Robby Clark PREC	-50,000.00
7/14/2021	Interlude Inc.	Preauthorized Debit / Correction DEFT SETTLEMENT FLE 0010	Due to/ From Hometown Housing	-28,383.34
7/30/2021	Interlude Inc.	Preauthorized Debit / Correction DEFT SETTLEMENT FLE 0011	legal & professional fees	-34,672.64
8/4/2021	Interlude Inc.	Preauthorized Debit / Correction DEFT SETTLEMENT FLE 0012	Due to/ From Old Thing Back	-100,000.00
8/9/2021	Interlude Inc.	Preauthorized Debit / Correction DEFT SETTLEMENT FLE 0013	Due to / From Upgrade Housing	-100,000.00
8/12/2021	Interlude Inc.	Preauthorized Debit / Correction DEFT SETTLEMENT FLE 0014	Housing Loan	-42,350.00
8/20/2021	Interlude Inc.	Preauthorized Debit / Correction DEFT SETTLEMENT FLE 0015	Due to/ From Old Thing Back	-100,000.00
9/1/2021	Interlude Inc.	Preauthorized Debit / Correction DEFT SETTLEMENT FLE 0016	Due to / From Upgrade Housing	-100,000.00
9/2/2021	Interlude Inc.	Preauthorized Debit / Correction DEFT SETTLEMENT FLE 0017	Due to/ From Hometown Housing	-14,116.67
9/3/2021	Interlude Inc.	Preauthorized Debit / Correction DEFT SETTLEMENT FLE 0018	Due to/ From Old Thing Back	-100,000.00
9/7/2021	Interlude Inc.	Preauthorized Debit / Correction DEFT SETTLEMENT FLE 0019	Housing Loan	-101,490.56
9/14/2021	Interlude Inc.	Preauthorized Debit / Correction DEFT SETTLEMENT FLE 0020	Due to/ From Neat Nests	-20,000.00
9/15/2021	Interlude Inc.	Preauthorized Debit / Correction DEFT SETTLEMENT FLE 0021	legal & professional fees	-36,207.94
9/17/2021	Interlude Inc.	Preauthorized Debit / Correction DEFT SETTLEMENT FLE 0022	Housing Loan	-101,723.46
9/28/2021	Interlude Inc.	Preauthorized Debit / Correction DEFT SETTLEMENT FLE 0024	Due to/ From Hometown Housing	-14,266.67
9/28/2021	Interlude Inc.	Preauthorized Debit / Correction DEFT SETTLEMENT FLE 0023	Housing Loan	-141,749.83
10/8/2021	Interlude Inc.	Preauthorized Debit / Correction DEFT SETTLEMENT FLE 0026	Housing Loan	-51,221.99
10/14/2021	Interlude Inc.	Preauthorized Debit / Correction DEFT SETTLEMENT FLE 0027	1518 Building:354 Donovan Street	-954.67
10/19/2021	Interlude Inc.	Preauthorized Debit / Correction DEFT SETTLEMENT FLE 0028	Due to/ From Hometown Housing	-14,266.67

10/29/2021	Interlude Inc.	Preauthorized Debit / CorrectionDEFT SETTLEMENT FLE 0029	Due to/ From Neat Nests	-3,164.00
11/10/2021	Interlude Inc.	Preauthorized Debit / CorrectionDEFT SETTLEMENT FLE 0030	Due to/ From Old Thing Back	-30,000.00
11/23/2021	Interlude Inc.	Preauthorized Debit / CorrectionDEFT SETTLEMENT FLE 0031	Due to/ From Old Thing Back	-150,000.00
11/24/2021	Interlude Inc.	Preauthorized Debit / CorrectionDEFT SETTLEMENT FLE 0032	Building:396 Fairview	-9,494.93
11/26/2021	Interlude Inc.	Preauthorized Debit / CorrectionDEFT SETTLEMENT FLE 0033	Due to/ From Hometown Housing	-14,266.67
11/26/2021	Interlude Inc.	Preauthorized Debit / CorrectionDEFT SETTLEMENT FLE 0034	Due to/ From Old Thing Back	-75,000.00
12/14/2021	Interlude Inc.	Preauthorized Debit / CorrectionDEFT SETTLEMENT FLE 0035	Management Fee	-17,371.18
12/17/2021	Interlude Inc.	Preauthorized Debit / CorrectionDEFT SETTLEMENT FLE 0036	Due to/From Prospect Real Estate	-6,463.34
12/17/2021	Interlude Inc.	Preauthorized Debit / CorrectionDEFT SETTLEMENT FLE 0037	Due to/ From Old Thing Back	-50,000.00
1/21/2022	Interlude Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0038	Housing Loan	-50,000.00
1/25/2022	Interlude Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0039	Housing Loan	-50,000.00
1/27/2022	Interlude Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0040	Housing Loan	-13,080.78
2/18/2022	Interlude Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0041	Housing Loan	-175,000.00
3/11/2022	Interlude Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0042	Housing Loan	-30,000.00
6/6/2022	Interlude Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0045	Housing Loan	-100,000.00
6/15/2022	Interlude Inc.	Direct Deposit/Pre-Authorized Payment , DEFT SETTLEMENT FLE 0046	legal & professional fees	-150,000.00
7/13/2022	Interlude Inc.	Direct Deposit/Pre-Authorized Payment , DEFT SETTLEMENT FLE 0047	legal & professional fees	-5,876.00
8/8/2022	Interlude Inc.	Direct Deposit/Pre-Authorized Payment , DEFT SETTLEMENT FLE 0048	legal & professional fees	-153,341.41
8/15/2022	Interlude Inc.	Direct Deposit/Pre-Authorized Payment , DEFT SETTLEMENT FLE 0049	legal & professional fees	-126,047.97
8/22/2022	Interlude Inc.	Direct Deposit/Pre-Authorized Payment , DEFT SETTLEMENT FLE 0050	legal & professional fees	-56,342.54
8/29/2022	Interlude Inc.	Direct Deposit/Pre-Authorized Payment , DEFT SETTLEMENT FLE 0051	legal & professional fees	-120,335.34
8/30/2022	Interlude Inc.	Direct Deposit/Pre-Authorized Payment , DEFT SETTLEMENT FLE 0052	legal & professional fees	-3,249.99
10/14/2022	Interlude Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0053	Housing Loan	-10,000.00
10/26/2022	Interlude Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0054	Housing Loan	-24,634.24
12/6/2022	Interlude Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0055	Housing Loan	-624.00
7/13/2021	Joint Captain Real Estate Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0001	Mortgage Interest	-123.75
7/13/2021	Joint Captain Real Estate Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0002	Buildings:387 North Street	-31,072.21
8/12/2021	Joint Captain Real Estate Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0003	Buildings:317 Maple Street North	-337.50
8/12/2021	Joint Captain Real Estate Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0004	Buildings:392 Maple Street South	-141,575.00
8/13/2021	Joint Captain Real Estate Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0005	Buildings:1022 Wellington Street Eas	-180,000.00
12/30/2021	Joint Captain Real Estate Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0006	Housing Loan:259 Seventh Ave	-50,329.48
5/19/2022	Interlude Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0043	Housing Loan	-2,000.00
12/23/2022	Joint Captain Real Estate Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE	Housing Loan	-12,750.00
2/8/2021	Multiville Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0001	Loan Repayments	-1,991.25
3/9/2021	Multiville Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0002	Loan Repayments	-1,991.25
6/9/2021	Multiville Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0003	Loan Repayments	-3,375.00
7/5/2021	Multiville Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0004	Loan Repayments	-1,991.25

8/4/2021	Multiville Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0005	Loan Repayments	-4,175.01
8/10/2021	Multiville Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0006	Loan Repayments	-5,563.13
9/7/2021	Multiville Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0008	Loan Repayments	-1,991.25
9/7/2021	Multiville Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0007	Loan Repayments	-5,563.13
10/8/2021	Multiville Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0009	Loan Repayments	-5,563.13
10/14/2021	Multiville Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0010	Loan Repayments	-1,991.25
11/10/2021	Multiville Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0011	Loan Repayments	-5,563.13
12/13/2021	Multiville Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0012	Due to/from Robert Clark	-100,000.00
12/22/2021	Multiville Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0013	Loan Repayments	-66,763.13
1/6/2022	Multiville Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0014	Loan Repayments	-10,000.00
1/13/2022	Multiville Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0015	Loan Repayments	-6,303.13
1/21/2022	Multiville Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0016	Loan Repayments	-50,000.00
3/10/2022	Multiville Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0017	Loan Repayments	-74,085.00
6/30/2022	Multiville Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0018	Loan Repayments	-3,277.24
8/19/2022	Multiville Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0019	Loan Repayments	-866.67
11/15/2022	Multiville Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE	Loan Repayments	-2,525.00
12/1/2022	Multiville Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0021	Loan Repayments	-2,675.00
12/29/2022	Multiville Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0022	Loan Repayments	-3,875.00
5/27/2022	Interlude Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0044	Housing Loan	-151,350.82
7/22/2022	The Mulligan Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0001 - (We need Invoice for the same)	Repair and maintenance	-22,342.64
7/27/2022	The Mulligan Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0002 - (We need Invoice for the same)	Repair and maintenance	-12,561.51
8/23/2022	The Mulligan Inc.	Direct Deposit/Pre-Authorized Payment , DEFT SETTLEMENT FLE 0003	Uncleared Transactions	-1,340.26
6/9/2021	The Pink Flamingo Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0001	Mortgage Interest	-4,162.50
7/28/2021	The Pink Flamingo Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0002	Mortgage Interest	-4,162.50
8/10/2021	The Pink Flamingo Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0003	Mortgage Interest	-4,162.50
9/7/2021	The Pink Flamingo Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0005	Mortgage Interest	-853.33
9/7/2021	The Pink Flamingo Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0004	Mortgage Interest	-4,162.50
9/8/2021	The Pink Flamingo Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0006	Due to/from DSPLN	-50,000.00
10/1/2021	The Pink Flamingo Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0007	Due to/from Zack File RE	-41,000.00
10/8/2021	The Pink Flamingo Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0008	Mortgage Interest	-4,162.50
10/14/2021	The Pink Flamingo Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0009	Mortgage Interest	-1,919.46
11/10/2021	The Pink Flamingo Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0010	Mortgage Interest	-4,162.50
12/23/2021	The Pink Flamingo Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0011	Mortgage Interest	-4,162.50
1/13/2022	The Pink Flamingo Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0012	Mortgage Interest	-4,162.50
1/21/2022	The Pink Flamingo Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0013	Mortgage Interest	-2,250.00
6/28/2022	The Pink Flamingo Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0014	Mortgage Interest	-1,228.50

**TOTAL: -\$4,865,550.47**



THE WINDROSE GROUP  
A MORTGAGE ALLIANCE TEAM  
LICENSE # 10530



# PRIVATE MORTGAGE OPPORTUNITY

for Review – 157 Bloor St W, Sault Ste Marie

PREPARED BY: Bronwyn Bullen

APPROVED BY: Claire Drage

April 04, 2022

This document is confidential and prepared specifically for your review as a potential investor. If you have any questions or need further clarification, please reach out for clarification.

We look forward to working with you and discussing the deal further.

# YOUR OPPORTUNITY OPTIONS

We thoroughly endorse and approve this borrower, Dylan Suitor (Interlude Inc), who has not only been a client of ours for a number of years, but has proven himself and his team to be experienced, professional and ultimately successful. With this in mind, Dylan is continuing to expand his already large portfolio with multiple projects on the go as well as others under contract to close. To assist with his ability to maximise economies of scale and acquire more properties during prime buying months in strong markets we are seeking a higher loan to value than would be standard. With this mind, we would like to present to you **three options** to select from based on your available funds and comfort level:

1. **\$245,000** which is 100% of the purchase price (loan to value), or 61.25% loan to value based on the After Repair Value of \$400,000 with a monthly interest rate of 9% and a 3% lender fee resulting in an overall return of **12%** per year broken down as follows:
  - \$1,837.50 per month in interest only payments at 9%
  - \$7,350.00 lender fee deducted from the advance to the borrower 3%
2. **\$220,500** which is 90% of the purchase price (loan to value) of \$245,000 with a monthly interest rate of 9% and a 2% lender fee resulting in an overall return of **11%** per year.
  - \$1,653.75 per month in interest only payments at 9%
  - \$4,410.00 lender fee deducted from the advance to the borrower 2%
3. **\$196,000** which is 80% of the purchase price (loan to value) of \$245,000 with a monthly interest rate of 8% and a 2% lender fee resulting in an overall return of **10%** per year.
  - \$1,306.67 per month in interest only payments at 8%
  - \$3,920.00 lender fee deducted from the advance to the borrower 2%

# DEAL SYNOPSIS

<b>Mortgage Amount</b>	From \$196,000 to \$245,000 as previously outlined
<b>Position</b>	1 <sup>st</sup> Position
<b>Purpose</b>	Your funds will be used to provide a private mortgage that will be used to purchase this property which has an accepted Offer to Purchase signed and agreed upon by all parties
<b>Term</b>	Our client, Dylan Suitor is seeking a private mortgage for a 1 year term open after the first 3 months
<b>Return &amp; Payments to You</b>	<p>The return is as outlined in the three options ranging from an overall annual return of 10% to 12% per year. The borrower will cover all your legal costs and any other expenses you incur to ensure that this is your net return.</p> <p>You will receive monthly payments of interest only based on the option you select.</p>
<b>Property Location</b>	The property is a Single family home located at 157 Bloor Street W, Sault Ste Marie
<b>Current Value</b>	<b>\$245,000</b> Purchase Price from an assignment Estimated After Repair/Completed Value to be <b>\$400,000</b>
<b>Current Liens</b>	None, this is a 1 <sup>st</sup> position mortgage with no other liens on title.
<b>Security</b>	You will be named as the lender on title of the property along with the borrower providing a personal guarantee by way of a General Security Agreement. You will also be named on the property insurance policy as a beneficiary should any claims be made while you are on title. Our standard policy is also to register an Assignment of Rents in your favour which allows you to collect rent from any current and future tenants directly should any default occur.
<b>Strategy</b>	Purchase, renovate, rent out with high quality tenants and then refinance with a major bank.
<b>Advance Date (est.)</b>	April 19, 2022



## Eligible Funds

This opportunity can be funded using your cash, secured line of credit or registered funds with an existing self-directed trustee using a RRSP, LIRA or TFSA. If registered funds are with the same trustee we have the ability combine spousal accounts into one mortgage. Our preferred trustees are Olympia Trust and Community Trust.

## THE BORROWER



The borrower is Interlude Inc, with Dylan Suitor providing a personal guarantee.

Dylan is a veteran real estate investor whose focus is on the following strategies:

1. buy and flips in strong markets (primary and secondary)
2. buy-renovate-rent-refinance on small multi-family
3. buy-renovate-rent-refinance on large multi-family (5+ Units)
4. buy and hold turnkey properties

Over the years Dylan has amassed a large portfolio with more than 120+ properties and he has his sights on continued portfolio growth.

Our team has been working with Dylan for a number of years and he has demonstrated to us his ability to not only create a clear investment model but also adapt based on market and economic conditions. Dylan is also a realtor and runs his own growing team of successful investor focused agents. His commissions from his real estate business alone are \$950k+ per year and he is able to leverage that skill set to target strong markets and opportunities within that market including off market deals. Here is some information on Dylan as a realtor and his commitment to not only the community but the continued growth and mentorship of other realtors. <http://www.elevationrealty.ca/about/dylan-suitor/>

Dylan's excellent knowledge of the investment market in specific cities such as St Catharines, Welland, Niagara and Sudbury has led to him creating a win-win scenario. His expertise is to clearly identify properties that are under market value and typically owned by tired landlords or home owners that have not kept the properties well maintained. He focuses on markets that can generate great cash flow with good market rents and low vacancy. The properties he seeks out are those that can be converted into multiple units and provide either a fellow investor with a turnkey rental (newly renovated with great pre-qualified tenants) or hold the property and create cash flow for his business. Some of the renovations are extensive with conversions into multi-family, adding additions etc., while

others are more cosmetic. Dylan has a full time Project Manager to not only coordinate trades but keep each project moving forward. Even though Dylan is a high energy go getter and often works 16-18 hour days (we don't think he has an off switch!), he also appreciates the value of a quality power team so that he can efficiently scale up while producing a quality product – safe secure housing for Canadians! With an investor like Dylan who has many projects on the go at any one time – in both acquisition, renovation, staging, listing, renting or sell – we have weekly, sometimes more, conference calls to keep up to date on each project and his on-going needs to continue to grow.

Dylan is very clear on his business model that he likes to share with all his investors:

### **Every house must fit all the following criteria:**

- ✓ Purchased at 40-60% of the After Repair Value & Renovated to 70-75% of the After Repair Value and then Sold or refinanced at 100% of the After Repair Value
- ✓ 10% of the After Repair Value will be spent on the sale of the home OR 25% of the equity will remain in the home
- ✓ 7% minimum CAP rate obtained

### **What value do we bring to the table?**

- ✓ Securing profitable homes that fit the model with vetted quality contractors to improve the homes
- ✓ Managing the marketing and selling of the homes via a competent Realtor (this is not always Dylan – he believes in utilizing his power team in each region)
- ✓ Value added renovations and ongoing improvements
- ✓ Providing a team to get the home financed if applicable
- ✓ Providing the necessary bookkeeping to determine profitability
- ✓ A proven track record in numerous areas of real estate investing
- ✓ Proven power team in each market

Over the last few years we have completed many loans and mortgages with Dylan, and we have helped support his continued growth in the strong markets he is in. He exemplifies everything we want in a borrower; payments made on time, smooth closings and an excellent business model.

Dylan is very active on social media and enjoys sharing his experiences and progress especially with his investors who help support these projects. Check them out as well as stay connected as you watch the progress of your investment:

- Facebook: <https://www.facebook.com/people/Dylan-Suitor>
- Instagram: [https://www.instagram.com/dylansuitorelevate\\_realtor/](https://www.instagram.com/dylansuitorelevate_realtor/)

- LinkedIn: <https://www.linkedin.com/in/dylan-sutor-34573046/>

On the regular updates we receive we have seen first-hand the quality and detail Dylan puts into each project. Dylan has an eye for opportunity with strong negotiating skills to create a win-win for both seller and buyer (him) while at the same time working with his Project Manager to push the projects forward and handle trades. When you renovate as many properties as he does it is so much easier to have not only economies of scale but a replicable model. For example, the flooring type, paint colours, kitchen design is consistent in a majority of his properties. His philosophy is that, the better the workmanship, the better-quality tenants it will attract. This strategy helps protect his and your investment for the long-term.

The current markets in Ontario specifically are split into two categories and different investment strategies work better in some rather than others as demonstrated below:

**Primary Markets:** These are the largest, densely populated housing markets that have a large and expanding population base typically of 100k+. The housing demand in these areas is split into two categories; principal homes (your regular home owners) and multi-family for real estate investors. As our borrowers are real estate investors it is important to ensure that they understand the market, their end customer and that the numbers make sense ("emotion" won't pay the bills or their lenders like yourself back!). Supply and demand drives all markets and where there is high demand by regular home owners looking to buy a principal home, it drives the purchase price higher often leading to bidding wars and an "emotional price premium" paid by the buyer. Where this occurs, investors have to ensure the numbers make sense and as market rents are simply not high enough to create a cash-flowing property, they typically look to these markets for the **Flip** strategy or **BRRRR Conversion** (major renovations and adding additional income generating units). With the Flip, their end customer is that regular home buyer and they can renovate and market the property accordingly (adding more bathrooms, bedrooms, open plan living, home office space etc.). However, this only works if they can purchase the property at a reasonable price (often thru wholesalers, privately, or because the property needs a lot of work that regular buyers aren't interested in or cannot see beyond!) – creating enough money in the buy, room for contingencies (cost overrun's, long closings, permits being issued etc.), covering carrying costs and having a clear time-line to sell. The primary strategy for our borrowers is to **BRRRR** and so they are typically not in these primary markets but secondary instead.



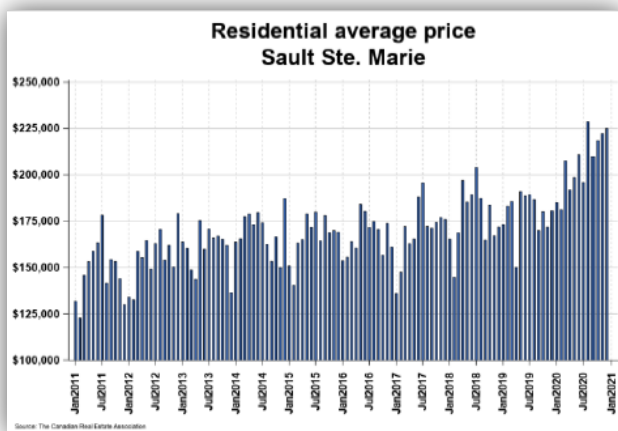
**Secondary Markets:** There is no cut and dry definition of a secondary market other than they are typically much smaller in population and/or less densely populated. In Ontario specifically they could also be considered a little more remote, far away or less desirable

to live in the winter! However, there is good solid employment, low vacancy and stability in the economy. Demand may be lower than the crazy primary markets right now which therefore keeps property prices reasonable. However, because the demand is lower, you are less likely to see significant lift in the value of the property beyond the cost of purchase, carrying costs and improvements. However, the purchase price versus the higher market rent these properties can achieve means that the numbers work especially for the **BRRRR** strategy. The investor is looking to purchase say a duplex for a good price, add some value with some renovations and create safe, secure housing for good tenants leaving a cashing flowing property once the refinance is complete. The major income source for the borrower in these scenarios is the monthly cash flow the property will generate after the refinance is complete which typically means leaving 20% equity.

This particular opportunity is in one of these secondary markets and below is highlighted the strong economics which makes the strategy work:

## Sault St. Marie

**Location:** Sault Ste. Marie was incorporated as a City in 1912, although its rich history dates back to the 1600's. Situated at the heart of the Great Lakes (west of Sudbury), along the banks of the St. Mary's River, Sault Ste. Marie is an international port of entry to the United States and continues to be an important destination for business, trade and travel.



Known as being the 'Friendliest City in Algoma', Sault Ste. Marie is one of the most beautiful and exciting northern cities in Canada.

<https://saultstemarie.ca/City-Hall/About-Sault-Ste-Marie.aspx>

**Market Growth:** On an annual basis, home sales totaled a record 1,767 units over the course of 2020. This was up 8.9% from the same period in 2019. The average price of homes sold in December 2020 was \$224,960,

advancing 24.6% from December 2019.

**The Strategy and Model:** These borrowers actively offer on properties below the market average with the goal of renovating to build equity. Their target purchase price of \$215,000 for detached homes give them a head start prior to renovations as

their goal is to hit 8%-10% cap rates (the rate of return that is expected). They have positioned themselves with a strong power team in the area who are very active on the Sault St Marie Real Estate Board to gain access to property databases. They thoroughly research comparable sales and ensure that they buy all under market value which allows lots of cushion for renovation budgets and refinance solutions. They offer on the lowest priced properties in the city day in & day out ensuring lowest purchase prices ongoing.

**Vacancy Rate:** A vacancy rate of 4.9% averaged across all properties but a big drop off on detached homes, which shows great strength at 3.3%.

**Comparable Rents:** Their goal is to purchase properties where each unit, after the renovation, will generate market rents of \$1,800 to \$2,200 per month.

## Portfolio Snapshot

Check out this list of some of his **current Flips and Buy-Renovate-Rent-Refinance** on the go that we have been involved in under **Interlude Inc** – you can see some great history and a clear pattern of his specific niche. We have also highlighted below the volume and holdings in other Corporations owned by Dylan Suitor that we have been involved in. Dylan's strategy is to maximise holdings in each corporation ensuring they are not over leveraged while also benefiting from the tax benefits of corporate holdings. See **Past Projects** at the back of this information package for a summary of some of the projects that have already been completed with us:

Interlude Inc			Incorporated: November 13, 2020	
Properties Total No.	Purchase Price Total	Current Value Total	Rental Income Monthly	Overall Status
63	\$16,781,830	\$24,500,000	\$66,704.33	50% Under Renovation % Being Refinanced 50% Completed & Rented



## Other Corporations and Current Portfolio Strength:

Neat Nests Inc.			Incorporated: March 1, 2019	
Properties Total No.	Purchase Price Total	Current Value Total	Rental Income Monthly	Overall Status
8	\$5,502,500	\$10,825,000	\$45,050.70	62.50% Under Renovation 0% Being Refinanced 37.50% Completed & Rented

<u>Home Town</u> Housing Inc.			Incorporated: March 1, 2019	
Properties Total No.	Purchase Price Total	Current Value Total	Rental Income Monthly	Overall Status
18	\$3,180,000	\$10,168,000	\$45,195	11.12% Under Renovation 0% Being Refinanced 88.88% Completed & Rented

Horses In the Back Inc.			Incorporated: July 24, 2020	
Properties Total No.	Purchase Price Total	Current Value Total	Rental Income Monthly	Overall Status
3	\$965,000	\$1,900,000	\$9,556	33.33% Under Renovation 0% Being Refinanced 66.67% Completed & Rented

Old Thing Back Inc.			Incorporated: April 19, 2013	
Properties Total No.	Purchase Price Total	Current Value Total	Rental Income Monthly	Overall Status
4	\$871,000	\$2,315,000	\$10,800	75% Under Renovation 0% Being Refinanced 25% Completed & Rented

Up-Town Funk Inc.			Incorporated: March 5, 2019	
Properties Total No.	Purchase Price Total	Current Value Total	Rental Income Monthly	Overall Status
31	\$5,035,500	\$10,655,000	\$8,250.00	5% Under Renovation 0% Being Refinanced 95% Completed & Rented

Upgrade Housing Inc.			Incorporated: March 5, 2019	
Properties Total No.	Purchase Price Total	Current Value Total	Rental Income Monthly	Overall Status
34	\$7,222,411	\$12,741,000	\$79,158	5% Under Renovation 95% Being Refinanced 95% Completed & Rented

## THE PROPERTY

**Property & Strategy:** The property is a single-family home located at 157 Bloor Street W in Sault Ste Marie. The goal is to purchase, renovate, rent to quality tenants and then refinance with a major bank. The end result being a single family home that has 20% equity while creating monthly cash flow for the borrowers.

**Purchase Price:** \$245,000

**Renovations and Estimated Costs:** \$45,000

**After Repair Value:** \$400,000 based on comparable properties in the area.

**Expected Market Rents:** \$1,800 - \$2,000 per month x 1 units creating positive cash flow after refinancing with a major bank at best rates, 30 year amortization and leaving 20% equity remaining.

## SECURITY

The borrowers are Interlude Inc, with Dylan Suitor who is the primary shareholder and owner of the corporation and he is also providing a personal guarantee.

You will be named as the lender on title of the property along with Dylan providing personal guarantees by way of a General Security Agreement.

You will also be named on the property insurance policy as a beneficiary should any claims be made while you are on title.

Our standard policy is also to register an Assignment of Rents in your favour which allows you to collect rent from any current and future tenants directly should any default occur.

We also add a clause into our mortgage agreements that means that a lien can be placed on title on all properties owned by the borrowers, not just the subject property in the case of default.

## EXIT STRATEGY

Your mortgage will be fully repaid on the anticipated exit strategy which is to complete the renovations, fill the property with good quality tenants at or above market rent and then refinance with a major bank within the term of this mortgage.

## THE TERMS

- 1<sup>st</sup> mortgage borrowed for 1 year open after 3 months. There may be the possibility of extending if the property doesn't sell or is refinanced - although unlikely and as mentioned earlier it will likely be paid out sooner
- Annual Interest rate of return ranging from an overall annual return of 10% to 12% per year. The borrower will cover all your legal costs and any other expenses you incur to ensure that this is your net return.
- You will receive monthly payments of interest only as outlined above based on the option you select.
- If an extension on the term at renewal is not provided and if the mortgage is not repaid in full within 1 year of advance, an additional fee/penalty will apply along with an increase in the interest rate.
- All fees and costs incurred by the lender will be paid for by the borrower i.e. title registration fees, legal fees etc.
- A mortgage broker fee will be payable by the borrowers on advance to Claire Drage



# CLAIRE DRAGE

CEO | Mortgage Broker

289.800.9620 | [investor@thewindrosegroup.ca](mailto:investor@thewindrosegroup.ca)



- 
- for underwriting and facilitating this mortgage.
  - Claire Drage will follow up with all parties to ensure the terms of this agreement are upheld right until full repayment to you, the investor, and then, with your permission, we rinse and repeat.

## PAST PROJECTS

Here is an example of some of the past projects we have been involved with and have been completed by the borrowers:

**Location:** 75 Queenston, St Catharines  
**Strategy:** Triplex Renovation and Rent  
**Purchase Price:** \$230,000  
**Renovations:** \$70,000  
**New Appraised Value:** \$440,000

**Location:** 92 Lake St. Catherines  
**Strategy:** Single Family to Duplex and Rent  
**Purchase Price:** \$205,000  
**Renovations:** \$100,000  
**New Appraised Value:** \$440,000

**Location:** 454 Burton, Sudbury  
**Strategy:** Duplex to Triplex and Rent  
**Purchase Price:** \$195,000  
**Renovations:** \$50,000  
**New Appraised Value:** \$300,000

### Claire with Dylan – Rent to Own Seminar



### KW Award for Top Producer



## BEFORE AND AFTER



\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

PROPERTY DESCRIPTION:LT 92-93 PL 153 ST. MARY'S; SUBJECT TO AN EASEMENT IN GROSS OVER PT 1 1R12943 AS IN AL143064; CITY OF SAULT STE. MARIE

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE  
LT CONVERSION QUALIFIED

RECENTLY:

FIRST CONVERSION FROM BOOK

PIN CREATION DATE:

2005/11/21

OWNERS' NAMES

1000345782 ONTARIO INC.

CAPACITY

SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT	INCLUDES ALL	DOCUMENT TYPES AND	DELETED INSTRUMENTS	SINCE 2005/11/18 **		
**SUBJECT,	ON FIRST REGISTRATION	UNDER THE LAND TITLES ACT, TO:				
**	SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES	*				
**	AND ESCHEATS OR FORFEITURE TO THE CROWN.					
**	THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF					
**	IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY					
**	CONVENTION.					
**	ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.					
**DATE OF CONVERSION TO	LAND TITLES: 2005/11/21	**				
RY153	1888/01/04	PLAN SUBDIVISION				C
REMARKS: RY153=PL 153						
T270036	1986/09/26	TRANSFER		*** COMPLETELY DELETED ***	Name	
T335185	1992/04/30	AGR PURCHAS & SALE		*** COMPLETELY DELETED ***		
T417948	2000/11/24	CHARGE		*** COMPLETELY DELETED ***		
AL79555	2010/11/23	DISCH OF CHARGE		*** COMPLETELY DELETED ***	CIBC MORTGAGES INC. TRADING AS FIRSTLINE MORTGAGES	
REMARKS: T417948.						
1R12943	2014/05/07	PLAN REFERENCE				C
AL132128	2014/05/30	CHARGE		*** COMPLETELY DELETED ***		

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AL143064	2015/03/02	TRANSFER EASEMENT	\$1	Name	THE TORONTO-DOMINION BANK	
AL252832	2022/08/10	APL (GENERAL)		Name	PUC DISTRIBUTION INC.	C
	REMARKS: T335185			*** COMPLETELY DELETED ***		
				Name		
AL258756	2022/12/01	TRANSFER	\$165,000	Name	1000345782 ONTARIO INC.	C
AL258757	2022/12/01	CHARGE	\$132,000	1000345782 ONTARIO INC.	Name	C
AL258758	2022/12/01	NO ASSGN RENT GEN		1000345782 ONTARIO INC.	Name	C
	REMARKS: AL258757					
AL259897	2022/12/30	DISCH OF CHARGE		*** COMPLETELY DELETED ***		
	REMARKS: AL132128.			THE TORONTO-DOMINION BANK		

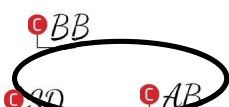


NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

**Borrowers:** Joint Captain Real Estate Inc. (the "Borrowers") with personal guarantors Sam DRAGE and Aruba Butt and Bronwyn Bullen (the "Borrowers")

**Lenders:** Names - Individual Lenders (the "Lenders")

**Principle Amount: \$50,000.00 CAD**

1. FOR VALUE RECEIVED, The Borrowers promise to pay to the Lenders at such address as may be provided in writing to the Borrowers, the principle sum of **\$50,000.00 CAD**. The term is 1 Year Fixed term fully open. The Initial Interest Rate charged for the term will be 17% per annum compounding monthly with monthly payments of \$708.33 interest only. Monthly payments will commence one month from advance date by the Lenders. Monthly payments must be made via e-transfer to [payments@thewindrosegroupp.ca](mailto:payments@thewindrosegroupp.ca) that will be recorded and forwarded directly to the lender.  
Intended advance date to be July 22, 2022; this is subject to change with notice.
2. A consulting and administration fee of \$500.00 shall apply.
3. On advance of the principle amount of **\$50,000.00**, on or before July 22, 2022, the funds will be distributed as follows by the Lenders:
  - a. \$49,500.00 deposit by wire transfer for immediate clearance into the Borrowers bank account (void cheque attached). This is the principle amount borrowed minus Lenders bank fees and \$500.00 consulting and administration fee.
  - b. \$500.00 consulting and administration fee to Claire DRAGE via e-transfer to [investor@thewindrosegroupp.ca](mailto:investor@thewindrosegroupp.ca)
4. Principle owing at the end of the term will be \$50,000.00 plus any accrued interest, if applicable, and any applicable fees as outlined in this agreement.
5. This Note will be repaid in full on or before July 22, 2023, or the sale or refinance of 369 Wellington St E, Sault Ste. Marie, ON P6A2L8 whichever is soonest. The Lenders and Borrowers may agree to a 30 or 60 day extension under the same terms, subject to approval specifically by the Lenders. The Borrowers are aware that they are fully responsible for contacting the Lenders representative (Claire DRAGE) in writing to request such an extension with an explanation.
6. At any time while not in default under this Note, the Borrowers may pay the outstanding balance then owing under this Note to the Lenders without further bonus or penalty.
7. Notwithstanding anything to the contrary in this Note, if the Borrowers default in the performance of any obligation under this Note, then the Lenders may declare the principle amount owing and interest due under this Note at that time to be immediately due and payable.
8. All costs, expenses and expenditures including, and without limitation, legal costs, fees and disbursements on a **substantial indemnity basis**, incurred by the Lenders in enforcing this Note as a result of any default by the Borrowers, will be added to the principle then outstanding and will immediately be paid by the Borrowers. In the case of

Borrowers Initials      Lenders Initials

the Borrowers default and the acceleration of the amount due to the Lenders all amounts outstanding under this Note will bear interest at the rate of 3% higher than the Initial Interest Rate charged per annum from the date of demand until paid. This Note is secured by the Lenders right to register this Note on title on **all or any properties held by the Borrowers and Guarantors as security** (the 'Security'), if not paid in full by 6:00pm on July 22, 2023. This includes, but is not limited to, the property located at 369 Wellington St E, Sault Ste. Marie, ON P6A2L8, Canada.

9. **Renewal/End of Term:** The Borrowers are aware that this note loan is due and payable at the end of the term; this is based on the date outlined. A renewal or extension of the term is not guaranteed and automatically forthcoming. The Lenders may, at their discretion and subject to a written request being received through their representative within 30 days of the end of the term, grant an extension. Changes to the interest rate and additional fees may apply and are to be negotiated at the time.
10. **Repayment at end of Term:** The Borrowers are aware that should a renewal request not be received in writing by the Lenders representative, and an approval agreed upon and granted by the Lenders before the end of the term, that this note loan is due and payable immediately. The interest rate to be charged and payable by the Borrowers after the end of the term, will be 3% higher than the Initial Interest Rate charged – this will apply until full repayment. A penalty for non-repayment at the end of the term of \$1,000 will also be applied to the balance owing until full repayment is made. Non-repayment of this note loan at the end of the term will be deemed in default and legal action shall commence immediately with applicable fees payable as outlined herein.
11. If any term, covenant, condition or provision of this Note is held by a Court of competent jurisdiction to be invalid, void or unenforceable, it is the parties' intent that such provision be reduced in scope by the Court only to the extent deemed necessary by that Court to render the provision reasonable and enforceable and the remainder of the provisions of this Note will in no way be affected, impaired or invalidated as a result.
12. This Note will be construed in accordance with and governed by the laws of the Province of ON.
13. This Note will inure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the Borrowers and the Lenders.
14. The Borrowers hereby waive presentment for payment, notice of non-payment, protest and notice of protest.
15. **Fee Schedule:**
  - a) **Payment Date Change Requests:** Requests for any changes in the Borrowers payment date after funding, must be submitted in writing to their representative and approved by the Lenders. If the date change can be accommodated and approved, fees may apply - **\$125** (\$75 Lenders Fee & \$50 Administration Fee).
  - b) **Missed Payment Fee (if applicable):** Payable for each missed, late installment and for processing each NSF cheque or other returned payment due and payable during the term as outlined in this agreement. Any payment including final payout of the note that is made after 1:00 P.M. on any date, shall be deemed for the purpose of calculating





Borrowers Initials      Lenders Initials

interest to have been made and received on the next bank business day - **\$200** (\$100 1959 Lenders Fee & \$100 Administration Fee)

- c) **Default Proceedings:** for each action or proceeding instituted - \$2,500.00 excluding legal fees
- d) **Renewal of Note Loan:** At the discretion of the Lenders to offer a renewal or extension of this agreement. Upon renewal or extension, the rate of interest and fees charged may be increased. All applicable Lenders fees, legal expenses & disbursements associated with renewal or extension are separate and at the cost of the Borrowers and to be determined on renewal.
- e) **Discharge Statements:** One discharge statement can be requested at no charge at any time during the term of the note loan. Any additional statements that are requested - **\$200.00**
- f) **Demand Letter in Default:** \$350.00 plus Lenders legal fees estimated to be \$500.

IN WITNESS WHEREOF the parties have duly affixed their signatures under seal:

**SIGNED, SEALED, AND DELIVERED**

22/07/2022

Date: (dd/mm/yyyy).

 Sam DRAGE

Joint Captain Real Estate Inc. (Borrowers)

 Sam DRAGE

Sam DRAGE (Borrowers/Guarantors)

 Aruba Butt

Aruba Butt (Borrowers/Guarantors)

 Bronwyn Bullen

Bronwyn Bullen (Borrowers/Guarantors)

**SIGNED, SEALED, AND DELIVERED**

22/07/2022

Date: (dd/mm/yyyy).

eSignatures - Individual Lenders

Names - Individual Lenders (Lenders)

 BB  
 SD  AB  
Borrowers Initials

 [Redacted]  
Lenders Initials

Ministry of Public and  
Business Service Delivery

## Profile Report

1000345782 ONTARIO INC. as of June 03, 2024

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	1000345782 ONTARIO INC.
Ontario Corporation Number (OCN)	1000345782
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	October 24, 2022
Registered or Head Office Address	1 Hunter St, 100g, Hamilton, Ontario, L8N3W1, Canada

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

*V. Quintanilla W.*

Director/Registrar

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



Active Director(s)

Minimum Number of Directors	1
Maximum Number of Directors	10

Name	[REDACTED]
Address for Service	[REDACTED]
Resident Canadian	[REDACTED]
Date Began	[REDACTED]

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

*V. Quintanilla W.*

Director/Registrar

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

Active Officer(s)

Name	[REDACTED]
Position	President
Address for Service	[REDACTED]
Date Began	October 24, 2022
Name	[REDACTED]
Position	Secretary
Address for Service	[REDACTED]
Date Began	October 24, 2022
Name	[REDACTED]
Position	Treasurer
Address for Service	[REDACTED]
Date Began	October 24, 2022

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

V. Quintanilla W.

Director/Registrar

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

Corporate Name History

Name

1000345782 ONTARIO INC.

Effective Date

October 24, 2022

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

*V. Quintanilla W.*

Director/Registrar

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

**Active Business Names**

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

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

*V. Quintanilla W.*

Director/Registrar

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

**Expired or Cancelled Business Names**

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

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

*V. Quintanilla W.*

Director/Registrar

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

Document List

Filing Name	Effective Date
CIA - Initial Return PAF: [REDACTED]	October 24, 2022
BCA - Articles of Incorporation	October 24, 2022

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

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

*V. Quintanilla W.*  
Director/Registrar

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

Ministère des Services au public et  
aux entreprises

## Rapport de profil

1000345782 ONTARIO INC. en date du 03 juin 2024

Loi	Loi sur les sociétés par actions
Type	Société par actions de l'Ontario
Dénomination	1000345782 ONTARIO INC.
Numéro de société de l'Ontario	1000345782
Autorité législative responsable	Canada - Ontario
Statut	Active
Date de constitution	24 octobre 2022
Adresse légale ou du siège social	1 Hunter St, 100g, Hamilton, Ontario, L8N3W1, Canada

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.

Directeur ou registrateur

Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1er avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

Administrateurs en fonction

Nombre minimal d'administrateurs	1
Nombre maximal d'administrateurs	10

Dénomination	[REDACTED]
Adresse aux fins de signification	[REDACTED]
Résident canadien	Oui
Date d'entrée en fonction	24 octobre 2022

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.

*V. Quintanilla W.*  
Directeur ou registrateur

Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1er avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.



**Dirigeants en fonction****Dénomination****Poste****Adresse aux fins de signification****Date d'entrée en fonction**

Président de la société

24 octobre 2022

**Dénomination****Poste****Adresse aux fins de signification****Date d'entrée en fonction**

Secrétaire

24 octobre 2022

**Dénomination****Poste****Adresse aux fins de signification****Date d'entrée en fonction**

Trésorier

24 octobre 2022

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.

*V. Quintanilla W.*

Directeur ou registrateur

Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1er avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

**Historique des dénominations sociales****Nom**

1000345782 ONTARIO INC.

**Date d'entrée en vigueur**

24 octobre 2022

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.

*V. Quintanilla W.*

Directeur ou registrateur

Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1er avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

**Noms commerciaux en vigueur**

Cette personne morale n'a aucun nom commercial actif enregistré en vertu de la Loi sur les noms commerciaux de l'Ontario.

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.

*V. Quintanilla W.*

Directeur ou registrateur

Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1er avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

**Noms commerciaux expirés ou révoqués**

Les noms commerciaux actifs enregistrés de cette personne morale en vertu de la Loi sur les noms commerciaux de l'Ontario sont expirés ou annulés.

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.

*V. Quintanilla W.*

Directeur ou registrateur

Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1er avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

## Liste de documents

Nom du dépôt	Date d'entrée en vigueur
CIA - Rapport initial PRE: [REDACTED]	24 octobre 2022
BCA - Statuts constitutifs	24 octobre 2022

Tous les renseignements de la « PRE » (personne autorisant le dépôt) sont affichés exactement tels qu'ils sont enregistrés dans le Registre des entreprises de l'Ontario. Lorsque la PRE ne figure pas sur un document, les renseignements n'ont pas été enregistrés dans le Registre des entreprises de l'Ontario.

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.

*V. Quintanilla W.*

Directeur ou registrateur

Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1er avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

PROPERTY DESCRIPTION: PCL 2688 AND PCL 4065 SEC SES FIRSTLY LT 606 PLAN M100 EXCEPT N 17 FT LT 606 PLAN M100 SECONDLY N 17 FT LT 606 PLAN M100 CITY OF SUDBURY

PROPERTY REMARKS:

ESTATE/QUALIFIER:  
FEE SIMPLE  
ABSOLUTE

RECENTLY:  
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:  
1993/04/05

OWNERS' NAMES  
INTERLUDE INC.

CAPACITY SHARE  
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
**EFFECTIVE	2000/07/29	THE NOTATION OF THE	"BLOCK IMPLEMENTATION DATE" OF 1993/04/05 ON THIS PIN**			
**WAS REPLACED WITH THE	"PIN CREATION DATE"	OF 1993/04/05**				
** PRINTOUT	INCLUDES ALL	DOCUMENT TYPES AND	DELETED INSTRUMENTS SINCE 1993/02/22 **			
LT706363	1991/05/31	TRANSFER	*** COMPLETELY DELETED ***		Name - Unknown Individual	
LT706364	1991/05/31	CHARGE	*** COMPLETELY DELETED ***		CAISSE POPULAIRE LASALLE SUDBURY LTEE	
LT706365	1991/05/31	CHARGE	*** COMPLETELY DELETED ***		Name - Unknown Individual	
LT774645	1993/12/09	CHARGE	*** COMPLETELY DELETED *** Name - Unknown Individual		CAISSE POPULAIRE LASALLE SUDBURYLIMITEE	
LT774646	1993/12/09	DISCH OF CHARGE	*** COMPLETELY DELETED ***			
SD22769	2005/07/07	DISCH OF CHARGE	*** COMPLETELY DELETED *** CAISSE POPULAIRE LASALLE SUDBURY LTEE			
REMARKS: RE: LT	706364					
SD22773	2005/07/07	DISCH OF CHARGE	*** COMPLETELY DELETED *** CAISSE POPULAIRE LASALLE SUDBURYLIMITEE			
REMARKS: RE: LT	774645					
SD22977	2005/07/08	TRANSFER	*** COMPLETELY DELETED *** Name - Unknown Individual		Name - Unknown Individual	
REMARKS: PLANNING ACT STATEMENTS						
SD22978	2005/07/08	CHARGE	Name - Unknown Individual		CAISSE POPULAIRE NOLIN DE SUDBURY INCORPOREE	

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
SD22979	2005/07/08	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** CAISSE POPULAIRE NOLIN DE SUDBURY INCORPOREE	Names - Unknown Individuals	
REMARKS: SD22978						
SD72354	2007/02/16	CHARGE		*** COMPLETELY DELETED *** Names - Unknown Individuals		
SD101301	2007/12/17	DISCH OF CHARGE		*** COMPLETELY DELETED *** Name - Unknown Individual		
REMARKS: RE: SD72354						
SD142700	2009/04/07	LR'S ORDER		*** COMPLETELY DELETED *** LAND REGISTRAR	LAND REGISTRAR	
REMARKS: DELETE LT706364 AND SD22769.						
SD144980	2009/05/08	CHARGE		*** COMPLETELY DELETED *** Name - Unknown Individual	CAISSE POPULAIRE DES VOYAGEURS INC.	
SD180460	2010/08/19	CHARGE		*** COMPLETELY DELETED *** Names - Unknown Individuals	Names - Unknown Individuals	
SD190609	2011/01/07	CHARGE		*** COMPLETELY DELETED *** Names - Unknown Individuals		
SD193200	2011/02/23	CHARGE		*** COMPLETELY DELETED *** Names - Unknown Individuals	1085904 ONTARIO INC.	
SD193201	2011/02/23	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** Names - Unknown Individuals	1085904 ONTARIO INC.	
REMARKS: SD193200.						
SD193202	2011/02/23	DISCH OF CHARGE		*** COMPLETELY DELETED ***		

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
		REMARKS: SD180460.		Name - Unknown Individual		
SD193203	2011/02/23	DISCH OF CHARGE		*** COMPLETELY DELETED ***		
		REMARKS: SD190609.		Name - Unknown Individual		
SD194449	2011/03/15	DISCH OF CHARGE		*** COMPLETELY DELETED *** CAISSE POPULAIRE NOLIN DE SUDBURY INCORPOREE		
		REMARKS: SD22978.				
SD197483	2011/04/29	CHARGE		*** COMPLETELY DELETED ***	1085904 ONTARIO INC.	
				Names - Unknown Individuals		
SD197484	2011/04/29	NO ASSGN RENT GEN		*** COMPLETELY DELETED ***	1085904 ONTARIO INC.	
				Names - Unknown Individuals		
		REMARKS: SD197483.				
SD197942	2011/05/06	DISCH OF CHARGE		*** COMPLETELY DELETED *** 1085904 ONTARIO INC.		
		REMARKS: SD193200.				
SD214268	2011/11/23	DISCH OF CHARGE		*** COMPLETELY DELETED *** 1085904 ONTARIO INC.		
		REMARKS: SD197483.				
SD215965	2011/12/14	CHARGE		*** COMPLETELY DELETED ***	CAISSE POPULAIRE DES VOYAGEURS INC.	
				Name - Unknown Individual		
SD215966	2011/12/14	NO ASSGN RENT GEN		*** COMPLETELY DELETED ***	CAISSE POPULAIRE DES VOYAGEURS INC.	
		REMARKS: SD215965.		Name - Unknown Individual		
SD313777	2016/04/19	CHARGE		*** COMPLETELY DELETED ***		
				Names - Unknown Individuals	Names - Unknown Individuals	

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.



\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
SD315594	2016/05/20	DISCH OF CHARGE		*** COMPLETELY DELETED *** CAISSE POPULAIRE DES VOYAGEURS INC.		
SD376463	2019/06/03	TRANS POWER SALE		*** COMPLETELY DELETED *** CAISSE POPULAIRE DES VOYAGEURS INC.	UPGRADE HOUSING INC.	
SD376464	2019/06/03	CHARGE		*** COMPLETELY DELETED *** UPGRADE HOUSING INC.	Name - Unknown Individual	
SD376465	2019/06/03	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** UPGRADE HOUSING INC.	Names - Unknown Individuals	
SD418547	2021/04/07	TRANSFER		*** COMPLETELY DELETED *** UPGRADE HOUSING INC.	INTERLUDE INC.	
SD453995	2022/06/23	CERTIFICATE		*** COMPLETELY DELETED *** CITY OF GREATER SUDBURY		
SD461625	2022/09/27	APL (GENERAL)		*** COMPLETELY DELETED *** CITY OF GREATER SUDBURY		
SD463432	2022/10/21	DISCH OF CHARGE		*** COMPLETELY DELETED *** Names - Unknown Individuals		
SD484263	2023/09/25	TRANSFER		*** COMPLETELY DELETED *** INTERLUDE INC.	OLD THING BACK INC.	
SD490687	2024/01/15	TRANSFER	\$2	OLD THING BACK INC.	INTERLUDE INC.	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

PROPERTY DESCRIPTION: PCL 5590 SEC SES LT 120 PLAN M100 CITY OF SUDBURY

PROPERTY REMARKS:

ESTATE/QUALIFIER:  
FEE SIMPLE  
ABSOLUTE

RECENTLY:  
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:  
1993/04/05

OWNERS' NAMES  
INTERLUDE INC.

CAPACITY SHARE  
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
**EFFECTIVE	2000/07/29	THE NOTATION OF THE	"BLOCK IMPLEMENTATION DATE" OF 1993/04/05 ON THIS PIN**			
**WAS REPLACED WITH THE	"PIN CREATION DATE"	OF 1993/04/05**				
** PRINTOUT	INCLUDES ALL	DOCUMENT TYPES AND	DELETED INSTRUMENTS SINCE 1993/02/22 **			
LT577197	1986/05/27	TRANSFER	*** COMPLETELY DELETED ***		Names - Unknown Individuals	
LT577198	1986/05/27	CHARGE	*** COMPLETELY DELETED ***		SUDBURY NORTH CREDIT UNION LIMITED	
LT609125	1987/10/01	CHARGE	*** COMPLETELY DELETED ***		SUDBURY NORTH CREDIT UNION LIMITED	
	REMARKS: TRANSFERRED UNDER 640510					
LT640510	1989/01/17	TRANSFER OF CHARGE	*** DELETED AGAINST THIS PROPERTY ***		NICKEL CENTRE CREDIT UNION LIMITED	
	REMARKS: 583343	583343 IS INCORRECT, AND SHOULD READ LT603123				
LT734926	1992/06/09	CHARGE	*** COMPLETELY DELETED ***		NICKEL CENTRE CREDIT UNION LIMITED	
LT823439	1996/04/30	CHARGE	*** COMPLETELY DELETED ***	Names - Unknown Individuals	NICKEL CENTRE CREDIT UNION LIMITED	
	REMARKS: A.O.L					
LT824226	1996/05/14	DISCH OF CHARGE	*** COMPLETELY DELETED *** NICKEL CENTRE CREDIT UNION LIMITED			
	REMARKS: RE: LT609125					
LT824227	1996/05/14	DISCH OF CHARGE	*** COMPLETELY DELETED ***			

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
		REMARKS: RE: LT734926		NICKEL CENTRE CREDIT UNION LIMITED		
LT824661	1996/05/23	DISCH OF CHARGE		*** COMPLETELY DELETED *** DEPOSIT INSURANCE CORPORATION OFONTARIO/SOCIETE ONTARIENNE D'ASSURANCE-DEPOTS		
		REMARKS: RE: LT577198				
LT836747	1996/11/29	CHARGE		*** COMPLETELY DELETED *** Names - Unknown Individuals	CAISSE POPULAIRE STE. ANNE DE SUDBURY LIMITEE	
LT836748	1996/11/29	CHARGE		*** COMPLETELY DELETED *** Names - Unknown Individuals	CAISSE POPULAIRE STE. ANNE DE SUDBURY LIMITEE	
LT837205	1996/12/09	DISCH OF CHARGE		*** COMPLETELY DELETED *** NICKEL CENTRE CREDIT UNION LIMITED		
		REMARKS: RE: LT823439				
SD165022	2010/01/28	DISCH OF CHARGE		*** COMPLETELY DELETED *** CAISSE POPULAIRE DES VOYAGEURS INC.		
		REMARKS: LT836747.				
SD192334	2011/02/08	DISCH OF CHARGE		*** COMPLETELY DELETED *** CAISSE POPULAIRE DES VOYAGEURS INC.		
		REMARKS: LT836748.				
SD197842	2011/05/05	TRANSFER		*** COMPLETELY DELETED *** Names - Unknown Individuals	Names - Unknown Individuals	
		REMARKS: PLANNING ACT STATEMENTS				
SD203730	2011/07/15	TRANSFER		*** COMPLETELY DELETED *** Names - Unknown Individuals	Name - Unknown Individual	
		REMARKS: PLANNING ACT STATEMENTS				
SD203733	2011/07/15	CHARGE		*** DELETED AGAINST THIS PROPERTY *** Name - Unknown Individual	Names - Unknown Individuals	
SD222264	2012/03/29	LIEN		*** COMPLETELY DELETED ***		

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
		REMARKS: INCOME TAX ACT		HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
SD286006	2014/12/05	DISCH OF CHARGE		*** COMPLETELY DELETED *** Names - Unknown Individuals		
		REMARKS: SD203733.				
SD286007	2014/12/05	TRANSFER		*** COMPLETELY DELETED *** Name - Unknown Individual	2367118 ONTARIO LIMITED	
		REMARKS: PLANNING ACT STATEMENTS.				
SD286008	2014/12/05	CHARGE		*** COMPLETELY DELETED *** 2367118 ONTARIO LIMITED	Names - Unknown Individuals	
SD286026	2014/12/05	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 2367118 ONTARIO LIMITED	Names - Unknown Individuals	
		REMARKS: SD286008.				
SD286228	2014/12/10	DISCHARGE INTEREST		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
		REMARKS: SD222264.				
SD415828	2021/02/26	TRANSFER		*** COMPLETELY DELETED *** 2367118 ONTARIO LIMITED	INTERLUDE INC.	
		REMARKS: PLANNING ACT STATEMENTS.				
SD415829	2021/02/26	CHARGE		*** COMPLETELY DELETED *** INTERLUDE INC.	A & A EQUITY FORT INC.	
SD415830	2021/02/26	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** INTERLUDE INC.	A & A EQUITY FORT INC.	
		REMARKS: SD415829.				
SD415840	2021/03/01	DISCH OF CHARGE		*** COMPLETELY DELETED *** Names - Unknown Individuals		
		REMARKS: SD286008.				

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
SD475657	2023/05/16	CHARGE	\$255,500	INTERLUDE INC.	Name - Unknown Individual 1000027984 ONTARIO LIMITED	C
SD475658	2023/05/16	NO ASSGN RENT GEN		INTERLUDE INC.	Name - Unknown Individual 1000027984 ONTARIO LIMITED	C
SD475678	2023/05/16	DISCH OF CHARGE		*** COMPLETELY DELETED *** A & A EQUITY FORT INC.		
SD484264	2023/09/25	TRANSFER		*** COMPLETELY DELETED *** INTERLUDE INC.	OLD THING BACK INC.	
SD490686	2024/01/15	TRANSFER	\$2	OLD THING BACK INC.	INTERLUDE INC.	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

PROPERTY DESCRIPTION:PART LOT 4 CONCESSION 4 MCKIM, PARTS 1 AND 2 PLAN 53R21175; CITY OF SUDBURY; SUBJECT TO AN EASEMENT OVER PART 2 PLAN 53R21175 AS IN LT41306

PROPERTY REMARKS:

ESTATE/QUALIFIER:  
FEE SIMPLE  
ABSOLUTE

RECENTLY:  
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:  
1993/05/03

OWNERS' NAMES  
HOMETOWN HOUSING INC.

CAPACITY SHARE  
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
**EFFECTIVE	2000/07/29	THE NOTATION OF THE	"BLOCK IMPLEMENTATION DATE" OF 1993/05/03 ON THIS PIN**			
**WAS REPLACED WITH THE	"PIN CREATION DATE"	OF 1993/05/03**				
** PRINTOUT	INCLUDES ALL	DOCUMENT TYPES AND	DELETED INSTRUMENTS SINCE 1993/03/30 **			
LT41306	1937/09/08	TRANSFER EASEMENT			THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO	C
LT457394	1979/02/05	CAUTION-LAND	*** COMPLETELY DELETED ***			
	REMARKS: DELETED 2019/06/21 BY SHEILLA MAJOR					
LT513915	1982/10/15	TRANSFER	*** COMPLETELY DELETED ***		Unknown Name	
LT861517	1998/03/16	TRANSMISSION-LAND	*** COMPLETELY DELETED *** Unknown Name DECEASED		Unknown Name, ESTATE Unknown Name Unknown Name	
LT875139	1998/12/18	TRANSFER	*** COMPLETELY DELETED *** Unknown Name DECEASED Unknown Name Unknown Name		Unknown Name	
53R21175	2019/06/13	PLAN REFERENCE				C
SD378095	2019/06/28	TRANSFER	*** COMPLETELY DELETED *** Unknown Name		HOMETOWN HOUSING INC.	
	REMARKS: PLANNING ACT STATEMENTS.					
SD378096	2019/06/28	CHARGE	*** COMPLETELY DELETED *** HOMETOWN HOUSING INC.		Unknown Name	

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
SD378097	2019/06/28	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** HOMETOWN HOUSING INC.	Unknown Name	
	REMARKS: SD378096.					
SD396386	2020/05/15	CHARGE		*** COMPLETELY DELETED *** HOMETOWN HOUSING INC.	LORASONS HOLDINGS INC.	
SD396387	2020/05/15	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** HOMETOWN HOUSING INC.	LORASONS HOLDINGS INC.	
	REMARKS: SD396386.					
SD396460	2020/05/19	DISCH OF CHARGE		*** COMPLETELY DELETED *** Unknown Name		
	REMARKS: SD378096.					
SD399020	2020/07/07	CHARGE		*** COMPLETELY DELETED *** HOMETOWN HOUSING INC.	Unknown Name Unknown Name	
SD399021	2020/07/07	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** HOMETOWN HOUSING INC.	Unknown Name Unknown Name	
	REMARKS: SD399020 RENTS					
SD450096	2022/05/06	DISCH OF CHARGE		*** COMPLETELY DELETED *** LORASONS HOLDINGS INC.		
	REMARKS: SD396386.					
SD450118	2022/05/06	DISCH OF CHARGE		*** COMPLETELY DELETED *** Unknown Name Unknown Name		
	REMARKS: SD399020.					
SD461152	2022/09/21	CERTIFICATE	\$6,156	CITY OF GREATER SUDBURY		C
	REMARKS: TAX ARREARS					
SD484261	2023/09/25	TRANSFER		*** COMPLETELY DELETED *** HOMETOWN HOUSING INC.	OLD THING BACK INC.	
SD490690	2024/01/15	TRANSFER	\$2	OLD THING BACK INC.	HOMETOWN HOUSING INC.	C


NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

# PROMISSORY NOTE RENEWAL

1984

**Borrowers:** Old Thing Back (the "Borrowers") with personal guarantor(s) Dylan Suitor (the "Borrowers")

**Lenders:** The Lion's Share Group Inc. (the "Lenders")

1. **Principle Amount Renewed:** The Lender hereby agrees to renew the previous promissory note loan with a principal amount of **\$195,606.44** CAD which was due for renewal on October 21, 2023.
2. FOR VALUE RECEIVED, The Borrowers promise to pay to the Lenders at such address as may be provided in writing to the Borrowers, the principle sum of \$195,606.44 CAD. The term is 6 Month Term fully open. The Initial Interest Rate charged for the term will be 17% per annum compounding monthly with monthly payments of \$2,771.09 interest only. Monthly payments will commence one month from advance date by the Lenders. Monthly payments must be made via Pre-Authorized Debit Form included in this Agreement.
3. A consulting and administration fee of \$1,956.06 is payable by the Borrower to Claire Drage for the preparation and administration of this renewal and is **payable now**. This fee will be collected via a one-time Pre-Authorised Debit under the previously signed **Blanket Pad Form for Broker/Admin Fees** on signing of this document. 
4. Principle amount of **\$195,606.44** is made up of the following:
  - a) \$166,785.67 renewal amount
  - b) \$21,265.17 = 9x deferred payments of \$2,362.80
  - c) \$2,250.00 = 9x deferred admin fee of \$250 (reduced from \$500)
  - d) \$4,725.59 = 2x NSF payments of \$2,362.80
  - e) \$500.00 = 2x NSF admin fee of \$250 (reduced from \$500)
  - f) \$80.00 = bank fees incurred at original funding
5. Principle owing at the end of the term will be \$195,606.44 plus any accrued interest, if applicable, and any applicable fees as outlined in this agreement.
6. This Note will be repaid in full on or before April 21, 2024, or the sale of 454 Eva Ave, Sudbury ON P3C 4N4 whichever is soonest. The Lenders and Borrowers may agree to a further 30 or 60 day extension under the same terms, subject to approval specifically by the Lenders. The Borrowers are aware that they are fully responsible for contacting the Lenders representative (Claire Drage) in writing to request such an extension with an explanation.
7. At any time while not in default under this Note, the Borrowers may pay the outstanding balance then owing under this Note to the Lenders without further bonus or penalty.
8. Notwithstanding anything to the contrary in this Note, if the Borrowers default in the performance of any obligation under this Note, then the Lenders may declare the principle amount owing and interest due under this Note at that time to be immediately due and payable.



Borrowers Initials



Lenders Initials



9. All costs, expenses and expenditures including, and without limitation, legal costs, fees and disbursements on a **substantial indemnity basis**, incurred by the Lenders in enforcing this Note as a result of any default by the Borrowers, will be added to the principle then outstanding and will immediately be paid by the Borrowers. In the case of the Borrowers default and the acceleration of the amount due to the Lenders all amounts outstanding under this Note will bear interest at the rate of 3% higher than the Initial Interest Rate charged per annum from the date of demand until paid. This Note is secured by the Lenders right to register this Note on title on **all or any properties held by the Borrowers and Guarantors as security** (the 'Security'), if not paid in full by 6:00pm on April 21, 2024. This includes, but is not limited to, the property located at 454 Eva Ave, Sudbury ON P3C 4N4, Canada.
10. **Renewal/End of Term:** The Borrowers are aware that this note loan is due and payable at the end of the term; this is based on the date outlined. A renewal or extension of the term is not guaranteed and automatically forthcoming. The Lenders may, at their discretion and subject to a written request being received through their representative within 30 days of the end of the term, grant an extension. Changes to the interest rate and additional fees may apply and are to be negotiated at the time.
11. **Repayment at end of Term:** The Borrowers are aware that should a renewal request not be received in writing by the Lenders representative, and an approval agreed upon and granted by the Lenders before the end of the term, that this note loan is due and payable immediately. The interest rate to be charged and payable by the Borrowers after the end of the term, will be 3% higher than the Initial Interest Rate charged – this will apply until full repayment. A penalty for non-repayment at the end of the term of \$1,000 will also be applied to the balance owing until full repayment is made. Non-repayment of this note loan at the end of the term will be deemed in default and legal action shall commence immediately with applicable fees payable as outlined herein.
12. If any term, covenant, condition or provision of this Note is held by a Court of competent jurisdiction to be invalid, void or unenforceable, it is the parties' intent that such provision be reduced in scope by the Court only to the extent deemed necessary by that Court to render the provision reasonable and enforceable and the remainder of the provisions of this Note will in no way be affected, impaired or invalidated as a result.
13. This Note will be construed in accordance with and governed by the laws of the Province of **Ontario**.
14. This Note will inure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the Borrowers and the Lenders.
15. The Borrowers hereby waive presentment for payment, notice of non-payment, protest and notice of protest.
16. **Fee Schedule:**
- a) **Payment Date Change Requests:** Requests for any changes in the Borrowers payment date after funding, must be submitted in writing to their representative and approved by the Lenders. If the date change can be accommodated and approved, fees may apply - **\$125** (\$75 Lenders Fee & \$50 Administration Fee).



Borrowers Initials



Lenders Initials

- b) **Missed Payment Fee (if applicable):** Payable for each missed, late installment and for processing each NSF cheque or other returned payment due and payable during the term as outlined in this agreement. Any payment including final payout of the note that is made after 1:00 P.M. on any date, shall be deemed for the purpose of calculating interest to have been made and received on the next bank business day - **\$500** (\$250 Lenders Fee & \$250 Administration Fee)
- c) **Default Proceedings:** for each action or proceeding instituted - \$2,500.00 excluding legal fees
- d) **Renewal of Note Loan:** At the discretion of the Lenders to offer a renewal or extension of this agreement. Upon renewal or extension, the rate of interest and fees charged may be increased. All applicable Lenders fees, legal expenses & disbursements associated with renewal or extension are separate and at the cost of the Borrowers and to be determined on renewal.
- e) **Discharge Statements:** One discharge statement can be requested at no charge at any time during the term of the note loan. Any additional statements that are requested - **\$200.00**
- f) **Demand Letter in Default:** \$350.00 plus Lenders legal fees estimated to be \$500.

IN WITNESS WHEREOF the parties have duly affixed their signatures under seal:

**SIGNED, SEALED, AND DELIVERED**

2023-11-07

\_\_\_\_\_  
Date: (dd/mm/yyyy).

 Dylan Suitor

\_\_\_\_\_  
Old Thing Back(Borrowers)

(Borrowers)

 Dylan Suitor

\_\_\_\_\_  
Dylan Suitor (Borrowers/Guarantors)

**SIGNED, SEALED, AND DELIVERED**

2023-11-07

\_\_\_\_\_  
Date: (dd/mm/yyyy).

 Claire Drage

\_\_\_\_\_  
The Lion's Share Group Inc. (Lenders)

 DS

Borrowers Initials

 CD

Lenders Initials

**PRE AUTHORIZED PAYMENT AGREEMENT****The Lion's Share Group Inc.**Tel: 289-800-9620 [accounts@lionssharegroup.com](mailto:accounts@lionssharegroup.com) 16 Noble Kirk Drive, Freelon ON L8B 0Z21. **Category:** Personal: ☐ Business: ☒2. **Customer Information (please print clearly):****Name(s):** Old Thing Back - Dylan Suitor -**Mailing Address:** Personal: as per ID and for Business as per Articles of Incorporation and/or void cheque on file3. **Customer Bank Account Information**

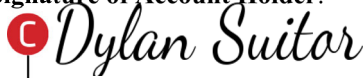
As per Void Cheque on file for this borrower/corporation.

**I acknowledge that a Void Cheque has been provided (via email) that matches the borrowers names (or will be sent immediately to [accounts@lionssharegroup.com](mailto:accounts@lionssharegroup.com)) for the specific account funds are to be deducted from.**


Chequing Account: ☒ Savings Account: ☐4. **Pre-Authorized Debit (PAD) Details**You, the Payor, authorize **The Lion's Share Group Inc (Payee)**. to debit the bank account identified above for:

- the Fixed Amount of **\$2,771.09** for **454 Eva Ave, Sudbury ON P3C 4N4** (Ref: MACC-355199 454 Eva HML CD Renewal)
- Occurring at set intervals of **Monthly**
- With the first payment commencing **November 21, 2023** and continuing until end of Loan or Mortgage Agreement Term or Payout, or if written notice is provided along with alternative payment arrangements, whichever is soonest.

You, the Payor, may revoke your authorization at any time, subject to providing notice of 30 days and adhering to the terms and conditions of your Loan or Mortgage Agreement with the Payee. To obtain a sample cancellation form, or for more information on your right to cancel a PAD Agreement, contact your financial institution or visit [www.payments.ca](http://www.payments.ca)

**Signature of Account Holder:**

**Signature of Joint Account Holder (if applicable)**

Name: Old Thing Back

Dylan Suitor

Signing Officers

2023-11-07

Date: \_\_\_\_\_

Date: \_\_\_\_\_

You have certain recourse rights if any debit does not comply with this agreement. For example, you have the right to



Borrowers Initials



Lenders Initials

A signature line for borrowers, consisting of a red circle with a white 'C' inside, followed by the letters 'DS' in a cursive font, all enclosed within a black oval.

Borrowers Initials

A signature line for lenders, consisting of a red circle with a white 'C' inside, followed by the letters 'CD' in a cursive font, all enclosed within a black oval.

Lenders Initials



## 394 APPLEBY LINE, Burlington, Ontario, L7L 2X8

**\$1,250,000**

**MLS® # W8105820**



### House For Sale In Shoreacres, Burlington, Ontario

**\$1,250,000**

3+2 Bedrooms    2 Baths    64.01 x 115 FT Lot Size

#### Property Information:

Note this home is a zoned commercial with a potential to convert back into residential. Renovations Have Been Done To The Entire House To Create An Ideal Working Environment with upper level featuring waiting area, receptionist space, kitchen, 2 piece bathroom and 4 offices. Side entrance privately leads to lower level with 3 additional offices, 3 piece bathroom, laundry/storage and boardroom. Convenient Location with Comfortable Parking for 5 cars On The Side/Back Of Property. \*\*\*\* EXTRAS \*\*\*\* Fridge, Stove, Dishwasher, Microwave, Washer, Dryer, Window Coverings, Built in security cameras (id:27)

#### Building Features:

**Style:** Detached

<b>Building Type:</b>	House
<b>Architectural Style:</b>	Bungalow
<b>Basement Development:</b>	Finished
<b>Basement Type:</b>	N/A
<b>Construction Style -</b>	Detached
<b>Attachment:</b>	
<b>Exterior Finish:</b>	Brick
<b>Heating Type:</b>	Forced air
<b>Heating Fuel:</b>	Natural gas
<b>Cooling Type:</b>	Central air conditioning

### Property Features:

<b>OwnershipType:</b>	Freehold
<b>Property Type:</b>	Single Family
<b>Bedrooms:</b>	3+2
<b>Bathrooms:</b>	2
<b>Features:</b>	Lane
<b>Irregular:</b>	Yes
<b>Lot Size:</b>	64.01 x 115 FT
<b>No. of Parking Spaces:</b>	5

### Rooms:

<b>Bathroom</b>	Basement Level 8.24 m x 5.98 m
<b>Bedroom</b>	Basement Level 12.87 m x 10.25 m
<b>Laundry</b>	Basement Level 10.21 m x 8.16 m
<b>Foyer</b>	Main Level 7.53 m x 8.89 m
<b>Living</b>	Main Level 15.93 m x 11.87 m
<b>Kitchen</b>	Main Level 6.85 m x 8.35 m
<b>Bathroom</b>	Main Level 5.60 m x 4.30 m
<b>Bedroom</b>	Main Level 11.86 m x 7.54 m
<b>2nd Bedroom</b>	Main Level 9.17 m x 11.85 m
<b>3rd Bedroom</b>	Main Level 9.18 m x 6.40 m
<b>4th Bedroom</b>	Main Level 9.23 m x 6.71 m

Courtesy of: KELLER WILLIAMS CO-ELEVATION REALTY

This listing content provided by REALTOR.ca has been licensed by REALTOR® members of The Canadian Real Estate Association.

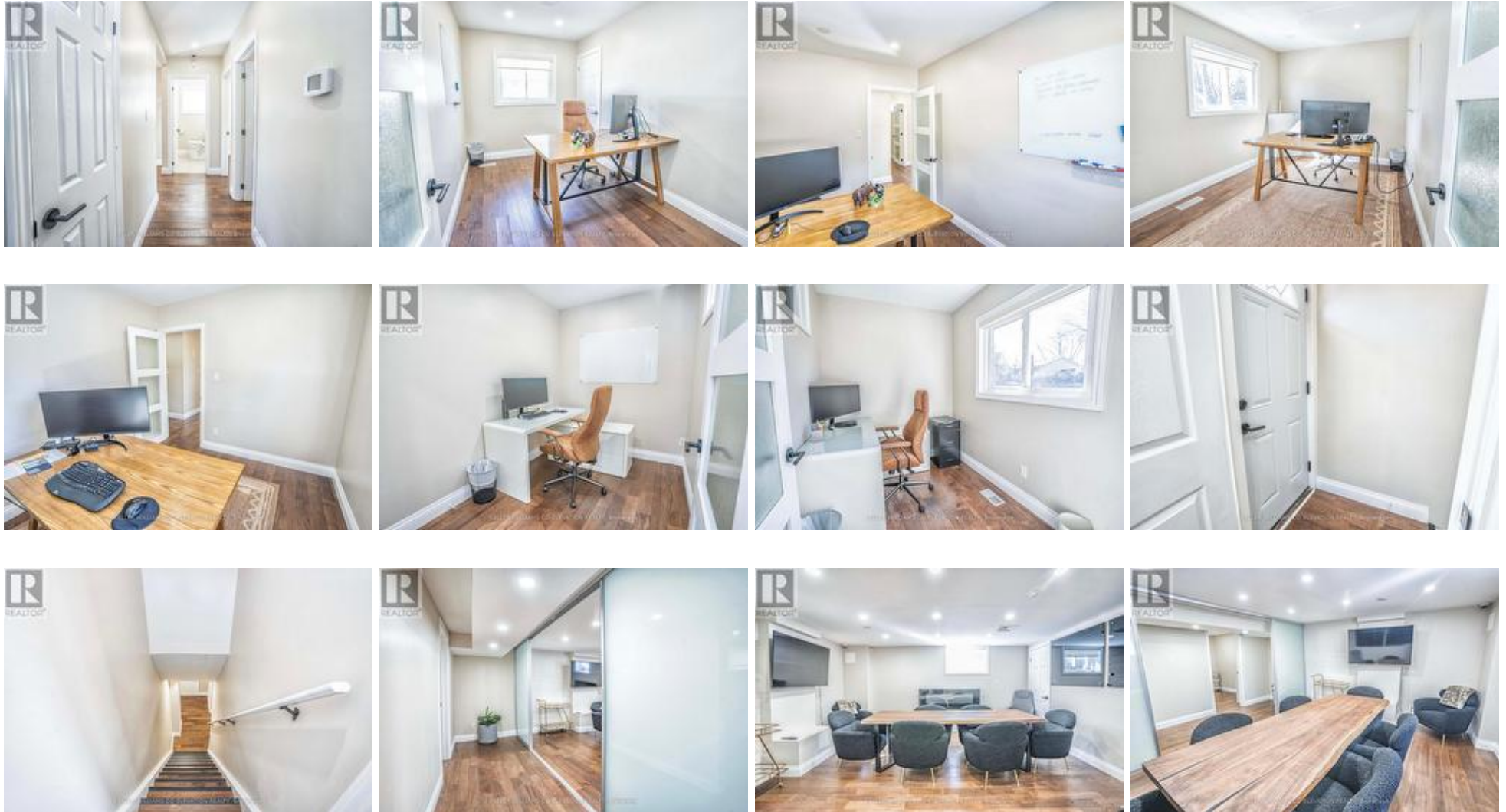


This listing content provided by REALTOR.ca has been licensed by REALTOR® members of The Canadian Real Estate Association.

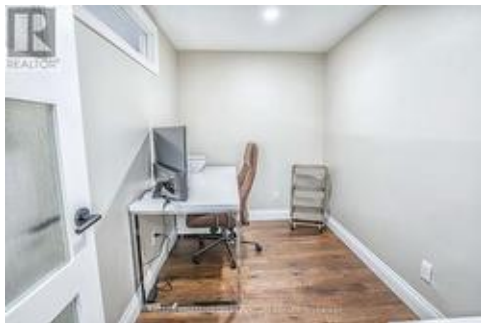


## Additional Photos









© 2024 BROOKFIELD REAL ESTATE SERVICES MANAGER LIMITED

The property information on this website is derived from Royal LePage listings and the Canadian Real Estate Association's Data Distribution Facility (DDF). DDF references real estate listings held by brokerage firms other than Royal LePage and its franchisees. The accuracy of information is not guaranteed and should be independently verified.

\*All offices are independently owned and operated, except those offices identified as "Royal LePage Real Estate Services Ltd., Brokerage", "Royal LePage West Real Estate Services" and "Royal LePage Sussex".

The MLS® mark and associated logos identify professional services rendered by REALTOR® members of CREA to effect the purchase, sale and lease of real estate as part of a cooperative selling system.

The trademarks REALTOR®, REALTORS® and the REALTOR® logo are controlled by The Canadian Real Estate Association (CREA) and identify real estate professionals who are members of CREA.

The trademarks MLS®, Multiple Listing Service® and the associated logos are owned by CREA and identify the quality of services provided by real estate professionals who are members of CREA.

THE WINDROSE GROUP  
A MORTGAGE ALLIANCE TEAM  
LICENSE # 10530



# PROMISSORY NOTE LOAN OPPORTUNITY

for Review – 3 Water Street, St Catharines

PREPARED BY: Bronwyn Bullen  
APPROVED BY: Claire Drage  
September 14, 2022

This document is confidential and prepared specifically for your review as a potential investor. If you have any questions or need further clarification, please reach out for clarification.

We look forward to working with you and discussing the deal further.

# DEAL SYNOPSIS

---

<b>Loan Amount</b>	\$250,000.00
<b>Term</b>	Our client Dylan Suitor, is seeking a Promissory Note Loan for 6 months to 1 year fully open term. (you let us know if you want 6 months or 1 year )
<b>Return &amp; Payments to You</b>	You will earn 17% annual interest compounding monthly that will be payable to you with monthly interest only payments of <b>\$3,541.67</b>
<b>Property Location</b>	The property is a Six Plex located at 3 Water Street, St Catharines, ON L2R4T6
<b>Current Value</b>	<b>\$720,000.00</b> Purchase Price Estimated After Repair/Completed Value to be <b>\$1,600,000.00</b>
<b>Current Liens</b>	1 <sup>st</sup> Private Mortgage of \$576,000.00
<b>Loan to Value</b>	Including the \$576,000.00 will be 51.62% based on after repair value of \$1,600,000.00
<b>Strategy</b>	Purchase, renovate, rent out with high quality tenants, and then refinance with a major bank.
<b>Advance Date (est.)</b>	To Be Arranged.

# THE BORROWER

---



The borrower is Neat Nest Inc, with Dylan Suitor providing a personal guarantee.

Dylan is a veteran real estate investor whose focus is on the following strategies:

1. buy and flips in strong markets
2. buy-renovate-rent-refinance on small multi-family
3. buy-renovate-rent-refinance on large multi-family (5+ Units)
4. buy and hold turnkey properties

Over the years Dylan has amassed a large portfolio with more than 80+ properties and he has his sights on continued portfolio growth.

Our team has been working with Dylan for a number of years and he has demonstrated to us his ability to not only create a clear investment model but also adapt based on market and economic conditions. Dylan is also a realtor and runs his own growing team of successful investor focused agents. His commissions from his real estate business alone are \$450k+ per year and he is able to leverage that skill set to target strong markets and opportunities within that market including off market deals. Here is some information on Dylan as a realtor and his commitment to not only the community but the continued growth and mentorship of other realtors. <http://www.elevationrealty.ca/about/dylan-suitor/>

Dylan's excellent knowledge of the investment market in specific cities such as St Catharines, Welland, Niagara and Sudbury has led to him creating a win-win scenario. His expertise is to clearly identify properties that are under market value and typically owned by tired landlords or home owners that have not kept the properties well maintained. He focuses on markets that can generate great cash flow with good market rents and low vacancy. The properties he seeks out are those that can be converted into multiple units and provide either a fellow investor with a turnkey rental (newly renovated with great pre-qualified tenants) or hold the property and create cash flow for his business. Some of the renovations are extensive with conversions into multi-family, adding additions etc., while others are more cosmetic. Dylan has a full time Project Manager to not only coordinate trades but keep each project moving forward. Even though Dylan is a high energy go getter and often works 16-18 hour days (we don't think he has an off switch!), he also appreciates the value of a quality power team so that he can efficiently scale up while producing a quality product - safe secure housing for

Canadians! With an investor like Dylan who has many projects on the go at any one time - in both acquisition, renovation, staging, listing, renting or sell - we have weekly, sometimes more, conference calls to keep up to date on each project and his on-going needs to continue to grow.

Dylan is very clear on his business model that he likes to share with all his investors:

**Every house must fit all the following criteria:**

- ✓ Purchased at 40-60% of the After Repair Value & Renovated to 70-75% of the After Repair Value and then Sold or refinanced at 100% of the After Repair Value
- ✓ 10% of the After Repair Value will be spent on the sale of the home OR 25% of the equity will remain in the home
- ✓ 7% minimum CAP rate obtained

**What value do we bring to the table?**

- ✓ Securing profitable homes that fit the model with vetted quality contractors to improve the homes
- ✓ Managing the marketing and selling of the homes via a competent Realtor (this is not always Dylan - he believes in utilizing his power team in each region)
- ✓ Value added renovations and ongoing improvements
- ✓ Providing a team to get the home financed if applicable
- ✓ Providing the necessary bookkeeping to determine profitability
- ✓ A proven track record in numerous areas of real estate investing
- ✓ Proven power team in each market

Over the last few years we have completed many loans and mortgages with Dylan, and we have helped support his continued growth in the strong markets he is in. He exemplifies everything we want in a borrower; payments made on time, smooth closings and an excellent business model.

On the regular updates we receive we have seen first-hand the quality and detail Dylan puts into each project. Dylan has an eye for opportunity with strong negotiating skills to create a win-win for both seller and buyer (him) while at the same time working with his Project Manager to push the projects forward and handle trades. When you renovate as many properties as he does it is so much easier to have not only economies of scale but a replicable model. For example, the flooring type, paint colours, kitchen design is consistent in a majority of his properties. His philosophy is that, the better the workmanship, the better-quality tenants it will attract. This strategy helps protect his and your investment for the long-term.

Check out this list of some of his **current Flips and Buy-Renovate-Rent-Refinance** on the go that we have been involved in under **Neat Nest Inc** - you can see some great history and a clear pattern of his specific niche. See **Past Projects** at the back of this information package for a summary of some of the projects that have already been completed with us:

NEAT NEXT INC AS OF APRIL 28, 2020 :

Property	Purchase	Status
Southworth	April 2020 for \$205,000	Under renovation with est. value \$700,000
Wellington	May 2020 for \$736,000	Under renovation with est. value \$1.6mil
King	May 2020 for \$800,000	Under renovation with est. value \$1.9mil
Water	May 2020 for \$720,000	Under renovation with est. value \$1.6mil

#### Other Corporations and Current Portfolio Strength:

Interlude Inc			Incorporated: November 13, 2020	
Properties Total No.	Purchase Price Total	Current Value Total	Rental Income Monthly	Overall Status
63	\$16,781,830	\$24,500,000	\$66,704.33	50% Under Renovation % Being Refinanced 50% Completed & Rented
Home Town Housing Inc.			Incorporated: March 1, 2019	
Properties Total No.	Purchase Price Total	Current Value Total	Rental Income Monthly	Overall Status
18	\$3,180,000	\$10,168,000	\$45,195	11.12% Under Renovation 0% Being Refinanced 88.88% Completed & Rented
Horses In the Back Inc.			Incorporated: July 24, 2020	
Properties Total No.	Purchase Price Total	Current Value Total	Rental Income Monthly	Overall Status
3	\$965,000	\$1,900,000	\$9,556	33.33% Under Renovation 0% Being Refinanced 66.67% Completed & Rented

Neat Nests Inc.			Incorporated: March 1, 2019		1999
Properties Total No.	Purchase Price Total	Current Value Total	Rental Income Monthly	Overall Status	
8	\$5,502,500	\$10,825,000	\$45,050.70	62.50% Under Renovation 0% Being Refinanced 37.50% Completed & Rented	
Up-Town Funk Inc.			Incorporated: March 5, 2019		
Properties Total No.	Purchase Price Total	Current Value Total	Rental Income Monthly	Overall Status	
31	\$5,035,500	\$10,655,000	\$8,250.00	5% Under Renovation 0% Being Refinanced 95% Completed & Rented	
Upgrade Housing Inc.			Incorporated: March 5, 2019		
Properties Total No.	Purchase Price Total	Current Value Total	Rental Income Monthly	Overall Status	
34	\$7,222,411	\$12,741,000	\$79,158	5% Under Renovation 95% Being Refinanced 95% Completed & Rented	

Old Thing Back Inc.			Incorporated: April 19, 2013		
Properties Total No.	Purchase Price Total	Current Value Total	Rental Income Monthly	Overall Status	
4	\$871,000	\$2,315,000	\$10,800	75% Under Renovation 0% Being Refinanced 25% Completed & Rented	

Dylan is very active on social media and enjoys sharing his experiences and progress especially with his investors who help support these projects. Check them out as well as stay connected as you watch the progress of your investment:

- Facebook: <https://www.facebook.com/people/Dylan-Suitor>
- Instagram: [https://www.instagram.com/dylansuitorelevate\\_realtor/](https://www.instagram.com/dylansuitorelevate_realtor/)
- LinkedIn: <https://www.linkedin.com/in/dylan-suitor-34573046/>

**Credit Worthiness:** Dylan has a strong credit score of 818 which is excellent -with little debt, no late payments and accounts are paid in full at the end of the month.

**Reason for Funds:** This promissory note loan request is for the renovations and carrying costs of this specific project.



# THE TERMS

- \$250,000.00 borrowed for 6 month or 1 year term with the possibility to extend for another two months only if the property doesn't sell - although unlikely and as mentioned earlier it will likely be paid out sooner
- Annual Interest rate of return of 17%
- You will earn 17% annual interest compounding monthly that will be payable to you with monthly interest only payments of \$3,541.67
- If an extension on the term at renewal is not provided and if the loan is not re-paid in full within the term of advance, an additional fee/penalty will apply along with an increase in the interest rate.
- All fees and costs incurred by the lender will be paid for by the borrower if not repaid within the term fully open i.e. title registration fees, legal fees etc.
- A \$2,500.00 fee will be payable by the borrowers on advance to Claire Drage for underwriting and facilitating this loan.
- Claire Drage will follow up with all parties to ensure the terms of this agreement are upheld right until full repayment to you, the investor, and then, with your permission, we rinse and repeat.

Dylan is using these funds to renovate his latest project as described herein - once the renovations are complete Dylan will be renting and then we will refinance with a major bank. We will advance the funds as follows:

1. \$2,500.00 Fee sent by e-transfer to [investor@thewindrosegroupp.ca](mailto:investor@thewindrosegroupp.ca) from the lender
2. \$247,500.00 net advance to be transferred into the borrower's bank account

Balance owing at the end of the one year is \$250,000.00 plus any accrued interest or fees detailed herein.



# SECURITY

---

A personal guarantee is being offered by our client, Neat Nest Inc, with Dylan SUITOR providing a personal guarantee, and may be registered with a General Securities Agreement in the event of a default in repayment of this loan. We also add a clause into our loan agreement that means that a lien can be placed on title on all properties owned by the borrowers, not just one specific property.

# EXIT STRATEGY

---

Your funds will be fully repaid on the anticipated exit strategy which is to complete the renovations, fill the property with good quality tenants at or above market rent and then refinancing with a major bank within the term of this loan.

# PAST PROJECTS

Here is an example of some of the past projects we have been involved with and have been completed by the borrowers:

**Location:** 75 Queenston, St Catharines  
**Strategy:** Triplex Renovation and Rent  
**Purchase Price:** \$230,000  
**Renovations:** \$70,000  
**New Appraised Value:** \$440,000

**Location:** 92 Lake St. Catherines  
**Strategy:** Single Family to Duplex and Rent  
**Purchase Price:** \$205,000  
**Renovations:** \$100,000  
**New Appraised Value:** \$440,000

**Location:** 454 Burton, Sudbury  
**Strategy:** Duplex to Triplex and Rent  
**Purchase Price:** \$195,000  
**Renovations:** \$50,000  
**New Appraised Value:** \$300,000

## Claire with Dylan - Rent to Own Seminar



## KW Award for Top Producer



## BEFORE AND AFTER



**Outstanding Requests and Responses from Interview of Robert Clark, held April 25, 2024**

No.	Question	Answer
2.	To produce the records reflecting the rent paid by the applicants to Paradisal Bliss in respect of 394 Appleby Line, Burlington.	
4.	To provide copies of the Applicants' records regarding the promissory notes and the records provided by Windrose showing more significant liability.	
14.	To produce SID Management's bank account statements.	
15.	To produce the monthly statements that SID Management sends to the applicants (and later KSV) stating what SID Management has received from their tenants in aggregate, what their fees are, and what the difference is that goes to the applicants.	
16.	To produce the materials that were provided to various potential syndicated lenders pursued throughout 2023 (i.e., not individual lenders through Claire Drage) to inform them about SID Management. In particular, to produce the package sent to the syndicated larger opportunity lenders that were pursued throughout 2023.	
22.	To advise why money was transferred to Lawn Care Alert from the Applicants' business, and in particular, to provide an explanation as to why it would be appropriate to pay \$600,000 to Lawn Care Alert.	
25.	To provide the documents that show where funds deposited via transfer by the applicants to the email address Email Address were deposited.	
27.	To produce Robert Clark's statements for the bank account where funds were received from and paid into the Applicants' banks. To the extent that there are different bank accounts, to provide statements for the accounts. In particular, all the payments regarding the PDF excerpt from the applicants' general ledgers marked as Exhibit A.	
28.	To provide the statements for Robert Clark's personal Amex card for 2020 onwards.	
29.	To review the document marked as Exhibit A and identify where the funds to Robert Clark were deposited and the basis for each of the transfers for an amount over \$1000.	
30.	To review the document marked as Exhibit B (payments to and from RWC) and to identify the basis for those payments.	

No.	Question	Answer
31.	To produce the statements showing where the vendor rebate is deducted, and the bank statements for the account where SID Renos is paid the vendor rebates.	
32.	To investigate and confirm whether or not every payment over \$1000 in the document marked as Exhibit C (payments to and from SID Renos) are on account of vendor rebates or something else.	
33.	For each payment over \$1000 in the document marked as Exhibit C, to provide any supporting documents that clarify why these payments to SID Renos were made and what the payments were on account of.	
34.	To produce the work product that Apex Agency provided to the applicants.	
35.	To produce the contract or contracts, if there is more than one, with the Apex Agency.	
37.	To produce a copy of a monthly trial balance or such other existing document(s) that would show how solvent Joint Captain was at the time that \$800,000 of dividends were paid to shareholders post-Core closing.	
38.	If there is any work product associated with the engagement of EK Global Management, and if there is a contract with EK Global Management, to produce that work product and contract.	
39.	If there is any work product associated with the engagement of Highkey Enterprises, and if there is a contract with Highkey Enterprises, to produce that work product and contract.	
45.	With reference to Exhibit G, to provide the details of the credit card associated with the transfers described as "CC payment for bro".	
46.	With reference to Exhibit G, to provide the details of the credit card associated with the other transfers described therein.	
47.	To produce any email authorizations of expenses that exist where there has been a request for a reimbursement of an expense and an email that corresponds to that.	
50.	In reference to payments made in respect of Elite Pacific Properties to film promotional materials, to provide a copy of the promotional materials.	
51.	To provide the contract with Uncommon Entertainment.	

No.	Question	Answer
52.	<p>To provide the identity of the individual who took the private jet with Robert Clark and [Name - Unknown Individual] in January 2022.</p> <p>If refused on the basis of an NDA, to produce a copy of the NDA redacting the name of the individual whose identity cannot be disclosed.</p>	
53.	<p>To provide a list of all of the companies that Robert Clark has an interest in currently or had an interest in during the currency of the applicants' operations, and for each one, to advise if they received funds from the applicants.</p>	

**Outstanding Requests and Responses from Interview of Aruba Butt, held April 26, 2024**

No.	Specific Question	Answer
4.	To produce and explain the reconciliation process that the Applicants' bookkeepers and accountants performed regarding the Additional Stay Parties' business expenses on their credit cards.	
5.	To identify all of the credit card charges that Aruba Butt says are business expenses of the Applicants on her credit card statements.	
11.	To provide explanations for the transfers between the Applicants and Paradisal Bliss in <b>Exhibit "C"</b> , and to produce any documents that would explain these transfers.	
12.	To provide copies of any invoices issued by Paradisal Bliss that correspond to the payments between the Applicants and Paradisal Bliss in <b>Exhibit "C"</b> .	
13.	To produce bank statements for Paradisal Bliss' account [REDACTED] Paradisal Bliss - Account # [REDACTED], listed in <b>Exhibit "C"</b> , from 2020 onwards.	
14.	To the extent that it is not already encompassed in prior requests, to itemize which credit card charges on Aruba Butt's personal credit card were incurred on behalf of the Applicants.	
17.	To advise who owns account [REDACTED] DSPLN - Account # [REDACTED] and, if it is within Aruba Butt's control, to provide the bank statements for that account.	
20.	To advise why a \$10,000.00 transfer was made from The Pink Flamingo to Chubby Assets Inc., as indicated in <b>Exhibit "J"</b> .	
21.	To advise the purpose of the \$20,000.00 paid from the Applicants to Cobalt Prospects as shown in <b>Exhibit "K"</b> , and to produce any documentation that would shed light on that purpose.	
35.	To confirm who owns account [REDACTED] DSPLN - Account # [REDACTED]	
36.	To provide documentation demonstrating the basis and rationale for the payment to SID Management of \$210,000.00 on May 25, 2023, as noted in <b>Exhibit "P"</b> .	
37.	To confirm if SID Renos was profitable in each of 2020, 2021, 2022, and 2023.	
39.	To provide the bank account statements for SID Renos.	
43.	To provide the list of accounts in Aruba Butt's possession.	

No.	Specific Question	Answer
44.	In respect of every account listed in response to request #43, to advise whether the Applicants transferred any funds into those accounts.	
51.	If it is not self-evident from the bank statements for Prospect and SID Renos, to advise which account the e-transfers noted in <b>Exhibit "V"</b> to [REDACTED] Aruba's Email Address were deposited into.	

**Outstanding Requests and Responses from Interview of Ryan Molony, held May 1, 2024**

No.	Specific Question	Answer
6.	To provide a list of the non- Applicant companies that form the approximate 30% of the work that SID Renos and Sid Management does outside of work with the Applicants.	
8.	To check if an analysis was done, at any point in time, to determine if the Applicants' business, as a whole, was profitable or not. If there was such analysis, to provide the same.	
9.	To provide the analyses conducted as to what interest rate was needed to make the stabilized portion of the portfolio cash flow positive.	
12.	To provide information provided by the office manager before reimbursements were issued.	
14.	To provide the written end-of- week reports from 2021 onwards.	
18.	To provide a copy of appraisals done to obtain the properties' post-renovation value, to the extent that they were provided to Windrose.	
22.	To produce documents that show how the proceeds of the mortgage loan in <b>Exhibit "C"</b> were used.	
23.	To identify the credit card transactions and any transactions that were not credit card transactions that form the \$479,346.39 reflected in the excerpt from the general ledger contained in the document marked as <b>Exhibit "D"</b> .	
24.	To identify and explain which charges on Ryan Molony's credit card are being claimed as business vs. personal expenses.	
25.	To check Ryan Molony's personal accounts and confirm which of the e-transfers over \$1000 noted in the document marked as <b>Exhibit "D"</b> were deposited into his personal accounts. If the e-transfers were deposited, to provide the account statements.	
27.	To advise if there were any flights or accommodations that were not paid for by the Applicants in respect of Ryan Molony's spouse on company retreats.	
28.	To provide the booking information for the company retreats relating to payments made to Stay Awhile Villas.	
29.	To confirm whether email transfers from the Applicants were deposited into Ryan Molony's RBC account. If so, to produce the bank account statements for that account.	



**Outstanding Requests and Responses from Interview of Dylan Sutor, held May 6, 2024**

No.	Specific Question	Answer
4.	To provide and if required create and produce a list of all properties the Applicants transferred to related parties.	
5.	To produce records that show the commission that Elevation Real Estate has received in respect of the sale or purchase of Applicant properties.	
7.	If there is any supplemental information concerning the holdings under Elv8 Inc., be it directly or indirectly, to provide particulars of those holdings.	
9.	To the extent it is not subsumed by a prior request, to provide details of all properties sold by the Applicants since 2021.	
12.	To produce bank statements and the general ledgers for any of the non-Applicant entities that Dylan Sutor has an interest in.	
14.	To make inquiries and advise if anything other than the roughly \$2.9 million of profits from the Core Sale could lead to a gain on sale of equipment and leasehold improvements as categorized on the statement of earnings.	
16.	To provide the documents that the Applicants provided to Scotiabank when Dylan Sutor and Robert Clark were seeking re-financing prior to the Core Sale. In particular, any diligence materials sent to the bank explaining the Applicants' business, properties and how much income the Applicants had.	
18.	To produce all information SID has that was provided to Claire Drage or Windrose or Lion's Share setting out what the properties of the Applicants were and any other due diligence-type materials that may have been provided to inform the lenders.	
20.	To make inquiries and advise if there are similar statements for the Applicants to the Interlude Owner Statement January 2024 marked as Exhibit "E", and if these exist to produce same.	
21.	To make inquiries and provide any package provided to Dylan Sutor informing him of the assets and liabilities of the Applicants' properties.	
22.	To confirm what the wire transfers from Nekzai Law to the Applicants listed in the document marked as Exhibit "F" were on account of.	

No.	Specific Question	Answer
23.	To confirm the basis of wire payments to the Applicants that appear to be loan proceeds from individual lenders listed in the document marked as Exhibit "G", if it is in fact on account of promissory note lending or if it's something else.	
24.	To produce documentation that effected the transfer from Interlude to Old Thing Back noted in the parcel register marked as Exhibit "H".	
31.	To identify charges incurred on behalf of the Applicants on the credit cards for Old Thing Back and Upgrade Housing.	
34.	To clarify the basis for the aggregate of payments listed in the document marked as Exhibit "T". If the reason given is that these payments are reimbursements for spending on credit cards, then to produce the credit card statements that is correlated with the reimbursements. If there is any other reason for the payments, to provide particulars of those reasons.	
36.	To make inquiries and advise what the deposit of \$338,155.65 at BR [Transit #] made on November 23, 2021 and listed on the November 2021 Interlude bank statement marked as Exhibit "U" is from.	
37.	To make inquiries as to why it appears most of the proceeds from the \$338,000.00 deposit (referenced above) go to Old Thing Back. If the deposit did not go to Old Thing Back, to advise where it went.	
38.	To advise why the deposit of \$75,000.00 made on November 26, 2021 listed on the November 2021 Interlude bank statement marked as Exhibit "U" went to Old Thing Back.	
39.	To make inquiries and advise if the \$304,000.00 deposit listed on the July 2023 Hometown Housing Bank Statement marked as Exhibit "V" was the proceeds of either a mortgage loan or promissory note.	
42.	To the extent that there is anything other than the housing loan identified by the general ledger in the bank statements for Horses in the Back, to advise and provide particulars.	
43.	To the extent that the \$35,000.00 transfer on November 1, 2021 in the bank statements for Horses in the Back marked as Exhibit "X" was not paid to Old Thing Back, to advise and provide any information to the contrary.	
44.	To provide information as to why it would be appropriate to transfer \$10,000.00 to each of Old Thing Back and/or Upgrade Housing as shown on the November bank statements for Horses in the Back marked as Exhibit "X".	

No.	Specific Question	Answer
45.	To provide additional explanation(s) for the transfers of \$35,000.00, \$30,000.00, \$10,000.00 and \$10,000.00 as shown on the bank statements for Horses in the Back marked as Exhibit "X".	
46.	To particularize what the \$247,000.00 deposit on October 11, 2022 as shown in the Neat Nests bank statements marked as Exhibit "Y" is from.	
48.	To make inquiries and advise if Applicant money was ever specifically used to pay the interest on borrowing by Applicant and non-Applicant companies.	



February 28, 2024

By Email - [Redacted]  
Dylan Suitor

cpendrith@cassels.com  
tel: +1 416 860 6765

[Redacted]  
Address

Dear Mr. Suitor:

**Re: IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BALBOA INC. et al. (Court File No.: CV-24-00713245-00CL)**

We are counsel to KSV Restructuring Inc. in its capacity as court-appointed monitor of the assets, business and financial affairs of the Applicants in the above-noted CCAA proceeding (the "**Monitor**"). As you are aware, the Monitor is directed and empowered to conduct an investigation, as set out in paragraph 32(k) of the Amended and Restated Initial Order of Justice Kimmel in this matter, dated February 15, 2024 (the "**ARIO**").

The Monitor has received information from several investors in the Applicants that concern the sale and/or transfer of real properties owned, directly or indirectly, by you. In particular, we note that the property located at 12 Inglewood Road in St. Catharines, Ontario was recently listed for sale.

The Monitor must be kept apprised of all listings and sales and/or transfers of property owned, directly or indirectly, by you as well as each of the Applicants and the Additional Stay Parties (as defined in the ARIO). To that end, kindly provide us with a complete list of all such properties, details of all listings, listing agreements and any agreements of purchase and sale entered into or completed within the last 12 months. For each property where a sale or transfer is contemplated, including the Inglewood Road property referenced above, please provide details concerning the intended use of the transaction proceeds.

Please consider this a standing information request and provide any updates as applicable.

We appreciate your assistance and look forward to your prompt response.

February 28, 2024  
Page 2

Yours truly,

Cassels Brock & Blackwell LLP

A handwritten signature in black ink, appearing to read 'CP', is shown on a light gray rectangular background.

Colin Pendrith  
Partner

cc: Sean Zweig, Joshua Foster and Thomas Gray (Bennett Jones)  
cc: Ryan Jacobs, Shayne Kukulowicz, Joe Bellissimo and John M. Picone (Cassels)  
cc: Noah Goldstein and David Sieradzki (KSV)  
LEGAL\*61966664.3



February 29, 2024

By Email: [Redacted] Personal Email Address

cpendrith@cassels.com

[Redacted] Personal Email Address

tel: +1 416 860 6765

Aruba Butt

[Redacted] Personal Address

Ryan Molony

[Redacted] Personal Address

Dear Ms. Butt and Mr. Molony:

**Re: IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BALBOA INC. et al. (Court File No.: CV-24-00713245-00CL)**

We are counsel to KSV Restructuring Inc. in its capacity as court-appointed monitor of the assets, business and financial affairs of the Applicants in the above-noted CCAA proceeding (the "**Monitor**"). As you are aware, the Monitor is directed and empowered to conduct an investigation, as set out in paragraph 32(k) of the Amended and Restated Initial Order of Justice Kimmel in this matter, dated February 15, 2024 (the "**ARIO**").

The Monitor must be kept apprised of all listings and sales and/or transfers of property owned, directly or indirectly, by you as well as each of the Applicant. To that end, kindly provide us with a complete list of all such properties, details of all listings, listing agreements and any agreements of purchase and sale entered into or completed within the last 12 months. For each property where a sale or transfer is contemplated, please provide details concerning the intended use of the transaction proceeds.

Please consider this a standing information request and provide any updates as applicable.

We appreciate your assistance and look forward to your prompt response.

February 29, 2024  
Page 2

Yours truly,

Cassels Brock & Blackwell LLP

A handwritten signature in black ink, appearing to read 'CP', is shown on a light gray rectangular background.

Colin Pendrith  
Partner

cc: Sean Zweig, Joshua Foster and Thomas Gray (Bennett Jones)  
cc: Ryan Jacobs, Shayne Kukulowicz, Joe Bellissimo and John M. Picone (Cassels)  
cc: Noah Goldstein and David Sieradzki (KSV)  
LEGAL\*61978327.2



March 8, 2024

**By Email**

cpendrith@cassels.com

tel: +1 416 860 6765

Bennett Jones LLP  
3400 One First Canadian Place  
P.O. Box 130  
Toronto, Ontario  
M5X 1A4 Canada

Attn: Sean Zweig

Dear Mr. Zweig:

**Re: IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BALBOA INC. et al. (Court File No.: CV-24-00713245-00CL)**

As you are aware, we are counsel to KSV Restructuring Inc., in its capacity as Court-appointed monitor (the "**Monitor**") in this matter. As part of the investigation that our client is conducting pursuant to a Court order dated February 15, 2024, we have a number of preliminary questions and information and document requests that arise from the general ledger ("**GL**") information and real estate title information provided to our client by the Applicants.

As our client receives answers to these requests and obtains further documents, including bank statements, credit card statements and other supporting documentation, we expect that further inquiries will be forthcoming. In this regard we thank you for your anticipated assistance and cooperation.

***Questions concerning real estate title***

1. As set out in **Exhibit "A"**, there are 20 properties currently owned by the Applicants which were acquired from another corporation. For each of these properties, please advise:
  - a. Whether the corporation from which the Applicant acquired the property is non-arms length from any of the Applicants or Aruba Butt, Dylan Suitor and/or Ryan Molony (collectively, the "**Additional Stay Parties**"), and if so, provide details of that relationship.



- b. Where the transfers are amongst non-arms length parties, please explain the purpose of each transfer and provide details of the use of the proceeds of sale and supporting documents.
2. Three properties (496 Whissel Ave., Sudbury, 454 Eva Ave., Sudbury, 536 Montague Ave., Sudbury) each show transfers on September 25, 2023 from the beneficial owners to trustees, and then another set of transfers on January 15, 2024 back to the beneficial owners. Please explain the purpose of each of these transfers and provide any associated transaction documents.
3. There are eleven properties that remain subject to mortgages that were on title before the current owner acquired the property:
  - i. 456 Douglas St (Sault Ste. Marie – 8/18/2021 – \$155,000.00 – ROYAL BANK OF CANADA)
  - ii. 485 Pine St S (Timmins – 6/9/2008 – \$86,000.00 – NATIONAL BANK OF CANADA)
  - iii. 55 Preston St (Timmins – 11/3/2008 – \$192,000.00 – BANK OF MONTREAL)
  - iv. 257 Jean St (Sudbury – 4/1/2015 – \$84,000.00 – CAISSE POPULAIRE VERMILLION INC.)
  - v. 249 Malette Cres (Timmins – 8/12/2019 – \$50,000.00 – BANK OF MONTREAL)
  - vi. 67 Rand Ave West (Kirkland Lake – 3/26/2020 – \$27,712.00 – FAIRSTONE FINANCIAL INC.)
  - vii. 12 Winfield Dr (Sault Ste. Marie – 12/23/2020 – \$164,000.00 – BRIDGEWATER BANK)
  - viii. 904 Wellington Street East (Sault Ste. Marie – 11/4/2011 – \$90,223.00 – CIBC MORTGAGES INC.)
  - ix. 227 Toke St (Timmins – 10/11/2012 – \$169,695.00 – COMPUTERSHARE TRUST COMPANY OF CANADA)
  - x. 556 Cooper St (Sault Ste. Marie – 10/22/1992 – \$66,500.00 – ROYAL BANK OF CANADA)
  - xi. 140 Shamrock Avenue South (Porcupine – 6/3/2014 – \$105,780.00 – COMMUNITY FIRST CREDIT UNION LIMITED)
  - a. Please confirm if any of these mortgages were assumed by the purchaser?
  - b. If not, please advise why each mortgage was not discharged? Is the purchaser's lawyer, or anyone else, following-up on discharges of these old mortgages to ensure that funds were paid to the lenders and the lenders will discharge their security?

4. 381 Eva Ave, Sudbury is subject to a caution registered by Interlude as SD491093 on 2024/01/19 "against the interest of [Name]". What is the purpose of this caution? Please provide any documents demonstrating the basis for the registration of the caution.
5. Pre-filing, the Applicants transferred properties to the following corporations:
  - i. 15266262 Canada Inc.
  - ii. 15417899 Canada Inc.
  - iii. 12853370 Canada Inc.
  - iv. MTDS Investments Inc.
  - v. MT Deez Inc.
  - vi. Gatta Properties Inc.
  - a. Please confirm which of these corporations are non-arms length from any of the Applications or the Additional Stay Parties and provide information concerning the ownership of each.
  - b. What is the relationship between the Applicants and the Additional Stay Parties (and in particular Dylan Suitor) and [Name]
6. For the properties sold to MTDS Investments Inc., please explain the basis for and provide supporting documents related to the payments to Green Lily Management Inc.
7. Please provides statements of adjustment in respect of all properties acquired or disposed of by the Applicants and any related companies.

## ***Preliminary Questions on GL Information***

The table below summarizes the date range and net cash flow reflected in the GL information provided to-date by the Applicants.

Corporation	Transaction Date Range		Net Disbursements (Receipts)
	First Transaction	Last Transaction	
Joint Captain Real Estate Inc.	20-Apr-21	30-Dec-22	997.98
Hometown Housing Inc.	29-Mar-19	30-Dec-22	(31,206.33)
Happy Gilmore Inc.	06-Oct-21	30-Dec-22	519.20

Multiville Inc.	04-Dec-20	30-Dec-22	711.33
Neat Nest Inc.	07-Mar-19	30-Dec-22	9,710.04
Balboa Inc.	27-Jan-22	30-Dec-22	169.36
The Pink Flamingo Inc.	16-Oct-20	30-Dec-22	5,915.44
DSPLN Inc.	08-Apr-21	30-Dec-22	660.19
Interlude Inc.	04-Jan-21	30-Dec-22	29,089.76
Horses in the Back Inc.	09-Jan-20	30-Dec-22	(181,626.74)
The Mulligan Inc.	24-Mar-21	30-Dec-22	\$665.97

In respect of the above-noted GL information:

1. Please provide the missing GL's for fiscal 2023 and January 2024.
2. Please explain why the GL's do not net out to zero.
3. To the extent the GL's are missing disbursement and/or receipt transactions, please provide the updated GL's.
4. The GL's do not appear to show the acquisition of the Applicants' properties. When a property was purchased, what was the corresponding journal entry? If there is no corresponding journal entry, please explain why.
5. For each Applicant, please summarize the current intercompany balance owing to/from other Applicants, as applicable.

**Questions concerning Hometown Housing Inc.**

1. Please provide details of the cash receipt from Happy Town Housing Inc. of ~\$300k (recorded on May 11, 2022) together with supporting documentation, as reflected in the GL excerpt below:

Date ▾	Entity ▾	Memo/Description ▾	Split ▾	Amount ▾
11/05/2022	Hometown Housing Inc.	HL525 Happy Town Account #	2570 Due to/from Happy Town Housing Inc. Happy Town Account #	300,000.00

**Questions concerning Joint Captain Real Estate**

1. Please explain the nature of and provide particulars of a \$400K dividend and a \$400K due to shareholder transaction recorded on May 11, 2022, as reflected in the excerpt below?

March 8, 2024  
Page 5

2. Please provide supporting documents, including documents evidencing the approval of the dividend.

Date	Entity	Memo/Description	Split	Amount
11/05/2022	Joint Captain Real Estate Inc.	Pre-Authorized Payment, DEFT SETTLEMENT FLE	Dividend	-400,000.00
11/05/2022	Joint Captain Real Estate Inc.	Transfer, Aruba Butt Account #	Due to Shareholder	-400,000.00

### Questions concerning The Pink Flamingo Inc.

1. Please explain the nature of and provide particulars of the following payments, together with supporting documents:

- a. April 4 and April 7, 2022: ~\$92K (US\$73K) paid to Elite Pacific Properties.

Date	Entity	Memo/Description	Split	Amount
04/04/2022	The Pink Flamingo Inc.	FX WIRE PAYMENT, WIRE PYMT AT 1.262670, USD 60,000.00, TO ELITE PACIFIC PROPERTI	Due to/from Aruba	-75,760.20
07/04/2022	The Pink Flamingo Inc.	FX WIRE PAYMENT, WIRE PYMT AT 1.274520, USD 12,767.87, TO ELITE PACIFIC PROPERTI	Due to/from Aruba	-16,272.91

- b. July 28, 2021 and May 2, 2022: ~\$90K (US\$69K) paid to Paramount Business Jet.

Date	Entity	Memo/Description	Split	Amount
02/05/2022	The Pink Flamingo Inc.	FX WIRE PAYMENT, WIRE PYMT AT 1.302390, USD 44,921.80, TO PARAMOUNT BUSINESS JET	Due to/from Aruba	-58,505.70
28/07/2021	The Pink Flamingo Inc.	FX WIRE PAYMENT, WIRE PYMT AT 1.271470, USD 24,496.40, TO PARAMOUNT BUSINESS JET	Advertising and Promotior	-31,146.44

- c. Dec 23, 2021 and Jan 13, 2022: ~\$118K (US\$93K) paid to Aviannes Inc.

Date	Entity	Memo/Description	Split	Amount
13/01/2022	The Pink Flamingo Inc.	FX WIRE PAYMENT, WIRE PYMT AT 1.258540, USD 72,750.00, TO AVIANNES INC	Due to/from Aruba	-91,558.78
23/12/2021	The Pink Flamingo Inc.	FX WIRE PAYMENT, WIRE PYMT AT 1.297860, USD 20,000.00, TO AVIANNES INC.	Due to/from Aruba	-25,957.20

- d. Aug 5, 2022: ~\$52K (US\$40K) transfer from DSPLN to Name

Date	Entity	Memo/Description	Split	Amount
05/08/2022	DSPLN Inc.	FX WIRE PAYMENT, WIRE PYMT AT 1.304340, USD 40,000.00, TO Name	Due to/from Aruba	-52,173.60

## Questions concerning Related Party Transactions – Directors & Robert Clark

1. What is the nature of and basis for the Net Disbursements to Aruba Butt totalling ~\$1.9mm? Please provide supporting documents in respect of each transaction.
  - a. Example: See above payments from Pink Flamingo to Elite Pacific Properties, Paramount Business Jet, Aviannes Inc. re “Due to/from Aruba”.

Row Labels	Sum of Amount	Row Labels	Sum of Amount
Due to/from Aruba	(1,918,431.86)	Balboa Inc.	(30,000.00)
<b>Grand Total</b>	<b>(1,918,431.86)</b>	DSPLN Inc.	(1,107,794.15)
		Interlude Inc.	(63,473.42)
		The Pink Flamingo Inc.	(717,164.29)
		<b>Grand Total</b>	<b>(1,918,431.86)</b>

2. What is the nature of and basis for the Net Disbursements to Dylan Suitor totalling ~\$667k? Please provide supporting documents in respect of each transaction.
  - a. Example: \$48K transfer to CAB RECORDS on June 24, 2021 from Interlude Inc.

Row Labels	Sum of Amount	Row Labels	Sum of Amount
2555 Due To/From Dylan Suitor	(525,901.70)	Hometown Housing Inc.	(525,901.70)
Due to / from Dylan Suitor PREC	(141,667.99)	Interlude Inc.	(141,667.99)
<b>Grand Total</b>	<b>(667,569.69)</b>	<b>Grand Total</b>	<b>(667,569.69)</b>

3. What is the nature of and basis for the Net Disbursements to Ryan Molony totalling ~\$475k? Please provide supporting documents in respect of each transaction.
  - a. Example: \$10K transfer RE CRYPTO on March 26, 2021 from Multiville Inc.

Row Labels	Sum of Amount	Row Labels	Sum of Amount
Due to/from Ryan Molony	(446,284.61)	Interlude Inc.	(7,439.47)
Due to/from Ryan Molony (Reimbursement)	(7,439.47)	Multiville Inc.	(446,284.61)
Reimbursement:Ryan Molony	(21,122.31)	The Mulligan Inc.	(21,122.31)
<b>Grand Total</b>	<b>(474,846.39)</b>	<b>Grand Total</b>	<b>(474,846.39)</b>

4. What is the nature of and basis for the Net Disbursements to Robert Clark totalling ~\$620k? Please provide supporting documents in respect of each transaction.

Row Labels	Sum of Amount	Row Labels	Sum of Amount
2555 Due To/From Robert Clark	(66,671.46)	DSPLN Inc.	(150,000.00)
Due to / from Robby Clark PREC	(50,000.00)	Happy Gilmore Inc.	(28,000.00)
Due to/from Robert	(170,708.33)	Hometown Housing Inc.	(66,671.46)
Due to/From Robert Clark	(288,000.00)	Interlude Inc.	(50,000.00)
Reimbursement:Robert Clark	(45,000.00)	Multiville Inc.	(110,000.00)
<b>Grand Total</b>	<b>(620,379.79)</b>	The Mulligan Inc.	(45,000.00)
		The Pink Flamingo Inc.	(170,708.33)
		<b>Grand Total</b>	<b>(620,379.79)</b>

**Other Related Party Transactions**


- Please explain the nature of and basis for the following related-party transactions, and provide supporting documents in respect of each transaction:
  - Prospect Real Estate – ~\$1mm from Interlude/Neat Nest/Horses in the Back from 2021-2022 (payments in \$10k-\$115k range)
  - Paradisal Bliss Inc. – \$204K from Pink Flamingo/DSPLN from 2021-2022
  - Elev8 Inc. – \$150k transfer from Interlude on June 15, 2022
  - Names – E-transfers in 2022 - \$40K
  - Names, Efresh, Name, Chubby – E-transfers in \$10k-\$20k range
- Please provide an explanation for why monies were frequently sent to/from intercompany accounts? (To both Applicant and Non-Applicant accounts).

**Other Transactions**

- Please explain the nature of and basis for the following transactions, and provide supporting documents in respect of each transaction:
  - Happy Gilmore Inc.: On Jan 18, 2022, transfer to “Uncommon Entertainment” of USD \$75k coded as shareholder loan.
  - Interlude Inc.: On Aug 26, 2022, transfer to “Highkey Enterprises” of USD \$75k coded as advertising.
  - Interlude Inc.: On Nov 30, 2021, transfer to “JLN CONNECT LLC” of USD \$50k coded as advertising.
  - Happy Gilmore Inc.: On Jan 10, 2022, transfer to “Name” of USD \$33k coded as shareholder loan.

**Questions relation to 128 Dufferin Street - Transfer of Assets Pre-Filing**

1. Please explain the \$50k “Buyer Adjustment” identified in the Trust Ledger excerpt below:



**NEKZAI LAW**

**TRUST LEDGER**

**Vendor:** Interlude Inc.

**Purchaser:** MTDS Investments Inc.

**Property:** 128 Dufferin Street, Sudbury, Ontario

**Adjusted as of:** January 16, 2024

TRUST LEDGER		
NOTE	RECEIPT	DISBURSED
Purchase Funds	\$379,849.80	
Mortgage Payout (Venturino)		\$277,224.81
Mortgage Payout (Lift)		\$14,204.51
Realtor Commission Payment		\$21,465.00
Tax Arrears Payment		\$5968.60
Water/Hydro Arrears Payment		\$380.36
Gas Arrears Payment		\$161.58
Buyer Adjustment		\$50,000.00
Legal Fees (sale)		\$1977.50
Disbursements		\$397.46
293 Mountain GSU arrears		\$101.60
Net Proceeds to Vendor		\$7,968.38
<b>TOTAL</b>	<b>\$374,385.21</b>	<b>\$374,385.21</b>

**Questions relating to AMEX Transactions**

1. Except for Interlude Inc., which has a corporate AMEX card, the Monitor’s understanding is that the other Applicants transact via personal AMEX cards. As previously requested, please provide the personal AMEX card statements (redacted, as appropriate) for the same time period as the GL’s provided. The GL’s provided reflect \$2.78mm in AMEX disbursements, as follows:

Row Labels	Sum of Amount
Interlude Inc.	(2,105,885.95)
Multiville Inc.	(675,287.35)
Grand Total	(2,781,173.30)

2. With respect to transactions on Interlude Inc.’s corporate AMEX card, please explain the nature of and basis for all expenses incurred in New York, Miami, and Paris (including those noted below), and provide supporting documents in respect of each transaction. In particular, please explain the business purpose and particulars for money spent at hotels, nightclubs and on private chefs (including the individuals present for meals from private chefs and at the nightclubs and their most recent known contact information):

DYLAN SUITOR Total of New Transactions			51,249.93
Card Number XXXX XXXXX7 91006			
New Transactions for DYLAN SUITOR			
Card Number XXXX XXXXX7 91006			
Mar 2	Mar 3	THE HOME DEPOT #7022 SUDBURY	55.93
Mar 4	Mar 5	PAYPAL *CHEFRODRIGO <div>Paypal Account #</div> <div>UNITED STATES DOLLAR 1,200.00 @ 1.31148</div>	1,573.78
Mar 4	Mar 5	THE HOME DEPOT #7022 SUDBURY	1,241.03
Mar 5	Mar 5	LIV 296 MIAMI BEACH UNITED STATES DOLLAR 15,468.00 @ 1.31149	20,286.09
Mar 5	Mar 5	TABOO 24 BY CANDIES CAB MIAMI UNITED STATES DOLLAR 3,712.50 @ 1.31149	4,868.89
Mar 6	Mar 7	PAYPAL *CHEFRODRIGO <div>Paypal Account #</div> <div>UNITED STATES DOLLAR 2,458.00 @ 1.31148</div>	3,223.63
Mar 5	Mar 5	THE HOME DEPOT #7022 SUDBURY	55.93



March 8, 2024  
Page 10

Prepared For  
DYLAN SUITOR  
INTERLUDE INC

Account Number  
XXXX XXXXX7 91006

Opening Date  
Jun 29, 2022

Closing Date  
Jul 28, 2022

### Your Transactions

Transaction Date	Posting Date	Details	Amount (\$)
Jul 9	Jul 10	LA LANTERNA DI VITTORIO NEW YORK UNITED STATES DOLLAR 718.16 @ 1.33639	959.74
Jul 11	Jul 11	LOEWS HOTELS THE REGENC NEW YORK UNITED STATES DOLLAR 2,431.25 @ 1.33639 ARRIVAL DEPARTURE NIGHTS 07/08/22 07/10/22	3,249.10
Jul 11	Jul 11	LOEWS HOTELS THE REGENC NEW YORK UNITED STATES DOLLAR 3,266.78 @ 1.33640 ARRIVAL DEPARTURE NIGHTS 07/08/22 07/10/22	4,365.71
Jul 11	Jul 11	LOEWS HOTELS THE REGENC NEW YORK UNITED STATES DOLLAR 2,090.43 @ 1.33639 ARRIVAL DEPARTURE NIGHTS 07/08/22 07/10/22	2,793.63
Jul 11	Jul 11	LOEWS HOTELS THE REGENC NEW YORK UNITED STATES DOLLAR 778.27 @ 1.33639 ARRIVAL DEPARTURE NIGHTS 07/08/22 07/10/22	1,040.07
Jul 12	Jul 13	THE HOME DEPOT #7022 SUDBURY	1,460.86
Jul 12	Jul 13	THE HOME DEPOT #7022 SUDBURY	54.21
Jul 13	Jul 13	FIRST CLASS CONSTRUCTIO TIMMINS	4,059.53
Jul 13	Jul 13	FIRST CLASS CONSTRUCTIO TIMMINS	4,059.53
Jul 13	Jul 13	LA MAISON DE L AUBRAC PARIS EUROPEAN UNION EURO 951.70 @ 1.34527	1,280.29

### Additional Questions

1. Attached as **Exhibit "B"** is a summary of Net disbursements above \$100k. To the extent we did not ask about these line items above, please explain and provide supporting documents for these disbursements.

We look forward to receiving the requested documents and information. We require that a written response be provided by March 15, 2024 given, among other things, the Monitor requires this information to prepare for the next scheduled Court attendance in the Applicants' CCAA proceedings, which is presently scheduled for March 27, 2024.

March 8, 2024  
Page 11

Yours truly,

Cassels Brock & Blackwell LLP

A handwritten signature in black ink, appearing to be 'CP', on a light gray rectangular background.

Colin Pendrith  
Partner

cc: Joshua Foster and Thomas Gray (Bennett Jones)  
cc: Ryan Jacobs, Shayne Kukulowicz, Joe Bellissimo and John M. Picone (Cassels)  
cc: Noah Goldstein and David Sieradzki (KSV)

**EXHIBIT "A"****31358-0550 – 127 Pine St., SS Marie**

Transfer AL241939 2022/01/17 to Northern Advancement Capital Inc. for \$149,900, with Olympia Trust mortgage, < 2 months before transfer to Happy Gilmore for \$200,000

**65404-2004 – 139-141 Balsom St. S., Timmins**

Transfer CB159570 2020/12/01 to Jeaco Group Inc. for \$100,000 less than one year before transfer to Happy Gilmore Inc. for \$165,000

**65392-0291 – 101 Dixon St., Timmins**

Transfer CB158794 2020/11/02 to Jeaco Group Inc. for \$65,000 less than one year before transfer to Interlude Inc. for \$160,000

**61408-0660 – 2 Station Rd. S., Kirkland Lake**

Transfer DT72985 2020/09/23 to 2247753 Ontario Inc. for \$170,000, with Olympia Trust mortgage, less than one year before transfer to Balboa Inc. for \$212,000

**02245-0328 – 496 Whissel Ave., Sudbury**

Transfer SD378095 2019/06/28 to Hometown Housing Inc. for \$266,500, with series of private mortgages, then Transfer SD484261 2023/09/25 to Old Thing Back Inc. for \$2 (beneficial owner to trustee), then Transfer SD490690 2024/01/15 to Hometown Housing Inc. for \$2 (trustee back to beneficial owner). Tax arrears certificate on title SD461152 2022/09/21 for \$6,156.

**02129-0132 – 2332 Eva Ave., Sudbury**

Transfer SD388970 2019/12/13 to Upgrade Housing Inc. for \$217,000, with Olympia Trust mortgage, less than 2 years before transfer to Hometown Housing Inc. for \$186,439

**31544-0182 – 78 Birch St., SS Marie**

Transfer AL239635 2021/11/26 to Wolfpack Properties Corporation for \$95,000 less than one year before transfer to Happy Gilmore Inc. for \$215,000

**02129-0272 – 454 Eva Ave., Sudbury**

Transfer SD376463 2019/06/03 to Upgrade Housing Inc. for \$195,000 with private mortgage, then Transfer SD418547 2021/04/07 to Interlude Inc. for \$160,000, then Transfer SD484263 2023/09/25 to Old Thing Back Inc. for \$2 (beneficial owner to trustee), then Transfer SD490687 2024/01/15 to Interlude Inc. for \$2 (trustee back to beneficial owner).

**73589-0077 – 1244 Martindale Rd., Sudbury**

Transfer SD375704 2019/05/17 to Upgrade Housing Inc. for \$125,000, with private mortgage, less than two years before transfer to Interlude Inc. for \$100,000

**02128-0265 – 445 Bessie Ave., Sudbury**

Transfer SD376842 2019/06/07 to Upgrade Housing Inc. for \$100,000, with Community Trust mortgage, less than two years before transfer to Interlude Inc. for \$68,000

**31543-0103 – 163 Wellington St. E., SS Marie**

Transfer AL220270 2020/11/19 to 2721150 Ontario Inc. for \$55,000, with CWF Group Mortgages Inc. mortgage, less than two years before transfer to Interlude Inc. for \$192,500.

**02128-0163 – 536 Montague Ave., Sudbury**

Transfer SD286007 2014/12/05 to 2367118 Ontario Inc. for \$145,000, with private mortgage, then Transfer SD415828 2021/02/26 to Interlude Inc. for \$180,000, with private mortgages, then Transfer SD484264 2023/09/25 to Old Thing Back Inc. for \$2 (beneficial owner to trustee), then Transfer SD490686 2024/01/15 to Interlude Inc. for \$2. (trustee back to beneficial owner).

**65404-2032 – 129 Birch St. S., Timmins**

Transfer CB169692 2021/11/05 to 12273012 Ontario Inc. for \$115,000, with private mortgage, less than one year prior to transfer to DSPLN Inc. for \$250,000

**31591-0172 and 31591-0041 – 456 Douglas St., SS Marie**

Transfer AL233759 2021/08/18 to Sault Rentals Limited for \$232,500, with RBC mortgage, less than one year prior to transfer to DSPLN Inc. for \$333,000. Old RBC mortgage for \$155,000 has not yet been discharged (presumably paid-off on 2022 sale).

**31592-0002 – 254 Goulais Ave., SS Marie**

Transfer AL232916 2021/08/04 to Sri-Hill Development Inc. for \$52,000 less than one year prior to transfer to DSPLN Inc. for \$186,000

**65423-0925 – 34 Carlin Ave., Timmins**

Transfer CB161891 2021/03/05 to Jeaco Group Inc. for \$32,500, with private mortgage, less than one year prior to transfer to DSPLN Inc. for \$225,000

**65423-0998 – 40 Crescent Ave., Timmins**

Transfer CB128051 2016/12/01 to Jeaco Group Inc. for \$65,000, with CIBC mortgage, five years prior to transfer to Interlude Inc. for \$165,000

**31549-0012 – 29 Alberta Ave., SS Marie**

Transfer AL207507 2019/12/16 to Green Olives Developers Ltd. for \$120,000 less than two years prior to transfer to DSPLN Inc. for \$174,900

## EXHIBIT "B"

Summary of Disbursements	Sum of Amount
Mortgage Interest	(3,290,888.87)
AMEX	(2,781,173.30)
Due to/from Aruba	(1,918,431.86)
Due to/from DSPLN	(1,494,850.00)
Private Loans:Due to/from Old Thing Back Inc (5243521)	(1,317,070.00)
Dues to/from Interlude	(850,050.00)
Due to/ From Old Thing Back	(721,000.00)
Repairs and Maintenance	(702,904.93)
legal & professional fees	(702,619.12)
Due to/from Prospect Real Estate	(623,378.34)
Insurance	(616,200.94)
Due to/from 2707793 Ontario Inc (SID Renos)	(547,575.31)
2555 Due To/From Dylan Sutor	(525,901.70)
Due to / From Upgrade	
Housing	(498,375.00)
Shareholder Loan	(449,912.98)
Due to/from Ryan Molony	(446,284.61)
Utilities	(426,031.94)
Due to Shareholder	(421,100.00)
2675 Due to/from Old Thing Back Inc. (5243521)	(406,563.40)
Dividend	(400,000.00)
Olympia Trust Mortgage Clearing	(390,819.96)
6450 Insurance	(386,086.54)
Loan Payment:Deft Settlement	(345,881.26)
Loan Repayment:The Lion LP	(334,571.07)
Loan Repayments	(332,123.43)
Due to/from HG	(305,550.00)
Due to/from Robert Clark	(288,000.00)
Private Loans:Due to/from Upgrade Housing Inc. (5023137)	(284,460.00)
Due to/from Pink Flamingo	(278,000.00)
6045 Interest Expense	(277,318.38)
Loan Payment:Olympia MGT	(260,788.80)
Due to/from SID Reno	(244,500.00)
Advertising/Promotional	(243,089.63)

Summary of Disbursements	Sum of Amount
Due to/from shareholders	(229,850.00)
Due to/from Paradisal Bliss	(220,400.00)
Due to/from DSPLN Inc.	(218,300.00)
Due to/from Paradisal Bliss Inc	(212,500.00)
Loan Payment:To the Lions Group	(208,433.11)
Duo To CC Card Payment	(206,461.83)
Management Fee	(204,268.51)
Due to/from Multiville Inc.	(200,400.00)
2560 Due to/from Upgrade Housing Inc. (5023137)	(195,374.00)
Buildings:1022 Wellington Street East	(185,793.98)
Advertising and Promotion	(179,473.93)
Due to/from Robert	(170,708.33)
Due to/from Balboa	(168,767.50)
Interest Expense	(166,511.22)
Buildings:392 Maple Street South	(156,830.00)
Due to/from Joint Captain Real Estate	(155,900.00)
Repair and maintenance	(150,898.33)
Due to/from Elev8 Inc	(150,000.00)
Due to/ From Sidrenos	(147,100.00)
6110 Maintenance & Repairs	(143,787.19)
Due to / from Dylan Suitor PREC	(141,667.99)
Housing Loan:202 GEORGE Loan Repayment	(141,135.91)
6860 Utilities	(139,736.19)
Due to / from Pink Flamingo	(137,000.00)
6595 Utilities	(127,279.92)
Loan Repayment	(118,185.50)
3 Water Street	(110,433.90)
Loan Payment:Lift Cap LP	(104,215.00)
Building:188 FERNDAL	(103,273.10)



March 8, 2024

By Email - [Redacted Email Address]

cpendrith@cassels.com

tel: +1 416 860 6765

Dylan Suitor

[Redacted Address]

Dear Mr. Suitor:

**Re: IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BALBOA INC. et al. (Court File No.: CV-24-00713245-00CL)**

We are writing further to our letter of February 28, 2024, for which we have yet to receive a response.

As the Court-appointed monitor (the "**Monitor**") in this matter, it is important to you respond to our client forthwith, particularly as the information requested in our February 28<sup>th</sup> letter is required for our client to conduct the investigation that it is directed and empowered by the Court to undertake.

We look forward to receiving the requested documents and information. We request that a written response be provided by March 15, 2024 given, among other things, that the Monitor requires this information to prepare for the next scheduled Court attendance in the Applicants' CCAA proceedings, which is presently scheduled for March 27, 2024.

Yours truly,

Cassels Brock & Blackwell LLP

Colin Pendrith  
Partner

cc: Sean Zweig, Joshua Foster and Thomas Gray (Bennett Jones)  
cc: Ryan Jacobs, Shayne Kukulowicz, Joe Bellissimo and John M. Picone (Cassels)  
cc: Noah Goldstein and David Sieradzki (KSV)  
LEGAL\*62031069.6



March 8, 2024

By Email: [Redacted Email Address]

cpendrith@cassels.com

[Redacted Email Address]

tel: +1 416 860 6765

Aruba Butt

Address  
[Redacted Address]

Ryan Molony

Address  
[Redacted Address]

Dear Ms. Butt and Mr. Molony:

**Re: IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BALBOA INC. et al. (Court File No.: CV-24-00713245-00CL)**

We are writing further to our letter of February 29, 2024, for which we have yet to receive a response.

As the Court-appointed monitor (the "**Monitor**") in this matter, it is important to you respond to our client forthwith, particularly as the information requested in our February 29<sup>th</sup> letter is required for our client to conduct the investigation that it is directed and empowered by the Court to undertake.

We look forward to receiving the requested documents and information. We request that a written response be provided by March 15, 2024 given, among other things, that the Monitor requires this information to prepare for the next scheduled Court attendance in the Applicants' CCAA proceedings, which is presently scheduled for March 27, 2024.



March 8, 2024  
Page 2

Yours truly,

Cassels Brock & Blackwell LLP

A handwritten signature in black ink, appearing to be 'CP', on a light gray rectangular background.

Colin Pendrith  
Partner

cc: Sean Zweig, Joshua Foster and Thomas Gray (Bennett Jones)  
cc: Ryan Jacobs, Shayne Kukulowicz, Joe Bellissimo and John M. Picone (Cassels)  
cc: Noah Goldstein and David Sieradzki (KSV)  
LEGAL\*62031125.4



March 13, 2024

**By Email**

cpendrith@cassels.com

tel: +1 416 860 6765

Bennett Jones LLP  
3400 One First Canadian Place  
P.O. Box 130  
Toronto, Ontario  
M5X 1A4 Canada

Attn: Sean Zweig

Dear Mr. Zweig:

**Re: IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BALBOA INC. et al. (Court File No.: CV-24-00713245-00CL)**

We write further to our previous letter dated March 8, 2024. KSV Restructuring Inc. (the "**Monitor**") has continued its inquiries into this matter and has the following additional questions. These questions supplement those in our prior communication.

***Questions concerning real estate title***

1. As set out in **Exhibit "A"**, there are twelve properties currently owned by entities which appear to be non-arms length from one or more of the Applicants and/or Aruba Butt, Dylan Suitor and/or Ryan Molony (collectively, the "**Additional Stay Parties**"). For each of these properties, please advise:
  - a. It appears that the current owners (the "**Current Owners**") are non-arms length from the Applicants and/or Additional Stay Parties. Please provide details of the relationship between the Applicants, the Additional Stay Parties and the Current Owners. If your clients' position is that the Current Owners are arms-length from the Applicants and the Additional Stay Parties, please explain how that is possible.
  - b. It also appears that the entities from which the Current Owners acquired the properties (the "**Former Owners**") are, at least in many cases, non-arms length from the Applicants, the Additional Stay Parties and/or Current Owners. Please provide details of the relationship between the Former Owners and the Applicants, the Additional Stay Parties and the Current Owners, and, if your

clients' position is that the Former Owners are arms-length from the Applicants, the Additional Stay Parties and the Current Owners, please explain how that is possible.

- c. Please explain the purpose of each transfer and provide details of the use of the proceeds of sale and supporting documents.
- 
2. Two of these properties (362 Donovan St., Sudbury, 267 Leslie St., Sudbury) each show transfers on September 25, 2023 from the beneficial owners to trustees, and then another set of transfers on January 15, 2024 back to the beneficial owners. We note that these are the same dates as the comparable transfers referenced in our prior letter relating to three properties listed therein (496 Whissel Ave., Sudbury, 454 Eva Ave., Sudbury, 536 Montague Ave., Sudbury). Please explain the purpose of each of these transfers, provide any associated transaction documents and advise why there were at least five sets of equivalent transfers made in respect of these properties, all of which are owned by entities run by Mr. Suitor.
  3. Of the properties listed in **Exhibit "A"**, there are two properties which each remain subject to two mortgages that were on title before the Current Owner acquired the property:
    - i. 267 Leslie St (Sudbury – 4/6/2021 – \$7,750,000.00 – TANDIA FINANCIAL CREDIT UNION LIMITED)
    - ii. 267 Leslie St (Sudbury – 7/20/2023 – \$1,200,000.00 – LIFT CAPITAL INCORPORATED, PS ADVANCED CONSULTING INC., [REDACTED]  
Names - Unknown Parties, assumed to be individual Lenders. [REDACTED])
    - iii. 362 Donovan St (Sudbury – 4/6/2021 – \$7,750,000.00 – TANDIA FINANCIAL CREDIT UNION LIMITED)
    - iv. 362 Donovan St (Sudbury – 7/20/2023 – \$1,200,000.00 – LIFT CAPITAL INCORPORATED, PS ADVANCED CONSULTING INC., [REDACTED]  
Names - Unknown Parties, assumed to be individual Lenders. [REDACTED])
  - a. Please confirm if any of these mortgages were assumed by the purchaser?
  - b. If not, please advise why each mortgage was not discharged? Is the purchaser's lawyer, or anyone else, following-up on discharges of these old mortgages to ensure that funds were paid to the lenders and the lenders will discharge their security?

March 13, 2024  
Page 3

- c. Please provide details of the relationship between the charge lenders listed above and the Applicants, the Additional Stay Parties, the Current Owners and the Former Owners. If your clients' position is that the charge lenders are arms-length from the Applicants, the Additional Stay Parties, the Current Owners and the Former Owners, please explain how that is possible.
4. Three of these properties (34 Rykert St., St. Catharines, 43 Centre St., St. Catharines, 75 Queenston St., St. Catharines) note charges and certificates from the Current Owners or Former Owners to [Name]. Please provide an explanation for these charges and certificates, and provide details of the relationship between [Name] and the Applicants, the Additional Stay Parties, Robert Clark, the Current Owners and the Former Owners.
5. As previously requested in our letter dated March 8, 2024, please provide statements of adjustments in respect of all properties acquired or disposed of by any companies related to the Applicants or the Additional Stay Parties, including the Current Owners and Former Owners.

***Questions concerning Interlude Inc.***

1. On November 27, 2023, Interlude Inc. and Mr. Suitor (as borrowers) signed a promissory note renewal in the amount of \$50,000.00 with [Name - Individual Lender] (as lender), which contemplated a repayment term tied to the sale of the property located at 29 Hughes Street, Sault St. Marie, Ontario, Canada, P6A 2W6. A copy of this promissory note renewal is attached as **Exhibit "B"**. However, this property was transferred to another company (12853370 Canada Inc.) two and a half weeks earlier, on November 8, 2023. Please advise:
  - a. Please provide details of the relationship between 12853370 Canada Inc and the Applicants, the Additional Stay Parties, the Current Owners and the Former Owners. If your clients' position is that 12853370 Canada Inc is arms-length from the Applicants, the Additional Stay Parties, the Current Owners and the Former Owners, please explain how that is possible.
  - b. The purpose of the transfer to 12853370 Canada Inc., including details of the use of the proceeds of sale and supporting documents.
  - c. A complete explanation of why Interlude Inc. and Mr. Suitor executed a promissory note renewal which contemplated a future sale of a property that had already been transferred to another entity.

As we advised in our previous letter, we look forward to receiving the previously requested documents and information by March 15, 2024. We require you to provide the documents and

March 13, 2024  
Page 4

information requested in this letter by March 18, 2024 in order for the Monitor to prepare for the next scheduled Court attendance in the Applicants' CCAA proceedings.

Yours truly,

Cassels Brock & Blackwell LLP

A handwritten signature in black ink, appearing to read 'CP', is positioned above the name Colin Pendrith.

Colin Pendrith  
Partner

cc: Joshua Foster and Thomas Gray (Bennett Jones)  
cc: Ryan Jacobs and John M. Picone (Cassels)  
cc: Noah Goldstein and David Sieradzki (KSV)

**EXHIBIT "A"****46333-0210 – 12 Inglewood Rd., St Catharines**

2019/04/29, Transfer (NR509195) to Up-Town Funk Inc. for \$240,000

2021/04/06, Transfer (NR571944) from Up-Town Funk Inc. to Upgrade Housing Inc. for \$220,050

**46179-0132 – 9 Merigold St., St Catharines**

2019/05/30, Transfer (NR511692) to Old Thing Back Inc. for \$250,000

2021/04/06, Transfer (NR571942) from Old Thing Back Inc. to Upgrade Housing Inc. for \$225,000

2023/12/18, Transfer (NR657735) from Upgrade Housing Inc. to MT Deez Inc. for \$550,000

**64451-0051 – 50 Martin St., Thorold**

2019/06/12, Transfer (SN591536) to Old Thing Back Inc. for \$160,000

2021/04/06, Transfer (SN667962) from Old Thing Back Inc. to Upgrade Housing Inc. for \$144,000

2023/12/18, Transfer (SN789093) from Upgrade Housing Inc. to MT Deez Inc. for \$700,000

**02179-0122 – 362 Donovan St., Sudbury**

2019/04/18, Transfer (SD374257) to Upgrade Housing Inc. for \$183,000

2023/09/25, Transfer (SD484265) from Upgrade Housing Inc. to Old Thing Back Inc. (beneficial owner to trustee) for \$2

2024/01/15, Transfer (SD490689) from Old Thing Back Inc. to Upgrade Housing Inc. (trustee back to beneficial owner) for \$2

**02132-0333 – 267 Leslie St., Sudbury**

2019/05/13, Transfer (SD375370) to Upgrade Housing Inc. for \$262,000

2023/09/25, Transfer (SD484262) from Upgrade Housing Inc. to Old Thing Back Inc. (beneficial owner to trustee) for \$2

2024/01/15, Transfer (SD490688) from Old Thing Back Inc. to Upgrade Housing Inc. (trustee back to beneficial owner) for \$2

**02128-0355 – 366 Montague Ave., Sudbury**

2019/06/14, Transfer (SD377279) to Upgrade Housing Inc. for \$266,000

**64122-0195 – 10 Iron St., Welland**

2016/04/01, Transfer (SN464567) to 1834537 Ontario Inc. for \$40,000

2020/03/27, Transfer (SN624575) from 1834537 Ontario Inc. to Happy Town Housing Inc. for \$165,000

2021/04/06, Transfer (SN667959) from Happy Town Housing Inc. to Upgrade Housing Inc. for \$138,000

**64113-0287 – 131 Duncan St., Welland**

2019/06/21, Transfer (SN592646) to 5009831 Ontario Inc. for \$120,000

2020/03/06, Transfer (SN622435) from 5009831 Ontario Inc. to Happy Town Housing Inc. for \$160,500

2021/04/06, Transfer (SN667960) from Happy Town Housing Inc. to Upgrade Housing Inc. for \$100,000

**46177-0033 – 34 Rykert St., St. Catharines**

2018/11/27, Transfer (NR497917) to Old Thing Back Inc. for \$205,000

2019/09/06, Transfer (NR520529) from Old Thing Back Inc. to Happy Town Housing Inc. for \$334,000

**46220-0112 – 43 Centre St., St. Catharines**

2018/05/23, Transfer (NR481409) to Ryan Molony for \$245,000

2019/03/29, Transfer (NR507211) from Ryan Molony to Happy Town Housing Inc. for \$485,000

**46264-0040 – 75 Queenston St., St. Catharines**

2018/10/11, Transfer (NR493975) to Old Thing Back Inc. for \$225,000

2019/09/06, Transfer (NR520533) from Old Thing Back Inc. to Happy Town Housing Inc. for \$388,000

**46349-0040 – 12 Thornton St., St. Catharines**

2020/01/31, Transfer (NR533847) to Happy Town Housing Inc. for \$180,000


LEGAL\*62117239.5

## PROMISSORY NOTE RENEWAL

2040

**Borrowers:** Interlude Inc. (the "Borrowers") with personal guarantor(s) Dylan Suitor (the "Borrowers")

**Lenders:** Name - Individual Lender (the "Lenders")

1. **Principle Amount Renewed:** The Lender hereby agrees to renew the previous promissory note loan with a principal amount of **\$50,000.00** CAD which was originally advanced on May 05, 2021.
2. FOR VALUE RECEIVED, The Borrowers promise to pay to the Lenders at such address as may be provided in writing to the Borrowers, the principle sum of \$50,000.00 CAD. The term is 6 Month Term fully open November 05, 2023. The Initial Interest Rate charged for the term will be 17% per annum compounding monthly with monthly payments of \$708.33 interest only. Monthly payments will commence one month from advance date by the Lenders. Monthly payments must be made via e-transfer to [payments@thewindrosegroupp.ca](mailto:payments@thewindrosegroupp.ca).
3. A consulting and administration fee of \$500.00 is payable by the Borrower to Claire Drage for the preparation and administration of this renewal and is **payable now**. This fee will be collected via a one-time Pre-Authorised Debit under the previously signed **Blanket Pad Form for Broker/Admin Fees** on signing of this document. 
4. Principle owing at the end of the term will be \$50,000.00 plus any accrued interest, if applicable, and any applicable fees as outlined in this agreement.
5. This Note will be repaid in full on or before May 05, 2024, or the sale of 29 Hughes Street, Sault Ste Marie, ON P6A 2W6 whichever is soonest. The Lenders and Borrowers may agree to a further 30 or 60 day extension under the same terms, subject to approval specifically by the Lenders. The Borrowers are aware that they are fully responsible for contacting the Lenders representative (Claire Drage) in writing to request such an extension with an explanation.
6. At any time while not in default under this Note, the Borrowers may pay the outstanding balance then owing under this Note to the Lenders without further bonus or penalty.
7. Notwithstanding anything to the contrary in this Note, if the Borrowers default in the performance of any obligation under this Note, then the Lenders may declare the principle amount owing and interest due under this Note at that time to be immediately due and payable.
8. All costs, expenses and expenditures including, and without limitation, legal costs, fees and disbursements on a **substantial indemnity basis**, incurred by the Lenders in enforcing this Note as a result of any default by the Borrowers, will be added to the principle then outstanding and will immediately be paid by the Borrowers. In the case of the Borrowers default and the acceleration of the amount due to the Lenders all amounts outstanding under this Note will bear interest at the rate of 3% higher than the Initial Interest Rate charged per annum from the date of demand until paid. This Note is secured by the Lenders right to register this Note on title on **all or any properties held**



Borrowers Initials



Lenders Initials



**by the Borrowers and Guarantors as security** (the 'Security'), if not paid in full by 6:00pm on May 05, 2024. This includes, but is not limited to, the property located at 29 Hughes Street, Sault Ste Marie, ON P6A 2W6, Canada. **The Borrower(s) and guarantor(s) hereby grants the Lender the right to, and acknowledges the Lender has the right to, register an interest in the land or lands owned by the Borrower, pursuant to s. 71 of the Land Titles Act, RSO 1990, c L.5.**

9. **Renewal/End of Term:** The Borrowers are aware that this note loan is due and payable at the end of the term; this is based on the date outlined. A renewal or extension of the term is not guaranteed and automatically forthcoming. The Lenders may, at their discretion and subject to a written request being received through their representative within 30 days of the end of the term, grant an extension. Changes to the interest rate and additional fees may apply and are to be negotiated at the time.
10. **Repayment at end of Term:** The Borrowers are aware that should a renewal request not be received in writing by the Lenders representative, and an approval agreed upon and granted by the Lenders before the end of the term, that this note loan is due and payable immediately. The interest rate to be charged and payable by the Borrowers after the end of the term, will be 3% higher than the Initial Interest Rate charged – this will apply until full repayment. A penalty for non-repayment at the end of the term of \$1,000 will also be applied to the balance owing until full repayment is made. Non-repayment of this note loan at the end of the term will be deemed in default and legal action shall commence immediately with applicable fees payable as outlined herein.
11. If any term, covenant, condition or provision of this Note is held by a Court of competent jurisdiction to be invalid, void or unenforceable, it is the parties' intent that such provision be reduced in scope by the Court only to the extent deemed necessary by that Court to render the provision reasonable and enforceable and the remainder of the provisions of this Note will in no way be affected, impaired or invalidated as a result.
12. This Note will be construed in accordance with and governed by the laws of the Province of **Ontario**.
13. This Note will inure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the Borrowers and the Lenders.
14. The Borrowers hereby waive presentment for payment, notice of non-payment, protest and notice of protest.
15. **Fee Schedule:**
  - a) **Payment Date Change Requests:** Requests for any changes in the Borrowers payment date after funding, must be submitted in writing to their representative and approved by the Lenders. If the date change can be accommodated and approved, fees may apply - **\$125** (\$75 Lenders Fee & \$50 Administration Fee).
  - b) **Missed Payment Fee (if applicable):** Payable for each missed, late installment and for processing each NSF cheque or other returned payment due and payable during the term as outlined in this agreement. Any payment including final payout of the note that is made after 1:00 P.M. on any date, shall be deemed for the purpose of calculating



Borrowers Initials



Lenders Initials

interest to have been made and received on the next bank business day - **\$500** (\$250 2042 Lenders Fee & \$250 Administration Fee)

- c) **Default Proceedings:** for each action or proceeding instituted - \$2,500.00 excluding legal fees
- d) **Renewal of Note Loan:** At the discretion of the Lenders to offer a renewal or extension of this agreement. Upon renewal or extension, the rate of interest and fees charged may be increased. All applicable Lenders fees, legal expenses & disbursements associated with renewal or extension are separate and at the cost of the Borrowers and to be determined on renewal.
- e) **Discharge Statements:** One discharge statement can be requested at no charge at any time during the term of the note loan. Any additional statements that are requested - **\$200.00**
- f) **Demand Letter in Default:** \$350.00 plus Lenders legal fees estimated to be \$500.

IN WITNESS WHEREOF the parties have duly affixed their signatures under seal:


**SIGNED, SEALED, AND DELIVERED**

2023-11-27

Date: (dd/mm/yyyy).

 *Dylan Suitor*

Interlude Inc.(Borrowers)

 *Dylan Suitor*

Dylan Suitor (Borrowers/Guarantors)

**SIGNED, SEALED, AND DELIVERED**

2023-10-30

Date: (dd/mm/yyyy).

eSignature - Individual Lender

Name - Individual Lender (Lenders)

 *DS*

Borrowers Initials



Lenders Initials

**Sean H. Zweig**  
 Partner  
 Direct Line: 416.777.6254  
 e-mail: [zweigs@bennettjones.com](mailto:zweigs@bennettjones.com)

March 15, 2024

**CONFIDENTIAL**

**Sent Via E-Mail**

Cassels Brock & Blackwell LLP  
 Suite 3200, Bay Adelaide  
 701 West Georgia Street  
 Vancouver, BC V7Y 1L2

Attention: Colin Pendrith

Dear Mr. Pendrith:

**Re: IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BALBOA INC. et al. (Court File No.: CV-24-00713245-00CL)**

As you know, we are the lawyers for 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 “**Applicants**”) in the above-captioned proceedings (the “**CCAA Proceedings**”). We write in response to your letter dated March 8, 2024 (the “**Letter**”), in which you requested additional information from the Applicants on behalf of KSV Restructuring Inc., in its capacity as Court-appointed monitor in the CCAA Proceedings (the “**Monitor**”), in support of the Monitor’s investigation (the “**Investigation**”) being conducted pursuant to the Amended and Restated Initial Order of the Honourable Madam Justice Kimmel dated February 15, 2024 (the “**ARIO**”).

The Applicants have made significant efforts to address each of the Monitor’s requests in the limited time provided. However, due to time and other constraints, certain additional information responsive to the Monitor’s requests may be forthcoming. Further, and for clarity, the Applicants reserve their right to correct any information provided in this response should any error or omission come to their attention.

For ease of reference, the Monitor’s requests in the Letter are reproduced in bold, and the Applicants’ responses follow. Where additional supporting documentation responsive to the

Monitor's request is available to the Applicants' knowledge, the Applicants have indicated same and provide such documentation in the schedules enclosed with this letter.

For the avoidance of doubt, this letter, its schedules and each of their respective contents are confidential and are being provided in response to the Monitor's requests made pursuant to the ARIO. Each is intended solely for the Monitor, the Monitor's counsel and each of their respective directors, officers, employees, agents and advisors acting on their behalf who have a need to know such information for the purpose of the Investigation. Nothing in this letter or its schedules should be interpreted as a waiver of solicitor-client or any other privilege.

### Questions concerning real estate title

1. **As set out in Exhibit "A", there are 20 properties currently owned by the Applicants which were acquired from another corporation. For each of these properties, please advise:**
  - a. **Whether the corporation from which the Applicant acquired the property is non-arms length from any of the Applicants or Aruba Butt, Dylan Suitor, and/or Ryan Molony (collectively, the "Additional Stay Parties"), and if so, provide details of their relationship.**

In the chart below, we identify each of the properties listed in Exhibit "A" to the Letter and the corporation from which the Applicant acquired the property as listed in Exhibit "A" to the Letter in columns one and two, respectively. The Applicants' responses with respect to whether the corporation from which the Applicant acquired the property is non-arm's length from any of the Applicants or the Additional Stay Parties is summarized in the third column. As applicable, any details of the relationship are provided in the fourth column.

<b>Property</b>	<b>Corporation Involved in Transfer</b>	<b>Whether Non-Arm's Length to Applicants or Additional Stay Parties</b>	<b>Details of Relationship</b>
31358-0550 – 127 Pine St., SS Marie	Northern Advancement Capital Inc.	No	Not applicable
65404-2004 – 139-141 Balsom St. Timmins	Jeaco Group Inc.	No	Not applicable
65392-0291 – 101 Dixon St., Timmins	Jeaco Group Inc.	No	Not applicable
61408-0660 – 2 Station Rd. S., Kirkland Lake	2247753 Ontario Inc.	No	Not applicable
02245-0328 – 496 Whissel Ave., Sudbury	Old Thing Back Inc.	Yes	Old Thing Back Inc. is an affiliate of Hometown Housing Inc. and certain of the other Applicants. As reflected in their respective corporate

Property	Corporation Involved in Transfer	Whether Non-Arm's Length to Applicants or Additional Stay Parties	Details of Relationship
			profile reports, Dylan Sutor is the sole director and officer of both Old Thing Back Inc. and Hometown Housing Inc.
02129-0132 – 2332 Eva Ave., Sudbury	Upgrade Housing Inc.	Yes	Upgrade Housing Inc. is an affiliate of Hometown Housing Inc. and certain of the other Applicants. As reflected in their respective corporate profile reports, Dylan Sutor is the sole director and officer of both Upgrade Housing Inc. and Hometown Housing Inc.
31544-0182 – 78 Birch St., SS Marie	Wolfpack Properties Corporation	No	Not applicable
02129-0272 – 454 Eva Ave., Sudbury	Upgrade Housing Inc., Old Thing Back Inc.	Yes	Upgrade Housing Inc. and Old Thing Back Inc. are affiliates of Interlude Inc. and certain of the other Applicants. As reflected in their respective corporate profile reports, Dylan Sutor is the sole director and officer of Old Thing Back Inc., Interlude Inc. and Upgrade Housing Inc.
73589-0077 – 1244 Martindale Rd., Sudbury	Upgrade Housing Inc.	Yes	Upgrade Housing Inc. is an affiliate of Interlude Inc. and certain of the other Applicants. As reflected in their respective corporate profile reports, Dylan Sutor is the sole director and officer of both Interlude Inc. and Upgrade Housing Inc.
02128-0265 – 445 Bessie Ave., Sudbury	Upgrade Housing Inc.	Yes	Upgrade Housing Inc. is an affiliate of Interlude Inc. and certain of the other Applicants. As reflected in their respective corporate profile reports, Dylan Sutor is the sole director and officer of both Interlude Inc. and Upgrade Housing Inc.

Property	Corporation Involved in Transfer	Whether Non-Arm's Length to Applicants or Additional Stay Parties	Details of Relationship
31543-0103 – 163 Wellington St E., SS Marie	2721150 Ontario Inc.	No	Not applicable
01218-0163 – 536 Montague Ave., Sudbury	2367118 Ontario Inc., Old Thing Back Inc.	Yes, solely with respect to Old Thing Back Inc. and Interlude Inc.  No, with respect to 2367118 Ontario Inc.	Old Thing Back Inc. is an affiliate of Interlude Inc. and certain of the other Applicants. As reflected in their respective corporate profile reports, Dylan Sutor is the sole director and officer of both Interlude Inc. and Old Thing Back Inc.  Not applicable in respect of 2367118 Ontario Inc.
65404-2032 – 129 Birch St. S., Timmins	12273012 Ontario Inc.	No	Not applicable
31591-0172 and 31591-0041 – 456 Douglas St., SS Marie	Sault Rentals Limited	No	Not applicable
31592-0002 – 254 Goulais Ave., SS Marie	Sri-Hill Development Inc.	No	Not applicable
65423-0925 – 34 Carlin Ave., Timmins	Jeaco Group Inc.	No	Not applicable
65423-0998 – 40 Crescent Ave., Timmins	Jeaco Group Inc.	No	Not applicable
31549-0012 – 29 Alberta Ave., SS Marie	Green Olives Developers Ltd.	No	Not applicable

**b. Where the transfers are amongst non-arms length parties, please explain the purpose of each transfer and provide details of the use of the proceeds of sale and supporting documents.**

In the chart below, the Applicants list each of the transfers among non-arm's length parties as identified in the response to 1(a), above. The purpose of each transfer and details of any use of the proceeds of sale insofar as same is within the Applicants' knowledge are listed in columns 2 and 3, respectively.

Transfer	Purpose of Transfer	Details of Use of Proceeds of Sale
<p>02245-0328 – 496 Whissel Ave., Sudbury</p> <p>Transfer SD378095 2019/06/28 to Hometown Housing Inc. for \$266,500, with series of private mortgages, then Transfer SD484261 2023/09/25 to Old Thing Back Inc. for \$2 (beneficial owner to trustee), then Transfer SD490690 2024/01/15 to Hometown Housing Inc. for \$2 (trustee back to beneficial owner).</p>	<p>The purpose of Transfer SD378095 was for the purchase of the property by Hometown Housing Inc.</p> <p>Transfer SD484261 was inadvertent. The Applicant, Hometown Housing Inc., was discussing a potential refinancing of the 496 Whissel Ave property through CIBC. This refinancing would have required that the property be transferred to a new corporation. Without instruction, Hometown Housing Inc.'s real estate lawyer mistakenly authorized the transfer.</p> <p>The purpose of Transfer SD490690 was to reverse the inadvertent transfer of the 496 Whissel Ave property by Hometown Housing Inc.'s real estate lawyer.</p>	<p>As described herein, the transfers between Hometown Housing Inc. and Old Thing Back Inc. were caused by inadvertence. There was no sale of the property and/or no proceeds in relation to same.</p>
<p>02129-0132 – 2332 Eva Ave., Sudbury</p> <p>Transfer SD388970 2019/12/13 to Upgrade Housing Inc. for \$217,000 with Olympia Trust mortgage, less than 2 years before transfer to Hometown Housing Inc. for \$186,439</p>	<p>The purpose of Transfer SD388970 was for the purchase of the property by Upgrade Housing Inc.</p> <p>During a refinancing with Tandia Financial Credit Union, the Applicant, Interlude Inc., understands that it was required that only renovated properties ready for market be owned by Upgrade Housing Inc. Since 2332 Eva Ave, Sudbury did not meet this requirement, the property was transferred to Hometown Housing Inc.</p>	<p>The transfer between Upgrade Housing Inc. and Hometown Housing Inc. was pursuant to the refinancing described herein with Tandia Financial Credit Union. To the Applicants' knowledge, there were no proceeds in relation to the transfer.</p>
<p>02129-0272 – 454 Eva Ave., Sudbury</p> <p>Transfer SD376463 2019/06/03 to Upgrade Housing Inc. for \$195,000 with private mortgage, then Transfer SD418547 2021/04/07 to Interlude Inc. for \$160,000, then Transfer SD484263 2023/09/25 to Old Thing Back Inc. for \$2 (beneficial owner to trustee), then Transfer SD490687 2024/01/015</p>	<p>The purpose of Transfer SD376463 was for the purchase of the property by Upgrade Housing Inc.</p> <p>Transfer SD418547 occurred during a refinancing with Tandia Financial Credit Union. Interlude Inc. understands that it was required that only renovated properties ready for market be owned by Upgrade Housing Inc. Since 454 Eva Ave, Sudbury did</p>	<p>The transfer between Upgrade Housing Inc. and Interlude Inc. was pursuant to the refinancing described herein with Tandia Financial Credit Union. To the Applicants' knowledge, there were no proceeds in relation to the transfer.</p> <p>As described herein, the transfers between Interlude Inc. and Old Thing Back Inc. were caused by inadvertence. There was no sale of</p>

Transfer	Purpose of Transfer	Details of Use of Proceeds of Sale
to Interlude Inc. for \$2 (trustee back to beneficial owner)	<p>not meet this requirement, the property was transferred.</p> <p>Transfer SD484263 was inadvertent. The Applicant, Interlude Inc., was discussing a potential refinancing of the 454 Eva Ave property through CIBC. This refinancing would have required that the property be transferred to a new corporation. Without instruction, Interlude Inc.'s real estate lawyer mistakenly authorized the transfer.</p> <p>The purpose of Transfer SD490687 was to reverse the inadvertent transfer of the 454 Eva Ave property by Interlude Inc.'s real estate lawyer.</p>	the property and/or no proceeds in relation to same.
<p>73589-0077 – 1244 Martindale Rd., Sudbury</p> <p>Transfer SD375704 2019/05/17 to Upgrade Housing Inc. for \$125,000, with private mortgage, less than two years before transfer to Interlude Inc. for \$100,000</p>	<p>The purpose of Transfer SD375704 was for the purchase of the property by Upgrade Housing Inc.</p> <p>During a refinancing with Tandia Financial Credit Union, the Applicant, Interlude Inc., understands that it was required that only renovated properties ready for market be owned by Upgrade Housing Inc. Since 1244 Martindale Rd, Sudbury did not meet this requirement, the property was transferred to Interlude Inc.</p>	The transfer between Upgrade Housing Inc. and Interlude Inc. was pursuant to the refinancing described herein with Tandia Financial Credit Union. To the Applicants' knowledge, there were no proceeds in relation to the transfer.
<p>02128-0265 – 445 Bessie Ave., Sudbury</p> <p>Transfer SD376842 2019/06/07 to Upgrade Housing Inc. for \$100,000, with Community Trust mortgage, less than two years before transfer to Interlude Inc. for \$68,000</p>	<p>The purpose of Transfer SD372842 was for the purchase of the property by Upgrade Housing Inc.</p> <p>During a refinancing with Tandia Financial Credit Union, the Applicant, Interlude Inc., understand that it was required that only renovated properties ready for market be owned by Upgrade Housing Inc. Since 445 Bessie Ave did not meet this requirement, the property was transferred to Interlude Inc.</p>	The transfer between Upgrade Housing Inc. and Interlude Inc. was pursuant to the refinancing described herein with Tandia Financial Credit Union. To the Applicants' knowledge, there were no proceeds in relation to the transfer.



Transfer	Purpose of Transfer	Details of Use of Proceeds of Sale
<p>01218-0163 – 536 Montague Ave., Sudbury</p> <p>Transfer SD286007 2014/12/05 to 2367118 Ontario Inc. for \$145,000, with private mortgage, then Transfer SD415828 2021/02/26 to Interlude Inc. for \$180,000, with private mortgages, then Transfer SD484264 2023/09/25 to Old Thing Back Inc. for \$2 (beneficial owner to trustee), then Transfer SD490686 2024/01/15 to Interlude Inc. for \$2. (trustee back to beneficial owner)</p>	<p>The Applicants having no affiliation with 2367118 Ontario Inc. presume that the purpose of Transfer SD286007 was for the purchase of the property by 2367118 Ontario Inc.</p> <p>The purpose of Transfer SD415828 was for purchase of the property by Interlude Inc.</p> <p>The Transfer SD484264 was inadvertent. The Applicant, Interlude Inc., was discussing a refinancing of the 563 Montague Ave property through CIBC. This refinancing would have required that the property be transferred to a new corporation. Without instruction, Interlude Inc.'s real estate lawyer mistakenly authorized the transfer.</p> <p>The purpose of Transfer SD490686 was to reverse the inadvertent transfer of the 563 Montague Ave property by Interlude Inc.'s real estate lawyer.</p>	<p>As described herein, the transfers between Interlude Inc. and Old Thing Back Inc. were caused by inadvertence. There was no sale of the property and/or no proceeds in relation to same.</p>

- 2. Three properties (496 Whissel Ave., Sudbury, 454 Eva Ave., Sudbury, 536 Montague Ave., Sudbury) each show transfers on September 25, 2023 from the beneficial owners to trustees, and then another set of transfers on January 15, 2024 back to the beneficial owners. Please explain the purpose of each of these transfers and provide any associated transaction documents.**

In the chart below, we list each of the above-referenced transfers. The purpose of each transfer, to the extent within the Applicants' knowledge is identified in column 2.

Transfer	Purpose of Transfer
<p>02245-0328 – 496 Whissel Ave., Sudbury</p> <p>Transfer SD378095 2019/06/28 to Hometown Housing Inc. for \$266,500 with series of private mortgages, then Transfer SD484261 2023/09/25 to Old Thing Back Inc. for \$2 (beneficial owner to trustee), then Transfer SD490690 2024/01/15 to Hometown Housing Inc. for \$2 (trustee back to</p>	<p>As stated above, the purpose of Transfer SD378095 was for the purchase of the property by Hometown Housing Inc.</p> <p>Transfer SD484261 was inadvertent. The Applicant, Hometown Housing Inc., was discussing a refinancing of the 496 Whissel Ave property through CIBC. This refinancing would have required that the property be transferred to a new corporation. Without</p>

Transfer	Purpose of Transfer
beneficial owner). Tax arrears certificate on title SD461152 2022/09/21 for \$6,156.	<p>instruction, Hometown Housing Inc.'s real estate lawyer mistakenly authorized the transfer.</p> <p>The purpose of Transfer SD490690 was to reverse the inadvertent transfer of the 496 Whissel Ave property by Hometown Housing Inc.'s lawyer.</p>
<p>02129-0272 – 454 Eva Ave., Sudbury</p> <p>Transfer SD376463 2019/06/03 to Upgrade Housing Inc. for \$195,000 with private mortgage, then Transfer SD418547 2021/04/07 to Interlude Inc. for \$160,000, then Transfer SD484263 2023/09/25 to Old Thing Back Inc. for \$2 (beneficial owner to trustee), then Transfer SD490687 2024/01/015 to Interlude Inc. for \$2 (trustee back to beneficial owner)</p>	<p>As stated above, the purpose of Transfer SD376463 was for the purchase of the property by Upgrade Housing Inc.</p> <p>As stated above, Transfer SD418547 occurred during a refinancing with Tandia Financial Credit Union. Interlude Inc. understands that it was required that only renovated properties ready for market be owned by Upgrade Housing Inc. Since 454 Eva Ave, Sudbury did not meet this requirement, the property was transferred.</p> <p>As stated above, Transfer SD484263 was inadvertent. The Applicant, Interlude Inc., was discussing a refinancing of the 454 Eva Ave property through CIBC. This refinancing would have required that the property be transferred to a new corporation. Without instruction, Interlude Inc.'s real estate lawyer mistakenly authorized the transfer.</p> <p>As stated above, the purpose of Transfer SD490687 was to reverse the inadvertent transfer of the 454 Eva Ave property by Interlude Inc.'s real estate lawyer.</p>
<p>02128-0163 – 563 Montague Ave., Sudbury</p> <p>Transfer SD286007 2014/12/05 to 2367118 Ontario Inc. for \$145,000, with private mortgage, then Transfer SD415828 2021/02/26 to Interlude Inc. for \$180,000, with private mortgages, then Transfer SD484264 2023/09/25 to Old Thing Back Inc. for \$2 (beneficial owner to trustee), then Transfer SD490686 2024/01/15 to Interlude Inc. for \$2. (trustee back to beneficial owner)</p>	<p>The Applicants, having no affiliation with 2367118 Ontario Inc., presume that the purpose of Transfer SD286007 was for the purchase of the property by 2367118 Ontario Inc.</p> <p>The purpose of Transfer SD415828 was for the purchase of the property by Interlude Inc.</p> <p>The Transfer SD484264 was inadvertent. The Applicant, Interlude Inc., was discussing a refinancing of the 563 Montague Ave property through CIBC. This refinancing would have required that the property be transferred to a new corporation. Without instruction, Interlude Inc.'s real estate lawyer mistakenly authorized the transfer.</p> <p>The purpose of Transfer SD490686 was to reverse the inadvertent transfer of the 563 Montague Ave property by Interlude Inc.'s real estate lawyer.</p>

**3. There are eleven properties that remain subject to mortgages that were on title before the current owner acquired the property:**

- i. 456 Douglas St (Sault Ste. Marie – 8/18/2021 – \$155,000.00 – ROYAL BANK OF CANADA)
- ii. 485 Pine St S (Timmins – 6/9/2008 – \$86,000.00 – NATIONAL BANK OF CANADA)
- iii. 55 Preston St (Timmins – 11/3/2008 – \$192,000.00 – BANK OF MONTREAL)
- iv. 257 Jean St (Sudbury – 4/1/2015 – \$84,000.00 – CAISSE POPULAIRE VERMILLION INC.)
- v. 249 Malette Cres (Timmins – 8/12/2019 – \$50,000.00 – BANK OF MONTREAL)
- vi. 67 Rand Ave West (Kirkland Lake – 3/26/2020 – \$27,712.00 – FAIRSTONE FINANCIAL INC.)
- vii. 12 Winfield Dr (Sault Ste. Marie – 12/23/2020 – \$164,000.00 – BRIDGEWATER BANK)
- viii. 904 Wellington Street East (Sault Ste. Marie – 11/4/2011 – \$90,223.00 – CIBC MORTGAGES INC.)
- ix. 227 Toke St (Timmins – 10/11/2012 – \$169,695.00 – COMPUTERSHARE TRUST COMPANY OF CANADA)
- x. 227 Toke St (Timmins – 10/11/2012 – \$169,695.00 – COMPUTERSHARE TRUST COMPANY OF CANADA)
- xi. 140 Shamrock Avenue South (Porcupine – 6/3/2014 – \$105,780.00 – COMMUNITY FIRST CREDIT UNION LIMITED)

**a. Please confirm if any of these mortgages were assumed by the purchaser?**

The Applicants confirm that none of the mortgages listed at 3(i) to (xi) were assumed by the purchaser.

**b. If not, please advise why each mortgage was not discharged? Is the purchaser's lawyer, or anyone else, following-up on discharges of these old mortgages to ensure that funds were paid to the lenders and the lenders will discharge their security?**

To the best of the Applicants' knowledge, discharge of each of the mortgages listed at 3(i) to (xi) had been requested by the Applicants' real estate lawyer and/or was anticipated to occur on closing. The Applicants have no knowledge of any follow-up on discharges of the above-noted mortgages before having requested on March 12, 2024 (following receipt of the Letter) that the Applicants' real estate lawyer ensure that all such mortgages are discharged. The Applicants' real estate lawyer will continue to follow-up on the discharges, and the Applicants will confirm once complete.

**4. 381 Eva Ave, Sudbury is subject to a caution registered by Interlude as SD491093 on 2024/01/19 "against the interest of [Name]". What is the purpose of this caution? Please provide any documents demonstrating the basis for the registration of the caution?**

The purpose of the caution registered by Interlude Inc. as SD491093 on 2024/01/19 against the interest of [Name] was to hinder or prevent any effort on behalf of [Name] to sell the property pursuant to an improperly commenced power of sale. As the Monitor is aware, following the commencement of the CCAA Proceedings, the Applicants also caused a stay letter to be sent to [Name] and her counsel.

Please see **Schedule “A”** for copies of materials responsive to the above-noted registration of the caution.

**5. Pre-filing, the Applicants transferred properties to the following corporations:**

- i. 15266262 Canada Inc.
- ii. 15417899 Canada Inc.
- iii. 12853370 Canada Inc.
- iv. MTDS Investments Inc.
- v. MT Deez Inc.
- vi. Gatta Properties Inc.

- a. Please confirm which of these corporations are non-arms length from any of the Applicants or the Additional Stay Parties and provide information concerning the ownership of each.**

In the chart below, we list each of the corporations identified at 5(a). The Applicants’ response with respect to whether the corporations are non-arm’s length from any of the Applicants or the Additional Stay Parties are summarized in the second column. The Applicants provide details of ownership, to the extent known to the Applicants, in the third column.

Corporation	Whether Non-Arm’s Length from Applicants or Additional Stay Properties	Ownership
15266262 Canada Inc.	No	Not applicable.
15417899 Canada Inc.	No	Not applicable.
12853370 Canada Inc.	No	Not applicable.
MTDS Investments Inc.	Yes	[Name]
MT Deez Inc.	Yes	
Gatta Properties Inc.	No	Not applicable.

- b. What is the relationship between the Applicants and the Additional Stay Parties (and in particular Dylan Suitor) and [Name]?**

[Name] incorporated MTDS Investments Inc. and MT Deez Inc., which she used to acquire certain of Interlude Inc.’s publicly listed properties.

**Name** is the Chief Operating Officer and minority partner of Conduit Asset Management, a corporation of which the Suitor Family Trust is the majority shareholder.

Except as described above, **Name** does not otherwise have a relationship with any of the other Applicants and/or Additional Stay Parties.

**6. For the properties sold to MTDS Investments Inc., please explain the basis for and provide supporting documents related to the payments to Green Lily Management Inc.**

Such properties were unrenovated and in states of disrepair. Each was sold to MTDS Investments Inc. based upon their expected market value post-renovation. Payments were made to Green Lily Management Inc. as reimbursement for having coordinated and managed the pre-closing renovations conducted by contractors hired by MTDS Investment Inc. For clarity, Green Lily Management Inc. only contracted the work and did not complete any of the work on its own. To the Applicants' knowledge, the cost of the renovations conducted by contractors hired by MTDS Investment Inc. often exceeded the value of the reimbursement provided.

**7. Please provide statements of adjustment in respect of all properties acquired or disposed of by the Applicants and any related companies.**

As you are aware, the Monitor was provided with a summary of all of the Applicants' pre-filing sales that closed between July 2023 and January 2024, together with all of the trust ledgers applicable thereto. In that same time, no properties were acquired by the Applicants (except any transfer of property to the Applicants previously discussed above). Please see **Schedule "B"** for copies of statements of adjustments in respect of all such properties disposed of by the Applicants in such time.

The Applicants' trust this information is sufficient. If further information is required, the Applicants kindly ask the Monitor to provide clarity on the scope of any such further request.

**Preliminary Questions on GL Information**

To the extent the Monitor would like to discuss the general ledgers with the Applicants' bookkeeper, the Applicants would be pleased to coordinate a call.

**The table below summarizes the date range and net cash flow reflected in the GL information provided to-date by the Applicants.**

*[Excerpt removed for brevity]*

**In respect of the above-noted GL information:**

**1. Please provide the missing GL's for fiscal year 2023 and January 2024.**

The general ledgers for fiscal year 2023 and January 2024 are not available at this time. The bookkeeping cannot be completed until all uncleared transactions have been processed. The Applicants will provide the requested information on an urgent basis, as it becomes available.

**2. Please explain why the GL's do not net out to zero.**

The Applicants understand that the net disbursements do not net out to zero because the GL information provided is in respect of bank transactions only. The balances displayed in the excerpt are bank balances on December 31, 2022 (and reconcile with the bank statements). For clarity, this information was provided to the Monitor in respect of a previous request that GL information corresponding with the Applicants' bank statements be disclosed to it.

**3. To the extent the GL's are missing disbursement and/or receipt transactions, please provide the updated GL's.**

The Applicants will provide updated GL information for each of the Applicants, as they become available.

**4. The GL's do not appear to show the acquisition of the Applicant's properties. When a property was purchased, what was the corresponding journal entry? If there is no corresponding journal entry, please explain why.**

The Applicants understand that the purchases reflecting the acquisition of the Applicants' properties are recorded in journal entries since such purchases were mostly financed. The Applicants are making efforts to provide the journal entries on an urgent basis and will do so as they become available.

**5. For each Applicant, please summarize the current intercompany balance owing to/from other Applicants, as applicable.**

The Applicants have historically engaged in intercompany transactions in the ordinary course of business, resulting in intercompany receivables and payables. The Applicants are making best efforts to provide the requested information on an urgent basis. In the interim, the Applicants have provided trial balances and the Applicants' tax returns, which provide clarity on the intercompany receivables and payables. Please refer to **Schedule "G"**.

**Questions concerning Hometown Housing Inc.**

**1. Please provide details of the cash receipt from Happy Town Housing Inc. of ~\$300k (recorded on May 11, 2022) together with supporting documentation, as reflected in the GL excerpt below:**

*[Excerpt removed for brevity]*

The cash receipt from Happy Town Housing Inc. of ~\$300k is in respect of an intercompany loan. The Applicants and certain of their non-Applicant affiliates have historically engaged in intercompany transactions in the ordinary course of business, resulting in intercompany receivables and payables. Happy Town Housing Inc. is an affiliate of Hometown Housing Inc. As reflected in their respective corporate profile reports, Dylan Suitor is the sole director and officer of both Happy Town Housing Inc. and Hometown Housing Inc.

**Questions concerning Joint Captain Real Estate**

1. Please explain the nature of and provide particulars of a \$400K dividend and a \$400K due to shareholder transaction recorded on May 11, 2022, as reflected in the excerpt below?

*[Excerpt removed for brevity]*

Following the sale of 223 residential properties to Core Development Group, a dividend was approved by the sole director of Joint Captain Real Estate Inc. and disbursed to the shareholders of Joint Captain Real Estate Inc. Each shareholder received a dividend in the amount of \$400k.

2. Please provide supporting documents, including documents evidencing the approval of a dividend.

There are no supporting documents available to the Applicants evidencing the approval of a dividend. Though not documented, such dividend was authorized by Joint Captain Real Estate Inc.'s sole director.

#### **Questions concerning The Pink Flamingo Inc.**

1. Please explain the nature of and provide particulars of the following payments, together with supporting documents.

The Applicants explain the nature of and provide particulars regarding the payments listed below. For clarity, none of the transactions listed at 1(a) to (d), which identify "Due to/from Aruba" in the "Split" column, were sent or received from Aruba Butt.

##### **a. April 4 and April 7, 2022: ~\$92K (US\$73K) paid to Elite Pacific Properties.**

The payments made by The Pink Flamingo Inc. to Elite Pacific Properties were for accommodations during a business trip in Hawaii. The purpose of this trip was to film promotional materials, including a scripted video regarding Canadian affordable housing. Robert Clark, Aruba Butt, a videographer [redacted] (full-time employee of 2707793 Ontario Inc. o/a SID Renos) attended.

##### **b. July 28, 2021 and May 2, 2022: ~\$90K (US\$69K) paid to Paramount Business Jet.**

The payment made by The Pink Flamingo Inc. to Paramount Business Jet was for air transportation from Las Vegas, Nevada to Tampa, Florida for Aruba Butt, Robert Clark, Ryan and [redacted] and several members of the HighKey marketing team. The primary purposes of this trip were business marketing and growth development. Multiple meetings with influencers, real-estate investors and private business owners were conducted.

##### **c. Dec 23, 2021 and Jan 13, 2022: ~\$118K (US\$93K) paid to Aviannes Inc.**

The payment made from The Pink Flamingo Inc. to Aviannes Inc. was made for the purpose of a personal purchase. Such payment was treated as a dividend authorized by The Pink Flamingo Inc.'s sole director.

**d. Aug 5, 2022: ~\$52K (US\$40K) transfer from DSPLN to [Name]**

The payment made by The Pink Flamingo Inc. to [Name] was made in respect of networking opportunities and/or VIP entertainment packages (*i.e.* concerts), at which Aruba Butt, Robert Clark, Ryan and [Names] (an insurance agent across the Applicants' properties), [Names] (full-time employee of 2707793 Ontario Inc. o/a SID Renos) attended.

**Questions concerning Related Party Transactions – Directors & Robert Clark**

As detailed below, the Applicants provide personal credit card statements in respect of Aruba Butt, Dylan Suitor, Ryan Molony and Robert Clark on a confidential basis. For transparency, certain of these individuals have deleted personal expenses from certain of their statements. Notwithstanding these deletions, the credit card statements otherwise include both corporate expenses incurred on behalf of the Applicants and personal expenses incurred by the individual in their personal capacity.

**1. What is the nature of and basis for the Net Disbursements to Aruba Butt totalling ~\$1.9mm? Please provide supporting documents in respect of each transaction.**

**a. Example: See above payments from Pink Flamingo to Elite Pacific Properties, Paramount Business Jet, Aviannes Inc. re: “Due to/from Aruba”.**

As stated above, transactions labelled with “Due to/from Aruba” in the “Split” column, were mislabeled. None of these funds were sent to or received from Aruba Butt. Instead, Aruba Butt directed the transfer between the corporate entities in respect of the transactions set out at 1(a) to (d) above from The Pink Flamingo Inc.

In respect of the remaining Net Disbursements to Aruba Butt, the Additional Stay Parties' and Robert Clark's personal credit cards were used for certain of the Applicants' business expenses, including Aruba Butt's. Aruba Butt incurred business expenses on her personal credit card for which she received reimbursement<sup>1</sup> from certain of the Applicants, as applicable.

Please see **Schedule “C”** for copies of personal AMEX/BMO Visa, and Mastercard card statements (deletions, as appropriate).

**2. What is the nature of and basis for the Net Disbursements to Dylan Suitor totalling ~\$667K? Please provide supporting documents in respect of each transaction.**

**a. Example: \$48K transfer to CAB Records on June 24, 2021 from Interlude Inc.**

The Additional Stay Parties' and Robert Clark's personal credit cards were used for certain of the Applicants' business expenses, including Dylan Suitor's. Dylan Suitor incurred business expenses

<sup>1</sup> For clarity, the Applicants use of the word “reimbursement” in their response is intended to refer to prospective reimbursements (*i.e.*, pre-funding of certain expenses) and retrospective reimbursements (*i.e.*, incurrence with funding to follow), as applicable.



on his personal credit card for which he received reimbursement from certain of the Applicants, as applicable.

Please see **Schedule “D”** for copies of personal Visa card statements (deletions, as appropriate).

**3. What is the nature of and basis for the Net Disbursements to Ryan Molony totalling ~\$475k? Please provide supporting documents in respect of each transaction.**

**a. Example: \$10K transfer RE CRYPTO on March 26, 2021 from Multiville Inc.**

The Additional Stay Parties’ and Robert Clark’s personal credit cards were used for certain of the Applicants’ business expenses, including Ryan Molony’s. Ryan Molony incurred business expenses on his personal credit card for which he received reimbursement from certain of the Applicants, as applicable.

Please see **Schedule “E”** for copies of personal AMEX/RBC Visa card statements (deletions, as appropriate).

**4. What is the nature of and basis for the Net Disbursements to Robert Clark totalling ~\$620k? Please provide supporting documents in respect of each transaction.**

The Additional Stay Parties’ and Robert Clark’s personal credit cards were used for certain of the Applicants’ business expenses. Robert Clark incurred business expenses on his personal credit card for which he received reimbursement from certain of the Applicants, as applicable.

Please see **Schedule “F”** for copies of personal Visa card statements (deletions, as appropriate). For clarity, the Applicants are in the process of acquiring further documentation in relation to a closed account with RBC in Robert Clark’s name, which the Applicants understand is relevant to the Monitor’s request.

**Other Related Party Transactions**

**1. Please explain the nature of and basis for the following related-party transactions, and provide supporting documents in respect of each transaction:**

**a. Prospect Real Estate – ~\$1mm from Interlude/Neat Nest/Horses in the Back from 2021-2022 (payments in \$10k-\$115k range)**

The above related-party transactions are intercompany loans. The Applicants and certain of their non-Applicant affiliates have historically engaged in intercompany transactions in the ordinary course of business, resulting in intercompany receivables and payables. Prospect Real Estate Holdings Inc. is an affiliate of Interlude Inc., Neat Nests Inc. and Horses In The Back Inc. Available information in respect of these transactions appears on the Applicants’ tax filings and trial balances, as applicable. Please refer to **Schedule “G”**.

**b. Paradisal Bliss Inc. – \$204K from Pink Flamingo/DSPLN from 2021-2022**

The above related-party transactions are intercompany loans and/or the repayment of intercompany indebtedness. The Applicants and certain of their non-Applicant affiliates have historically engaged in intercompany transactions in the ordinary course of business, resulting in intercompany receivables and payables. To the best of the Applicants' knowledge, Paradisal Bliss Inc. is owned by One Happy Island Inc. Available information in respect of these transactions appears on the Applicants' tax filings and trial balances, as applicable. Please refer to **Schedule "G"**.

**c. Elev8 Inc. – \$150k transfer from Interlude on June 15, 2022**

The above related-party transaction is in respect of the payment of a dividend approved by the sole director of Interlude Inc. following the sale of 223 residential properties to Core Development Group in May 2022.

**d. [Redacted Names] – E-transfer in 2022 - \$40K**

The payment listed above at 1(d) is personal in nature and was incurred for the purpose of providing financial support to [Redacted Names] Aruba Butt's parents, during a health crisis.

**e. [Redacted Names], Efresh, [Redacted Name], Chubby – E-transfers in \$10k-20k range**

The payments to [Redacted Name] were made in respect of networking opportunities hosted in various parts of the United States. These opportunities were attended by the Additional Stay Parties and Robert Clark prior to the Government of Canada's ban on foreign nationals and/or commercial enterprises buying residential property in Canada with a view to identifying potential investors or business partners in the Applicants' business or asset class generally.

The payments to [Redacted Name] were made in respect of management fees for networking opportunities made available to the Applicants, or some of them, in the United States with a view to identifying potential investors or business partners in the Applicants' business or asset class generally.

The payments to Efresh are in respect of intercompany loans. Efresh was a business that was owned by Robert Clark and Ryan Molony. For clarity, Efresh is no longer in operation.

The payments to [Redacted Name] were made in respect of his role as a real estate agent. [Redacted Name] received payments reimbursing him for deposits made on behalf of certain of the Applicants for new property acquisitions. In certain circumstances, [Redacted Name] would pay deposits to expedite property acquisitions out of his personal funds and was then reimbursed.

To the best of the Applicants' knowledge, the payment to Chubby Assets Inc., of which Aruba Butt is the direct or indirect 50% shareholder, was provided as a reimbursement for a payment made to a contractor by Chubby Assets Inc. on behalf of the Applicants.

**2. Please provide an explanation for why monies were frequently sent to/from intercompany accounts? (To both Applicant and Non-Applicant accounts).**

As previously noted, the Applicants and certain of their non-Applicant affiliates have historically engaged in intercompany transactions in the ordinary course of business, resulting in intercompany receivables and payables. Such transactions were used to manage and regulate cash flow and liquidity across the Applicants and their non-Applicant affiliates and to ensure that such entities could operate in the ordinary course.

### **Other Transactions**

#### **1. Please explain the nature and basis for the following transactions, and provide supporting documents in respect of each transaction:**

- a. Happy Gilmore Inc.: On Jan 18, 2022, transfer to “Uncommon Entertainment” of USD \$75k coded as shareholder loan.**

This transaction was incorrectly coded in the GL. For clarity, the USD \$75k was not a shareholder loan, but rather a business expense incurred by Happy Gilmore Inc. in respect of a business trip taken by the Additional Stay Parties and Robert Clark to Los Angeles, California. During the trip, the attendees met with various business owners and other high net worth individuals for the purpose of networking, business development and identifying potential investors or business partners in the Applicants’ business or asset class generally.

- b. Interlude Inc.: On Aug 26, 2022, transfer to “Highkey Enterprises” of USD \$75k coded as advertising.**

Interlude Inc. retained Highkey Enterprises, a public relations firm, for the purpose of assisting with public relations, marketing, social media, and/or finance-related publications in respect of the Applicants, or some of them. For clarity, Highkey Enterprises is not affiliated with any of the Applicants, the Additional Stay Parties or Robert Clark.

- c. Interlude Inc.: On Nov 30, 2021, transfer to “JLN CONNECT LLC” of USD \$50k coded as advertising.**

This transaction was mislabeled as “advertising”. The Additional Stay Parties and Robert Clark attended at a charity event organized by JLN Connect LLC raising funds for underprivileged youth to participate in organized sport and made donations on behalf of Interlude Inc. in respect of same.

- d. Happy Gilmore Inc.: On Jan 10, 2022, transfer to “Name” of USD \$33k coded as shareholder loan.**

This transaction was mislabeled as “shareholder loan”. The Additional Stay Parties and Robert Clark traveled to Houston, Texas by private plane for networking and/or other business-related purposes. They were joined on this trip by high net worth individuals to discuss investing in residential properties in Canada (prior to the government ban).

### **Questions relation to 128 Dufferin Street – Transfer of Assets Pre-Filing**

#### **1. Please explain the \$50k “Buyer Adjustment” identified in the Trust Ledger excerpt below:**

[Excerpt removed for brevity]

The \$50k “Buyer Adjustment” is misidentified in the trust ledger. In the manner and for the reasons described above, Green Lily Management Inc. received a payment as reimbursement for having coordinated and managed the pre-closing renovations conducted by contractors hired by it.

### Questions relating to AMEX Transactions

1. Except for Interlude Inc., which has a corporate AMEX card, the Monitor’s understanding is that the other Applicants transact via personal AMEX cards. As previously requested, please provide the personal AMEX card statements (redacted, as appropriate) for the same time period as the GL’s provided. The GL’s provided reflect \$2.78mm in AMEX disbursements, as follows:

As noted above, please see Schedules “C” and “E” for copies of Aruba Butt’s and Ryan Molony’s personal AMEX card statements (deletions, as appropriate) for the same period as the GL information provided, as available. In addition, please refer to Schedule “H” for credit statements in respect of Aruba Butt and Ryan Molony with Home Depot.

2. With respect to transactions on Interlude’s corporate AMEX card, please explain the nature of and basis for all expenses incurred in New York, Miami, and Paris (including those noted below), and provide supporting documents in respect of each transaction. In particular, please explain the business purpose and particulars for money spent at hotels, nightclubs and on private chefs (including the individuals present for meals from private chefs and at the nightclubs and their most recent known contact information):

To the best of the Applicants’ knowledge, the below chart identifies transactions on Interlude Inc.’s corporate AMEX card incurred in New York, Miami and Paris, and explains the nature and basis for the expenses.

Transaction	Nature and Basis for Expense
March 4 – PAYPAL * CHEFRODRIGO – \$1,573.78	Robert Clark and Dylan Sutor were networking in Miami on behalf of certain of the Applicants. On March 5, they hosted a dinner at which [Name] (insurance broker for the Applicants’ properties), [Name] (mortgage broker and business partner of Aruba Butt), and associates of [Name] were in attendance. The purpose of the dinner was to network with the individuals in attendance.
March 5 – LIV 296 – MIAMI BEACH – \$20,286.09	Robert Clark and Dylan Sutor were networking in Miami on behalf of certain of the Applicants. On March 5, they attended this venue with several associates including [Name] (insurance broker for the Applicants’ properties), [Name] (mortgage broker and business partner of Aruba Butt), and associates of [Name]. The purpose was to network with the individuals in attendance.
March 5 – TABOO 24 BY CANDIES CAB MIAMI – \$4,868.89	Robert Clark and Dylan Sutor were networking in Miami on behalf of certain of the Applicants. On March 5, they attended this venue with several associates including [Name] (insurance broker for

Transaction	Nature and Basis for Expense
	the Applicants' properties), <b>Name</b> (mortgage broker and business partner of Aruba Butt), and associates of <b>Name</b> . The purpose was to network with the individuals in attendance.
March 6 – PAYPAL * CHEFRODRIGO – \$3,223.63	Robert Clark and Dylan Suitor were networking in Miami on behalf of certain of the Applicants. On March 5, they hosted a dinner at which <b>Name</b> (insurance broker for the Applicants' properties), <b>Name</b> (mortgage broker and business partner of Aruba Butt), and associates of <b>Name</b> were in attendance. The purpose of the dinner was to network with the individuals in attendance.
July 9 – LA LANTERNA DI VITTORIO NEW YORK – \$959.74	The Additional Stay Parties, Robert Clark and the partners of Dylan Suitor and Ryan Molony ( <b>Name</b> respectively) attended a business dinner with <b>Name</b> 2707793 Ontario Inc. o/a SID Renos).
July 11 – LOEWS HOTELS THE REGENC NEW YORK – \$3,249.10	Accommodations for Dylan Suitor and his partner <b>Name</b> during a business trip to New York. The purpose of the trip was to strategize further capital raising and/or sales following the purchase of certain residential properties by Core Development Group.
July 11 – LOEWS HOTELS THE REGENC NEW YORK – \$4,365.71	Accommodations for Aruba Butt and Robert Clark during a business trip to New York. The purpose of the trip was to strategize further capital raising and/or sales following the purchase of certain residential properties by Core Development Group.
July 11 – LOEWS HOTELS THE REGENC NEW YORK – \$2,793.63	Accommodations for Ryan Molony and his partner ( <b>Name</b> ) during a business trip to New York. The purpose of the trip was to strategize further capital raising and/or sales following the purchase of certain residential properties by Core Development Group.
July 11 – LOEWS HOTELS THE REGENC NEW YORK – \$1,040.07	Accommodations for <b>Name</b> (full-time employee of 2707793 Ontario Inc. o/a SID Renos) during a business trip to New York. The purpose of the trip was to strategize further capital raising and/or sales following the purchase of certain residential properties by Core Development Group.
July 13 – LA MAISON DE L AUBRAC PARIS - \$1,280.29	The Additional Stay Parties, Robert Clark and the partners of Dylan Suitor and Ryan Molony <b>Names</b> attended a business dinner with <b>Name</b> (full-time employee of 2707793 Ontario Inc. o/a SID Renos).

For clarity, there are no supporting documents available to the Applicants beyond Interlude Inc.'s AMEX card statements previously provided to the Monitor.

### Additional Questions

1. Attached as Exhibit "B" is a summary of Net Disbursements above \$100k. To the extent we did not ask about these line items above, please explain and provide supporting documents for these disbursements.

The Applicants' responses below are subject to their understanding that the Monitor has aggregated disbursements by category, based on the information provided in the GL, and has provided the aggregated amount by category in Exhibit "B" to the Letter. Please note that, while the Applicants have made significant efforts to provide as specific information as possible in respect of the above request, without reviewing the particulars of the Monitor's aggregations contemporaneously with the Applicants providing their responses, some of the below will be generalizations.

In the chart below, where the Applicants have further information, the Applicants provide same in respect of the Net Disbursements above \$100k not otherwise asked about.

<b>Disbursement</b>	<b>Explanation</b>
Due to/from DSPLN (1,494,850.00)	This disbursement is in respect of intercompany loans.
Private Loans: Due to/from Old Thing Back Inc. (1,317,070.00)	This disbursement is in respect of intercompany loans.
Dues to/from Interlude (850,050.00)	This disbursement is in respect of intercompany loans.
Due to/ From Old Thing Back (721,000.00)	This disbursement is in respect of intercompany loans.
Due to/from Prospect Real Estate (623,378.34)	This disbursement is in respect of intercompany loans.
Insurance (616,200.94)	This disbursement is in respect of properties insured by <b>Name</b> (Co-operators).
Due to/from 2707793 Ontario Inc (SID Renos) (547,575.31)	This disbursement is in respect of intercompany loans, as well as construction management fees, and vendor rebates due to 2707793 Ontario Inc. o/a SID Renos.
Due to / From Upgrade Housing (498,375.00)	This disbursement is in respect of intercompany loans.
Utilities (426,031.94)	This disbursement is in respect of numerous utilities owing for several properties across various service providers.
2675 Due to/from Old Thing Back Inc. (5243521) (406,563.40)	This disbursement is in respect of intercompany loans.
Olympia Trust Mortgage Clearing (390,819.96)	The Applicants understand that Olympia Trust Company withdrew monies on a monthly basis in respect of first mortgages registered on several properties.
6450 Insurance (386,086.54)	This disbursement is in respect of properties insured by <b>Name</b> (Co-operators).
Loan Payment:Deft Settlement (345,881.26)	This disbursement reflects lender repayments to The Windrose Group Inc.

<b>Disbursement</b>	<b>Explanation</b>
Loan Repayment:The Lion LP (334,571.07)	This disbursement reflects lender repayments to The Lion's Share Group Inc.
Loan Repayments (332,123.43)	This disbursement reflects lender repayments to The Windrose Group Inc.
Due to/from HG (305,550.00)	This disbursement is in respect of intercompany loans.
Private Loans:Due to/from Upgrade Housing Inc. (5023137) (284,460.00)	This disbursement is in respect of intercompany loans.
Due to/from Pink Flamingo (278,000.00)	This disbursement is in respect of intercompany loans.
Loan Payment:Olympia MGT (260,788.80)	This disbursement is in respect of a loan payment owing to Olympia Trust Company.
Due to/from SID Reno (244,500.00)	This disbursement is in respect of intercompany loans, as well as construction management fees, and vendor rebates due to 2707793 Ontario Inc. o/a SID Renos.
Due to/from Paradisal Bliss (220,400.00)	This disbursement is in respect of intercompany loans.
Due to/from DSPLN Inc. (218,300.00)	This disbursement is in respect of intercompany loans.
Due to/from Paradisal Bliss Inc (212,500.00)	This disbursement is in respect of an intercompany loan.
Loan Payment:To the Lions Group (208,433.11)	This disbursement reflects lender repayments to The Lion's Share Group Inc.
Duo To CC Card Payment (206,461.83)	This disbursement is in respect of credit card payments for business expenses.
Due to/from Multiville Inc. (200,400.00)	This disbursement is in respect of intercompany loans.
2560 Due to/from Upgrade Housing Inc. (5023137) (195,374.00)	This disbursement is in respect of intercompany loans.
Buildings:1022 Wellington Street East (185,793.98)	This disbursement is in respect of payment of a purchase price and/or closing costs for a property located at 1022 Wellington Street East.
Due to/from Balboa (168,767.50)	This disbursement is in respect of intercompany loans.
Buildings:392 Maple Street South (156,830.00)	This disbursement is in respect of payment of a purchase price and/or closing costs for a property located at 392 Maple Street South.
Due to/from Joint Captain Real Estate (155,900.00)	This disbursement is in respect of intercompany loans.

<b>Disbursement</b>	<b>Explanation</b>
Due to/ From Sidrenos (147,100.00)	This disbursement is in respect of intercompany loans, as well as construction management fees, and vendor rebates due to 2707793 Ontario Inc. o/a SID Renos.
6860 Utilities (139,736.19)	This disbursement is in respect of numerous utilities owing for several properties across various service providers.
Due to / from Pink Flamingo (137,000.00)	This disbursement is in respect of intercompany loans.
6595 Utilities (127,279.92)	This disbursement is in respect of numerous utilities owing for several properties across various service providers.
Loan Payment:Lift Cap LP (104,215.00)	This disbursement reflects lender repayments to Lift Capital Incorporated.

Subject to any forthcoming responses, we trust that the above responses are otherwise satisfactory. Please do not hesitate to contact us should you require further clarification on the above or any further information.

Yours truly,

**BENNETT JONES LLP**



Sean Zweig

cc: Joshua Foster, Thomas Gray and Megan Steeves (Bennett Jones LLP)  
 Ryan Jacobs, Shayne Kukulowicz, Joe Bellissimo and John M. Picone (Cassels Brock & Blackwell LLP)  
 Noah Goldstein and David Sieradzki (KSV Restructuring Inc.)



**Bennett Jones**

Bennett Jones LLP

3400 One First Canadian Place, PO Box 130

Toronto, Ontario, Canada M5X 1A4

Tel: 416.863.1200 Fax: 416.863.1716

March 20, 2024

**CONFIDENTIAL****Via E-Mail**

Cassels Brock & Blackwell LLP  
Suite 3200, Bay Adelaide Centre  
40 Temperance Street  
Toronto, ON M5H 0B4

**Attention: Colin Pendrith**

Dear Mr. Pendrith:

**Re: IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF  
COMPROMISE OR ARRANGEMENT OF BALBOA INC. et al. (Court File No.: CV-  
24-00713245-00CL)**

As you know, we are the lawyers for 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 "**Applicants**") in the above-captioned proceedings (the "**CCAA Proceedings**"). We write in response to your letter dated March 13, 2024 (the "**Letter**"), in which you requested additional information from the Applicants on behalf of KSV Restructuring Inc., in its capacity as Court-appointed monitor in the CCAA Proceedings (the "**Monitor**"), in support of the Monitor's investigation (the "**Investigation**") being conducted pursuant to the Amended and Restated Initial Order of the Honourable Madam Justice Kimmel dated February 15, 2024 (the "**ARIO**").

The Applicants have made significant efforts to address each of the Monitor's requests in the limited time provided. However, due to time and other constraints, certain additional information responsive to the Monitor's requests may be forthcoming. Further, and for clarity, the Applicants reserve their right to correct any information provided in this response should any error or omission come to their attention.

For ease of reference, the Monitor's requests in the Letter are reproduced in bold, and the Applicants' responses follow. Where additional supporting documentation responsive to the Monitor's request is available to the Applicants' knowledge, the Applicants have indicated same and provide such

documentation in the schedules enclosed with this letter. Capitalized terms used herein and not otherwise defined in this letter have the meaning ascribed to them in the Letter.

For the avoidance of doubt, this letter, its schedules and each of their respective contents are confidential and are being provided in response to the Monitor's requests made pursuant to the ARIO. Each is intended solely for the Monitor, the Monitor's counsel and each of their respective directors, officers, employees, agents and advisors acting on their behalf who have a need to know such information for the purpose of the Investigation. Nothing in this letter or its schedules should be interpreted as a waiver of solicitor-client or any other privilege.

### **Questions concerning real estate title**

- 1. As set out in Exhibit "A", there are twelve properties currently owned by entities which appear to be non-arms length from one or more of the Applicants and/or Aruba Butt, Dylan Suitor and/or Ryan Molony (collectively, the "Additional Stay Parties"). For each of these properties, please advise:**
  - a. It appears that the current owners (the "Current Owners") are non-arms length from the Applicants and/or Additional Stay Parties. Please provide details of the relationship between the Applicants, the Additional Stay Parties and the Current Owners. If your clients' position is that the Current Owners are arms-length from the Applicants and the Additional Stay Parties, please explain how that is possible.**

The Current Owners, as set out in Exhibit "A", are as follows: Upgrade Housing Inc.; MT Deez Inc.; and Happy Town Housing Inc. As indicated in our letter dated March 15, 2024 (the "**March 15 Letter**"), each of Happy Town Housing Inc. and Upgrade Housing Inc. are affiliates of certain of the Applicants. Namely, Interlude Inc., Hometown Housing Inc., Neat Nests Inc. and Horses In The Back Inc. As reflected in their respective corporate profile reports, Dylan Suitor is the sole director and officer of Interlude Inc., Hometown Housing Inc., Neat Nests Inc., Horses In The Back Inc., Upgrade Housing Inc. and Happy Town Housing Inc.

To the Applicants' knowledge, [Name] is the sole direct or indirect owner of MT Deez Inc. The Applicants understand that MT Deez Inc.'s corporate profile report indicates that [Name] is the sole director and officer of MT Deez Inc. As set out in the March 15 Letter, [Name] is also the Chief Operating Officer and minority partner of Conduit Asset Management, a corporation of which the Suitor Family Trust is the majority shareholder. The Applicants do not have any direct or indirect interest in MT Deez Inc.

- b. It also appears that the entities from which the Current Owners acquired the properties (the "Former Owners") are, at least in many cases, non-arms length from the Applicants, the Additional Stay Parties and/or Current Owners. Please provide details of the relationship between the Former Owners and the Applicants, the Additional Stay Parties and the Current Owners, and, if your clients' position is that the Former Owners are arms-length from the Applicants, the Additional Stay Parties and the Current Owners, please explain how that is possible.**



The Former Owners,<sup>1</sup> as set out in Exhibit “A” to the Letter, are as follows: Up-Town Funk Inc.; Old Thing Back Inc.; Upgrade Housing Inc.; 1834537 Ontario Inc.; Happy Town Housing Inc.; 5009831 Ontario Inc.; and Ryan Molony.

The Applicants have no knowledge of, and are unfamiliar with, 1834537 Ontario Inc. and 5009831 Ontario Inc. The Applicants do not have any direct or indirect interest in either 1834537 Ontario Inc. or 5009831 Ontario Inc. And, neither is an affiliate of any of the Applicants or, for greater certainty, under common control. As reflected in their respective corporate profile reports, none of the Additional Stay Parties nor Robert Clark are directors or officers of 1834537 Ontario Inc. or 5009831 Ontario Inc.

As you are aware and, as their respective corporate profile reports illustrate, Ryan Molony is a director of The Mulligan Inc., Multiville Inc. and Happy Gilmore Inc. Ryan Molony is also an officer of Happy Gilmore Inc. and Multiville Inc.

Each of Up-Town Funk Inc., Old Thing Back Inc. and Upgrade Housing Inc. are affiliates of certain of the Applicants. Specifically, Interlude Inc., Hometown Housing Inc., Neat Nests Inc. and Horses In The Back Inc. As reflected in their respective corporate profile reports, Dylan Suitor is the sole director and officer of Up-Town Funk Inc., Old Thing Back Inc. and Upgrade Housing Inc.

**c. Please explain the purpose of each transfer and provide details of the use of the proceeds of sale and supporting documents.**

As you are aware, the properties identified in Exhibit “A” to the Letter are owned by non-Applicants for whom we do not act and have never previously been owned by any of the Applicants. Accordingly, we cannot advise of the details of the use of the proceeds of sale, if any, nor provide supporting documents.

In light of the former and current ownership of the properties identified in Exhibit “A” to the Letter, the Applicants note that such properties do not appear to relate to the Property (as defined in the ARIO), the Business (as defined in the ARIO) or the CCAA Proceedings.

- 2. Two of these properties (362 Donovan St., Sudbury, 267 Leslie St., Sudbury) each show transfers on September 25, 2023 from the beneficial owners to trustees, and then another set of transfers on January 15, 2024 back to the beneficial owners. We note that these are the same dates as the comparable transfers referenced in our prior letter relating to three properties listed therein (496 Whissel Ave., Sudbury, 454 Eva Ave., Sudbury, 536 Montague Ave., Sudbury). Please explain the purpose of each of these transfers, provide any associated transaction documents and advise why there were at least five sets of equivalent transfers made in respect of these properties, all of which are owned by entities run by Mr. Suitor.**

<sup>1</sup> When used in this letter, the term “Former Owners” shall mean, collectively, the following: Up-Town Funk Inc.; Old Thing Back Inc.; Upgrade Housing Inc.; 1834537 Ontario Inc.; Happy Town Housing Inc.; 5009831 Ontario Inc.; and Ryan Molony.



In the March 15 Letter, the Applicants provided the following information with respect to the transfers of the properties located at 496 Whissel Ave., Sudbury, Ontario, 454 Eva Ave., Sudbury, Ontario and 563 Montague Ave., Sudbury, Ontario, each of which is owned by certain of the Applicants:

Transfer	Purpose of Transfer
<p>02245-0328 – 496 Whissel Ave., Sudbury</p> <p>Transfer SD378095 2019/06/28 to Hometown Housing Inc. for \$266,500 with series of private mortgages, then Transfer SD484261 2023/09/25 to Old Thing Back Inc. for \$2 (beneficial owner to trustee), then Transfer SD490690 2024/01/15 to Hometown Housing Inc. for \$2 (trustee back to beneficial owner). Tax arrears certificate on title SD461152 2022/09/21 for \$6,156.</p>	<p>As stated above, the purpose of Transfer SD378095 was for the purchase of the property by Hometown Housing Inc.</p> <p>Transfer SD484261 was inadvertent. The Applicant, Hometown Housing Inc., was discussing a refinancing of the 496 Whissel Ave property through CIBC. This refinancing would have required that the property be transferred to a new corporation. Without instruction, Hometown Housing Inc.'s real estate lawyer mistakenly authorized the transfer.</p> <p>The purpose of Transfer SD490690 was to reverse the inadvertent transfer of the 496 Whissel Ave property by Hometown Housing Inc.'s lawyer.</p>
<p>02129-0272 – 454 Eva Ave., Sudbury</p> <p>Transfer SD376463 2019/06/03 to Upgrade Housing Inc. for \$195,000 with private mortgage, then Transfer SD418547 2021/04/07 to Interlude Inc. for \$160,000, then Transfer SD484263 2023/09/25 to Old Thing Back Inc. for \$2 (beneficial owner to trustee), then Transfer SD490687 2024/01/015 to Interlude Inc. for \$2 (trustee back to beneficial owner)</p>	<p>As stated above, the purpose of Transfer SD376463 was for the purchase of the property by Upgrade Housing Inc.</p> <p>As stated above, Transfer SD418547 occurred during a refinancing with Tandia Financial Credit Union. Interlude Inc. understands that it was required that only renovated properties ready for market be owned by Upgrade Housing Inc. Since 454 Eva Ave, Sudbury did not meet this requirement, the property was transferred.</p> <p>As stated above, Transfer SD484263 was inadvertent. The Applicant, Interlude Inc., was discussing a refinancing of the 454 Eva Ave property through CIBC. This refinancing would have required that the property be transferred to a new corporation. Without instruction, Interlude Inc.'s real estate lawyer mistakenly authorized the transfer.</p> <p>As stated above, the purpose of Transfer SD490687 was to reverse the inadvertent transfer of the 454 Eva Ave property by Interlude Inc.'s real estate lawyer.</p>
<p>02128-0163 – 563 Montague Ave., Sudbury</p> <p>Transfer SD286007 2014/12/05 to 2367118 Ontario Inc. for \$145,000, with private mortgage, then Transfer SD415828 2021/02/26 to Interlude Inc. for \$180,000, with private mortgages, then Transfer</p>	<p>The Applicants, having no affiliation with 2367118 Ontario Inc., presume that the purpose of Transfer SD286007 was for the purchase of the property by 2367118 Ontario Inc.</p>

Transfer	Purpose of Transfer
SD484264 2023/09/25 to Old Thing Back Inc. for \$2 (beneficial owner to trustee), then Transfer SD490686 2024/01/15 to Interlude Inc. for \$2. (trustee back to beneficial owner)	<p>The purpose of Transfer SD415828 was for the purchase of the property by Interlude Inc.</p> <p>The Transfer SD484264 was inadvertent. The Applicant, Interlude Inc., was discussing a refinancing of the 563 Montague Ave property through CIBC. This refinancing would have required that the property be transferred to a new corporation. Without instruction, Interlude Inc.'s real estate lawyer mistakenly authorized the transfer.</p> <p>The purpose of Transfer SD490686 was to reverse the inadvertent transfer of the 563 Montague Ave property by Interlude Inc.'s real estate lawyer.</p>

As you are aware, the properties located 362 Donovan St., Sudbury, Ontario and 267 Leslie St., Sudbury, Ontario, are not currently owned and have never been owned by the Applicants. Rather, each is owned by Upgrade Housing Inc., an affiliate of certain of the Applicants for whom we do not act. However, we understand that these properties were also being discussed in connection with the refinancing and would therefore, in all likelihood, be subject to the same inadvertent error.

The Applicants again note that the properties, the Former Owners and the Current Owners that are the subject of question 2 in the Letter do not appear to relate to the Property, the Business or the CCAA Proceedings.

**3. Of the properties listed in Exhibit "A", there are two properties which each remain subject to two mortgages that were on title before the Current Owner acquired the property:**

**i. 267 Leslie St (Sudbury – 4/6/2021 – \$7,750,000.00 – TANDIA FINANCIAL CREDIT UNION LIMITED)**

**ii. 267 Leslie St (Sudbury – 7/20/2023 – \$1,200,000.00 – LIFT CAPITAL INCORPORATED, PS ADVANCED CONSULTING INC.,**

**Names**

**iii. 362 Donovan St (Sudbury – 4/6/2021 – \$7,750,000.00 – TANDIA FINANCIAL CREDIT UNION LIMITED)**

**iv. 362 Donovan St (Sudbury – 7/20/2023 – \$1,200,000.00 – LIFT CAPITAL INCORPORATED, PS ADVANCED CONSULTING INC.,**

**Names**



**a. Please confirm if any of these mortgages were assumed by the purchaser?**

As you are aware, the above-mentioned mortgages are registered against properties that are owned by non-Applicants for whom we do not act and that have never previously been owned by any Applicant. Accordingly, we cannot advise of whether the mortgages were assumed by the purchaser.

The Applicants again note that the properties and the mortgages that are the subject of question 3(a) of the Letter do not appear to relate to the Property, the Business or the CCAA Proceedings.

**b. If not, please advise why each mortgage was not discharged? Is the purchaser's lawyer, or anyone else, following-up on discharges of these old mortgages to ensure that funds were paid to the lenders and the lenders will discharge their security?**

See prior response.

**c. Please provide details of the relationship between the charge lenders listed above and the Applicants, the Additional Stay Parties, the Current Owners and the Former Owners. If your clients' position is that the charge lenders are arms-length from the Applicants, the Additional Stay Parties, the Current Owners and the Former Owners, please explain how that is possible.**

For the reasons set out in the Applicants' prior responses, we are unable to respond to the Monitor's inquiries insofar as they pertain to non-Applicant parties and their respective property, none of which is or has ever previously been owned by any of the Applicants.

With respect to the Applicants, the Applicants confirm that each of the above-referenced chargees is an arm's length party. As set out in the Affidavit of Robert Clark sworn January 23, 2024 (the "**Clark Affidavit**"), substantially all of the Applicants' second mortgage loans were provided by Lift Capital Incorporated, which was permitted to, and to the Applicants' knowledge did, syndicate, participate, assign or otherwise share each such loan with one or more co-lenders. Tandia Financial Credit Union Limited is not currently – and to the Applicants' knowledge, has never been – a lender to any of the Applicants.

**4. Three of these properties (34 Rykert St., St. Catharines, 43 Centre St., St. Catharines, 75 Queenston St., St. Catharines) note charges and certificates from the Current Owners or Former Owners to [Name]. Please provide an explanation for these charges and certificates, and provide details of the relationship between [Name] and the Applicants, the Additional Stay Parties, Robert Clark, the Current Owners and the Former Owners.**

[Name] is the brother of Robert Clark. [Name] has no direct or indirect ownership interest in any of the Applicants, is not a director, officer, employee or independent contractor of any the Applicants and does not exercise any control over, or otherwise have any involvement with, the Applicants.



Instrument Number NR532181, which appears to have been previously registered (and subsequently deleted) on behalf of [Name] against the properties located at 34 Rykert St., St. Catharines, Ontario, 43 Centre St., St. Catharines, Ontario, and 75 Queenston St., St. Catharines, Ontario, includes a Certificate of Pending Litigation dated December 23, 2019 (the “**Certificate**”). None of the Applicants are named as respondents in the Certificate and the interest asserted by [Name] and RDC Properties Inc. to the lands identified therein are in respect of properties that are not owned and have never been owned by any of the Applicants.

As the above-mentioned properties are owned by non-Applicants for whom we do not act, and have never previously been owned by an Applicant, we cannot advise of the details of the Certificate or charges referred to. The Applicants again note that such properties do not appear to relate to the Property, the Business or the CCAA Proceedings.

**5. As previously requested in our letter dated March 8, 2024, please provide statements of adjustments in respect of all properties acquired or disposed of by any companies related to the Applicants or the Additional Stay Parties, including the Current Owners and Former Owners.**

As you are aware, the Monitor was provided with a summary of all of the Applicants’ pre-filing sales that closed between July 2023 and January 2024 (the “**Pre-Filing Sales Summary**”), together with all of the trust ledgers applicable thereto. In that same time, no properties were acquired by the Applicants (except any transfer of property to the Applicants previously discussed in the March 15 Letter). Copies of the statements of adjustments in respect of all such properties disposed of by the Applicants were enclosed with the March 15 Letter.

As set out in the March 15 Letter, the Applicants would be pleased to provide the Monitor with additional statements of adjustments for properties acquired or disposed of by the Applicants to the extent helpful and relevant to the Investigation. However, recognizing the volume of the properties owned by the Applicants (*i.e.*, 406) and their strained resources, the Applicants kindly ask the Monitor to provide clarity on the scope of any future request for further information. To the extent any such future request is made, the Applicants kindly ask the Monitor to ensure that it is limited to the Applicants or related to the Property, the Business or the CCAA Proceedings.

***Questions concerning Interlude Inc.***

**1. On November 27, 2023, Interlude Inc. and Mr. Suitor (as borrowers) signed a promissory note renewal in the amount of \$50,000.00 with [Lender name] which contemplated a repayment term tied to the sale of the property located at 29 Hughes Street, Sault St. Marie, Ontario, Canada, P6A 2W6. A copy of this promissory note renewal is attached as Exhibit “B”. However, this property was transferred to another company (12853370 Canada Inc.) two and a half weeks earlier, on November 8, 2023. Please advise:**

- a. Please provide details of the relationship between 12853370 Canada Inc and the Applicants, the Additional Stay Parties, the Current Owners and the Former Owners. If your clients’ position is that 12853370 Canada Inc is arms-length from the**



**Applicants, the Additional Stay Parties, the Current Owners and the Former Owners, please explain how that is possible.**

As previously noted, we do not act for the Current Owners or the Former Owners, which are not Applicants and, in some cases, are not affiliates of any of the Applicants. For the avoidance of doubt, the Applicants do not have any knowledge of any relationship existing between 12853370 Canada Inc., the Current Owners, the Former Owners and/or the Additional Stay Parties.

With respect to Interlude Inc. and each of the other Applicants, the Applicants confirm that 12853370 Canada Inc. is an arm's length party. As indicated in the Pre-Filing Sales Summary, the Applicants have no direct or indirect ownership interest in 12853370 Canada Inc. Additionally, 12853370 Canada Inc. is not an affiliate of any of the Applicants and, for greater certainty, is not under common control. As illustrated by its corporate profile report, none of the Additional Stay Parties nor Robert Clark are directors or officers of 12853370 Canada Inc.

**b. The purpose of the transfer to 12853370 Canada Inc., including details of the use of the proceeds of sale and supporting documents.**

The sale of the property located at 29 Hughes Street, Sault St. Marie, Ontario (the “**29 Hughes Property**”) by Interlude Inc. to 12853370 Canada Inc. was made at the insistence of The Windrose Group Inc. (“**Windrose**”) and The Lion's Share Group Inc. (“**Lion's Share**”) – to dispose of owned properties to repay the Applicants' funded indebtedness. As the Monitor is aware, the principal of both Windrose and Lion's Share is Claire Drage.

At the time of providing the Pre-Filing Sales Summary, the Applicants provided the trust ledger in respect of the sale of the 29 Hughes Property. A copy of the statement of adjustments was enclosed with the March 15 Letter. No surplus proceeds were realized by Interlude Inc. on the sale of the 29 Hughes Property after payment of the disbursements, legal fees, tax arrears, realtor commission and mortgage, each as reflected in the trust ledger previously provided. As indicated in the Pre-Filing Sales Summary, approximately \$33,780.00 remains owing to the first mortgagee, Lion's Share.

**c. A complete explanation of why Interlude Inc. and Mr. Suitor executed a promissory note renewal which contemplated a future sale of a property that had already been transferred to another entity.**

Upon review, the Applicants agree with the timeline identified by the Monitor in the Letter. In particular, the promissory note was executed by [Lender Name] as lender, on October 30, 2023, the 29 Hughes Property referred to therein was subsequently sold on November 8, 2023, and the promissory note was countersigned by Interlude Inc. on November 27, 2023.

For clarity, the Applicants, including Interlude Inc., did not participate in the drafting of the unsecured promissory notes issued in favour of lenders sourced by Windrose. The Applicants, including Interlude Inc., similarly seldom had input on which property was referred to in any given promissory note sourced by Windrose. Rather, Windrose frequently selected the real property to be referred to in, and prepared each, promissory note and delivered same to the Applicants for execution. Given its role in



sourcing and placing such promissory notes, Windrose was promptly apprised of any sales of real property consummated by the Applicants.

Where, as was the case here, the prior promissory note had already matured and the lender had previously agreed to, and executed, a renewal, Windrose would frequently repeatedly insist upon the Applicants' prompt execution of the promissory note (the request often being made in respect of numerous promissory notes simultaneously).<sup>2</sup> An example of such request made by email on November 7, 2023 is attached hereto as **Schedule "A"**. Windrose would not advise the Applicants of any revisions made to the applicable promissory note upon renewal.

Interlude Inc. did not review the promissory note issued in favour of [Name] in detail prior to its execution given the information available to Windrose, Windrose's insistence that it be executed and Windrose's experience in sourcing and preparing substantially all of the Applicants' unsecured promissory notes not otherwise issued in favour of Lion's Share. Had it done so, it would have brought the sale of the 29 Hughes Property to Windrose's attention.

As reflected in the Clark Affidavit, the promissory notes issued by the Applicants and sourced and prepared by Windrose, including the promissory note issued by Interlude Inc. in favour of [Name] are unsecured.<sup>3</sup> Interlude Inc., as borrower, continues to regard itself as indebted to [Name] which indebtedness has evidently matured based on Windrose's error.

The Applicants note that, having the same principal as Lion's Share – being the first mortgagee of the 29 Hughes Property – it is remarkable that Windrose did not apprise [Name] of the sale of the 29 Hughes Property, raise the issue with Interlude Inc. or provide a revised promissory note for execution. An email chain evincing Claire Drage's knowledge of Interlude Inc.'s sale of the 29 Hughes Property is attached hereto as **Schedule "B"**. The circumstances surrounding Windrose's insistence that such promissory note be executed by Interlude Inc. only exacerbate the Applicants' concerns previously raised with the Monitor regarding Windrose, Lion's Share and Claire Drage.

We trust that the above responses are satisfactory. Please do not hesitate to contact us should you require further clarification on the above or any further information.

<sup>2</sup> In this regard, the Applicants note that the promissory note was executed by [Lender Name] on October 30, 2023, and was not countersigned until November 27, 2023.

<sup>3</sup> As reflected in the Clark Affidavit, the Applicants did not and do not understand the following language within such promissory notes to confer a security interest in the Applicants' real property: "[t]his Note is secured by the Lenders right to register this Note on title on all or any properties held by the Borrowers and Guarantors as security if not paid in full [...]".



Yours truly,

**BENNETT JONES LLP**

*Sean Zweig*

Sean H. Zweig

cc: Joshua Foster, Thomas Gray and Megan Steeves (Bennett Jones LLP)  
Ryan Jacobs, Shayne Kukulowicz, Joe Bellissimo and John M. Picone (Cassels Brock & Blackwell LLP)  
Noah Goldstein and David Sieradzki (KSV Restructuring Inc.)



**SCHEDULE "A"****SAMPLE PROMISSORY NOTE EXECUTION REQUEST**

See attached.

**From:** [renewals@thewindrosegroupp.ca](mailto:renewals@thewindrosegroupp.ca)  
**To:** "Dylan Suitor"; [REDACTED]; "Aruba Clark"; [REDACTED] Email Addresses  
**Cc:** [hr@thewindrosegroupp.ca](mailto:hr@thewindrosegroupp.ca); "Bronwyn Bullen"; [jennifer@thewindrosegroupp.ca](mailto:jennifer@thewindrosegroupp.ca)  
**Subject:** Important update on renewals!!  
**Date:** Tuesday, November 7, 2023 3:08:25 PM  
**Attachments:** [image002.png](#)  
[image003.png](#)  
[image004.png](#)  
[image005.png](#)  
[image006.png](#)  
[image007.png](#)  
[Outstanding Renewal Information Pending for Ryan Molony.msg](#)  
[Outstanding Renewal Information Pending for Aruba Butt.msg](#)  
[Outstanding Renewal Information Pending for Sam Drage.msg](#)  
[Outstanding Renewal Information Pending for Dylan Suitor.msg](#)

---

Hi there Team,

Please mark in your calendars the next Renewals Meeting will be on Thursday November 23rd at 10am.

Also, I am reaching out as there are a several important matters that need to be addressed right away and in advance of our next meeting as follows;

1. There are a number of First Mortgage Renewal term sheets from September and October that remain unsigned for the past 2 weeks. Please go in and sign ALL outstanding renewals. Your lenders were good enough to agree to renewals, under the circumstances and are growing thin on patience. Unfortunately if these are not signed **within 24 hours** and remain outstanding hours we will have no choice but to advise your lenders to instead start legal proceedings.

**549 Spooner** (We have specifically sent many reminders on this one), 124 Balsam, 973 Lorne, 377 Wilson, 556 Cooper, 156 Maple, 53 Wayne... – this is NOT a complete list. Please review in your email for all outstanding.

2. We have NOT received many property updates for both October and November renewals for Ryan, Aruba's and JCRE properties and only a few for Dylans Properties. We continue to send our weekly list – Any properties with renewals up to and including November 30th need to be **complete by Friday November 10<sup>th</sup>**. Any properties with renewals up to and including December 31<sup>st</sup> must be completed by **Friday November 17<sup>th</sup>**.  
 \*I have attached to this email the most recent full list sent for each borrower for your convenience.
3. We are once again looking for the revised appraisal on **59 Trelawne** which was supposed to have been completed several weeks ago.
4. Finally, we have a list of 47 promissory note loan renewals which remain unsigned. Your lenders are losing patience on this matter – many did not want to renew but have given the benefit of the doubt. I have had more than 10 emails and calls today alone asking why they have not been signed (dating back to October 16<sup>th</sup>) and a couple I will need to cancel as they have instead requested repayment due to the time delay and payment history. Please go in and sign all outstanding prom notes asap to prevent further action.

I have copied both Claire and Bronwyn on this email.

Thank you for your immediate attention to this email.

**Name**

Senior Underwriter – Private Renewals

*P.S If you or your family are interested in exploring new investment opportunities with The Windrose Group or the Trust please let me know and we will be happy to send over some great options. And don't forget about our great referral program!*



**Name**

**Senior Underwriter, Private Renewals**

**Email Address**

[www.thewindrosegroup.ca](http://www.thewindrosegroup.ca)

289-800-9624

For Claire Drage ON #M08007610

Mortgage Alliance LIC #10530



**THE WINDROSE GROUP**

**MORTGAGE ALLIANCE**  
A MORTGAGE ALLIANCE TEAM



Virus-free [www.avast.com](http://www.avast.com)

Windrose Trust Units are available to qualified investors on a private placement basis only via Offering Memorandum dated January 2<sup>nd</sup>, 2022 (the "Offering Memorandum"). The statements contained herein are qualified in their entirety by the respective Offering Memorandums. The foregoing does not constitute an offer to sell or a solicitation of interest to purchase any securities in any jurisdiction in which such offer or solicitation is not authorized. For more information, please contact Claire Drage at 289-800-9620 or **Name** 1-888-848-1878

The information contained in this transmission is privileged and confidential and intended only for the use of the individual or entity to whom it is addressed. If you are not the intended recipient, you are hereby notified that any distribution, copying, disclosure or taking of any action in reliance on the contents of this transmission is strictly prohibited and review by any individual other than the intended recipient shall not constitute waiver of privilege. If you have received this transmission in error, please notify us immediately and return the original transmission to us.


**SCHEDULE "B"****29 HUGHES PROPERTY CORRESPONDENCE**

See attached.

**From:** [Dylan Suitor](#)  
**To:** [Claire Drage CEO](#)  
**Cc:** [Bronwyn Bullen](#); [Aruba Butt](#); [Robby Clark](#); [Ryan Molony](#); [REDACTED] Names  
**Subject:** Re: RESPONSE REQUIRED 29 Hughes Closing shortfall

thank you

On Thu, Nov 9, 2023 at 4:00 AM Claire Drage CEO <[hr@thewindrosegroupp.ca](mailto:hr@thewindrosegroupp.ca)> wrote:  
 Payout signed and Bronwyn will prepare paperwork for balance.



## CLAIRE DRAGE

**Chief Executive Officer | Mortgage Broker**

[www.clairedrage.ca](http://www.clairedrage.ca)





289-800-9620


Mortgage Broker: FSRA: M08007610


Mortgage Alliance LIC #10530

Deal Representative NRD# 4395401

Atlas One Digital Securities Inc.





On Wed, Nov 8, 2023 at 12:06 PM Dylan Suitor <[REDACTED] Email Address > wrote:  
 I've been able to solve this one and if Claire can hold the shortfall to come from sales that are closing later this month, that would be great.

[REDACTED] Name please do exactly what we're doing with 644 Wellington and  
 [REDACTED] Name which is we'll pay on closings later this month.

THank you,

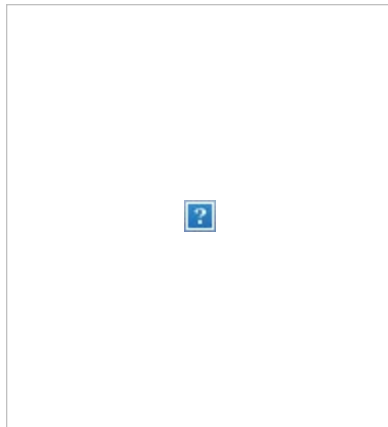
On Tue, Nov 7, 2023 at 7:45 AM Bronwyn Bullen <[bronwyn@thewindrosegroupp.ca](mailto:bronwyn@thewindrosegroupp.ca)> wrote:

Hi Everyone,

We understand the closing for 29 Hughes is short \$33,780  
 Claire is your lender, She is willing to move this into a promissory note loan on another property under the following conditions

- 1)A property is identified that has equity and is approved by Windrose,
- 2) Once that property is approved the promissory note loan WITH the clause that a lien can go on title in default will be sent.
- 3) once that is signed then Claire will give her lawyer the go-ahead to proceed with the sale.

Please let me know this morning how you would like to proceed



## BRONWYN BULLEN

**Manager, Strategic Financing**

[bronwyn@thewindrosegroup.ca](mailto:bronwyn@thewindrosegroup.ca)

[www.thewindrosegroup.ca](http://www.thewindrosegroup.ca)

289-800-9620

For Claire Drage ON #M08007610

Mortgage Alliance LIC #10530



*Windrose Trust Units are available to qualified investors on a private placement basis only via Offering Memorandum dated January 2<sup>nd</sup>, 2022 (the "Offering Memorandum"). The statements contained herein are qualified in their entirety by the respective Offering Memorandums. The foregoing does not constitute an offer to sell or a solicitation of interest to purchase any securities in any jurisdiction in which such offer or solicitation is not authorized. For more information, please contact Claire Drage at 289-800-9620 or*

**Name** 1-888-848-1878

*The information contained in this transmission is privileged and confidential and intended only for the use of the individual or entity to whom it is addressed. If you are not the intended recipient, you are hereby notified that any distribution, copying, disclosure or taking of any action in reliance on the contents of this transmission is strictly prohibited and review by any individual other than the intended recipient shall not constitute waiver of privilege. If you have received this transmission in error, please notify us immediately and return the original transmission to us.*

--



## Dylan Suitor

**CEO & SALES  
REPRESENTATIVE**

905.407.4289



245 Wyecroft Road, Suite 4

Oakville on L6K 3Y6

905.592.4220



ELEVATIONREALTY.CA

*Windrose Trust Units are available to qualified investors on a private placement basis only via Offering Memorandum dated January 2<sup>nd</sup>, 2022 (the "Offering Memorandum"). The statements contained herein are qualified in their entirety by the respective Offering Memorandums. The foregoing does not constitute an offer to sell or a solicitation of interest to purchase any securities in any jurisdiction in which such offer or solicitation is not authorized. For more information, please contact Claire Drage at 289-800-9620 or **Name** 1-888-848-1878*

*The information contained in this transmission is privileged and confidential and intended only for the use of the*



*individual or entity to whom it is addressed. If you are not the intended recipient, you are hereby notified that any distribution, copying, disclosure or taking of any action in reliance on the contents of this transmission is strictly prohibited and review by any individual other than the intended recipient shall not constitute waiver of privilege. If you have received this transmission in error, please notify us immediately and return the original transmission to us.*

--



## Dylan Suitor

CEO & SALES  
REPRESENTATIVE

905.407.4289



245 Wyecroft Road, Suite 4  
Oakville on L6K 3Y6  
905.592.4220



ELEVATIONREALTY.CA



March 21, 2024

**By Email**

cpendrith@cassels.com

tel: +1 416 860 6765

Bennett Jones LLP  
3400 One First Canadian Place  
P.O. Box 130  
Toronto, Ontario  
M5X 1A4 Canada

Attn: Sean Zweig

Dear Mr. Zweig:

**Re: IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BALBOA INC. et al. (Court File No.: CV-24-00713245-00CL)**

We confirm receipt of your letters of March 15 and 20, 2024. We are in the process of reviewing the Applicants' responses to our preliminary questions and will be in touch with the Monitor's follow-up questions as its investigation continues.

In the meantime, it has come to our recent attention that SID Management Inc., the property management company controlled by Robert Clark, diverted \$15,000 of the Applicants' rent revenue to ReConstruct LLP, who we understand was proposed to be legal counsel for Mr. Clark and the Additional Stay Parties. These payments to ReConstruct LLP were neither approved by nor disclosed to the Monitor in accordance with the terms of the CCAA Court's orders. It was only after the Monitor discovered and alerted your clients about these payments that the Applicants indicated that they will be refunded.

In addition, the Monitor has discovered that SID Management Inc. has used some of the Applicants' rent revenue to pay "Office Rent". Please explain the basis for these payments, who owns the office(s), the location of the office(s) and provide the underlying lease agreement(s) and invoices associated with these payments.

We have also discovered certain omissions and anomalies in the property information provided by the Applicants in their Application materials filed with the Court. In particular, we noted four properties that were not disclosed in your clients' Application materials or otherwise. Those properties are:

1. 229 Middleton Ave, Timmins, owned by Interlude Inc.

March 21, 2024  
Page 2

2. 79 Fourth Ave, Timmins, owned by Interlude Inc.
3. 219 Ratter Lake Rd., Markstay, owned by The Mulligan Inc.
4. 187 Pine Street N, Timmins, owned by Multiville Inc. The property search provided in the Applicants' materials that was labelled 187 Pine is actually for a property at 178 Cedar St. N., Timmins, owned by Happy Gilmore Inc.

Please explain why these properties were omitted from your clients' Application materials and not otherwise disclosed to either the Monitor or the Court.

In addition, there are six properties where the existence of a second PIN was not disclosed in your clients' Application materials:

1. 180 Tamarack, Timmins, owned by DSPLN (PINS 65403-0625 and 65404-2444)
2. 290 Cedar St. S, Timmins, owned by Happy Gilmore Inc. (PINS 65404-1861 and 65404-1860)
3. 89 Wende Ave., Timmins, owned by Happy Gilmore Inc. (PINS 65404-1861 and 65404-1860)
4. 87-89 Way Ave., Timmins, owned by Joint Captain Real Estate Inc. (PINS 65422-1608 and 65422-1609)
5. 2 Station Rd. S., Kirkland Lake, owned by Balboa Inc. (PINS 61408-0660 and 61408-1077)
6. 76 Prospect Ave., Kirkland Lake, owned by Interlude Inc. (PINS 61409-0073 and 61409-0074)

Please explain why the second PIN information for each of the above-noted properties was not disclosed. Please also explain why the property located at 180 Tamarack, Timmins has different mortgages on the two applicable PINS.

We look forward to your response as soon as possible.

March 21, 2024  
Page 3

Yours truly,

Cassels Brock & Blackwell LLP

A handwritten signature in black ink, appearing to read 'CP', is shown on a light gray rectangular background.

Colin Pendrith  
Partner

cc: Joshua Foster and Thomas Gray (Bennett Jones)  
cc: Ryan Jacobs and John M. Picone (Cassels)  
cc: Noah Goldstein and David Sieradzki (KSV)

LEGAL\*62201519.3

**Bennett Jones**

Bennett Jones LLP

3400 One First Canadian Place, PO Box 130

Toronto, Ontario, Canada M5X 1A4

Tel: 416.863.1200 Fax: 416.863.1716

March 24, 2024

**CONFIDENTIAL****Via E-Mail**

Cassels Brock & Blackwell LLP  
Suite 3200, Bay Adelaide Centre  
40 Temperance Street  
Toronto, ON M5H 0B4

**Attention: Colin Pendrith**

Dear Mr. Pendrith:

**Re: IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF  
COMPROMISE OR ARRANGEMENT OF BALBOA INC. et al. (Court File No.: CV-  
24-00713245-00CL)**

As you know, we are the lawyers for 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 "**Applicants**") in the above-captioned proceedings (the "**CCAA Proceedings**"). We write further to our letters dated March 15 and 20, 2024 (together, the "**Letters**").

The Letters provided the Applicants' responses to your letters dated March 8 and 13, 2024 (together, the "**Initial Letters**"), respectively, in which you requested additional information from the Applicants on behalf of KSV Restructuring Inc., in its capacity as Court-appointed monitor in the CCAA Proceedings (the "**Monitor**"), in support of the Monitor's investigation (the "**Investigation**") being conducted pursuant to the Amended and Restated Initial Order of the Honourable Madam Justice Kimmel dated February 15, 2024 (the "**ARIO**"). In each case, the Letters sought clarification regarding the scope of the Monitor's request to receive certain statements of adjustments, appreciating the time constraints and the Applicants' limited resources.

Since the provision of the Letters, the Monitor has advised the Applicants that receipt of statements of adjustments in respect of the properties acquired, and currently owned, by the Applicants would assist in the conduct of the Investigation. Accordingly, the Applicants have made significant efforts to

identify and compile each of the applicable statements of adjustments (collectively, the “**Statements**”) and corresponding trust ledgers (collectively, the “**Ledgers**”). Copies of such Statements and Ledgers are enclosed at **Schedule “A”** to this letter. A table prepared strictly for the Applicants’ tracking purposes, enumerating the properties in respect of which the Applicants have been able to identify and compile the Statements and/or Ledgers is enclosed at **Schedule “B”** to this letter.

For ease of review, the Applicants note that, in substantially all cases in which the Applicants acquired the real property identified in the Statements, the term:

- (a) “Client Funds” appearing within the Ledgers refer to funds advanced pursuant to one or more unsecured promissory notes – often directly to the Applicants’ real estate counsel – from the applicable lender(s); and
- (b) “Mortgage Funds” appearing within the Ledgers refer to funds advanced pursuant to one or more mortgage loans – nearly exclusively directly to the Applicants’ real estate counsel – from the applicable lender(s).

Those Statements and Ledgers that remain outstanding are not in the Applicants’ possession and have not been received from the Applicants’ former real estate counsel as at the date of this letter. Such Statements and Ledgers will be provided once received.

For the avoidance of doubt, this letter, its schedules and each of their respective contents are confidential and are being provided in response to the Monitor’s requests made pursuant to the ARIO. Each is intended solely for the Monitor, the Monitor’s counsel and each of their respective directors, officers, employees, agents and advisors acting on their behalf who have a need to know such information for the purpose of the Investigation. Nothing in this letter or its schedules should be interpreted as a waiver of solicitor-client or any other privilege. The Applicants reserve their right to correct any information provided in this letter or its schedules should any error or omission come to their attention.

The Applicants continue to invite the Monitor and its counsel to discuss their inquiries with the Applicants and their counsel directly where possible with a view to minimizing the professional costs incurred in the Investigation and focusing the Applicants’ limited resources on the topics of greatest importance or concern to the Monitor. Please do not hesitate to contact us should you require further clarification on the above or any further information.

Yours truly,

**BENNETT JONES LLP**

*Sean Zweig*

Sean H. Zweig

cc: Joshua Foster, Thomas Gray and Megan Steeves (Bennett Jones LLP)  
Ryan Jacobs, Shayne Kukulowicz, Joe Bellissimo and John M. Picone (Cassels Brock & Blackwell LLP)  
Noah Goldstein and David Sieradzki (KSV Restructuring Inc.)





Bennett Jones

Bennett Jones LLP

3400 One First Canadian Place, PO Box 130

Toronto, Ontario, Canada M5X 1A4

Tel: 416.863.1200 Fax: 416.863.1716

**Sean H. Zweig**

**Partner**

Direct Line: 416.777.6254

e-mail: [zweigs@bennettjones.com](mailto:zweigs@bennettjones.com)

March 25, 2024

**CONFIDENTIAL**

**Via E-Mail**

Cassels Brock & Blackwell LLP  
Suite 3200, Bay Adelaide Centre  
40 Temperance Street  
Toronto, ON M5H 0B4  
Attention: Colin Pendrith

Dear Mr. Pendrith:

**Re: IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BALBOA INC. et al. (Court File No.: CV-24-00713245-00CL)**

As you know, we are the lawyers for 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 "**Applicants**") in the above-captioned proceedings (the "**CCAA Proceedings**"). We write further to our letter dated March 24, 2024 (the "**March 24 Letter**").

The March 24 Letter provided certain supplemental information in response to your letters dated March 8 and 13, 2024, respectively, in which you requested additional information from the Applicants on behalf of KSV Restructuring Inc., in its capacity as Court-appointed monitor in the CCAA Proceedings (the "**Monitor**"), in support of the Monitor's investigation (the "**Investigation**") being conducted pursuant to the Amended and Restated Initial Order of the Honourable Madam Justice Kimmel dated February 15, 2024 (the "**ARIO**"). The March 24 Letter, indicated that certain Statements and Ledgers (each as defined in the March 24 Letter) were not in the Applicants' possession and would be provided once received.

Copies of additional Statements and Ledgers received since the March 24 Letter are enclosed at **Schedule "A"** to this letter. Following receipt of this letter, the Applicants believe that the Monitor



will have been provided with Statements and/or Ledgers for each of the properties acquired, and currently owned, by the Applicants.

For the avoidance of doubt, this letter, its schedule and each of their respective contents are confidential and are being provided in response to the Monitor's requests made pursuant to the ARIO. Each is intended solely for the Monitor, the Monitor's counsel and each of their respective directors, officers, employees, agents and advisors acting on their behalf who have a need to know such information for the purpose of the Investigation. Nothing in this letter or its schedule should be interpreted as a waiver of solicitor-client or any other privilege. The Applicants reserve their right to correct any information provided in this letter or its schedules should any error or omission come to their attention.

The Applicants continue to invite the Monitor and its counsel to discuss their inquiries with the Applicants and their counsel directly where possible with a view to minimizing the professional costs incurred in the Investigation and focusing the Applicants' limited resources on the topics of greatest importance or concern to the Monitor. Please do not hesitate to contact us should you require further clarification on the above or any further information.

Yours truly,



Sean H. Zweig

cc: Joshua Foster, Thomas Gray and Megan Steeves (Bennett Jones LLP)  
Ryan Jacobs, Shayne Kukulowicz, Joe Bellissimo and John M. Picone (Cassels Brock & Blackwell LLP)  
Noah Goldstein and David Sieradzki (KSV Restructuring Inc.)



March 28, 2024

**By Email**

cpendrith@cassels.com

tel: +1 416 860 6765

Bennett Jones LLP  
3400 One First Canadian Place  
P.O. Box 130  
Toronto, Ontario  
M5X 1A4 Canada

Attn: Sean Zweig

Dear Mr. Zweig:

**Re: IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BALBOA INC. et al. (Court File No.: CV-24-00713245-00CL)**

As a part of the Monitor's mandate to conduct an investigation in the above-noted proceeding (as set out in paragraph 32(k) of the Amended and Restated Initial Order of Justice Kimmel in this matter, dated February 15, 2024), we wish to conduct interviews of each of the Additional Stay Parties, as well as Mr. Clark. As you have advised us, the Applicants would like to complete the investigation as soon as possible. In that regard, we appreciate your cooperation in scheduling these important interviews without delay.

Please advise of the availability for each of Ms. Butt, Mr. Clark, Mr. Molony, and Mr. Suitor to be interviewed next week. We will make arrangements for those interviews to be conducted on the record at a court reporter's office in Toronto.

We look forward to your response as soon as possible.

Yours truly,  
Cassels Brock & Blackwell LLP

Colin Pendrith  
Partner

cc: Joshua Foster and Thomas Gray (Bennett Jones)  
cc: Ryan Jacobs and John M. Picone (Cassels)  
cc: Noah Goldstein and David Sieradzki (KSV)

**Bennett Jones****Bennett Jones LLP**

3400 One First Canadian Place, P.O. Box 130  
Toronto, Ontario, M5X 1A4 Canada  
T: 416.863.1200  
F: 416.863.1716

**Sean H. Zweig**  
**Partner**  
Direct Line: 416.777.6254  
e-mail: zweigs@bennettjones.com

April 10, 2024

**CONFIDENTIAL****Sent Via E-Mail**

Cassels Brock & Blackwell LLP  
Suite 3200, Bay Adelaide Centre  
40 Temperance Street  
Toronto, ON M5H 0B4

**Attention: Colin Pendrith**

Dear Mr. Pendrith:

**Re: IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF  
COMPROMISE OR ARRANGEMENT OF BALBOA INC. et al. (Court File No.: CV-  
24-00713245-00CL)**

As you know, we are the lawyers for 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 "**Applicants**") in the above-captioned proceedings (the "**CCAA Proceedings**"). We write in response to your letter dated March 21, 2024 (the "**Letter**"), in which you requested additional information from the Applicants on behalf of KSV Restructuring Inc., in its capacity as Court-appointed monitor in the CCAA Proceedings (the "**Monitor**"), in support of the Monitor's investigation (the "**Investigation**") being conducted pursuant to the Amended and Restated Initial Order of the Honourable Madam Justice Kimmel dated February 15, 2024 (as amended and restated on March 28, 2024, the "**ARIO**").

The Applicants have made significant efforts to address each of the Monitor's requests as set out in the Letter, but certain additional information responsive to the Monitor's requests may be forthcoming. Further, and for clarity, the Applicants reserve their right to correct any information provided in this response should any error or omission come to their attention.

For ease of reference, the Monitor's requests in the Letter are reproduced in bold, and the Applicants' responses follow. Where additional supporting documentation responsive to the Monitor's request is available to the Applicants' knowledge, the Applicants have indicated same

and provide such documentation in the schedules enclosed with this letter. Capitalized terms used herein and not otherwise defined in this letter have the meaning ascribed to them in the Letter.

For the avoidance of doubt, this letter, its schedules and each of their respective contents are confidential and are being provided in response to the Monitor's requests made pursuant to the ARIQ. Each is intended solely for the Monitor, the Monitor's counsel and each of their respective directors, officers, employees, agents and advisors acting on their behalf who have a need to know such information for the purpose of the Investigation. Nothing in this letter or its schedules should be interpreted as a waiver of solicitor-client or any other privilege.

**[I]t has come to our recent attention that SID Management Inc., the property management company controlled by Robert Clark, diverted \$15,000 of the Applicants' rent revenue to ReConstruct LLP, who we understand was proposed to be legal counsel for Mr. Clark and the Additional Stay Parties. These payments to ReConstruct LLP were neither approved by nor disclosed to the Monitor in accordance with the terms of the CCAA Court's orders. It was only after the Monitor discovered and alerted your clients about these payments that the Applicants indicated that they will be refunded.**

**In addition, the Monitor has discovered that SID Management Inc. has used some of the Applicants' rent revenue to pay "Office Rent". Please explain the basis for these payments, who owns the office(s), the location of the office(s) and provide the underlying lease agreement(s) and invoices associated with these payments.**

As the Monitor was previously advised, the Applicants' counsel could not, as at the time of their receipt, act for or advise the Additional Stay Parties with respect to the letters sent by the Monitor's counsel on February 28 and 29, 2024 pursuant to the Investigation. Accordingly, the Applicants' counsel suggested that the Additional Stay Parties engage independent counsel to the Applicants' directors.

Based on the belief that approval of the incurrence of such fees in response to inquiries raised in the Investigation could be sought in the CCAA Proceedings, Reconstruct LLP's \$15,000 retainer was paid by SID Management Inc., from the Applicants' rental revenue at the Additional Stay Parties' direction. Upon being advised by the Monitor that the Applicants' funds were utilized to pay Reconstruct LLP's retainer, the Applicants' counsel promptly requested that the Additional Stay Parties coordinate the repayment of such funds. As you know, the Additional Stay Parties diligently responded to this request and returned \$15,000 to the Applicants on March 25, 2024. We understand that the Monitor has been provided with copies of the banking confirmation of this return.

SID Management Inc. paid "Office Rent" in respect of a unit located at 394 Appleby Line, Burlington, Ontario (the "Office"), which is owned by Paradisal Bliss Inc., an affiliate of certain of the Applicants.

The Office is the registered office of each of The Pink Flamingo Inc., DSPLN Inc., Balboa Inc., Multiville Inc., Happy Gilmore Inc., Joint Capitan Real Estate Inc., and the Mulligan Inc. The Office has been and continues to be predominantly used by employees of SID Management Inc.



in connection with the management of the Applicants' properties. The small portion of the Office not utilized by SID Management Inc. is utilized by Paradisal Bliss Inc.

SID Management Inc. began leasing the Office in May 2021. In its capacity, as tenant, it was charged \$5,000/month in rent on a month-to-month basis (the "**Monthly Rent**") in connection with use of the Office, which rent was intended to be expensed to and paid by the Applicants. However, SID Management Inc. ultimately offered the Applicants rent concessions in respect of the total amount of the Monthly Rent. Prior to the commencement of the CCAA Proceedings, SID Management Inc. and the Applicants had contemplated formally codifying their rent arrangement and ceasing to offer rent concessions.

The previously contemplated payment of the Monthly Rent by the Applicants was made to SID Management Inc. Following consultation with the Applicants' counsel and recognizing that the above-mentioned rent arrangement had not been formalized, SID Management Inc. has agreed to cause the funds that were utilized to pay the "Office Rent" to be reverted to the Applicants. The Applicants understand that such repayment is expected to be made on or about April 30, 2024.

**We have also discovered certain omissions and anomalies in the property information provided by the Applicants in their Application materials filed with the Court. In particular, we noted four properties that were not disclosed in your clients' Application materials or otherwise. Those properties are:**

- 1. 229 Middleton Ave, Timmins, owned by Interlude Inc.**
- 2. 79 Fourth Ave, Timmins, owned by Interlude Inc.**
- 3. 219 Ratter Lake Rd., Markstay, owned by The Mulligan Inc.**
- 4. 187 Pine Street N, Timmins, owned by The Mulligan Inc. The property search provided in the Applicants' materials that was labelled 187 Pine is actually for a property at 178 Cedar St. N. Timmins, owned by Happy Gilmore Inc.**

**Please explain why these properties were omitted from your client's Application materials and not otherwise disclosed to either the Monitor or the Court.**

In the chart below, the Applicants list each of the above-noted municipal addresses and provide an explanation as requested by the Monitor. These explanations, as you are aware, were previously provided by email dated March 25, 2024. As they make clear, the properties that correspond with the above-noted municipal addresses were either not excluded from the Applicants' application materials or were omitted as a result of inadvertence or based on the Applicants' understanding of their respective ownership. No attempt has been made to conceal real property owned by the Applicants.

<b>Property</b>	<b>Explanation</b>
229 Middleton Ave, Timmins	229 Middleton Ave and 231 Middleton Ave are two adjacent parcels making up one lot. The smaller of the two parcels is approximately 0.1 acres. The dwelling located on the lot is known municipally as 231 Middleton Ave, Timmins. Consistent with the Applicants' application



	materials, both the City of Timmins and the Municipal Property Assessment Corporation indicate that the correct municipal address for such property is in fact 231 Middleton Ave., Timmins. As disclosed in the Applicants' application materials, such property is owned by Interlude Inc.
79 Fourth Ave, Timmins	The Applicants had understood that 79 Fourth Ave, Timmins was among the 223 properties sold to Core Development Group (" <b>Core</b> ") in May 2022. At the commencement of the CCAA Proceedings, the Applicants were not aware that title to 79 Fourth Ave, Timmins had not been transferred, as they believed had been intended. Since receipt of the Letter, the Applicants have sought clarification from their real estate counsel as to whether title was properly transferred to Core pursuant to the terms of the sale. The Applicants and Core, through their respective real estate counsel, are currently working to effect the transfer as was intended. The City of Timmins have been notified in respect of same and will refund to the Applicants any property taxes erroneously charged to them in respect of the property. For clarity, the property is a vacant lot such that no rent was being collected.
219 Ratter Lake Rd., Markstay	219 Ratter Lake Road and 257 Ratter Lake Road are two parcels that make up the 200-acre golf course owned by The Mulligan Inc. The Applicants were not aware that the 200-acre property had two municipal addresses. The Applicants did not deliberately omit such municipal address within their application materials. Indeed, as you know, the Affidavits of Robert Clark sworn January 23, 2024 (the " <b>January 23 Affidavit</b> "), January 28, 2024, and March 24, 2024, each refer to the 200-acre golf course owned by the Applicants (with the first of such Affidavits noting that it is owned by The Mulligan Inc.).
187 Pine Street N, Timmins	Both 187 Pine Street N and 178 Cedar St N were listed in Exhibit "C" to the January 23 Affidavit, and were identified as properties owned by Happy Gilmore Inc. As illustrated by the Letter, the Applicants misidentified the owner of 187 Pine Street N, which is the Applicant Multiville Inc. The property was nonetheless disclosed in the Applicants' application materials.  Please see <b>Schedule "A"</b> for a copy of the property search for 187 Pine Street N.

**In addition, there are six properties where the existence of a second PIN was not disclosed in your clients' Application materials:**

- 1. 180 Tamarack, Timmins, owned by DSPLN (PINS 65403-0625 and 65404-2444)**
- 2. 290 Cedar St. S, Timmins, owned by Happy Gilmore Inc. (PINS 65404-1861 and 65404-1860)**
- 3. 89 Wende Ave., Timmins, owned by Happy Gilmore Inc. (PINS 65404-1861 and 65404-1860)**



4. **87-89 Way Ave., Timmins, owned by Joint Capitan Real Estate Inc. (PINS 65422-1608 and 65422-1609)**
5. **2 Station Rd. S., Kirkland Lake, owned by Balboa Inc. (PINS 61408-0660 and 61408-1077)**
6. **76 Prospect Ave., Kirkland Lake, owned by Interlude Inc. (PINS 61409-0073 and 61409-0074)**

**Please explain why the second PIN information for each of the above-noted properties was not disclosed. Please also explain why the property located at 180 Tamarack, Timmins has different mortgages on the two applicable PINS.**

For clarity, a complete list of PINs was not included in the Applicants' application materials. The PIN information shared with the Monitor similarly did not form part of the Applicants' application materials. As you will recall, the Applicants' application materials were served on January 23, 2024, and included Exhibit "C" to the January 23 Affidavit, which listed 406 properties owned by the Applicants. To the extent any sub-searches of title were included as Exhibits "G" and "J" to the January 23 Affidavit, they were included on the basis that they were illustrative examples (collectively, the "**Illustrative Examples**").

On February 5, 2024, the Applicants received a request from the Monitor to provide PIN information in order to assist with identifying the secured lenders' priority on each of the Applicants' owned properties. On behalf of the Applicants, Bennett Jones LLP arranged for one of its law clerks to obtain the PINs for each of the properties listed in Exhibit "C" to the January 23 Affidavit that had not previously been obtained in connection with providing the Illustrative Examples for this purpose. In an effort to minimize professional fees, the PINs identified and compiled were not independently reviewed by counsel.

On February 12, 2024, the law clerks at Bennett Jones LLP advised that they had completed obtaining each of the PINs. On February 16, 2024, KSV was granted access to the document sharing platform (HubShare) to which the PINs, as identified and compiled by the law clerks at Bennett Jones LLP, had been uploaded.

The then proposed form of ARIO which, if granted, would provide the Monitor with investigative authority was served in the CCAA Proceedings on February 13, 2024. The ARIO was granted by Court, as you know, on February 15, 2024.

In the chart below, the Applicants list each of the above-noted properties and provide an explanation as requested by the Monitor.

<b>Property</b>	<b>Explanation</b>
180 Tamarack, Timmins	<p>In addition to the explanation above, the Applicants confirm that omission of the second PIN in respect of 180 Tamarack St., Timmins from the HubShare was inadvertent.</p> <p>The different mortgages registered on 180 Tamarack St., Timmins on the two applicable PINs were the result of inadvertence by counsel. The</p>



	first mortgage in favour of <b>Names</b> on this property was registered on only one PIN by the chargor's counsel. Counsel's failure to register the mortgage on the second PIN was inadvertent. The second mortgage in favour of Lift Capital Incorporated was properly registered by Lift Capital Incorporated's counsel on both PINs.
290 Cedar St. S, Timmins	In addition to the explanation above, the Applicants confirm that omission of the second PIN in respect of 290 Cedar S. S, Timmins from the HubShare was inadvertent.
89 Wende Ave, Timmins	In addition to the explanation above, the Applicants confirm that omission of the second PIN in respect of 89 Wende Ave, Timmins from the HubShare was inadvertent.
87-89 Way Ave, Timmins	In addition to the explanation above, the Applicants confirm that omission of the second PIN in respect of 87-89 Way Ave, Timmins from the HubShare was inadvertent.
2 Station Rd. S, Kirkland Lake	In addition to the explanation above, the Applicants confirm that omission of the second PIN in respect of 2 Station Rd. S, Kirkland Lake from the HubShare was inadvertent.
76 Prospect Ave., Kirkland Lake	In addition to the explanation above, the Applicants confirm that omission of the second PIN in respect of 76 Prospect Ave., Kirkland Lake from the HubShare was inadvertent.

Please see **Schedule "B"** for copies of the above-noted PINs.

Subject to any forthcoming responses, we trust that the above responses are otherwise satisfactory. Please do not hesitate to contact us should you require further clarification on the above or any further information.

Yours truly,

**BENNETT JONES LLP**

*Sean Zweig*

Sean Zweig

cc: Joshua Foster, Thomas Gray and Megan Steeves (Bennett Jones LLP)  
 Ryan Jacobs, Shayne Kukulowicz, Joe Bellissimo and John M. Picone (Cassels Brock & Blackwell LLP)  
 Noah Goldstein and David Sieradzki (KSV Restructuring Inc.)



Sean H. Zweig  
 Partner  
 Direct Line: 416.777.6254  
 e-mail: zweigs@bennettjones.com

April 15, 2024

**CONFIDENTIAL**

**Sent Via E-Mail**

Cassels Brock & Blackwell LLP  
 Suite 3200, Bay Adelaide Centre  
 40 Temperance Street  
 Toronto, ON M5H 0B4

**Attention: Colin Pendrith**

Dear Mr. Pendrith:

**Re: IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BALBOA INC. et al. (Court File No.: CV-24-00713245-00CL)**

As you know, we are the lawyers for 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 "**Applicants**") in the above-captioned proceedings (the "**CCAA Proceedings**").

As you are aware, we have recently also been jointly retained by Ms. Aruba Butt, Mr. Ryan Molony and Mr. Dylan Sutor (collectively, the "**Additional Stay Parties**") and Mr. Robert Clark (together with the Additional Stay Parties, "**Management**"), in their respective capacities as directors, officers and management of the Applicants.

We write in response to your letters dated February 28 and 29, 2024, March 8, 2024 and March 18, 2024 (the "**Letters**"), in which you requested additional information from Management on behalf of KSV Restructuring Inc., in its capacity as Court-appointed monitor in the CCAA Proceedings (the "**Monitor**"), in support of the Monitor's investigation (the "**Investigation**") being conducted pursuant to the Amended and Restated Initial Order of the Honourable Madam Justice Kimmel dated February 15, 2024 (as amended and restated on March 28, 2024, the "**ARIO**").

Management has made significant efforts to address each of the Monitor's requests as set out in the Letters, but certain additional information responsive to the Monitor's requests may be

forthcoming. Further, and for clarity, Management reserves their right to correct any information provided in this response should any error or omission come to their attention.

For ease of reference, the Monitor's requests in the Letters are reproduced in bold, and Management's responses follow. Capitalized terms used herein and not otherwise defined in this letter have the meaning ascribed to them in the Letters.

For the avoidance of doubt, this letter, its schedules and each of their respective contents are confidential and are being provided in response to the Monitor's requests made pursuant to the ARIIO. Each is intended solely for the Monitor, the Monitor's counsel and each of their respective directors, officers, employees, agents and advisors acting on their behalf who have a need to know such information for the purpose of the Investigation. Nothing in this letter or its schedules should be interpreted as a waiver of solicitor-client or any other privilege.

**The Monitor must be kept apprised of all listings and sales and/or transfers of property owned, directly or indirectly, by you as well as each of the Applicant. To that end, kindly provide us with a complete list of all such properties, details of all listings, listing agreements and any agreements of purchase and sale entered into or completed within the last 12 months. For each property where a sale or transfer is contemplated, please provide details concerning the intended use of the transaction proceeds.**

In the chart below, we list the above-requested information dating to the date of the preparation of this letter (unless otherwise described herein), without duplication of the Applicants' previously disclosed pre-filing sales that closed between July 2023 and January 2024. Please see **Schedule "A"** for copies of listing agreements, agreements of purchase and sale and certain related information, as applicable.

Property	Owner	Details of Listing	Intended Use of Transaction Proceeds (if applicable) Where a Sale is Contemplated
75 Queenston, St. Catharines, Ontario	Happy Town Housing Inc.	The property is anticipated to be listed on MLS for \$599,000 on or before April 17, 2024.	<p>The intended use of the transaction proceeds, to the extent a transaction is consummated, is to pay the existing secured indebtedness owed to the first and second mortgagees and customary closing costs.</p> <p>In the event there are any surplus proceeds after all the applicable secured indebtedness and customary closing costs have been paid, such surplus funds are intended to be used to pay certain of Happy Town Housing Inc.'s unsecured indebtedness. Happy Town Housing Inc.'s unsecured indebtedness includes, among other things, intercompany loans received from Elevation Realty Network in respect of renovation costs, insurance, and/or other expenses incurred in the ordinary course, an overdraft due to Toronto Dominion Bank, corporate income taxes</p>

Property	Owner	Details of Listing	Intended Use of Transaction Proceeds (if applicable) Where a Sale is Contemplated
			<p>and amounts owing under certain promissory notes.</p> <p>In addition, a portion of any surplus proceeds are expected to be utilized to address the shortfall anticipated by Happy Town Housing Inc. on the sale of 12 Thornton, St. Catharines, Ontario. The shortfall between the purchase price and Happy Town Housing Inc.'s indebtedness related to such property is expected to consist of approximately \$59,000 owing to the first mortgagee, and approximately \$300,000 owing to the Lion's Share Group Inc.</p>
43 Centre, St. Catharines, Ontario	Happy Town Housing Inc.	The property is anticipated to be listed on MLS for \$750,000 on or before April 17, 2024.	<p>The intended use of the transaction proceeds, to the extent a transaction is consummated, is to pay the existing secured indebtedness owed to the first and second mortgagees and customary closing costs.</p> <p>In the event there are any surplus proceeds after all the applicable secured indebtedness and customary closing costs have been paid, such surplus funds are intended to be used to pay certain of Happy Town Housing Inc.'s unsecured indebtedness. Happy Town Housing Inc.'s unsecured indebtedness includes, among other things, intercompany loans received from Elevation Realty Network in respect of renovation costs, insurance, and/or other expenses incurred in the ordinary course, an overdraft due to Toronto Dominion Bank, corporate income taxes and amounts owing under certain promissory notes.</p> <p>In addition, a portion of any surplus proceeds are expected to be utilized to address the shortfall anticipated by Happy Town Housing Inc. on the sale of 12 Thornton, St. Catharines, Ontario. The shortfall between the purchase price and Happy Town Housing Inc.'s indebtedness related to such property is expected to consist of approximately \$59,000 owing to the first mortgagee, and approximately \$300,000 owing to the Lion's Share Group Inc.</p>

Property	Owner	Details of Listing	Intended Use of Transaction Proceeds (if applicable) Where a Sale is Contemplated
12 Thornton, St. Catharines, Ontario	Happy Town Housing Inc.	<p>The property was listed in February 2024 by Keller Williams Signature Realty for \$250,000.</p> <p>The property was sold to an arm's length purchaser for \$205,000. The sale is scheduled to close on May 6, 2024.</p>	<p>The intended use of the transaction proceeds, to the extent the transaction closes, is to pay the existing secured indebtedness owed to the first mortgagee (albeit, a shortfall is currently expected) and customary closing costs.</p> <p>It is not anticipated that there will be any surplus proceeds arising in connection with the sale of this property. Rather, approximately \$59,000 is expected to remain owing to the first mortgagee, and approximately \$300,000 is expected to remain owing to the Lion's Share Group Inc.</p>
12 Inglewood Road, St. Catharines, Ontario	Upgrade Housing Inc.	The property is currently listed on MLS for \$575,000.	<p>The intended use of the transaction proceeds, to the extent a transaction is consummated, is to pay the existing secured indebtedness owed to the first and second mortgagees and customary closing costs.</p> <p>In the event there are any surplus proceeds after all the applicable secured indebtedness and customary closing costs have been paid, such surplus funds are intended to be used to pay certain of Upgrade Housing Inc.'s unsecured indebtedness. Upgrade Housing Inc.'s unsecured indebtedness includes, among other things, intercompany loans received from Elevation Realty Network in respect of renovation costs, insurance, and/or other expenses incurred in the ordinary course, an overdraft due to Toronto Dominion Bank, corporate income taxes and amounts owing under certain promissory notes.</p>
131 Duncan Street, Welland, Ontario	Upgrade Housing Inc.	The property is currently listed on MLS for \$400,000.	<p>The intended use of the transaction proceeds, to the extent a transaction is consummated, is to pay the existing secured indebtedness owed to the first and second mortgagees and customary closing costs.</p> <p>In the event there are any surplus proceeds after all the applicable secured indebtedness and customary closing costs have been paid, such surplus funds are intended to be used to pay certain of Upgrade Housing Inc.'s unsecured indebtedness. Upgrade Housing Inc.'s unsecured indebtedness includes, among</p>

Property	Owner	Details of Listing	Intended Use of Transaction Proceeds (if applicable) Where a Sale is Contemplated
			other things, intercompany loans received from Elevation Realty Network in respect of renovation costs, insurance, and/or other expenses incurred in the ordinary course, an overdraft due to Toronto Dominion Bank, corporate income taxes and amounts owing under certain promissory notes.
267 Leslie Street, Sudbury, Ontario	Upgrade Housing Inc.	The property is currently listed on MLS for \$449,990.	<p>The intended use of the transaction proceeds, to the extent a transaction is consummated, is to pay the existing secured indebtedness owed to the first and second mortgagees and customary closing costs.</p> <p>In the event there are any surplus proceeds after all the applicable secured indebtedness and customary closing costs have been paid, such surplus funds are intended to be used to pay certain of Upgrade Housing Inc.'s unsecured indebtedness. Upgrade Housing Inc.'s unsecured indebtedness includes, among other things, intercompany loans received from Elevation Realty Network in respect of renovation costs, insurance, and/or other expenses incurred in the ordinary course, an overdraft due to Toronto Dominion Bank, corporate income taxes and amounts owing under certain promissory notes.</p>
366 Montague Ave, Sudbury, Ontario	Upgrade Housing Inc.	The property is currently listed on MLS for \$399,900.	<p>The intended use of the transaction proceeds, to the extent a transaction is consummated, is to pay the existing secured indebtedness owed to the first and second mortgagees and customary closing costs.</p> <p>In the event there are any surplus proceeds after all the applicable secured indebtedness and customary closing costs have been paid, such surplus funds are intended to be used to pay certain of Upgrade Housing Inc.'s unsecured indebtedness. Upgrade Housing Inc.'s unsecured indebtedness includes, among other things, intercompany loans received from Elevation Realty Network in respect of renovation costs, insurance, and/or other expenses incurred in the ordinary course, an overdraft due to Toronto Dominion Bank, corporate income taxes</p>

Property	Owner	Details of Listing	Intended Use of Transaction Proceeds (if applicable) Where a Sale is Contemplated
			and amounts owing under certain promissory notes.
10 Iron Street, Welland, Ontario	Upgrade Housing Inc.	The property was listed in January 2024 by Keller Williams Signature Realty Brokerage for \$400,000. The listing price was subsequently reduced to \$375,000 on February 29, 2024.  The property was sold to arm's length purchasers for \$365,000. The sale closed on March 26, 2024.	Though not a contemplated sale, the transaction proceeds were utilized to (i) partially repay the blanket mortgage registered against the property (among other properties owned by Upgrade Housing Inc.), (ii) pay customary closing costs and tax and water arrears, and (iii) pay certain property tax arrears owed by Upgrade Housing Inc. in respect of 12 Inglewood Road, St. Catharines, Ontario. Please see <b>Schedule "B"</b> for a copy of the trust ledger in respect of the sale.
406 Fleet Street, Welland, Ontario	Upgrade Housing Inc.	The property was listed in December 2023 by Keller Williams Signature Realty Brokerage for \$350,000.  The property was sold to an arm's length purchaser for \$335,000. The sale closed on January 24, 2024.	N/A
22 Freeborn Ave., Brantford, Ontario	Horses In The Back Inc.	The property was listed in June 2023 by Keller Williams Signature Realty Brokerage for \$300,000.  The property was sold to an arm's length purchaser for \$270,000. The sale closed on June 28, 2023.	N/A
21 Pelham Road, St. Catharines, Ontario	Horses In The Back Inc.	The property was listed in May 2023 by Keller Williams Signature Realty Brokerage for \$250,000.  The property was sold to an arm's length purchaser for \$280,000. The sale closed on June 29, 2023.	N/A
8 Kent Street, St. Catharines, Ontario	Upgrade Housing Inc.	The property was listed in May 2023 by Keller Williams Signature Realty Brokerage for \$450,000. The listing price was subsequently reduced to \$400,000 on June 5, 2023.  The property was sold to arm's length purchasers for	N/A

Property	Owner	Details of Listing	Intended Use of Transaction Proceeds (if applicable) Where a Sale is Contemplated
		\$420,000. The sale closed on August 4, 2023.	
118 Rykert Street, St. Catharines, Ontario	Up-Town Funk Inc.	The property was listed in July 2023 by Keller Williams Signature Realty Brokerage for \$350,000.  The property was sold to arm's length purchasers for \$401,000. The sale closed on August 30, 2023.	N/A
293 Mountain Street, Sudbury, Ontario	Upgrade Housing Inc.	The property was listed in September 2023 by EXP Realty Brokerage for \$150,000.  The property was sold to arm's length purchasers for \$150,000. The sale closed on September 15, 2023.	N/A
27 Oakdale Ave., St. Catharines, Ontario	Old Thing Back Inc.	The property was listed in June 2023 by Keller Williams Signature Realty Brokerage for \$425,000.  The property was sold to an arm's length purchaser for \$325,000. The sale closed on October 11, 2023.	N/A
9 Merigold Street, St. Catharines	Upgrade Housing Inc.	The property was listed in August 23, 2023 by Keller Williams Signature Realty Brokerage for \$650,000.  The property was expected to be sold to MT Deez Inc. for \$650,000. Following receipt of an appraisal indicating that the value of the property was approximately \$550,000, the parties agreed to decrease the purchase price to \$550,000. Such decrease was not memorialized in a further amendment to the agreement of purchase and sale. The sale closed on December 18, 2023.	Please see <b>Schedule "B"</b> for a copy of the trust ledger in respect of the sale evincing the agreed upon purchase price of \$550,000.
50 Martin Street, Thorold, Ontario	Upgrade Housing Inc.	The property was listed in August 2023 by Keller Williams Signature Realty for \$700,000.	N/A

Property	Owner	Details of Listing	Intended Use of Transaction Proceeds (if applicable) Where a Sale is Contemplated
		The property was sold to MT Deez Inc. for \$700,000. The sale closed on December 18, 2023.	
59 Riverside Drive, Welland, Ontario	Horses In The Back Inc.	The property was listed in May 2023 by Keller Williams Signature Realty for \$1.00. The listing price was subsequently increased to \$199,999.  The property was sold to an arm's length purchaser for \$450,000. The sale closed on July 14, 2023.	N/A
50 Windsor Avenue, Timmins, Ontario	DSPLN Inc.	The property was listed by Royal LePage Northern Realty Leaders.  The property was sold to an arm's length purchaser for \$89,900. The sale closed on June 28, 2023.	N/A
308 Korah Road, Sault Ste. Marie, Ontario	Zack Files Real Estate Inc.	The property was listed with RE/MAX Sault Ste. Marie Realty Inc. on or about March 5, 2024, for \$950,000.	The Zack Files Property (as defined below) located at 308 Korah Road, Sault Ste. Marie, Ontario is currently anticipated to be among the last of the Zack Files Properties to sell. Provided that proves to be correct and a transaction is eventually consummated, the transaction proceeds are expected to be used to (i) partially repay the first and second blanket mortgages registered on title to the property, (ii) satisfy customary closing costs, and (iii) pay Zack Files Real Estate Inc.'s unsecured indebtedness, which is expected to consist principally of taxes arising in connection with the sale of the Zack Files Properties. In the event that proceeds remain thereafter, they are currently expected to be retained by Zack Files Properties or distributed to its sole shareholder.
859 Trunk Road, Sault Ste. Marie, Ontario	Zack Files Real Estate Inc.	The property was listed on or around March 5, 2024 by RE/MAX Sault Ste. Marie Realty Inc. for \$1,300,000.  Zack Files Real Estate Inc. has received a conditional agreement of purchase and sale from an arm's length	The Zack Files Properties located at 859 Trunk Road, Sault Ste. Marie, Ontario and 40 Hynes Street, Sault Ste. Marie, Ontario are currently anticipated to be the first of the Zack Files Properties to sell. Provided that proves to be correct and a transaction is consummated, the transaction proceeds are expected to be used to (i) partially repay the first and second blanket



Property	Owner	Details of Listing	Intended Use of Transaction Proceeds (if applicable) Where a Sale is Contemplated
		purchaser, which contemplates the sale of the property for \$1,000,000 and a closing date of June 28, 2024. Zack Files Real Estate Inc.'s most recent counteroffer contemplates a sale price of \$1,150,000.	mortgages registered on title to the property, (ii) satisfy customary closing costs and (iii) complete outstanding renovations and/or work on the remaining Zack File Properties (with the exception of 40 Hynes Street, Sault Ste. Marie, Ontario) to increase the potential that each such property sells and maximize the value obtained upon sale.
40 Hynes Street, Sault Ste. Marie, Ontario	Zack Files Real Estate Inc.	<p>The property was listed on or around March 5, 2024 by RE/MAX Sault Ste. Marie Realty Inc. for \$2,630,000.</p> <p>Zack Files Real Estate Inc. has received a conditional agreement of purchase and sale from an arm's length purchaser, which contemplates the sale of the property for \$2,000,000 and a closing date of June 28, 2024. Zack Files Real Estate Inc.'s most recent counteroffer contemplates a sale price of \$2,425,000.</p>	The Zack Files Properties located at 859 Trunk Road, Sault Ste. Marie, Ontario and 40 Hynes Street, Sault Ste. Marie, Ontario are currently anticipated to be the first of the Zack Files Properties to sell. Provided that proves to be correct and a transaction is consummated, the transaction proceeds are expected to be used to (i) partially repay the first and second blanket mortgages registered on title to the property, (ii) satisfy customary closing costs and (iii) complete outstanding renovations and/or work on the remaining Zack File Properties (with the exception of 859 Trunk Road, Sault Ste. Marie, Ontario) to increase the potential that each such property sells and maximize the value obtained upon sale.
134-134A Gore Street, Sault Ste. Marie, Ontario	Zack Files Real Estate Inc.	The property was listed with RE/MAX Sault Ste. Marie Realty Inc. on or about March 5, 2024, for \$1,100,000.	The Zack Files Property located at 134-134A Gore Street, Sault Ste. Marie, Ontario is currently anticipated to be among the last of the Zack Files Properties to sell. Provided that proves to be correct and a transaction is eventually consummated, the transaction proceeds are expected to be used to (i) partially repay the first and second blanket mortgages registered on title to the property, (ii) satisfy customary closing costs, and (iii) pay Zack Files Real Estate Inc.'s unsecured indebtedness, which is expected to consist principally of taxes arising in connection with the sale of the Zack Files Properties. In the event that proceeds remain thereafter, they are currently expected to be retained by Zack Files Properties or distributed to its sole shareholder.
127-131 Bruce Street, Sault Ste. Marie, Ontario	Zack Files Real Estate Inc.	The property was listed on or around March 5, 2024 by	The Zack Files Property located at 127-131 Bruce Street, Sault Ste. Marie, Ontario is currently anticipated to be among the last of the Zack Files Properties to sell.

Property	Owner	Details of Listing	Intended Use of Transaction Proceeds (if applicable) Where a Sale is Contemplated
		RE/MAX Sault Ste. Marie Realty Inc. for \$310,000.	Provided that proves to be correct and a transaction is eventually consummated, the transaction proceeds are expected to be used to (i) partially repay the first and second blanket mortgages registered on title to the property, (ii) satisfy customary closing costs, and (iii) pay Zack Files Real Estate Inc.'s unsecured indebtedness, which is expected to consist principally of taxes arising in connection with the sale of the Zack Files Properties. In the event that proceeds remain thereafter, they are currently expected to be retained by Zack Files Properties or distributed to its sole shareholder.
394 Appleby, Burlington	Paradisa Bliss Inc.	The property was listed in February 2024 by Keller Williams Co-Elevation Realty for \$1,250,000.  A conditional offer in the amount of \$1,115,000 has been accepted from an arm's length purchaser, which contemplates a closing date of July 31, 2024.	It is intended that, if the transaction closes, substantially all of the proceeds of sale will be used to pay the existing mortgage on the property registered by Lift Capital Incorporated ("Lift"). Following such payment, as well as the payment of legal fees, tax arrears and interest (as applicable), it is anticipated that there will be <i>de minimis</i> surplus transaction proceeds (approximately \$50,000 to \$70,000). It is intended that any such proceeds will be retained by Paradisa Bliss Inc.
294 Pittsburgh, Sault Ste. Marie	Northern Caboodle Inc. (in which Ms. Butt holds an indirect 50% interest through One Happy Island Inc.)	The property was listed in February 2024 by RE/MAX Sault Ste. Marie Realty Inc. for \$159,000.  A conditional offer in the amount of \$146,000 has been accepted from an arm's length purchaser, which contemplates a closing date of June 20, 2024.	It is intended that, if the transaction closes, substantially all of the proceeds of sale will be used to pay the existing mortgage on the property and customary closing costs. It is not anticipated that, if the transaction closes, there will be any surplus transaction proceeds after payment of such mortgage and customary closing costs.

Details concerning properties listed subsequent to the date of the preparation of this letter and not discussed herein, if any, will be provided by way of one or more supplemental letters.<sup>1</sup>

<sup>1</sup> In this regard, Management notes the following: (i) the owner of the property located at 38 Duncan, Kirkland Lake, Ontario, being Commercial Urkel Inc., of which Mr. Suitor is a director, is currently attempting to retain a listing agent to list such property for sale but, has not yet done so; and (ii) Mr. Suitor owns a property located at 1138 North Kahshe Lake Road, Gravenhurst, Ontario as a 50% joint venture partner, which interest the remaining joint venture partners have indicated that they wish to acquire in connection with a refinancing that they are arranging (though, no proceeds are anticipated to result therefrom due to the existing encumbrances and value of the property).

**The Monitor requires (i) an explanation of the linkages between Zack Files Real Estate and both the Applicants and your clients; (ii) an explanation, together with supporting documentation, of the source of the funding that Zack Files Real Estate used to acquire these properties [308 Korah Road, 859 Trunk Road, 40 Hynes Street and 134-134A Gore Street]; and (iii) the intended use of proceeds of the proposed sales.**

The sole director and officer of Zack Files Real Estate Inc. is Ms. Butt. To the best of Ms. Butt's knowledge, the sole shareholder of Zack Files Real Estate Inc. is One Happy Island Inc. (making Ms. Butt the sole indirect shareholder of Zack Files Real Estate Inc.). As you are aware, One Happy Island Inc. is the parent company of certain of the Applicants. Specifically, The Pink Flamingo Inc., DSPLN Inc. and Balboa Inc.

308 Korah Road, Sault Ste. Marie, Ontario, 859 Trunk Road, Sault Ste. Marie, Ontario, 40 Hynes Street, Sault Ste. Marie, Ontario, 134-134A Gore Street, Sault Ste. Marie, Ontario and 127-131 Bruce Street, Sault Ste. Marie, Ontario (collectively, the "**Zack Files Properties**" and each, a "**Zack Files Property**"), were acquired on October 4, 2021. The acquisition of the Zack Files Properties was almost entirely financed through the proceeds of a blanket mortgage loan advanced by Lift, with the remainder having been by paid by Ms. Butt and/or by non-Applicant corporate entities controlled by Ms. Butt. For clarity, the closing of the acquisition of the Zack Files Properties predates any intercompany transactions between Zack Files Real Estate Inc. and the Applicants. In any event, to Management's knowledge, the Applicants are, in aggregate, indebted to Zack Files Real Estate Inc. in the approximate amount of \$178,900.00.<sup>2</sup> Please see **Schedule "C"** for the loan commitments provided by Lift in respect of the Zack Files Properties.

The Zack Files Properties are currently listed for sale as Zack Files Real Estate Inc. has been unable to refinance its indebtedness. As described above, based on buyer interest to date, only certain of the Zack Files Properties are expected to sell in the near-term (namely 40 Hynes Street, Sault Ste. Marie, Ontario and 859 Trunk Road, Sault Ste. Marie, Ontario). In the event such initial transactions are consummated, any proceeds arising therefrom are expected to be utilized to partially repay the first and second blanket mortgages registered on title to the property by Lift, satisfy customary closing costs and complete outstanding renovations and/or work on the remaining Zack File Properties. In the event transactions close in respect of the remaining Zack Files Properties, any proceeds arising therefrom are expected to be utilized to pay any amounts that remain outstanding under the first and second blanket mortgages registered on title to the applicable Zack File Properties by Lift and Zack Files Real Estate Inc.'s unsecured indebtedness. The surplus proceeds that remain thereafter, if any, are expected to be retained by Zack Files Real Estate Inc. or distributed to its sole shareholder.

Subject to any forthcoming responses, we trust that the above responses are otherwise satisfactory. Please do not hesitate to contact us should you require further clarification on the above or any further information.

<sup>2</sup> To Management's knowledge and as would be reflected in the Applicants' applicable bank statements, Zack Files Real Estate Inc. has previously advanced the aggregate amount of approximately \$387,000 to the Applicants and received the aggregate amount of approximately \$208,100 from the Applicants.

Yours truly,

**BENNETT JONES LLP**

A handwritten signature in cursive script that reads "Sean Zweig".

Sean Zweig

cc: Joshua Foster, Thomas Gray and Megan Steeves (Bennett Jones LLP)  
Ryan Jacobs, Shayne Kukulowicz, Joe Bellissimo and John M. Picone (Cassels Brock &  
Blackwell LLP)  
Noah Goldstein and David Sieradzki (KSV Restructuring Inc.)



April 29, 2024

**Via E-Mail**

Bennett Jones LLP  
3400 One First Canadian Place  
P.O. Box 130  
Toronto, Ontario  
M5X 1A4

jjackson@cassels.com  
tel: +1 416 869 5455

**Attention: Alexander C. Payne**

Dear Mr. Payne:

**Re: IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BALBOA INC. et al (Court File No.: CV-24-007-13245-00CL)**

As you are aware, we are counsel to KSV Restructuring Inc., in its capacity as Court-appointed monitor (the "**Monitor**"). During our interview of Robert Clark, conducted on April 25, 2024, in Toronto, Ontario, we made a number of requests which are reproduced for your review and response below.

REQ #	Question	Answer
1.	To produce the documents associated with the Core Sale, including the agreement of purchase and sale, and whatever documents would show how the proceeds of sale were dispersed.	
2.	To produce the records reflecting the rent paid by the applicants to Paradisal Bliss in respect of 394 Appleby Line, Burlington.	
3.	To produce the bank account statements for the four non-applicant parent companies, One Happy Island, Keely Korp, Sail Away Real Estate, and 2657677 Ontario Inc.	

REQ #	Question	Answer
4.	To provide copies of the Applicants' records regarding the promissory notes and the records provided by Windrose showing more significant liability.	
5.	To provide the Excel spreadsheet, as well as the broader system, used to track promissory note liability over time, to the extent that it is not inclusive in the records already requested.	
6.	To produce the complete company CRM, including information on construction, property information, tenant information, and renovation information.	
7.	If the complete company CRM is not provided, to provide a list of all the types of data that are contained in it.	
8.	To produce personal bank account statements of Robert Clark and Aruba Butt.	
9.	To produce all promissory notes and to the extent that not all of the promissory notes will be produced, to provide the promissory notes post-Core closing.	
10.	To advise of the names of the non-applicant sellers in the Core Sale.	
11.	To advise of the names of the non-applicant sellers in the Core Sale that the Applicants or Additional Stay Parties had an interest in.	
12.	To confirm that SID Development has no bank account.	
13.	If SID Development does have a bank account, to produce the bank account statements.	
14.	To produce SID Management's bank account statements.	

REQ #	Question	Answer
15.	To produce the monthly statements that SID Management sends to the applicants (and later KSV) stating what SID Management has received from their tenants in aggregate, what their fees are, and what the difference is that goes to the applicants.	
16.	To produce the materials that were provided to various potential syndicated lenders pursued throughout 2023 (i.e., not individual lenders through Claire Drage) to inform them about SID Management. In particular, to produce the package sent to the syndicated larger opportunity lenders that were pursued throughout 2023.	
17.	To provide the cost sheets (or other tracking document) documenting what was spent on each property renovated by SID Renos.	
18.	To provide the tracker for the vendor rebate amount that SID Renos received in respect of applicant properties (if it exists), as well as the general ledger for SID Renos.	
19.	To provide the documents that were used to determine the figure of \$6.2 million referenced in paragraph 58 of Robert Clark's affidavit ("To date, the applicants have expended approximately \$6.2 million on value accretive renovations to improve their monthly cash flow and the resale value of the properties").	

REQ #	Question	Answer
20.	If it is not apparent from documents already provided, to advise whether the \$6.2 million expended on value accretive renovations is in respect of labour only, materials only, or both.	
21.	To extent that the \$6.2 million was only spent in relation to labour or materials, to advise of the spend on the other half.	
22.	To advise why money was transferred to Lawn Care Alert from the Applicants' business, and in particular, to provide an explanation as to why it would be appropriate to pay \$600,000 to Lawn Care Alert.	
23.	To produce the bank accounts for Lawn Care Alert where transfers [REDACTED] were deposited.	
24.	To produce the bank account statements for the Efresh business.	
25.	To provide the documents that show where funds deposited via transfer by the applicants to the email address [REDACTED]	
26.	To advise of Robert Clark has an interest in Corn Soup Inc. Similarly, to advise if Robert Clark has an interest in any of the other corporations discussed in the interview.	



REQ #	Question	Answer
27.	To produce Robert Clark's statements for the bank account where funds were received from and paid into the Applicants' banks. To the extent that there are different bank accounts, to provide statements for the accounts. In particular, all the payments regarding the PDF excerpt from the applicants' general ledgers marked as Exhibit A.	
28.	To provide the statements for Robert Clark's personal Amex card for 2020 onwards.	
29.	To review the document marked as Exhibit A and identify where the funds to Robert Clark were deposited and the basis for each of the transfers for an amount over \$1000.	
30.	To review the document marked as Exhibit B (payments to and from RWC) and to identify the basis for those payments.	
31.	To produce the statements showing where the vendor rebate is deducted, and the bank statements for the account where SID Renos is paid the vendor rebates.	
32.	To investigate and confirm whether or not every payment over \$1000 in the document marked as Exhibit C (payments to and from SID Renos) are on account of vendor rebates or something else.	
33.	For each payment over \$1000 in the document marked as Exhibit C, to provide any supporting documents that clarify why these payments to SID Renos were made and what the payments were on account of.	

REQ #	Question	Answer
34.	To produce the work product that Apex Agency provided to the applicants.	
35.	To produce the contract or contracts, if there is more than one, with the Apex Agency.	
36.	To produce a copy of the calculation of what the “runway” was (without the \$800,000 worth of dividends taken away) post-Core Sale closing.	
37.	To produce a copy of a monthly trial balance or such other existing document(s) that would show how solvent Joint Captain was at the time that \$800,000 of dividends were paid to shareholders post-Core closing.	
38.	If there is any work product associated with the engagement of EK Global Management, and if there is a contract with EK Global Management, to produce that work product and contract.	
39.	If there is any work product associated with the engagement of Highkey Enterprises, and if there is a contract with Highkey Enterprises, to produce that work product and contract.	
40.	To provide a copy of the most formalized offer or discussion regarding a potential refinancing of the Applicants through CMBS.	
41.	To provide copies of all invoices for amounts over \$1000 associated with payment of management fees in the document marked as Exhibit F.	
42.	To provide the names of the individuals who were doing accounting work for the applicants.	
43.	If the bookkeeping work was done by a company, to advise of the name the company.	

REQ #	Question	Answer
44.	To provide the name of the person doing the applicants' bookkeeping,	
45.	With reference to Exhibit G, to provide the details of the credit card associated with the transfers described as "CC payment for bro".	
46.	With reference to Exhibit G, to provide the details of the credit card associated with the other transfers described therein.	
47.	To produce any email authorizations of expenses that exist where there has been a request for a reimbursement of an expense and an email that corresponds to that.	
48.	To produce whatever emails exist authorizing repayment of expenses that were incurred by individuals including Robert Clark, Aruba Butt, Dylan Suitor, and Ryan Moloney.	
49.	To produce the records substantiating deposits on real estate acquisitions made by [REDACTED] Name on behalf of the Applicants.	
50.	In reference to payments made in respect of Elite Pacific Properties to film promotional materials, to provide a copy of the promotional materials.	
51.	To provide the contract with Uncommon Entertainment.	
52.	To provide the identity of the individual who took the private jet with Robert Clark and [REDACTED] Name in January 2022. If refused on the basis of an NDA, to produce a copy of the NDA redacting the name of the individual whose identity cannot be disclosed.	

April 29, 2024  
Page 8

REQ #	Question	Answer
53.	To provide a list of all of the companies that Robert Clark has an interest in currently or had an interest in during the currency of the applicants' operations, and for each one, to advise if they received funds from the applicants.	

We look forward to your prompt attention and responses in this matter.

Yours truly,

Cassels Brock & Blackwell LLP



Joshua Jackson  
Associate

JJ/jj

cc: Sean Zweig, Joshua Foster and Thomas Gray (Bennett Jones)  
cc: Ryan Jacobs, Shayne Kukulowicz, Colin Pendrith, Joe Belissimo, and John M. Picone (Cassels)  
cc: Noah Goldstein and David Sieradzki (KSV)



May 2, 2024

**Via E-Mail**

Bennett Jones LLP  
3400 One First Canadian Place  
P.O. Box 130  
Toronto, Ontario  
M5X 1A4

jjackson@cassels.com  
tel: +1 416 869 5455

**Attention: Alexander C. Payne**

Dear Mr. Payne:

**Re: IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BALBOA INC. et al (Court File No.: CV-24-007-13245-00CL)**

As you are aware, we are counsel to KSV Restructuring Inc., in its capacity as Court-appointed monitor (the "**Monitor**"). During our interview of Aruba Butt, conducted on April 26, 2024, we made a number of requests which are reproduced for your review and response below:

REQ	Specific Question	Answer
1.	To review the available statements for Hard Rock Capital and to advise if any transfers were made to that company by the Applicants.	
2.	To produce any transaction documents that Aruba Butt signed to complete the divestiture of her interest in Hard Rock Capital.	
3.	To produce Aruba Butt's personal bank account statements since 2020.	
4.	To produce and explain the reconciliation process that the Applicants' bookkeepers and accountants performed regarding the Additional Stay Parties' business expenses on their credit cards.	

May 2, 2024  
Page 2

REQ	Specific Question	Answer
5.	To identify all of the credit card charges that Aruba Butt says are business expenses of the Applicants on her credit card statements.	
6.	To provide copies of all invoices that SID Renos created, whether they were sent to the Applicants or not, in respect of all of the work that SID Renos was doing for the Applicants since 2020.	
7.	To confirm all of the 'new' money that entered the Applicants through arm's length borrowing in 2023 from all sources.	
8.	To review and provide all emails that were sent to Claire Drage or Windrose Group or Lion's Share providing information about the estimated after-repair or completed value of the Applicants' properties.	
9.	To confirm whether any of the Applicants' funds went into the property located at [REDACTED] Address [REDACTED] and to produce the documents that confirm same.	
10.	To provide a list of properties included in the Core Sale.	
11.	To provide explanations for the transfers between the Applicants and Paradisal Bliss in <b>Exhibit "C"</b> , and to produce any documents that would explain these transfers.	
12.	To provide copies of any invoices issued by Paradisal Bliss that correspond to the payments between the Applicants and Paradisal Bliss in <b>Exhibit "C"</b> .	
13.	To produce bank statements for Paradisal Bliss' account [REDACTED] Bliss Account #, listed in <b>Exhibit "C"</b> , from 2020 onwards.	

REQ	Specific Question	Answer
14.	To the extent that it is not already encompassed in prior requests, to itemize which credit card charges on Aruba Butt's personal credit card were incurred on behalf of the Applicants.	
15.	To produce the bank statements for Aruba Butt's bank account bearing account [REDACTED] Aruba Butt Account # [REDACTED]	
16.	To provide documents relating to the \$453,000 payment from Nekzai Law Professionals as noted in the document marked as <b>Exhibit "G"</b> , and/or to identify the property or properties relating to this payment.	
17.	To advise who owns account [REDACTED] DSPLN Account # [REDACTED] and, if it is within Aruba Butt's control, to provide the bank statements for that account.	
18.	To provide a record listing transactions between Zack Files Real Estate and the Applicants (and the dates).	
19.	To provide the Zack Files Real Estate bank statements.	
20.	To advise why a \$10,000.00 transfer was made from The Pink Flamingo to Chubby Assets Inc., as indicated in <b>Exhibit "J"</b> .	
21.	To advise the purpose of the \$20,000.00 paid from the Applicants to Cobalt Prospects as shown in <b>Exhibit "K"</b> , and to produce any documentation that would shed light on that purpose.	
22.	To confirm whether the email recipient of the Interact e-transfer sent with a message stating "happy bday [REDACTED]" was [REDACTED] Name [REDACTED]	

REQ	Specific Question	Answer
23.	To the extent that it is within the Applicants' power, possession, or control – provide a copy of credit card statements associated with the credit card Bronwyn Bullen used to purchase items on behalf of Joint Captain Real Estate Inc., and for which payments were made to Bronwyn to pay off the card.	
24.	To explain the \$10,000.00 transfer on June 1, 2023 from SID Management to DSPLN, and then to Aruba Butt's personal account.	
25.	To provide details of the nature of the \$79,534.03 deposit from Nekzai Law on June 9, 2023, noted in <b>Exhibit "M"</b> .	
26.	To provide details of the nature of the \$59,004.70 deposit from Nekzai Law on June 29, 2023, as noted in <b>Exhibit "M"</b> .	
27.	With respect to the \$275,745.68 deposit from Nekzai Law on July 26, 2023, to identify and provide the documents connected to the mortgage documents if they have already been provided.	
28.	To identify bank account <b>Happy Island Account #</b> , noted as having received \$140,000.00 on July 26 in the document marked as <b>Exhibit "N"</b> .	
29.	To identify bank account <b>Happy Island Account #</b> and bank account <b>LIFT Capital Account #</b> , noted as having deposited \$45,000.00 and received \$42,466.13 (respectively) on August 1 in the document marked as <b>Exhibit "O"</b> .	
30.	To provide documents demonstrating the nature of the \$155,241.51 deposit from Nekzai Law on August 16, 2023, as shown in <b>Exhibit "O"</b> .	



REQ	Specific Question	Answer
31.	To identify bank account <b>LIFT Capital Account #</b> , noted as having received \$43,710.07 on August 17, 2023 in <b>Exhibit "O"</b> .	
32.	To provide documents demonstrating the nature of the \$519,262.31 deposit from Nekzai Law on May 18, 2023, as noted in <b>Exhibit "P"</b> .	
33.	To advise if SID Renos filed its taxes in 2020, 2021, and 2022.	
34.	To produce SID Renos's tax returns for 2020, 2021, and 2022, to the extent that they exist.	
35.	To confirm who owns account <b>DSPLN Account #</b>	
36.	To provide documentation demonstrating the basis and rationale for the payment to SID Management of \$210,000.00 on May 25, 2023, as noted in <b>Exhibit "P"</b> .	
37.	To confirm if SID Renos was profitable in each of 2020, 2021, 2022, and 2023.	
38.	To provide the financial statement for SID Renos for each of 2020, 2021, 2022, and 2023.	
39.	To provide the bank account statements for SID Renos.	
40.	To provide the general ledger for SID Renos.	
41.	To provide the documents noted in requests #38-40 for each of SID Management and SID Developments.	
42.	To provide documents demonstrating the nature of the \$117,113.61 deposit from Nekzai Law on July 31, 2023, as noted in <b>Exhibit "Q"</b> .	
43.	To provide the list of accounts in Aruba Butt's possession.	

REQ	Specific Question	Answer
44.	In respect of every account listed in response to request #43, to advise whether the Applicants transferred any funds into those accounts.	
45.	To identify bank account <b>Happy Island Account #</b> and bank account <b>LIFT Capital Account #</b> , as noted as having deposited \$28,000 and received \$26,393.87 (respectively) on August 1, 2023 in <b>Exhibit "R"</b> .	
46.	To provide documents demonstrating the source of the \$119,696.46 deposit on March 6, 2023, as noted in <b>Exhibit "S"</b> .	
47.	To identify bank account <b>Happy Island Account #</b> and bank account <b>LIFT Capital Account #</b> , as noted as having deposited \$16,000 and received \$14,523.03 (respectively) on August 1, 2023 in <b>Exhibit "T"</b> .	
48.	To provide documents demonstrating the nature of the \$287,649.73 deposit from Nekzai Law on August 3, 2023, as noted in <b>Exhibit "T"</b> .	
49.	To identify bank account <b>Unknown Account #</b> , as noted as having deposited \$60,000 on January 6, 2023 in <b>Exhibit "U"</b> .	
50.	To provide the bank statements for each of Prospect Real Estate Inc. and SID Renos.	
51.	If it is not self-evident from the bank statements for Prospect and SID Renos, to advise which account the e-transfers noted in <b>Exhibit "V"</b> to <b>Email Address</b> were deposited into.	
52.	To provide documents demonstrating the nature of the \$123,180.45 deposit from Nekzai Law on July 21, 2023, as noted in <b>Exhibit "X"</b> .	

May 2, 2024  
Page 7

REQ	Specific Question	Answer
53.	To provide documents demonstrating the nature of the \$435,340.49 deposit from Nekzai Law on July 28, 2023, as noted in <b>Exhibit "X"</b> .	
54.	To identify bank account <b>Happy Island Account #</b> , advise whether this bank account is held within the power, possession, or control of the Applicants or its principals, and if so, to provide the bank account statements for this account, as noted as having received \$410,000 on July 28, 2023 in the document marked as <b>Exhibit "X"</b> .	

We look forward to your prompt attention and responses in this matter.

Yours truly,

Cassels Brock & Blackwell LLP



Joshua Jackson  
Associate

JJ/jj

cc: Sean Zweig, Joshua Foster and Thomas Gray (Bennett Jones)  
cc: Ryan Jacobs, Shayne Kukulowicz, Colin Pendrith, Joe Belissimo, and John M. Picone (Cassels)  
cc: Noah Goldstein and David Sieradzki (KSV)



May 9, 2024

**Via E-Mail**

Bennett Jones LLP  
3400 One First Canadian Place  
P.O. Box 130  
Toronto, Ontario  
M5X 1A4

jjackson@cassels.com  
tel: +1 416 869 5455

**Attention: Alexander C. Payne**

Dear Mr. Payne:

**Re: IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BALBOA INC. et al (Court File No.: CV-24-007-13245-00CL)**

As you are aware, we are counsel to KSV Restructuring Inc., in its capacity as Court-appointed monitor (the "**Monitor**"). During our interview of Ryan Molony, conducted on May 1, 2024, we made a number of requests which are reproduced for your review and response below:

REQ	Specific Question	Answer
1.	To provide Ryan Molony's contractor agreement(s) with Robby Clark and any entities that Mr. Clark runs.	
2.	To provide the budgets for each of the renovations that SID Renos has completed with respect to the Applicants' properties.	
3.	To provide the data from <i>Monday.com</i> in respect of the renovations performed on the Applicants' properties.	

REQ	Specific Question	Answer
4.	To provide the <i>Google Sheets</i> for the pre-filing renovations conducted by SID Renos in respect of the Applicants' properties.	
5.	To export and provide the historical data from the <i>Smartsheet</i> program in respect of the Applicants' properties that were renovated by SID Renos.	
6.	To provide a list of the non-Applicant companies that form the approximate 30% of the work that SID Renos and Sid Management does outside of work with the Applicants.	
7.	To provide the diligence materials for properties acquired by the Applicants.	
8.	To check if an analysis was done, at any point in time, to determine if the Applicants' business, as a whole, was profitable or not. If there was such analysis, to provide the same.	
9.	To provide the analyses conducted as to what interest rate was needed to make the stabilized portion of the portfolio cash flow positive.	
10.	To provide the spreadsheet used to track the rent and expenses regarding the Applicants' properties.	
11.	To provide information as to the date when pre-authorized debits were shut off on the Applicants' bank accounts.	

REQ	Specific Question	Answer
12.	To provide information provided by the office manager before reimbursements were issued.	
13.	To provide invoices prepared by SID Renos and sent to the Applicants for amounts owing on their properties.	
14.	To provide the written end-of-week reports from 2021 onwards.	
15.	To identify when pre-filing arrears in relation to contractors began to accrue, to the extent it is not already obvious from the document provided to KSV.	
16.	To the extent that there is a document that offers a better picture of when it became an issue to pay contractors on time and provide same.	
17.	To make inquiries and advise the period of time during which the SID Renos construction management fees were invoiced but not paid.	
18.	To provide a copy of appraisals done to obtain the properties' post-renovation value, to the extent that they were provided to Windrose.	
19.	To provide the LOIs from Firm Capital and from GlassLake through Bayshore, to the extent they have not already been provided.	

REQ	Specific Question	Answer
20.	To confirm if the \$423,500 mortgage in July 2023 as detailed in the document marked as <b>Exhibit "C"</b> was driven by a Windrose request.	
21.	To advise when 278 Selby Road was renovated, if ever.	
22.	To produce documents that show how the proceeds of the mortgage loan in <b>Exhibit "C"</b> were used.	
23.	To identify the credit card transactions and any transactions that were not credit card transactions that form the \$479,346.39 reflected in the excerpt from the general ledger contained in the document marked as <b>Exhibit "D"</b> .	
24.	To identify and explain which charges on Ryan Molony's credit card are being claimed as business vs. personal expenses.	
25.	To check Ryan Molony's personal accounts and confirm which of the e-transfers over \$1000 noted in the document marked as <b>Exhibit "D"</b> were deposited into his personal accounts. If the e-transfers were deposited, to provide the account statements.	
26.	To provide information about the recipient of all the transfers over \$2500.00 in the document marked as <b>Exhibit "E"</b> .	

May 9, 2024  
Page 5

REQ	Specific Question	Answer
27.	To advise if there were any flights or accommodations that were not paid for by the Applicants in respect of Ryan Molony's spouse on company retreats.	
28.	To provide the booking information for the company retreats relating to payments made to Stay Awhile Villas.	
29.	To confirm whether email transfers from the Applicants were deposited into Ryan Molony's RBC account. If so, to produce the bank account statements for that account.	

We look forward to your prompt attention and responses in this matter.

Yours truly,

Cassels Brock & Blackwell LLP



Joshua Jackson  
Associate

JJ/jj

cc: Sean Zweig, Joshua Foster and Thomas Gray (Bennett Jones)  
cc: Ryan Jacobs, Shayne Kukulowicz, Colin Pendrith, Joe Belissimo, and John M. Picone (Cassels)  
cc: Noah Goldstein and David Sieradzki (KSV)





May 10, 2024

**Via E-Mail**

Bennett Jones LLP  
3400 One First Canadian Place  
P.O. Box 130  
Toronto, Ontario  
M5X 1A4

jjackson@cassels.com  
tel: +1 416 869 5455

**Attention: Alexander C. Payne**

Dear Mr. Payne:

**Re: IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BALBOA INC. et al (Court File No.: CV-24-007-13245-00CL)**

As you are aware, we are counsel to KSV Restructuring Inc., in its capacity as Court-appointed monitor (the "**Monitor**"). During our interview of Mr. Dylan Suitor, conducted on May 6, 2024, we made a number of requests which are reproduced for your review and response below:

REQ	Specific Question	Answer
1.	To provide all documents that would shed light on the nature of the transfers of funds and/or properties by the Applicants to any and all entities affiliated with Mr. Suitor.	
2.	To provide a copy of a document (referenced by Mr. Suitor during the interview) tracking properties moved between the entities that Mr. Suitor had involvement with.	
3.	If there is a more recent copy of any document(s) referenced at #2 above, tracking properties moved between the entities that Mr. Suitor had involvement with, to provide same.	
4.	To provide and if required create and produce a list of all properties	

REQ	Specific Question	Answer
	the Applicants transferred to related parties.	
5.	To produce records that show the commission that Elevation Real Estate has received in respect of the sale or purchase of Applicant properties.	
6.	If there has been any transfer of funds either for work done or for other reasons from the Applicants to New Hues Painting Inc., to provide particulars of those transfers.	
7.	If there is any supplemental information concerning the holdings under Elv8 Inc., be it directly or indirectly, to provide particulars of those holdings.	
8.	To provide the organizational chart mentioned by Mr. Suitor of the entities that Mr. Suitor has an interest in without Robert Clark.	
9.	To the extent it is not subsumed by a prior request, to provide details of all properties sold by the Applicants since 2021.	
10.	To provide documentation showing the use of funds from Core Sale.	
11.	To provide financial statements of the Applicants for 2021 or 2020, and if these don't exist, to confirm that they don't exist.	
12.	To produce bank statements and the general ledgers for any of the non-Applicant entities that Mr. Suitor has an interest in.	
13.	To produce information concerning tax filings prior to those made in 2023 or 2024 for the purposes of moving into CCAA and to provide information concerning tax filings for the Applicants in prior years and tax returns, if these exist.	
14.	To make inquiries and advise if anything other than the roughly \$2.9 million of profits from the Core	

REQ	Specific Question	Answer
	Sale could lead to a gain on sale of equipment and leasehold improvements as categorized on the statement of earnings.	
15.	To produce the LOIs that were provided by Scotia and any other entities to the Applicants for re-financing.	
16.	To provide the documents that the Applicants provided to Scotiabank when Mr. Suitor and Robert Clark were seeking re-financing prior to the Core Sale. In particular, any diligence materials sent to the bank explaining the Applicants' business, properties and how much income the Applicants had.	
17.	To make inquiries and advise whether any of the Applicants' funds were used to pay for Turtle Bay Pools and provide documentation related to same.	
18.	To produce all information SID has that was provided to Claire Drage or Windrose or Lion's Share setting out what the properties of the Applicants were and any other due diligence-type materials that may have been provided to inform the lenders.	
19.	To produce the appraisals that exist for the Applicants' properties for 2021 and onwards.	
20.	To make inquiries and advise if there are similar statements for the Applicants to the Interlude Owner Statement January 2024 marked as <b>Exhibit "E"</b> , and if these exist to produce same.	
21.	To make inquiries and provide any package provided to Mr. Suitor informing him of the assets and liabilities of the Applicants' properties.	
22.	To confirm what the wire transfers from Nekzai Law to the Applicants	

REQ	Specific Question	Answer
	listed in the document marked as <b>Exhibit “F”</b> were on account of.	
23.	To confirm the basis of wire payments to the Applicants that appear to be loan proceeds from individual lenders listed in the document marked as <b>Exhibit “G”</b> , if it is in fact on account of promissory note lending or if it’s something else.	
24.	To produce documentation that effected the transfer from Interlude to Old Thing Back noted in the parcel register marked as <b>Exhibit “H”</b> .	
25.	To produce any communications between Mr. Suitor and Windrose regarding 454 Eva Avenue in relation to the Old Thing Back Promissory Note marked as <b>Exhibit “I”</b> .	
26.	To determine and advise whether Mr. Suitor treated 496 Whistle Avenue and 536 Montague Avenue similarly to 454 Eva Avenue by referencing them in promissory notes similar to the Old Thing Back Promissory Note marked as <b>Exhibit “I”</b> that were taken out or renewed during the period of time that the properties were transferred (September 25, 2023 and January 15, 2024).	
27.	To provide details of any work done on the Property located at 261 Kimberly Avenue, Timmins, Ontario.	
28.	To confirm the date of the fire(s) at the Property located at 261 Kimberly Avenue, Timmins, Ontario.	
29.	To confirm whether anyone told lenders about the fire at 261 Kimberly Avenue (or by extension 496 Whistle Avenue and 536	

REQ	Specific Question	Answer
	Montague) prior to renewing their promissory notes in November and December.	
30.	To produce credit card statements for Old Thing Back and Upgrade Housing.	
31.	To identify charges incurred on behalf of the Applicants on the credit cards for Old Thing Back and Upgrade Housing.	
32.	To produce Mr. Suitor's personal credit card statements.	
33.	To produce bank account statements and general ledgers for 2021 onwards for each of the companies that Mr. Suitor has a direct or indirect interest in. The ones of most interest to the Monitor on an expedited basis include: 1083 Main Street Inc., Conduit Asset Management, Happy Town Housing, Old Thing Back, Prospect Real Estate Holdings Inc., Upgrade Housing Inc., Up-Town Funk Inc., Elv8 Inc., Elevation Real Estate Network, Mr. Suitor Professional Real Estate Corporation and the Suitor Family Trust.	
34.	To clarify the basis for the aggregate of payments listed in the document marked as <b>Exhibit "T"</b> . If the reason given is that these payments are reimbursements for spending on credit cards, then to produce the credit card statements that is correlated with the reimbursements. If there is any other reason for the payments, to provide particulars of those reasons.	
35.	To produce the Interlude bank statements prior to October 2021.	

REQ	Specific Question	Answer
36.	To make inquiries and advise what the deposit of \$338,155.65 at BR 3482 made on November 23, 2021 and listed on the November 2021 Interlude bank statement marked as <b>Exhibit "U"</b> is from.	
37.	To make inquiries as to why it appears most of the proceeds from the \$338,000.00 deposit (referenced above) go to Old Thing Back. If the deposit did not go to Old Thing Back, to advise where it went.	
38.	To advise why the deposit of \$75,000.00 made on November 26, 2021 listed on the November 2021 Interlude bank statement marked as <b>Exhibit "U"</b> went to Old Thing Back.	
39.	To make inquiries and advise if the \$304,000.00 deposit listed on the July 2023 Hometown Housing Bank Statement marked as <b>Exhibit "V"</b> was the proceeds of either a mortgage loan or promissory note.	
40.	To advise where the money went for any other payments to Upgrade Housing.	
41.	To provide the particulars of bank account <b>LIFT Capital Account #</b>	
42.	To the extent that there is anything other than the housing loan identified by the general ledger in the bank statements for Horses in the Back, to advise and provide particulars.	
43.	To the extent that the \$35,000.00 transfer on November 1, 2021 in the bank statements for Horses in the Back marked as <b>Exhibit "X"</b> was not paid to Old Thing Back, to advise and provide any information to the contrary.	
44.	To provide information as to why it would be appropriate to transfer	

REQ	Specific Question	Answer
	\$10,000.00 to each of Old Thing Back and/or Upgrade Housing as shown on the November bank statements for Horses in the Back marked as <b>Exhibit "X"</b> .	
45.	To provide additional explanation(s) for the transfers of \$35,000.00, \$30,000.00, \$10,000.00 and \$10,000.00 as shown on the bank statements for Horses in the Back marked as <b>Exhibit "X"</b> .	
46.	To particularize where and what the \$247,000.00 deposit on October 11, 2022 as shown in the Neat Nests bank statements marked as <b>Exhibit "Y"</b> is from.	
47.	To produce anything related to a "second deal" with Core including, but not limited to offers, LOIs and term sheets.	
48.	To confirm or deny if Applicant money was ever used to pay the interest on borrowing by Applicant and non-Applicant companies.	
49.	To advise whether payments were made directly by the Applicants to promissory note lenders or if all payments were made to Lion's Share even when the lender was an individual.	

We look forward to your prompt attention and responses in this matter.

May 10, 2024  
Page 8

Yours truly,

Cassels Brock & Blackwell LLP



Joshua Jackson  
Associate

JJ/jj

cc: Sean Zweig, Joshua Foster and Thomas Gray (Bennett Jones)  
cc: Ryan Jacobs, Shayne Kukulowicz, Colin Pendrith, Joe Belissimo, and John M. Picone (Cassels)  
cc: Noah Goldstein and David Sieradzki (KSV)





**Bennett Jones**

**Bennett Jones LLP**  
 3400 One First Canadian Place, P.O. Box 130  
 Toronto, Ontario, M5X 1A4 Canada  
 T: 416.863.1200  
 F: 416.863.1716

**Alex Payne**  
**Partner**  
 Direct Line: 416.777.5512  
 e-mail: [paynea@bennettjones.com](mailto:paynea@bennettjones.com)

May 13, 2024

**Sent Via E-Mail**

Cassels Brock & Blackwell LLP  
 Suite 3200, Bay Adelaide Centre  
 40 Temperance Street  
 Toronto, Ontario  
 M5H 0B4

KSV Restructuring Inc.  
 220 Bay Street, 13th Floor  
 P.O. Box 20  
 Toronto, Ontario  
 M5J 2W4

**Attention: Ryan Jacobs and Shayne  
 Kukulowicz**

**Attention: Noah Goldstein and David  
 Sieradzki**

Dear Sirs:

**Re: *In the Matter of a Plan of Compromise or Arrangement of Balboa Inc. et al.***  
**Court File No.: CV-24-00713245-00CL**

As you know, we are the lawyers for 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 "Applicants") in the above-captioned proceedings (the "CCAA Proceedings").

We write in respect of the Monitor's investigation into the use of funds borrowed by the Applicants, and pre-filing transactions conducted by the Applicants and/or their principals and affiliates, and the interviews of Mr. Clark, Ms. Butt, Mr. Molony, and Mr. Suitor (the "Principals") conducted as part of said investigation.

As you are aware, in advance of the Principals' interviews, we requested that notice be provided by the Monitor regarding the anticipated nature of the interviews, to enable the Principals to review their records and inform themselves, as necessary, of the issues to be addressed on the interviews, including to facilitate an efficient and informative interview process. An efficient interview process was particularly important given the scale and cost of the Monitor's investigation to date, which depletes DIP funds which would otherwise be used to complete renovations, stabilize the portfolio, and create value for stakeholders.

Notwithstanding our requests, the Monitor (a) declined to provide advance notice of any allegations of wrongdoing by the Applicants or its Principals, and (b) declined to provide advance notice of the topics that would be addressed during the interviews.

The Principals nevertheless voluntarily attended the full day interviews under oath. The interviews involved in significant part questions regarding dozens if not hundreds of individual transactions of \$1,000 or more from many years ago.

Given that the Monitor refused to provide advance notice of even the topics to be addressed on the interviews, the Principals were (predictably and reasonably) unable to recall the specifics of dozens if not hundreds of individual transactions involving \$1,000 or more from many years ago, resulting in, among other things, almost 200 requests by Monitor, including for the provision of hundreds if not thousands of documents. All such requests could have been provided in writing in advance.

The Applicants are in the process of preparing responses to the Monitor's numerous requests, notwithstanding that doing so is a time consuming and costly process that diverts resources from the day-to-day management of the Applicants' business, including, most importantly, the stabilization of the portfolio and refinancing efforts, each in order to create value for stakeholders.

The Applicants' responses to the Monitor's numerous requests will be provided on a rolling basis. We trust that in accordance with the Applicants' and the Principals' right to be heard, and the Monitor's duties of impartiality, objectivity and neutrality, no report or findings will be made by the Monitor until the Applicants have a fair opportunity to respond to the Monitor's very significant number of requests.

It is readily apparent to the Applicants that the Monitor is under significant pressure from certain creditors to identify wrongdoing by the Principals. However, such pressure cannot take away from the Applicants' right to be heard, nor the Monitor's obligation to conduct a fair, neutral, and impartial investigation.

We therefore trust that no report will be issued until the Applicants have had a fair opportunity to respond to the Monitor's approximately 200 requests.

Please confirm same in writing.

Yours truly,

**BENNETT JONES LLP**



Alex Payne

cc: Sean Zweig, Joshua Foster, and Thomas Gray (Bennett Jones LLP)





May 14, 2024

**By Email**

cpendrith@cassels.com

tel: +1 416 860 6765

Bennett Jones LLP  
3400 One First Canadian Place  
P.O. Box 130  
Toronto, Ontario  
M5X 1A4 Canada

Attn: Alexander Payne

Dear Mr. Payne:

**Re: IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BALBOA INC. et al. (Court File No.: CV-24-00713245-00CL)**

We confirm receipt of your letter dated May 13, 2024. Going forward, please ensure that all correspondence regarding the Monitor's Court-ordered investigation is directed to the undersigned.

Your letter states that the Monitor declined to provide advance notice of the topics that would be addressed during the interviews. That is false. On April 19, and in advance of the interviews, we specifically discussed with you that the interviews would focus on the use of the funds borrowed by the Applicants, including transfers to related companies and their principals, Mr. Clark, Ms. Butt, Mr. Molony and Mr. Suitor. As such, this could not have come as a surprise to you or your clients. In any event, it would seem that the Monitor's focus during the interviews should have been self-evident given that paragraph 41(k) of the Second Amended and Restated Initial Order of Justice Kimmel (the "**Second ARIO**") specifically notes that the investigation will concern inquiries into the use of the Applicants' funds.

We also note, by way of example, that Mr. Suitor was obviously aware that he would be asked questions concerning the use of the Applicants' funds, including funds that were received by Mr. Suitor and entities that Mr. Suitor owns or controls. In fact, as noted in the following excerpt from Mr. Suitor's interview, his evidence is that he prepared for such questions.

3           6.           Q.   Do you know what KSV's role is as far  
4                   as what it's investigating?  
5                   A.   I believe they're investigating to  
6                   see what happened and what got us here, I guess.  
7           7.           Q.   And does your understanding entail  
8                   that KSV is looking into the use of the funds of  
9                   the applicants? You understand that?  
10                  A.   Yes.  
11           8.           Q.   And what happened to the funds?  
12                  A.   Yes.  
13           9.           Q.   Did you do any preparation for  
14                  today's interview?  
15                  MR. PAYNE: Yes. We met with him, as we  
16                  have met with other individuals to be  
17                  interviewed, to provide some basic prep.  
18                  MR. PENDRITH: Thank you.  
19                  BY MR. PENDRITH:  
20           10.          Q.   As part of that preparation, did you  
21                   consider ways in which you or entities that you  
22                   own or control may have received funds from the  
23                   applicants? Is that something you turned your  
24                   mind to as part of your preparation?  
25                  A.   Yeah. Yeah.

In the circumstances, the Monitor was quite surprised at the inability of Mr. Clark, Ms. Butt, Mr. Molony and Mr. Suitor to answer many questions concerning transfers to them and companies that they have interests in. These lines of questioning were entirely foreseeable.

Your statement that the Monitor declined to provide advance notice of "any allegations of wrongdoing by the Applicants or its Principals" is confusing. To be clear, the Monitor has not made "allegations" of any kind. Rather, it is engaged in a fact-finding investigation as required by the Second ARIO.

While your letter suggests that your clients were asked about immaterial transactions, the frequency and aggregate value (in the millions of dollars) of transfers by the Applicants to your clients and entities that they own or control requires explanation.

We appreciate that there are a number of requests that were made during the interviews. The number of requests would have been fewer had the Applicants and their principals provided more complete information to the Monitor in advance.

By way of example, the Monitor requested bank account information for a number of unidentified bank accounts on April 17. No response was received until May 2 (at which time some, but not all, of the bank account owners were identified), a date that followed the interviews of Mr. Clark, Ms. Butt and Mr. Molony. Had that information been provided previously, our questions relating to the outflows of the Applicants' funds to these bank accounts would have been much more informed as we would have known at the interview that certain of these bank accounts were in the name of your clients and corporations that they own or control.

Similarly, on April 17, we sent a letter to Bennett Jones seeking production of the bank account statements and general ledgers for the parent companies of the Applicants (One Happy Island Inc., Keely Korp Inc., 265677 Ontario Inc. and Sail Away Real Estate Inc.) and the SID entities (SIDRWC Inc. o/a SID Developments, SID Management Inc. and 2707793 Ontario Inc. o/a SID Renos). None of those documents were provided. As a result, we had to ask questions concerning the transfers of the Applicants' funds to these entities. Again, the Monitor's questions could have been further streamlined if the Applicants had provided the documents requested ahead of time.

More generally, the need to make detailed inquiries in large part arises due to the Applicants' incomplete financial records, including the failure to maintain a general ledger past the end of 2022.

For all of these reasons, we take issue with your letter's attempt to characterize the Monitor's inquiries as inefficient or otherwise suggest that the Applicants have not had a fair opportunity to respond. Mr. Clark was interviewed nineteen days ago, and we have yet to receive any response to the requests made at that time.

The Monitor's Report will not be suppressed based on the Applicants' suggestion that further information may be provided in the future. The Report will be issued in due course based on the information available to the Monitor and its counsel to-date. To the extent any of the Monitor's requests remain unanswered, those unanswered requests will be noted in the report.

Lastly, your letter referenced pressure that the Monitor may be under by certain creditors to "identify wrongdoing by the Principals". It should go without saying that the Monitor is an officer of the Court and will report the facts discovered through its investigation fairly.

May 14, 2024  
Page 4

Yours truly,  
Cassels Brock & Blackwell LLP

A handwritten signature in black ink, appearing to read 'CP', is written over a light gray rectangular background.

Colin Pendrith  
Partner

cc: Sean Zweig, Joshua Foster and Thomas Gray (Bennett Jones)  
cc: Ryan Jacobs, Shayne Kukulowicz and Joshua Jackson (Cassels)  
cc: Noah Goldstein and David Sieradzki (KSV)  
LEGAL\*62717688.4



**Bennett Jones**

Bennett Jones LLP

3400 One First Canadian Place, PO Box 130

Toronto, Ontario, Canada M5X 1A4

Tel: 416.863.1200 Fax: 416.863.1716

**Alex Payne**

**Partner**

Direct Line: 416.777.5512

e-mail: [paynea@bennettjones.com](mailto:paynea@bennettjones.com)

May 16, 2024

**Via Email**

Cassels Brock & Blackwell LLP  
Suite 3200, Bay Adelaide Centre  
40 Temperance Street  
Toronto, Ontario  
M5H 0B4

KSV Restructuring Inc.  
220 Bay Street, 13th Floor  
P.O. Box 20  
Toronto, Ontario  
M5J 2W4

**Attention: Colin Pendrith, Ryan Jacobs  
& Shayne Kukulowicz**

**Attention: Noah Goldstein &  
David Sieradzki**

Dear Sirs:

**Re: *In the Matter of a Plan of Compromise or Arrangement of Balboa Inc. et al.*  
Court File No.: CV-24-00713245-00CL**

We write further to our letter of May 13, 2024 and in response to your letter of May 14, 2024. Capitalized terms used herein but not otherwise defined have the meanings provided in our May 13 letter.

We respectfully disagree with your characterization of the interviews. You state in your letter that the lines of questioning by the Monitor were “entirely foreseeable”, and that the Monitor was “quite surprised” with the inability of the Principals to answer many of the questions asked. As discussed in our May 13 letter, in order to facilitate an efficient interview process, we specifically requested that the Monitor and its counsel provide topics of potential questions to the Principals in advance of the interviews. We specifically said that that it would not be in anyone’s interest for the Monitor to perform a “memory test” on the Principals. Counsel to the Monitor ultimately decided not to provide any questions, let alone topics, to the Principals in advance. Our recollection is that the only “substantive” guidance provided was that we review (i) the relevant provision of the ARIQ which deals with the investigation and (ii) prior questions received from the Monitor.

With this in mind, we fail to see how it could be surprising that the Principals were unable to recall specifics when presented for the first time with questions on hundreds of pre-filing transactions, in certain cases for non-material amounts and going back several years. While the Principals were of course aware that the interviews would include questions on pre-filing transactions and did some preparation in that regard, it is entirely unrealistic to expect the Principals to be able to recall with specificity a significant number of individual transactions going back several years.

May 16, 2024

Page 2

The Principals voluntarily participated in the interviews in good faith. As previously noted, the Principals and the Applicants are in the process of preparing responses to the Monitor's numerous requests for information. Although the first interview of the Principals concluded 19 days from the date of your letter (as you stated), requests for information for each of the Principals were not made until several days after the interviews, the last interview (Mr. Suitor's) was conducted 11 days after the first one, and we still have not been provided with all of the exhibits to Mr. Suitor's interview as of today's date.

The Principals and the Applicants are now using good faith efforts to respond to the interview requests in a timely manner – we note that in a typical litigation proceeding, parties would have 60 days to respond to undertakings (and while we recognize this is not a typical litigation proceeding, we believe that timeline is still a relevant data point). As you know, the Principals and the Applicants are balancing the interview responses with, among other things, extensive daily information requests coming from the Monitor, representatives of the secured and unsecured lenders of the Applicants, and other stakeholders, in addition to their continuing responsibility to manage and operate the day-to-day business of the Applicants and assist with the sale, refinancing and investment solicitation process, all for the benefit of the Applicants' stakeholders.

We are also concerned with your assertion that the Monitor will issue a Report updating the Court on its investigation "in due course", regardless of whether the Principals have responded to the Monitor's questions. It is fundamental to any investigation that all parties be given an opportunity to be heard and respond. It is especially important that if there is a suggestion of wrongdoing against a particular person that the person be provided with particulars of the allegations of the wrongdoing, and the opportunity to answer such allegations. To the extent the Monitor will not be providing the Principals with a reasonable amount of time to respond to the extensive follow-up questions which could have been provided in advance of the interviews, please at least advise when the Monitor intends to issue the Report.

The Principals note that the Monitor has no Court-imposed deadline or other obligation to issue its Report by a particular date. All stakeholders will be better served by receiving a complete Report that includes the responses of the Principals and the Applicants to the interviews, and it is in the interests of justice that those responses be included. We also request that you provide a draft of the Report to the Principals and Applicants before it is finalized so that the Principals and Applicants have an opportunity to respond to and/or correct any allegations of wrongdoing or inaccuracies.

Regardless, we expect that any Report will include this letter and our prior correspondence.

Yours truly,



Alex Payne

cc: Sean Zweig, Joshua Foster and Thomas Gray (Bennett Jones LLP)





May 17, 2024

**By Email**

Bennett Jones LLP  
3400 One First Canadian Place  
P.O. Box 130  
Toronto, Ontario  
M5X 1A4 Canada

cpendrith@cassels.com  
tel: +1 416 860 6765

Attn: Alexander Payne

Dear Mr. Payne:

**Re: IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BALBOA INC. et al. (Court File No.: CV-24-00713245-00CL)**

We respond to your letter of yesterday's date.

It is not credible to suggest that your clients did not understand that they would be asked about transactions and payments between the Applicants and the Principals and the companies that they own or control. It is also remarkable that your clients could not recall specifics about transactions including very material ones (for example Mr. Suitor could do no more than speculate as to why \$2.65 million of the Applicants' funds were transferred to one of his non-Applicant corporations). We do not view transfers of that magnitude as forgettable, particularly given the Applicants' "liquidity issues". The Monitor does not intend to engage further with you about what guidance your clients had on the topics of their examinations prior to the Monitor conducting same. The record is clear on this issue.

Your explanation for delay in responding to the Monitor's information requests (your position being that our requests for information were not provided to you until several days after the interviews) is not supported by fact. As you know, our requests were made at the interviews, which you acknowledged on the record by saying "I have your request" after we made each request. Shortly after, we provided you with a list of the previously noted requests for ease of reference with the hope that it would expedite your responses. Notwithstanding this, the Monitor has received virtually no response to its requests.

We reiterate our prior advice to you that the Monitor's Report will be issued in due course. The Report will incorporate any relevant information provided to the Monitor prior to its issuance. Any information requested but not provided will be noted. As we previously advised, the Report will not be suppressed based on the Applicants' suggestion that further information may be provided in the future.

May 17, 2024  
Page 2

We strongly suggest that instead of further letter writing and wasted resources, your time be spent meaningfully responding to the Monitor's outstanding requests.

Yours truly,  
Cassels Brock & Blackwell LLP



Colin Pendrith  
Partner

cc: Sean Zweig, Joshua Foster and Thomas Gray (Bennett Jones)  
cc: Ryan Jacobs, Shayne Kukulowicz and Joshua Jackson (Cassels)  
cc: Noah Goldstein and David Sieradzki (KSV)  
LEGAL\*62765781.3

**Bennett Jones**

Bennett Jones LLP

3400 One First Canadian Place, PO Box 130

Toronto, Ontario, Canada M5X 1A4

Tel: 416.863.1200 Fax: 416.863.1716

**Alex Payne****Partner**

Direct Line: 416.777.5512

e-mail: [paynea@bennettjones.com](mailto:paynea@bennettjones.com)

May 21, 2024

**Via Email**

Cassels Brock & Blackwell LLP  
Suite 3200, Bay Adelaide Centre  
40 Temperance Street  
Toronto, Ontario  
M5H 0B4

**Attention: Colin Pendrith**

Dear Sir:

**Re: *In the Matter of a Plan of Compromise or Arrangement of Balboa Inc. et al.***  
**Court File No.: CV-24-00713245-00CL**

We write in response to your letter dated May 17, 2024, and further to our prior correspondence. Capitalized terms used herein have the meanings provided in our May 13 letter.

Respectfully, your letter draws an unfair inference with respect to Mr. Suitor's failure to provide an explanation for the aggregate amount of \$2.65 million appearing to be transferred to Old Thing Back Inc. – a non-Applicant affiliate that operated within the same business as the Applicants. The Applicants have not suggested that the amount is immaterial nor that the Monitor is not entitled to make inquiries in respect of it. However, the interviews of the Principals made it very clear that Mr. Suitor was not the individual responsible for transferring funds in the ordinary course. Accordingly, Mr. Suitor would understandably have little ability, absent advanced notice, to explain the approximately 407 individual transactions both to and from Old Thing Back Inc., which involve multiple Applicants, bear different descriptions in the applicable Applicants' general ledgers and span multiple years, that collectively comprise the amount at issue.

Similarly, as you know, it is entirely commonplace for undertakings, under advisements and similar follow-ups to only be worked on in earnest once the transcript is available and the list of follow-ups is provided. We did not do or suggest anything unusual or remotely out of the ordinary.

Most importantly, we reiterate our concern with the Monitor's stated intention to issue its Report in "due course". As we have emphasized, it is critical that the Principals and the Applicants have the opportunity to be heard and respond in connection with the Monitor's investigation (with which our clients have voluntarily cooperated at all times in good faith). This is not only fair to our clients, but

May 21, 2024

Page 2

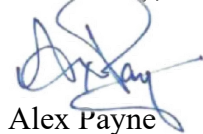
is a necessary part of a balanced investigation and is therefore in the interests of all stakeholders, as it will ensure that the Court and interested parties have a complete picture at the time the Report is issued.

Despite our reasonable requests, you have refused to confirm whether the Principals and the Applicants will have an opportunity to review a draft of the Report, or even to provide an estimate of when the Monitor intends to issue the Report. Our clients are entitled to know the timeframe in which they are required to respond to the Monitor's extensive questions such that the information can be reflected in the Report. Respectfully, "due course" is not particularly helpful in circumstances in which the Monitor is aware that the Applicants' and the Principals' limited resources have been and continue to be severely strained.

As it has now been made a second time, the Applicants and the Principals feel compelled to address the suggestion that they are attempting to "suppress" the issuance of the Report. It is difficult to see how requesting an opportunity to be heard and respond to an investigation could be seen as "suppressing" a Report for which there is no deadline, and for which you have refused to provide a planned date to issue. As you know, the Applicants and the Principals consented to, and cooperated in, the investigation, including by consenting to four full-day, in-person interviews at the Monitor's request despite having no obligation to do so.

As previously requested, please confirm: (i) that the Principals and the Applicants will have an opportunity to review a draft of the Monitor's Report prior to its issuance (or at least an opportunity to address any specific allegations/issues the Monitor intends to raise in the Report); and (ii) when the Monitor intends to issue the Report.

Yours truly,



Alex Payne

cc: Sean Zweig, Joshua Foster & Thomas Gray (Bennett Jones LLP)  
Ryan Jacobs & Shayne Kukulowicz (Cassels Brock & Blackwell LLP)  
Noah Goldstein & David Sieradzki (KSV Restructuring Inc.)



May 22, 2024

**By Email**

cpendrith@cassels.com

tel: +1 416 860 6765

Bennett Jones LLP  
3400 One First Canadian Place  
P.O. Box 130  
Toronto, Ontario  
M5X 1A4 Canada

Attn: Alexander Payne

Dear Mr. Payne:

**Re: IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BALBOA INC. et al. (Court File No.: CV-24-00713245-00CL)**

We respond to your letter of yesterday's date.

The Monitor's report will be issued when it is ready. We do not have a precise delivery date. The report will not be provided in advance to either the lenders or the Applicants.

We would appreciate receiving any responses to the Monitor's outstanding requests by end of week.

We will not be engaging in further dialogue concerning the above issues.

Yours truly,  
Cassels Brock & Blackwell LLP

A handwritten signature in black ink, appearing to read "CP", is placed over a light blue rectangular background.

Colin Pendrith  
Partner

cc: Sean Zweig, Joshua Foster and Thomas Gray (Bennett Jones)  
cc: Ryan Jacobs, Shayne Kukulowicz and Joshua Jackson (Cassels)  
cc: Noah Goldstein and David Sieradzki (KSV)  
LEGAL\*62801145.2

**Alex Payne**

**Partner**

Direct Line: 416.777.5512

e-mail: paynea@bennettjones.com

May 28, 2024

**Sent Via E-Mail**

Cassels Brock & Blackwell LLP  
Suite 3200, Bay Adelaide Centre  
40 Temperance Street  
Toronto, ON M5H 0B4

**Attention: Colin Pendrith**

Dear Mr. Pendrith:

**Re: IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF  
COMPROMISE OR ARRANGEMENT OF BALBOA INC. et al.  
(Court File No.: CV-24-00713245-00CL)**

As you know, we are the lawyers for 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 “**Applicants**”) in the above-captioned proceedings (the “**CCAA Proceedings**”).

We write in response to your colleague’s letters dated April 29, May 2, May 9 and May 10, 2024 (collectively, the “**Letters**”), in which you enumerated 185 requests (collectively, the “**Requests**”) made during the full-day, voluntary interviews of Mr. Robert Clark, Ms. Aruba Butt, Mr. Ryan Molony and Mr. Dylan Suitor (collectively, “**Management**”), respectively, and sought responses thereto on behalf of KSV Restructuring Inc., in its capacity as the Court-appointed monitor in the CCAA Proceedings (the “**Monitor**”).

As you are aware, the Applicants and Management have limited resources, which have been and continue to be severely strained as they strive to, among other things, balance the day-to-day management of the Applicants’ business, respond to extensive daily inquiries and address material issues in the CCAA Proceedings. Recognizing the Monitor’s desire to complete its ongoing investigation (the “**Investigation**”) in a timely manner, the Applicants and Management have made significant efforts to address the Requests and have endeavoured to efficiently respond to those Requests that are likely to be most material to the Investigation.

The Requests for which responses have been prepared to date are set out in Appendix "A" to this letter. The Applicants and Management reserve their rights to correct or supplement any information provided in Appendix "A" should any error or omission come to their attention.

As we advised in our May 13 letter, the Applicants and Management continue to assemble documents and information in connection with other Requests made, as appropriate.

In the circumstances, any non-response to outstanding Requests in this letter is not, and should not be construed as, (a) the Applicants' or Management's refusal to respond to such Requests, nor (b) a concession on the part of the Applicants or Management that such Requests are proportionate in scope, within the ambit of the Investigation, or otherwise appropriate.

This letter's enclosures and each of their respective contents are confidential and are being provided in response to the Monitor's Requests made in the course of the Investigation.

The enclosures are intended solely for the Monitor, the Monitor's counsel and each of their respective directors, officers, employees, agents and advisors acting on their behalf who need to know such information for the purpose of the Investigation. Nothing in this letter or its enclosures should be interpreted as a waiver of solicitor-client or any other privilege.

Subject to the Applicants' and Managements' forthcoming additional responses, we trust that the responses are otherwise satisfactory. Please do not hesitate to contact us should you require further clarification on the above or any further information.

Yours truly,

**BENNETT JONES LLP**



Alex Payne

cc: Sean Zweig, Joshua Foster and Thomas Gray (Bennett Jones LLP)  
Ryan Jacobs, Shayne Kukulowicz, Joe Bellissimo and John M. Picone (Cassels Brock & Blackwell LLP)  
Noah Goldstein and David Sieradzki (KSV Restructuring Inc.)

Requests Made at the Interview of Robert Clark Held April 25, 2024		
No.	Specific Question	Response
1.	To produce the documents associated with the Core Sale, including the agreement of purchase and sale, and whatever documents would show how the proceeds of sale were dispersed.	<p>The following documents were provided to the Monitor and its counsel on May 7, 2024:</p> <ul style="list-style-type: none"><li>(a) the execution copy of the Agreement of Purchase and Sale with Core Acquisition Co. Inc. dated February 24, 2022 (the “APS”);</li><li>(b) a copy of a First Amendment to the APS dated March 14, 2022;</li><li>(c) an image of a Letter Agreement, extending the closing date under the APS, dated April 21, 2022;</li><li>(d) a copy of a Letter Agreement, extending the closing date under the APS, dated April 27, 2022; and</li><li>(e) a copy of an Amendment to the APS dated April 29, 2022.</li></ul> <p>Please find enclosed at Schedule “A” the following:</p> <ul style="list-style-type: none"><li>(a) a Letter of Intent received from Core Acquisition Co. Inc. dated December 31, 2021;</li><li>(b) a revised Letter of Intent received from Core Acquisition Co. Inc. dated January 6, 2022;</li><li>(c) an omnibus statement of adjustments; and</li><li>(d) a trust ledger.</li></ul>
3.	To produce the bank account statements for the four non-applicant parent companies, One Happy Island, Keely Korp, Sail Away Real Estate, and 2657677 Ontario Inc.	<p>Keely Korp Inc. and 2657677 Ontario Inc. are holding companies that do not have bank accounts, bank account statements or general ledgers.</p> <p>One Happy Island Inc. does not have a general ledger and only maintained a bank account for a brief period.</p> <p>Sail Away Real Estate Inc.’s bank account statements and general ledgers, if any, are outside of the power, possession and control of the Applicants; the directors, officers and shareholders of Sail Away are Mr. Samuel Drage and Ms. Bronwyn Bullen.</p> <p>Please refer to the response to Request 54 made during the interview of Ms. Aruba Butt for One Happy Island Inc.’s bank account statements.</p>
5.	To provide the Excel spreadsheet, as well as the broader system, used to track promissory note liability over time, to the extent that it is not inclusive in the records already requested.	<p>Please refer to the response to Request 9 and the Excel workbook previously provided to the Monitor setting out each of the Applicants’ properties and quantum of first mortgage loans, second mortgage loans and promissory note indebtedness, as applicable.</p> <p>Furthermore, please find enclosed at Schedule “A” an Excel workbook titled “CCAA ALL LENDERS”. The Applicants note that the information provided (and previously provided) in</p>



Requests Made at the Interview of Robert Clark Held April 25, 2024		
No.	Specific Question	Response
		response to this Request is based on information provided to the Applicants by The Windrose Group Inc. and The Lion’s Share Group Inc. as applicable. As the Monitor is aware, the Applicants are concerned that such information significantly overstates the Applicants’ unsecured indebtedness.
6.	To produce the complete company CRM, including information on construction, property information, tenant information, and renovation information.	<p>The Company CRM consists principally of two software systems: Monday.com; and Yardi. The data can generally only be pulled manually on a property-by-property or report-by-report basis. Having regard to the principle of proportionality and the Applicants’ strained resources, the Applicants have:</p> <ul style="list-style-type: none"><li>(a) enclosed at Schedule “A” a reasonable sample of the reports available on Yardi; and</li><li>(b) in response to Request 7 immediately below, provided certain categories of data available on Yardi.</li></ul> <p>To the Applicants’ knowledge, the Monitor has previously been granted access to Yardi by the Applicants. Please advise if that is incorrect.</p> <p>Please refer to the response to Request 3 made during the interview of Mr. Ryan Molony held on May 1, 2024, in respect of the data available on Monday.com.</p>
7.	If the complete company CRM is not provided, to provide a list of all the types of data that are contained in it.	<p>Among other things, Yardi contains the following types of data:</p> <ul style="list-style-type: none"><li>(a) the number of properties owned by the Applicants and the number of units that such properties have;</li><li>(b) rent roll and lease charges;</li><li>(c) tenant payment tracking;</li><li>(d) maintenance requests received;</li><li>(e) accounts payable and accounts receivable; and</li><li>(f) vendor information.</li></ul> <p>To the extent that the Monitor does not already have access to Yardi and requires certain information available therein, please advise.</p> <p>Please refer to the response to Request 3 made during the interview of Mr. Ryan Molony held on May 1, 2024, in respect of the data available on Monday.com.</p>
8.	To produce personal bank account statements of Robert Clark and Aruba Butt.	With respect to Ms. Aruba Butt’s personal bank account statements, please refer to the response to Request 3 made during the interview of Ms. Aruba Butt held on April 26, 2024.

Requests Made at the Interview of Robert Clark Held April 25, 2024		
No.	Specific Question	Response
		The Request with respect to Mr. Robert Clark’s personal bank account statements continues to be reviewed and considered at this time.
9.	To produce all promissory notes and to the extent that not all of the promissory notes will be produced, to provide the promissory notes post-Core closing.	Please find enclosed at Schedule “A” copies of the promissory notes that the Applicants have received and have in their possession. Please note that such promissory notes include certain promissory notes that have been repaid and are no longer outstanding.
10.	To advise of the names of the non-applicant sellers in the Core Sale.	Please refer to the response to Request 1 above.
11.	To advise of the names of the non-applicant sellers in the Core Sale that the Applicants or Additional Stay Parties had an interest in.	<p>The Applicants have assumed that this request is limited to the non-Applicant parties to the APS that were the registered owners of the properties to be conveyed pursuant to the APS.</p> <p>As previously advised, each of Upgrade Housing Inc., Old Thing Back Inc., Happy Town Housing Inc. and Up Town Funk Inc. are affiliates of Neat Nests Inc., Horses In The Back Inc., Hometown Housing Inc. and Interlude Inc. that operated within the same business as the Applicants. Each is a direct subsidiary of 2657677 Ontario Inc., the ultimate shareholder of which is Mr. Dylan Sutor. As reflected in the transcripts of Mr. Robert Clark’s interview held on April 25, 2024 and Mr. Dylan Sutor’s interview held on May 6, 2024, Mr. Robert Clark has an informal and undocumented 50% interest in each of the foregoing entities.</p> <p>Ms. Aruba Butt was previously the indirect 50% shareholder of Hard Rock Capital Inc.</p> <p>Mr. Robert Clark had an informal and undocumented interest in Corn Soup Inc. that provided Mr. Robert Clark with an opportunity to receive a portion of Corn Soup Inc.’s future profits, if any, or elect to manage the property owned by Corn Soup Inc.</p> <p>Mr. Robert Clark has an informal and undocumented 50% interest in each of BoredWalk Inc. and Parkplace Inc. To the best of his knowledge, Mr. Robert Clark has not previously received any funds from Corn Soup Inc., BoredWalk Inc. or Parkplace Inc. and is unaware of any equity value existing in any of such entities’ property.</p>
12.	To confirm that SID Development has no bank account.	SID Developments is a holding company that does not have and has not previously had a bank account and does not maintain general ledgers.
13.	If SID Development does have a bank account, to produce the bank account statements.	SID Developments does not have and has not previously had a bank account.
17.	To provide the cost sheets (or other tracking document) documenting what was spent on each property renovated by SID Renos.	Please refer to the response to Request 19 below, the response to Request 6 made during the interview of Ms. Aruba Butt held on April 26, 2024 and the response to Request 5 made during the interview of Mr. Ryan Molony held on May 1, 2024.

Requests Made at the Interview of Robert Clark Held April 25, 2024		
No.	Specific Question	Response
18.	To provide the tracker for the vendor rebate amount that SID Renos received in respect of applicant properties (if it exists), as well as the general ledger for SID Renos.	No tracker was maintained in the manner contemplated by this Request. Enclosed at Schedule “A” is an Excel workbook previously prepared by the Applicants summarizing each of SID Renos’ invoices. Please also refer to the response to Request 6 made during the interview of Ms. Aruba Butt held on April 26, 2024.
19.	To provide the documents that were used to determine the figure of \$6.2 million referenced in paragraph 58 of Robert Clark’s affidavit (“To date, the applicants have expended approximately \$6.2 million on value accretive renovations to improve their monthly cash flow and the resale value of the properties”).	The Monitor was provided with an Excel workbook titled “Budgetinfo0112V1.XLSX” in January 2024. Such Excel workbook is the document that was used to determine the \$6.2 million referred to in paragraph 58 of the Affidavit of Robert Clark sworn January 23, 2024 (see the Tab titled “Property Spend”). It is enclosed at Schedule “A” for ease of reference.
20.	If it is not apparent from documents already provided, to advise whether the \$6.2 million expended on value accretive renovations is in respect of labour only, materials only, or both.	The \$6.2 million referred to in paragraph 58 of the Affidavit of Robert Clark sworn January 23, 2024 is in respect of both labour and materials.
21.	To extent that the \$6.2 million was only spent in relation to labour or materials, to advise of the spend on the other half.	The \$6.2 million referred to in paragraph 58 of the Affidavit of Robert Clark sworn January 23, 2024 is in respect of both labour and materials.
23.	To produce the bank accounts for Lawn Care Alert where transfers [REDACTED] were deposited.	Efforts were made to obtain the requested bank account statements, but the statements are unavailable because the applicable account has been closed for a considerable period.
24.	To produce the bank account statements for the Efresh business.	Efforts were made to obtain the requested bank account statements, but the statements are unavailable because the applicable account has been closed for a considerable period.
26.	To advise if Robert Clark has an interest in Corn Soup Inc. Similarly, to advise if Robert Clark has an interest in any of the other corporations discussed in the interview.	<p>The transcript of Mr. Robert Clark’s interview held on April 25, 2024, indicates that a list of the applicable corporations could be provided by the Monitor. No such list has been provided. The entities that follow below are based upon a review of the first 146 pages of the transcript for corporations known or believed to be active.</p> <p>Mr. Robert Clark is a shareholder of the following entities:</p> <ul style="list-style-type: none"><li>(a) SID Developments; and</li><li>(b) SID Management Inc.</li></ul> <p>Mr. Robert Clark is not a shareholder of any of the following entities:</p> <ul style="list-style-type: none"><li>(a) Cobalt Prospect Inc.;</li><li>(b) Paradisal Bliss Inc.;</li><li>(c) One Happy Island Inc.;</li><li>(d) Elev8 Inc.;</li></ul>

Requests Made at the Interview of Robert Clark Held April 25, 2024		
No.	Specific Question	Response
		<p>(e) Sail Away Real Estate Inc.;</p> <p>(f) Keely Korp Inc.;</p> <p>(g) The Windrose Group Inc.;</p> <p>(h) The Lion’s Share Group Inc.;</p> <p>(i) MTDS Investments Inc.;</p> <p>(j) MT Deez Inc.; and</p> <p>(k) Zack Files Real Estate Inc. (“<b>ZRFE</b>”).</p> <p>As reflected in the transcripts of Mr. Robert Clark’s interview held on April 25, 2024 and Mr. Dylan Sutor’s interview held on May 6, 2024, Mr. Robert Clark has an informal and undocumented 50% interest in the following entities:</p> <p>(a) 2657677 Ontario Inc.;</p> <p>(b) Neat Nests Inc.;</p> <p>(c) Old Thing Back Inc.;</p> <p>(d) Horses In The Back Inc.;</p> <p>(e) Hometown Housing Inc.;</p> <p>(f) Up-Town Funk Inc.;</p> <p>(g) Upgrade Housing Inc.;</p> <p>(h) Prospect Real Estate Holdings Inc.;</p> <p>(i) Interlude Inc.; and</p> <p>(j) Happy Town Housing Inc.</p> <p>As noted above, Mr. Robert Clark previously had an informal and undocumented interest in Corn Soup Inc.</p>
36.	To produce a copy of the calculation of what the “runway” was (without the \$800,000 worth of dividends taken away) post-Core Sale closing.	The “runway” calculation is not reflected in any one particular document. The Applicants’ “runway” was determined and discussed among Management and informed by, among other things, the Applicants’ net rental income, operating expenses, refinancing and/sale options, and intention in 2022 (post-Core Sale) to sell the balance of the Applicants’ assets and commence a production partnership.
40.	To provide a copy of the most formalized offer or discussion regarding a potential refinancing of the Applicants through CMBS.	Please find enclosed at Schedule “A” the Indicative Summary of Terms and Conditions provided by BMO Bank of Montreal CMBS Program in respect of the applicable Applicants, each of which is dated October 7, 2021.

Requests Made at the Interview of Robert Clark Held April 25, 2024		
No.	Specific Question	Response
41.	To provide copies of all invoices for amounts over \$1000 associated with payment of management fees in the document marked as Exhibit F.	Please refer to the response to Request 6 made during the interview of Ms. Aruba Butt held on April 26, 2024. Please also refer to the response to Request 18 above.
42.	To provide the names of the individuals who were doing accounting work for the applicants.	Name is the individual who has been primarily responsible for the Applicants’ bookkeeping and accounting from approximately 2019 onward. Name is the founder and president of Pursuit CPA. Name and other members of Pursuit CPA have, from time-to-time, assisted in the Applicants’ bookkeeping and accounting on behalf of Pursuit CPA. Name was previously with BLR, LLP.
43.	If the bookkeeping work was done by a company, to advise of the name the company.	Please see the response to Request 42 immediately above.
44.	To provide the name of the person doing the applicants’ bookkeeping,	Please see the response to Request 42 above.
48.	To produce whatever emails exist authorizing repayment of expenses that were incurred by individuals including Robert Clark, Aruba Butt, Dylan Suitor, and Ryan Molony.	No such emails exist as Management would not have sought pre-approval from other members of Management in writing to incur such expenses on the Applicants’ behalf.
49.	To produce the records substantiating deposits on real estate acquisitions made by Name on behalf of the Applicants.	Please find enclosed at Schedule “A” a summary of such deposits and details substantiating same.

Requests Made at the Interview of Aruba Butt Held April 26, 2024		
REQ	Specific Question	Answer
1.	To review the available statements for Hard Rock Capital and to advise if any transfers were made to that company by the Applicants.	To the Applicants’ knowledge, after reviewing the available statements, no transfers were made to Hard Rock Capital Inc. from the Applicants.
2.	To produce any transaction documents that Aruba Butt signed to complete the divestiture of her interest in Hard Rock Capital.	Please find enclosed at Schedule “B”:  (a) a Share Transfer Agreement dated July 21, 2023 between One Happy Island Inc. and 2557085 Ontario Inc.; and  (b) a Special Resolution of Hard Rock Capital Inc. dated July 21, 2023 pursuant to which Aruba Butt resigned as a director and the president of Hard Rock Capital Inc.
3.	To produce Aruba Butt’s personal bank account statements since 2020.	Please find enclosed at Schedule “B” copies of Ms. Aruba Butt’s personal bank account statements for 2021, 2022 and 2023, which have been redacted to remove transactions that are personal in nature or are otherwise unrelated to the Applicants or their business, as applicable. Please note that the credit cards ending in [REDACTED] are the same card with an updated number, and the time period for which Ms. Aruba Butt’s personal bank account statements have been provided are consistent with the time periods for which Ms. Aruba Butt’s personal credit cards were used to incur expenses on behalf of the Applicants for which Ms. Aruba Butt was reimbursed. As you are aware, credit card statements have previously been provided to the Monitor.
6.	To provide copies of all invoices that SID Renos created, whether they were sent to the Applicants or not, in respect of all of the work that SID Renos was doing for the Applicants since 2020.	Please find enclosed at Schedule “B” the requested invoices.
7.	To confirm all of the ‘new’ money that entered the Applicants through arm’s length borrowing in 2023 from all sources.	Please find enclosed at Schedule “B” supporting documentation (loan commitments and trust ledgers prepared by Nekzai Law) for the ‘new’ money that entered the Applicants from arm’s length sources in 2023.
8.	To review and provide all emails that were sent to Claire Drage or Windrose Group or Lion’s Share providing information about the estimated after-repair or completed value of the Applicants’ properties.	Ms. Claire Drage and The Windrose Group Inc. processed requests related to renewals and after-repair values for properties through an online portal. The Applicants responded to such requests and communications through that online portal, and do not currently have access to any of the communications.
9.	To confirm whether any of the Applicants’ funds went into the property located at [REDACTED] Address [REDACTED] and to produce the documents that confirm same.	No Applicant funds were used in connection with the property located at [REDACTED] Address [REDACTED]

**Requests Made at the Interview of Aruba Butt Held April 26, 2024**

REQ	Specific Question	Answer
10.	To provide a list of properties included in the Core Sale.	Please refer to the response to Request 1 made during the interview of Mr. Robert Clark held on April 25, 2024.
15.	To produce the bank statements for Aruba Butt's bank account bearing account <b>Aruba Butt Account #</b>	Please refer to the response to Request 3 above.
16.	To provide documents relating to the \$453,000 payment from Nekzai Law Professionals as noted in the document marked as Exhibit "G", and/or to identify the property or properties relating to this payment.	Please find enclosed at Schedule "B" the trust ledger from Nekzai Law detailing the amounts received from Lift Capital Incorporated in connection with a blanket second mortgage loan. For additional clarity, please find enclosed at Schedule "B" copies of the Applicants' second mortgage loan agreements/commitments.
18.	To provide a record listing transactions between Zack Files Real Estate and the Applicants (and the dates).	<p>Please find enclosed at Schedule "B":</p> <ul style="list-style-type: none"> <li>(a) bank statements detailing funds transferred by ZFRE to the Applicants in respect of loans made by ZFRE to the Applicants;</li> <li>(b) bank statements detailing funds transferred by the Applicants to ZFRE in respect of loans made by the Applicants to ZFRE; and</li> <li>(c) an Excel workbook summarizing the foregoing transactions and illustrating the net amount owing from the Applicants to ZFRE.</li> </ul> <p>Please note that the yellow highlighted statements show funds transferred by ZFRE to the Applicants and the orange highlighted statements show funds transferred by the Applicants to ZFRE. Based on the enclosures at Schedule "B", the Applicants are indebted to ZFRE.</p>
19.	To provide the Zack Files Real Estate bank statements.	Please see immediately above. The bank statements provided have been redacted to remove transfers not involving the Applicants.
22.	To confirm whether the email recipient of the Interact e-transfer sent with a message stating "happy bday <b>      </b> " was <b>Name</b>	The recipient was <b>Name</b> . As reflected in the transcript of Ms. Aruba Butt's interview held on April 26, 2024, payments to <b>Name</b> were made on account of services he provided and were not gifts. The statement "happy bday <b>      </b> " related to the timing that the e-transfer was made, not the reason for the e-transfer.
23.	To the extent that it is within the Applicants' power, possession, or control – provide a copy of credit card statements associated with the credit card Bronwyn Bullen used to purchase items on behalf of Joint Captain Real Estate Inc., and for which payments were made to Bronwyn to pay off the card.	The credit card statements associated with the credit card used by Ms. Bronwyn Bullen were not previously in the Applicants' power, possession or control. The Applicants requested these statements from Ms. Bronwyn Bullen and received same as of today's date. Subject to receiving confirmation from Ms. Bronwyn Bullen that they may be disclosed, such statements will be provided.

Requests Made at the Interview of Aruba Butt Held April 26, 2024		
REQ	Specific Question	Answer
24.	To explain the \$10,000.00 transfer on June 1, 2023 from SID Management to DSPLN, and then to Aruba Butt’s personal account.	The \$10,000 transfer was made to reimburse Ms. Aruba Butt for expenses incurred or to be incurred on behalf of the Applicants paid for on Ms. Aruba Butt’s personal credit card.
25.	To provide details of the nature of the \$79,534.03 deposit from Nekzai Law on June 9, 2023, noted in Exhibit “M”.	Please find enclosed at Schedule “B” the trust ledger from Nekzai Law detailing the amounts received in connection with the applicable second mortgage loan. Please refer to the response to Request 16 above for copies of the Applicants’ second mortgage loan agreements/commitments.
26.	To provide details of the nature of the \$59,004.70 deposit from Nekzai Law on June 29, 2023, as noted in Exhibit “M”.	Please find enclosed at Schedule “B” a trust ledger from Nekzai Law detailing the amounts received in connection with a refinancing of the property located 351 Balsam Street South, Timmins, Ontario owned by DSPLN Inc. Please refer to the response to Request 16 above for copies of the Applicants’ second mortgage loan agreements/commitments.
27.	With respect to the \$275,745.68 deposit from Nekzai Law on July 26, 2023, to identify and provide the documents connected to the mortgage documents if they have already been provided.	<p>Please find enclosed at Schedule “B”:</p> <ul style="list-style-type: none"> <li>(a) a trust ledger from Nekzai Law detailing the amounts received in connection with this second mortgage loan; and</li> <li>(b) various supporting documents related to the transactions described therein.</li> </ul> <p>Please refer to the response to Request 16 above for copies of the Applicants’ second mortgage loan agreements/commitments.</p>
28.	To identify bank account [REDACTED], noted as having received \$140,000.00 on July 26 in the document marked as Exhibit “N”.	<p>The holder of bank account [REDACTED] was previously identified for the Monitor on May 2, 2024 as One Happy Island Inc.</p> <p>The funds were transferred to One Happy Island Inc. to preserve the Applicants’ liquidity while the Applicants continued to conduct renovations and pursue a comprehensive refinancing solution. The funds were subsequently used to pay for various expenses incurred by or on behalf of the Applicants. Had the funds not been transferred, they would have been eroded by interest and other payments that were subject to pre-authorized debits.</p>
29.	To identify bank account [REDACTED] and bank account [REDACTED], noted as having deposited \$45,000.00 and received \$42,466.13 (respectively) on August 1 in the document marked as Exhibit “O”.	As noted immediately above, the holder of bank account [REDACTED] is One Happy Island Inc. Bank account [REDACTED] is, to the Applicants’ knowledge, held by Lift Capital Incorporated. The funds were transferred to One Happy Island Inc. and subsequently transferred to Lift Capital Incorporated on account of amounts due from DSPLN Inc. to Lift Capital Incorporated. Please find enclosed at Schedule “B” email correspondence to [REDACTED] of Lift Capital Incorporated regarding such payment.
30.	To provide documents demonstrating the nature of the \$155,241.51 deposit from Nekzai Law on August 16, 2023, as shown in Exhibit “O”.	Please find enclosed at Schedule “B”:



**Requests Made at the Interview of Aruba Butt Held April 26, 2024**

REQ	Specific Question	Answer
		<p>(a) a trust ledger from Nekzai Law detailing the amounts received in connection with this second mortgage loan; and</p> <p>(b) a wire confirmation showing the amount received by DSPLN Inc.</p>
31.	To identify bank account [REDACTED], noted as having received \$43,710.07 on August 17, 2023 in Exhibit “O”.	Bank account [REDACTED] is, to the Applicants’ knowledge, held by Lift Capital Incorporated. These funds were transferred to satisfy mortgage interest payments owing to Lift Capital Incorporated. A summary of these payments can be found in columns “A” and “B” of the spreadsheet titled “Lift Payments Aug 2023” enclosed at Schedule “B”.
32.	To provide documents demonstrating the nature of the \$519,262.31 deposit from Nekzai Law on May 18, 2023, as noted in Exhibit “P”.	<p>Please find enclosed at Schedule “B”:</p> <p>(a) a trust ledger from Nekzai Law detailing the amounts received from this blanket mortgage loan provided by Lift Capital Incorporated; and</p> <p>(b) a wire confirmation showing the amount received by Happy Gilmore Inc.</p> <p>Please refer to the response to Request 16 above for copies of the Applicants’ second mortgage loan agreements/commitments.</p>
33.	To advise if SID Renos filed its taxes in 2020, 2021, and 2022.	SID Renos did not file taxes in 2020, 2021 or 2022.
34.	To produce SID Renos’ tax returns for 2020, 2021, and 2022, to the extent that they exist.	SID Renos did not file taxes in 2020, 2021 or 2022.
38.	To provide the financial statement for SID Renos for each of 2020, 2021, 2022, and 2023.	Financial statements have not been prepared for SID Renos for 2020, 2021, 2022 or 2023.
40.	To provide the general ledger for SID Renos.	SID Renos has not maintained a general ledger.
41.	To provide the documents noted in requests #38-40 for each of SID Management and SID Developments.	<p>With respect to SID Developments, please refer to the responses to Requests 12 and 13 made during the interview of Mr. Robert Clark held on April 25, 2024. SID Developments similarly has no financial statements.</p> <p>The Requests with respect to SID Management Inc. continue to be reviewed and considered at this time.</p>
42.	To provide documents demonstrating the nature of the \$117,113.61 deposit from Nekzai Law on July 31, 2023, as noted in Exhibit “Q”.	<p>Please find enclosed at Schedule “B”:</p> <p>(a) a trust ledger from Nekzai Law detailing the amounts received in connection with this first mortgage loan;</p> <p>(b) a trust ledger from Steven Z. Cooper Professional Corporation detailing same; and</p> <p>(c) a wire confirmation showing the amount received by Happy Gilmore Inc.</p>

**Requests Made at the Interview of Aruba Butt Held April 26, 2024**

REQ	Specific Question	Answer
45.	To identify bank account Happy Island Account # and bank account LIFT Capital Account #, as noted as having deposited \$28,000 and received \$26,393.87 (respectively) on August 1, 2023 Exhibit “R”.	As noted above, the holder of bank account Happy Island Account # is One Happy Island Inc. As noted above, the holder of bank account LIFT Capital Account # is, to the Applicants’ knowledge, Lift Capital Incorporated.
46.	To provide documents demonstrating the source of the \$119,696.46 deposit on March 6, 2023, as noted in Exhibit “S”.	Please find enclosed at Schedule “B”: (a) a cheque from Nekzai Law in respect of such deposit; and (b) the registered charge in connection with the first mortgage loan from which these funds were received.
47.	To identify bank account Happy Island Account # and bank account LIFT Capital Account #, as noted as having deposited \$16,000 and received \$14,523.03 (respectively) on August 1, 2023 in Exhibit “T”.	As noted above, the holder of bank account Happy Island Account # is One Happy Island Inc. As noted above, the holder of bank account LIFT Capital Account # is, to the Applicants’ knowledge, Lift Capital Incorporated.
48.	To provide documents demonstrating the nature of the \$287,649.73 deposit from Nekzai Law on August 3, 2023, as noted in Exhibit “T”.	Please find enclosed at Schedule “B”: (a) a trust ledger from Nekzai Law detailing the amounts received in connection with this first and second mortgage loan; (b) a trust ledger from Steven Z. Cooper Professional Corporation detailing same; and (c) various supporting documents regarding same. Please refer to the response to Request 16 above for copies of the Applicants’ second mortgage loan agreements/commitments.
49.	To identify bank account Unknown Account #, as noted as having deposited \$60,000 on January 6, 2023 in Exhibit “U”.	To the Applicants’ knowledge, bank account Unknown Account # is held by an arm’s length lender to Joint Captain Real Estate Inc. The amount deposited was in respect of a promissory note issued by Joint Captain Real Estate Inc. The applicable promissory note is enclosed at Schedule “B”.
50.	To provide the bank statements for each of Prospect Real Estate Inc. and SID Renos.	Prospect Real Estate Inc.’s bank statements are enclosed at Schedule “B”. The Request with respect to SID Renos continues to be reviewed and considered at this time.
52.	To provide documents demonstrating the nature of the \$123,180.45 deposit from Nekzai Law on July 21, 2023, as noted in Exhibit “X”.	Please find enclosed at Schedule “B”: (a) a trust ledger from Nekzai Law detailing the amounts received in connection with this second mortgage loan; and (b) a wire confirmation showing the amount received by The Pink Flamingo Inc.
53.	To provide documents demonstrating the nature of the \$435,340.49 deposit from Nekzai Law on July 28, 2023, as noted in Exhibit “X”.	Please find enclosed at Schedule “B”:

Requests Made at the Interview of Aruba Butt Held April 26, 2024		
REQ	Specific Question	Answer
		<p>(a) a trust ledger from Nekzai Law detailing the amounts received in connection with this first and second mortgage loan; and</p> <p>(b) various supporting documents regarding same.</p> <p>Please refer to the response to Request 16 above for copies of the Applicants’ second mortgage loan agreements/commitments.</p>
54.	To identify bank account Happy Island Account #, advise whether this bank account is held within the power, possession, or control of the Applicants or its principals, and if so, to provide the bank account statements for this account, as noted as having received \$410,000 on July 28, 2023 in the document marked as Exhibit “X”.	<p>As noted above, the holder of bank account Happy Island Account # is One Happy Island Inc.</p> <p>Please find enclosed at Schedule “B” copies of One Happy Island Inc.’s bank account statements, which have been redacted to remove transactions unrelated to the Applicants or their business.</p> <p>The funds were transferred to One Happy Island Inc. to preserve the Applicants’ liquidity while the Applicants continued to conduct renovations and pursue a comprehensive refinancing solution. The funds were subsequently used to pay for various expenses incurred by or on behalf of the Applicants. Had the funds not been transferred, they would have been eroded by interest and other payments that were subject to pre-authorized debits.</p>

**Requests Made at the Interview of Ryan Molony Held May 1, 2024**

REQ	Specific Question	Answer
1.	To provide Ryan Molony's contractor agreement(s) with Robby Clark and any entities that Mr. Clark runs.	Efforts were made to locate such a document. No such document was located.
2.	To provide the budgets for each of the renovations that SID Renos has completed with respect to the Applicants' properties.	Please refer to the responses to Requests 4 and 5 below as well as the response to Request 19 made during the interview of Mr. Robert Clark held on April 25, 2024. The Applicants note that their renovation budgets were dynamic and would be refined or varied based on several variables, including, without limitation, the estimated time to completion, changing material costs, and the Applicants' available funds.
3.	To provide the data from Monday.com in respect of the renovations performed on the Applicants' properties.	This data can only be pulled manually on a property-by-property basis. Having regard to the principle of proportionality and the Applicants' strained resources, the Applicants have enclosed a reasonable sample of such data at Schedule "C". Please advise if there is a subset of properties of interest.
4.	To provide the Google Sheets for the pre-filing renovations conducted by SID Renos in respect of the Applicants' properties.	Please see the response to Request 5 below and the Excel workbook titled "SID Renos – Daily Progress ReportV1" enclosed at Schedule "C".
5.	To export and provide the historical data from the Smartsheet program in respect of the Applicants' properties that were renovated by SID Renos.	Please find enclosed at Schedule "C" the following: (a) an Excel workbook from Smartsheet, which, among other things, indicates expenses incurred by or invoiced through SID Management Inc. on behalf of the Applicants; (b) an Excel workbook from Smartsheet, which, among other things, indicates expenses incurred by or invoiced through SID Renos on behalf of the Applicants; and (c) an Excel workbook from Smartsheet, which, among other things, provided anticipated budgets for the Applicants' renovations as of 2022 and updates with respect to such renovations.
7.	To provide the diligence materials for properties acquired by the Applicants.	Please find enclosed at Schedule "C" a reasonable sample of the diligence information provided to the Applicants by certain real estate agents engaged to assist in such acquisitions. Please advise if there is a subset of properties of interest.
10.	To provide the spreadsheet used to track the rent and expenses regarding the Applicants' properties.	Please refer to the responses to Requests 4 and 5 above as well as the response to Request 19 made during the interview of Mr. Robert Clark held on April 25, 2024.
11.	To provide information as to the date when pre-authorized debits were shut off on the Applicants' bank accounts.	As reflected in the transcript of Mr. Ryan Molony's interview held on May 1, 2024, this request was limited to pre-authorized debits in favour of utility providers. The Applicants have not been able to confirm precisely when such pre-authorized debits were shut off with respect to each applicable utility provider and do not expect to be able to do so.

**Requests Made at the Interview of Ryan Molony Held May 1, 2024**

REQ	Specific Question	Answer
13.	To provide invoices prepared by SID Renos and sent to the Applicants for amounts owing on their properties.	Please refer to the response to Request 6 made during the interview of Ms. Aruba Butt held on April 26, 2024.
15.	To identify when pre-filing arrears in relation to contractors began to accrue, to the extent it is not already obvious from the document provided to KSV.	Please refer to the invoices that comprise the approximately \$600,000 in trade accounts payable referenced in the Affidavit of Robert Clark sworn January 23, 2024, which, to the Applicants' knowledge were previously provided to the Monitor. For ease of reference, such invoices are enclosed at Schedule "C".
16.	To the extent that there is a document that offers a better picture of when it became an issue to pay contractors on time and provide same.	Please refer to the invoices referenced above.
17.	To make inquiries and advise the period of time during which the SID Renos construction management fees were invoiced but not paid.	To the Applicants' knowledge, and as reflected in the Affidavit of Robert Clark sworn January 23, 2024, SID Renos' construction management fees began to be invoiced but not paid in June 2022.
19.	To provide the LOIs from Firm Capital and from GlassLake through Bayshore, to the extent they have not already been provided.	To the Applicants' knowledge, both such LOIs were previously provided to the Monitor. For ease of reference, please find enclosed at Schedule "C" the following: (a) a letter of interest dated November 20, 2022 from CMLS Financial (i.e. the GlassLake LOI referred to during the interview of Mr. Ryan Molony held on May 1, 2024); (b) a letter of intent dated August 17, 2023 from Firm Capital Corporation; and (c) an updated letter of intent dated October 5, 2023 from Firm Capital Corporation.
20.	To confirm if the \$423,500 mortgage in July 2023 as detailed in the document marked as Exhibit "C" was driven by a Windrose request.	The first and second mortgage loan in respect of the properties located at 105 Victor Emmanuel Avenue, Sault Ste. Marie and 278 Selby Road, Sault Ste. Marie provided pursuant to the loan commitment marked as Exhibit "C" was obtained, in part, due to information provided by The Windrose Group Inc. Namely, that the prior first mortgagee of the property located at 105 Victor Emmanuel Avenue, Sault Ste. Marie would not renew their first mortgage loan and had requested to be repaid. As reflected in the trust ledger enclosed at Schedule "C", such mortgagee was repaid utilizing a portion of the proceeds of the loan commitment marked as Exhibit "C". As reflected in the wire transfer enclosed at Schedule "C", the balance of the proceeds of the loan commitment marked as Exhibit "C", less legal fees, title insurance fees and disbursements were paid to the borrower, Multiville Inc.
21.	To advise when 278 Selby Road was renovated, if ever.	As reflected in the Excel workbook titled "Budgetinfo0112V1.XLSX" previously provided to the Monitor in January 2024, approximately \$8,120.59 was expended on renovating this property in 2022. Such renovations included repairing a toilet, replacing the flooring in certain sections of

Requests Made at the Interview of Ryan Molony Held May 1, 2024		
REQ	Specific Question	Answer
		the home and patching and painting drywall within the home. As the Monitor is aware, the property is currently undergoing additional renovations.
26.	To provide information about the recipient of all the transfers over \$2500.00 in the document marked as Exhibit “E”.	The transfers set out in Exhibit “E” occurred in 2022 and 2021. Given the dates and descriptions of the transfers, the Applicants have had difficulty determining the recipient of each. To date, the Applicants have identified the recipient of 10 of the transfers above \$2,500 within Exhibit “E”, the details of which are enclosed at Schedule “C”. The Applicants’ review remains ongoing.

Requests Made at the Interview of Dylan Suitor Held May 6, 2024

REQ	Specific Question	Answer
1.	To provide all documents that would shed light on the nature of the transfers of funds and/or properties by the Applicants to any and all entities affiliated with Mr. Suitor.	<p>The Applicants and the subsidiaries of 2657677 Ontario Inc. (certain of which are Applicants), the ultimate shareholder of which is Mr. Dylan Suitor, operated within the same business. The Applicants and certain of the non-Applicant subsidiaries of 2657677 Ontario Inc. engaged in intercompany transactions in the ordinary course of business, resulting in intercompany receivables and payables.</p> <p>In addition, certain of the non-Applicant subsidiaries of 2657677 Ontario Inc. (Old Thing Back inc. and Upgrade Housing Inc. in particular) had credit cards that were utilized to pay for expenses on behalf of the Applicants for which such non-Applicants were reimbursed. In this regard, please see enclosed at Schedule “D”:</p> <p>(a) Amex statements from Old Thing Back Inc. detailing same; and</p> <p>(b) Amex statements from Upgrade Housing Inc. detailing same.</p> <p>The Applicants note that Old Thing Back Inc. and Upgrade Housing Inc. are among the first entities incorporated among the Applicants and the non-Applicant subsidiaries of 2657677 Ontario Inc., which operated within the same business with established credit and access to credit cards (charge cards) that could be utilized to fund expenses on behalf of the Applicants. While the Applicants’ review remains ongoing, a substantial portion of the intercompany transfers to Old Thing Back Inc. and Upgrade Housing Inc. are, to the Applicants’ knowledge and as a correction to the Applicants’ March 15 letter, in respect of reimbursements of expenses incurred on their respective credit cards for the Applicants’ benefit.</p> <p>Old Thing Back Inc., Upgrade Housing Inc. and the remainder of the non-Applicant subsidiaries of 2657677 Ontario Inc. that operated within the same business were not included as Applicants in the CCAA Proceedings given, among other things, the realizable value of the assets of such entities relative to their respective liabilities and alternatives believed to be available to certain of such entities.</p> <p>As advised on March 15, 2024, the \$150,000 transfer from Interlude Inc. to Elev8 Inc., the parent company of 2657677 Ontario Inc., was in respect of a dividend approved by the sole director of Interlude Inc. following the Core sale.</p> <p>Based on the review to date and as a supplement to the Applicants’ March 15 letter, the limited transfers made to Mr. Dylan Suitor’s professional corporation are described below:</p> <p>(a) the first of such transfers was in respect of legal fees incurred by Old Thing Back Inc., which were paid for by Mr. Dylan Suitor’s professional corporation and reimbursed</p>

Requests Made at the Interview of Dylan Suitor Held May 6, 2024		
REQ	Specific Question	Answer
		<p>by Interlude Inc. (resulting in an intercompany receivable due from Old Thing Back Inc.);</p> <p>(b) the second of such transfers was in respect of a business expense incurred by Old Thing Back Inc., which was paid for by Mr. Dylan Suitor’s professional corporation and reimbursed by Interlude Inc. (resulting in an intercompany receivable due from Old Thing Back Inc.); and</p> <p>(c) the third and final of such transfers was in respect of repayments to Amex from Mr. Dylan Suitor’s professional corporation on behalf of Interlude Inc. for which Mr. Dylan Suitor’s professional corporation was reimbursed.</p> <p>Finally, two transfers from the Applicants in the amounts of \$6,900 and \$16,600 were made to Commercial Urkel Inc., a corporation in which Mr. Dylan Suitor and Ms. Aruba Butt each have a 50% interest, as intercompany loans to pay certain amounts due to one or more lenders to Commercial Urkel Inc. sourced by The Windrose Group Inc. and fees related thereto.</p> <p>The Applicants are unaware of transfers from the Applicants to non-Applicant entities that Mr. Dylan Suitor has an interest in other than those noted above.</p>
2.	To provide a copy of a document (referenced by Mr. Suitor during the interview) tracking properties moved between the entities that Mr. Suitor had involvement with.	Efforts were made to locate such a document. No such document was located.
3.	If there is a more recent copy of any document(s) referenced at #2 above, tracking properties moved between the entities that Mr. Suitor had involvement with, to provide same.	Efforts were made to locate such a document. No such document was located.
6.	If there has been any transfer of funds either for work done or for other reasons from the Applicants to New Hues Painting Inc., to provide particulars of those transfers.	New Hues Painting Inc. has been dissolved and its email account is not active. All work completed was pre-2020 and the Applicants are unaware of any transfers to New Hues Painting Inc. from the Applicants.
8.	To provide the organizational chart mentioned by Mr. Suitor of the entities that Mr. Suitor has an interest in without Robert Clark.	Please find enclosed at Schedule “D” the requested organizational chart.
10.	To provide documentation showing the use of funds from Core Sale.	Please refer to the response to Request 1 made during the interview of Mr. Robert Clark held on April 25, 2024.
11.	To provide financial statements of the Applicants for 2021 or 2020, and if these don’t exist, to confirm that they don’t exist.	Financial statements for the Applicants have not been prepared for the years 2021 and 2020.



**Requests Made at the Interview of Dylan Suitor Held May 6, 2024**

REQ	Specific Question	Answer
13.	To produce information concerning tax filings prior to those made in 2023 or 2024 for the purposes of moving into CCAA and to provide information concerning tax filings for the Applicants in prior years and tax returns, if these exist.	The Applicants have previously provided the Monitor with all available tax filings for the year 2022.
15.	To produce the LOIs that were provided by Scotia and any other entities to the Applicants for re-financing.	Please find enclosed at Schedule “D” the financial proposals received from Scotia Wealth Management. Please also refer to the responses to Request 19 made during the interview of Mr. Ryan Molony held on May 1, 2024 and Request 40 made during the interview of Mr. Robert Clark held on April 25, 2024.
17.	To make inquiries and advise whether any of the Applicants’ funds were used to pay for Turtle Bay Pools and provide documentation related to same.	None of the Applicants’ funds were used to pay Turtle Bay Pools.
19.	To produce the appraisals that exist for the Applicants’ properties for 2021 and onwards.	The Applicants previously provided the Monitor with copies of all appraisals for 2021 onward.
25.	To produce any communications between Mr. Suitor and Windrose regarding 454 Eva Avenue in relation to the Old Thing Back Promissory Note marked as <b>Exhibit “I”</b> .	There is no such communication between Mr. Suitor and The Windrose Group Inc. Given the number of promissory notes executed by Mr. Dylan Suitor, the error within the promissory note renewal marked as Exhibit “I” did not come to Mr. Dylan Suitor’s attention. In the circumstances, the Applicants are prepared to treat the indebtedness under the promissory note renewal marked as Exhibit “I” as an obligation of Interlude Inc., subject to obtaining the Monitor’s consent and any requisite Court approval and confirming the accurate quantum of such indebtedness.
26.	To determine and advise whether Mr. Suitor treated 496 Whistle Avenue and 536 Montague Avenue similarly to 454 Eva Avenue by referencing them in promissory notes similar to the Old Thing Back Promissory Note marked as <b>Exhibit “I”</b> that were taken out or renewed during the period of time that the properties were transferred (September 25, 2023 and January 15, 2024).	The Applicants are unaware of any new promissory notes being issued in respect of the properties located at 496 Whissel, Sudbury, Ontario or 536 Montague Avenue, Sudbury, Ontario. The promissory notes that the Applicants are aware of that were renewed in respect of the latter property are enclosed at Schedule “D”. Interlude Inc., not Old Thing Back Inc., is the issuer under each such note. The Applicants are unaware of a promissory note in respect of the property located at 496 Whissel, Sudbury, Ontario being issued or renewed during the relevant period.
27.	To provide details of any work done on the Property located at 261 Kimberly Avenue, Timmins, Ontario.	The work performed at the property located 261 Kimberly Avenue, Timmins, Ontario was limited to boarding up the home and general cleanup.
28.	To confirm the date of the fire(s) at the Property located at 261 Kimberly Avenue, Timmins, Ontario.	The first fire occurred on November 18, 2023. The second fire occurred on March 20, 2024.

Requests Made at the Interview of Dylan Sutor Held May 6, 2024		
REQ	Specific Question	Answer
29.	To confirm whether anyone told lenders about the fire at 261 Kimberly Avenue (or by extension 496 Whistle Avenue and 536 Montague) prior to renewing their promissory notes in November and December.	<p>As the transcript of Mr. Dylan Sutor’s interview held on May 6, 2024 reflects, the Request made was limited to the property located 261 Kimberly Avenue.</p> <p>As reflected in the transcripts of Mr. Robert Clark, Ms. Aruba Butt, Mr. Ryan Molony and Mr. Dylan Sutor, communications with lenders that were sourced by The Windrose Group Inc. were made by The Windrose Group Inc., not the Applicants or Management.</p> <p>The Windrose Group Inc. was apprised of the fire at the property located at 261 Kimberly Avenue during the Applicants’ update calls with The Windrose Group Inc. The Applicants are not able to confirm whether The Windrose Group Inc. advised the applicable lenders of such fire.</p> <p>The Applicants are unaware of a new promissory note being issued subsequent to the fire at the property located 261 Kimberly Avenue other than promissory notes that were renewed.</p>
30.	To produce credit card statements for Old Thing Back and Upgrade Housing.	Please refer to the response to Request 1 above for the requested credit card statements.
32.	To produce Mr. Sutor’s personal credit card statements.	The Monitor has previously been provided with Mr. Dylan Sutor’s Scotiabank Visa statements. The Applicants note that the “Scotia” and “Amex” payments reflected in Exhibit “Q” and described as such in the “Memo/Description” would have been made directly to the applicable credit cards and not to Mr. Dylan Sutor.
33.	To produce bank account statements and general ledgers for 2021 onwards for each of the companies that Mr. Sutor has a direct or indirect interest in. The ones of most interest to the Monitor on an expedited basis include: 1083 Main Street Inc., Conduit Asset Management, Happy Town Housing, Old Thing Back, Prospect Real Estate Holdings Inc., Upgrade Housing Inc., Up-Town Funk Inc., Elv8 Inc., Elevation Real Estate Network, Mr. Sutor Professional Real Estate Corporation and the Sutor Family Trust.	The bank account statements for Prospect Real Estate Holdings Inc. are enclosed at Schedule “D”. The balance of this Request continues to be reviewed and considered at this time.
35.	To produce the Interlude bank statements prior to October 2021.	All of Interlude Inc.’s available bank account statements have previously been provided to the Monitor.
40.	To advise where the money went for any other payments to Upgrade Housing.	Please refer to the response to Request 1 above. To the extent not transferred in connection with expenses incurred on Upgrade Housing Inc.’s credit card on the Applicants’ behalf, such transfers were intercompany loans, the proceeds of which were utilized to fund Upgrade Housing Inc.’s ordinary course expenses.
41.	To provide the particulars of bank account <span>LIFT Capital Account #</span>	As set out above, the holder of bank account <span>LIFT Capital Account #</span> , to the Applicants’ knowledge, is Lift Capital Incorporated.

Requests Made at the Interview of Dylan Suitor Held May 6, 2024		
REQ	Specific Question	Answer
47.	To produce anything related to a “second deal” with Core including, but not limited to offers, LOIs and term sheets.	Please find enclosed at Schedule “D” the requested documents.
49.	To advise whether payments were made directly by the Applicants to promissory note lenders or if all payments were made to Lion’s Share even when the lender was an individual.	Payments due to promissory note lenders other than The Lion’s Share Group Inc. were made to The Windrose Group Inc., or on a few occasions, directly to a lender per instructions from The Windrose Group Inc.



May 31, 2024

Via E-Mail

rsniderman@cassels.com

tel: +1 416 869 5340

Bennett Jones LLP  
3400 One First Canadian Place  
P.O. Box 130  
Toronto, Ontario  
M5X 1A4

Attention: Alexander C. Payne

Dear Mr. Payne:

**Re: IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF  
COMPROMISE OR ARRANGEMENT OF BALBOA INC. et al (Court File No.:  
CV-24-007-13245-00CL)**

We are in receipt of your May 28 responses to our requests and have the following follow-up questions.

#### Follow-Up Questions from the Interview of Robert Clark

No.	Question	Answer	Follow-Up Questions
1.	To produce the documents associated with the Core Sale, including the agreement of purchase and sale, and whatever documents would show how the proceeds of sale were disbursed.	<p>The following documents were provided to the Monitor and its counsel on May 7, 2024:</p> <ul style="list-style-type: none"> <li>(a) the execution copy of the Agreement of Purchase and Sale with Core Acquisition Co. Inc. dated February 24, 2022 (the "APS");</li> <li>(b) a copy of a First Amendment to the APS dated March 14, 2022;</li> <li>(c) an image of a Letter Agreement, extending the</li> </ul>	<p><b>(1)</b> Please provide copies of all directions re: funds and copy of the lawyer's trust ledger showing where the proceeds of sale were actually paid.</p> <p><b>(2)</b> The "trust ledger" provided references an aggregate of \$11,082,375.96 in promissory notes being issued as follows:</p>

No.	Question	Answer	Follow-Up Questions
		<p>closing date under the APS, dated April 21, 2022;</p> <p>(d) a copy of a Letter Agreement, extending the closing date under the APS, dated April 27, 2022; and</p> <p>(e) a copy of an Amendment to the APS dated April 29, 2022. Please find enclosed at Schedule "A" the following:</p> <p>(f) a Letter of Intent received from Core Acquisition Co. Inc. dated December 31, 2021;</p> <p>(g) a revised Letter of Intent received from Core Acquisition Co. Inc. dated January 6, 2022;</p> <p>(h) an omnibus statement of adjustments; and</p> <p>(i) a trust ledger.</p>	<p>- Dylan Suitor et al: \$4,356,788.93;</p> <p>- Aruba Butt et al PF DSPLN: \$3,106,971.24;</p> <p>- Ryan Molony et al MV HG : \$2,927,764.24; and</p> <p>- Joint Captain Real Estate Inc.: \$690,851.55</p> <p>Please:</p> <p>(a) Provide copies of these promissory notes;</p> <p>(b) Explain why these promissory notes were issued;</p> <p>(c) Advise whether any amounts have been paid on account of the promissory notes, and if so, provide details of such payments and supporting documents; and</p> <p>(d) Confirm the outstanding balance on each promissory note.</p>

This list of questions is not exhaustive and we reserve the right to ask additional questions as we continue reviewing the material provided. We also await responses to the numerous questions that remain unanswered.

May 31, 2024  
Page 3

We look forward to your prompt attention and responses in this matter.

Yours truly,

Cassels Brock & Blackwell LLP



Robert Sniderman  
Associate

RS/rs

cc: Sean Zweig, Joshua Foster and Thomas Gray (Bennett Jones)  
cc: Ryan Jacobs, Shayne Kukulowicz, Colin Pendrith, Joe Belissimo, and John M.  
Picone (Cassels)  
cc: Noah Goldstein and David Sieradzki (KSV)

**Alex Payne**

**Partner**

Direct Line: 416.777.5512

e-mail: paynea@bennettjones.com

June 10, 2024

**Sent Via E-Mail**

Cassels Brock & Blackwell LLP  
Suite 3200, Bay Adelaide Centre  
40 Temperance Street  
Toronto, ON M5H 0B4

**Attention: Colin Pendrith**

Dear Mr. Pendrith:

**Re: IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF  
COMPROMISE OR ARRANGEMENT OF BALBOA INC. et al.  
(Court File No.: CV-24-00713245-00CL)**

As you know, we are the lawyers for 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 "**Applicants**") in the above-captioned proceedings (the "**CCAA Proceedings**"). We write further to our letter dated May 28, 2024 (the "**May 28 Letter**") and your letter of May 31, 2024 (the "**May 31 Letter**"). Capitalized terms used and not otherwise defined herein have the meaning ascribed to them in the May 28 Letter.

The May 28 Letter provided responses to your colleague's letters dated April 29, May 2, May 9 and May 10, 2024 (collectively, the "**Letters**") and certain of the Requests enumerated therein. Since the delivery of the May 28 Letter, the Applicants and Management have continued to make significant efforts to address the Requests and have endeavoured to efficiently respond to those outstanding Requests that are likely to be most material to the Investigation.

We are in receipt of your May 31 Letter, which contained certain follow-up questions from the Interview of Robert Clark (the "**Follow-Up Questions**"). Responses to the Follow-Up Questions are contained in Appendix "A" to this letter. The Applicants and Management reserve their rights to correct or supplement any information provided in Appendix "A" should any error or omission come to their attention.

As we advised in our May 13 letter and May 28 Letter, the Applicants and Management continue to assemble documents and information in connection with other Requests made, as appropriate, and intend to provide further responses in due course.

This letter's enclosures and each of their respective contents are confidential and are being provided in response to the Monitor's Follow-Up Questions made in the course of the Investigation.

The enclosures are intended solely for the Monitor, the Monitor's counsel and each of their respective directors, officers, employees, agents and advisors acting on their behalf who need to know such information for the purpose of the Investigation. Nothing in this letter or its enclosures should be interpreted as a waiver of solicitor-client or any other privilege.

Please do not hesitate to contact us should you require further clarification or any further information.

Yours truly,

**BENNETT JONES LLP**

*Alex Payne*  
Alex Payne

cc: Sean Zweig, Joshua Foster and Thomas Gray (Bennett Jones LLP)  
Ryan Jacobs, Shayne Kukulowicz, Joe Bellissimo and John M. Picone (Cassels Brock & Blackwell LLP)  
Noah Goldstein and David Sieradzki (KSV Restructuring Inc.)



## APPENDIX A

## Responses to Monitor's Follow-Up Questions from the Interview of Robert Clark

No.	Question	Answer	Follow-Up Questions	Answer
1.	To produce the documents associated with the Core Sale, including the agreement of purchase and sale, and whatever documents would show how the proceeds of sale were disbursed.	<p>The following documents were provided to the Monitor and its counsel on May 7, 2024:</p> <ul style="list-style-type: none"> <li>(a) the execution copy of the Agreement of Purchase and Sale with Core Acquisition Co. Inc. dated February 24, 2022 (the "APS");</li> <li>(b) a copy of a First Amendment to the APS dated March 14, 2022;</li> <li>(c) an image of a Letter Agreement, extending the closing date under the APS, dated April 21, 2022;</li> <li>(d) a copy of a Letter Agreement, extending the closing date under the APS, dated April 27, 2022; and</li> <li>(e) a copy of an Amendment to the APS dated April 29, 2022. Please find enclosed at Schedule "A" the following:</li> <li>(f) a Letter of Intent received from Core Acquisition Co. Inc. dated December 31, 2021;</li> <li>(g) a revised Letter of Intent received from Core Acquisition Co. Inc. dated January 6, 2022;</li> <li>(h) an omnibus statement of adjustments; and</li> <li>(i) a trust ledger.</li> </ul>	<ol style="list-style-type: none"> <li>1. Please provide copies of all directions re: funds and copy of the lawyer's trust ledger showing where the proceeds of sale were actually paid.</li> <li>2. The "trust ledger" provided references an aggregate of \$11,082,375.96 in promissory notes being issued as follows: <ul style="list-style-type: none"> <li>- Dylan Suitor et al: \$4,356,788.93;</li> <li>- Aruba Butt et al PF DSPLN: \$3,106,971.24;</li> <li>- Ryan Molony et al MV HG : \$2,927,764.24; and</li> <li>- Joint Captain Real Estate Inc.: \$690,851.55</li> </ul> </li> </ol> <p>Please:</p> <ul style="list-style-type: none"> <li>(a) Provide copies of these promissory notes;</li> <li>(b) Explain why these promissory notes were issued;</li> <li>(c) Advise whether any amounts have been paid on account of the promissory notes, and if so, provide details of such payments and supporting documents; and</li> <li>(d) Confirm the outstanding balance on each promissory note.</li> </ul>	<ol style="list-style-type: none"> <li>1. The Applicants understand that, given the size and complexity of the Core Sale (the closing of which was repeatedly pushed out, with per diem amounts owing for each property changing daily), "directions re: funds" were not prepared by the vendors' counsel with respect to the distribution of net proceeds to any of the named vendors. Instead, the final trust ledger previously provided to the Monitor was consistently provided directly to Claire Drage, who provided sign-off on the amounts owing pursuant to the mortgages and the promissory notes, and to the principals of the vendor corporations themselves. Ms. Drage was responsible for the disbursement of funds to the holders of the mortgages and the promissory notes, and the Applicants have no insight into these disbursements.</li> </ol> <p>"Re-directions re: funds" were prepared in the following instances where a secondary payment from the Core Sale proceeds was necessary:</p> <ul style="list-style-type: none"> <li>(a) Each of (i) Corn Soup Inc.; (ii) <span style="background-color: black; color: black;">Names</span> respectively, were owners of certain properties sold pursuant to the Core Sale (the "<b>Other Individuals</b>"). As previously disclosed, Robert Clark had an informal and undocumented interest in Corn Soup Inc. that provided Mr. Clark with an opportunity to receive a portion of Corn Soup Inc.'s future profits, if any, or elect to manage the property owned by Corn Soup Inc. Separately, <span style="background-color: black; color: black;">Names</span> shared an undocumented beneficial ownership of certain properties subject to the Core Sale with Aruba Butt and agreed that 50% of the net sale proceeds of the owned property would be paid to Ms. Butt. As such, each of the Other Individuals executed re-directions re: funds to reflect this payout of net proceeds directly to Ms. Butt's corporation, DSPLN Inc. (including Corn Soup Inc., who agreed to make this payment to DSPLN Inc. given that Ms. Butt is the spouse of Mr. Clark).</li> <li>(b) A management fee of approximately 1% of the proceeds of the Core Sale was paid to 2707793 Ontario Inc. o/a SID Renos ("<b>SID</b></li> </ul>

No.	Question	Answer	Follow-Up Questions	Answer
				<p><b>Renos</b>”). This represented a one-time fee that was ultimately disbursed to employees of SID Management and SID Renos given the substantial work undertaken by the relevant employees in the six months preceding the sale. As such, a re-direction re: funds in the amount of \$758,504.43 was executed by SID Renos and the vendors.</p> <p>Please find enclosed at Schedule “A” the re-directions re: funds executed by the Other Individuals and SID Renos.</p> <p>In certain cases, vendors that shared a common controlling individual transferred proceeds from the Core Sale amongst themselves in order to satisfy liabilities owing pursuant to the mortgages and/or promissory notes. For example, Happy Gilmore Inc. and Multiville Inc. are both controlled by Ryan Molony. The Core Sale resulted in net proceeds (after repayment of all mortgages and/or promissory notes) of \$1,760,384.33 for Multiville, but resulted in a net deficit of \$1,238,419.85 for Happy Gilmore. Accordingly, Multiville paid the obligations owing by Happy Gilmore from its net proceeds. The trust ledger reflects the final amount paid to Multiville (being \$521,964.47, which is the net proceeds of the Core Sale minus the amounts paid in respect of the Happy Gilmore obligations) and Happy Gilmore (being \$0). These inter-vendor transfers were only completed in cases where the vendors shared a common controlling individual. Directions were not executed in respect of these transfers. In all cases, the vendors repaid all amounts stated as owing by Ms. Drage pursuant to the promissory notes and mortgages in full.</p> <p>The Applicants understand that the trust ledger previously provided to the Monitor on May 28, 2024 is the final trust ledger that was prepared by the vendors’ counsel in respect of the Core Sale and accurately reflects the payouts made and received by the vendors.</p> <p>2. The amounts referenced represent the <u>payouts</u> made by:</p> <p>(a) Dylan Suitor and entities controlled by Dylan Suitor;</p> <p>(b) Aruba Butt and entities controlled by Aruba Butt;</p> <p>(c) Ryan Molony and entities controlled by Ryan Molony; and</p> <p>(d) Joint Captain Real Estate Inc.</p>

No.	Question	Answer	Follow-Up Questions	Answer
				<p>in respect of amounts owing pursuant to the promissory notes issued in connection with properties sold pursuant to the Core Sale (the “<b>Affected Promissory Notes</b>”). To clarify, these are <u>not</u> promissory notes that were issued to the above-captioned parties. The Applicants and Management have previously provided the Monitor with the promissory notes that they are party to.</p> <p>Please find enclosed at Schedule “A” correspondence from Bronwyn Page instructing the payout of the Affected Promissory Notes as well as the cheques that were provided by the vendors’ real estate counsel.</p> <p>The Applicants understand that the amount paid represented a total payout of all amounts owing pursuant to the Affected Promissory Notes, and that the vendors’ real estate counsel was instructed to pay this amount to The Lion’s Share Group Inc. (which would then further distribute the proceeds to other Affected Promissory Note holders other than The Lion’s Share Group Inc., as and where required) by Bronwyn Drage. The Applicants note that they are in the process of reviewing evidence that certain of the amounts reported as owing pursuant to promissory notes issued by the Applicants appear to be materially overstated, and the Applicants therefore may have materially overpaid The Lion’s Share Group Inc. at the time of the Core Sale closing. The Applicants intend to provide the Monitor with further information in this regard shortly.</p>



Name

Email Address

## PROMISSORY NOTE LOAN PAYOUTS

**Bronwyn Bullen** <bronwyn@thewindrosegroupp.ca>

Mon, May 9, 2022 at 9:31 AM

To: [Name] [Email Address] >

That is correct, attached is Claire's account details

As Always, Take Care

Logo Description automatically generated



### BRONWYN BULLEN

Manager, Private Financing & Investments



289-800-9620

bronwyn@thewindrosegroupp.ca

Mortgage Alliance LIC #10530

www.thewindrosegroupp.ca



ON #M08007610 | BC #503317

My personal support team includes:

**Names**

Director, Mortgage Lending | 289-800-9622 | [Email Address]

Director, Marketing & Operations | 289-799-8510 | [Email Address]

Bronwyn Bullen | Manager, Private Financing & Investments | 289-800-9620 | bronwyn@thewindrosegroupp.ca

[Name] | Manager, Private Financing & Investments | 289-800-9620 | [Email Address]

Sam Drage | Manager, Fulfilment & Compliance | 289-767-0915 | sam@thewindrosegroupp.ca

[Name] | Underwriting Support | 289-800-9624 | [Email Address]

**Names**

Digital Marketing Assistant & Event Coordinator | 289-787-0655 | [Email Address]

Manager, Finance & Human Resources | 289-800-9625 | [Email Address]

Mortgage Administration | 289-767-0944 | [Email Address]

**Name**

Bookkeeper | 289-767-0949 | kate@thewindrosegroupp.ca

Windrose Trust Units are available to qualified investors on a private placement basis only via Offering Memorandum dated January 2<sup>nd</sup>, 2022 (the "Offering Memorandum"). The statements contained herein are qualified in their entirety by the respective Offering Memorandums. The foregoing does not constitute an offer to sell or a solicitation of interest to purchase any securities in any jurisdiction in which such offer or solicitation is not authorized. For more information, please contact [Name] at 416-893-2114 or [Name] 1-888-848-1878

*The information contained in this transmission is privileged and confidential and intended only for the use of the individual or entity to whom it is addressed. If you are not the intended recipient, you are hereby notified that any distribution, copying, disclosure or taking of any action in reliance on the contents of this transmission is strictly prohibited and review by any individual other than the intended recipient shall not constitute waiver of privilege. If you have received this transmission in error; please notify us immediately and return the original transmission to us.*

---

**From:** [Redacted Name] <[Redacted Email Address]>  
**Date:** Monday, May 9, 2022 at 9:21 AM  
**To:** Bronwyn Bullen <[bronwyn@thewindrosegroupp.ca](mailto:bronwyn@thewindrosegroupp.ca)>  
**Subject:** Re: PROMISSORY NOTE LOAN PAYOUTS

Good morning Bronwyn, just to confirm, that total promissory figure, spread among the four entities, is to distributed via 8 bank drafts?

On Mon, May 9, 2022, 8:56 AM Bronwyn Bullen <[bronwyn@thewindrosegroupp.ca](mailto:bronwyn@thewindrosegroupp.ca)> wrote:

Can you please do 8 bank drafts along with a statement from RBC to show funds in the account. we just want to ensure the bank draft will Claire. I will also provide TD Waterdown information in case you get hassle

1. \$437,993.21
2. \$252,858.34
3. \$2,366,773.65
4. \$560,990.59
5. 2,430,483.10
6. 676,488.14
7. 2,525,028.22
8. 1,831,760.71

#### BREAKDOWN

JCRE: \$690,851.55

MOLONY \$2,927,764.24

ARUBA \$3,106,971.24

DYLAN \$4,356,788.93

TOTAL TO CLAIRE: \$11,082,375.96


TD WATERDOWN!!  
(905) 689-8772

Email Addresses

## Email Addresses

As Always, Take Care

 Logo Description  
automatically  
generated

 A person smiling for  
the camera Description  
automatically generated  
with medium confidence
**B R O N W Y N   B U L L E N****Manager, Private Financing & Investments**
 A picture  
containing shape  
Description  
automatically  
generated




289-800-9620

bronwyn@thewindrosegroupp.ca

Mortgage Alliance LIC #10530

www.thewindrosegroupp.ca

ON #M08007610 | BC #503317

 Artboard 2  
 Artboard 2 copy  
 Artboard 2 copy 3  
 Artboard 2 copy 2

My personal support team includes:

**Names**

| Director, Mortgage Lending | 289-800-9622 |

**Email Address**

| Director, Marketing &amp; Operations | 289-799-8510 |

**Email Address**

Bronwyn Bullen | Manager, Private Financing &amp; Investments | 289-800-9620 | bronwyn@thewindrosegroupp.ca

**Name**

| Manager, Private Financing &amp; Investments | 289-800-9620 |

**Email Address**

Sam Drage | Manager, Fulfilment &amp; Compliance | 289-767-0915 | sam@thewindrosegroupp.ca

**Name**

Underwriting Support | 289-800-9624 |

**Email Address****Names**

Digital Marketing Assistant &amp; Event Coordinator | 289-787-0655 |

**Email Address**

Manager, Finance &amp; Human Resources | 289-800-9625 |

Mortgage Administration | 289-767-0944 |

**Email Addresses****Name**

Bookkeeper | 289-767-0949 | kate@thewindrosegroupp.ca

Windrose Trust Units are available to qualified investors on a private placement basis only via Offering Memorandum dated January 2<sup>nd</sup>, 2022 (the "Offering Memorandum"). The statements contained herein are qualified in their entirety by the respective Offering Memorandums. The foregoing does not constitute an offer to sell or a solicitation of interest to purchase any securities in any jurisdiction in which such offer or solicitation is not authorized. For more information, please contact **Name** at 416-893-2114 or **Name** 1-888-848-1878

The information contained in this transmission is privileged and confidential and intended only for the use of the individual or entity to whom it is addressed. If you are not the intended recipient, you are hereby notified that any distribution, copying, disclosure or taking of any action in reliance on the contents of this transmission is strictly prohibited and review by any individual other than the intended recipient shall not constitute waiver of privilege. If you have received this transmission in error, please notify us immediately and return the original transmission to us.

2 attachments



**Lions Share Group Bank Account Deposit Details NEW 2021.pdf**

269K



**Lions Share Void Cheque NEW 2021.pdf**

128K

**DIRECTION**

TO:

Name

AND TO: Nekzai Law Professional Corporation

RE: AVANEW FUND 2 SINGLE FAMILY RENTAL GP INC. (the “**Purchaser**”) purchase from the list of vendors noted on the attached Schedule A (the “**Vendors**”) of the properties listed on the attached Schedule A (the “**Properties**”) pursuant to an agreement of purchase and sale dated **February 24, 2022** amended from time to time (the “**Purchase Agreement**”) scheduled to be completed on **May 5, 2022** (the “**Closing Date**”)

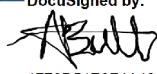
This is to direct you and shall constitute your good and sufficient and irrevocable authority to make your cheque, for the amount of \$758,504.43, being the brokerage fee associated with the above transaction, payable as follows:

Paid to – 2707793 ONTARIO INC.

*[Remainder of this page is intentionally left blank]*



DATED at MILTON, this 5<sup>th</sup> day of May, 2022.

DocuSigned by:  
  
1770D54E0F4A488...  
Aruba Butt

Signature  
CD58F50434E94A2...  
Name

DocuSigned by:  
Signature  
Name

DocuSigned by:  
Signature  
Name

RWC PROPERTY MANAGEMENT INC.

DocuSigned by:  
  
Per: 72D0AD4433814D9...  
Name: Robert Clark  
Title: Director  
*I have authority to bind this corporation*

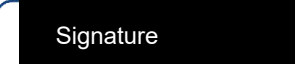
2707793 ONTARIO INC.

DocuSigned by:  
  
Per: 1770D54E0F4A488...  
Name: Aruba Butt  
Title: Director  
*I have authority to bind this corporation*

SIDRWC INC.

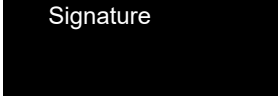
DocuSigned by:  
  
Per: 72D0AD4433814D9...  
Name: Robert Clark  
Title: Director  
*I have authority to bind this corporation*

BOREDWALK INC.

  
Per: 3D70A0A38CC8478  
Name: Name  
Title: Director  
*I have authority to bind this corporation*

DocuSigned by:  
  
Per: 72D0AD4433814D9...  
Name: Robert Clark  
Title: Director  
*I have authority to bind this corporation*

CORN SOUP INC.

  
Per: CD59F50434E94A2...  
Name: Name  
Title: Director  
*I have authority to bind this corporation*

DocuSigned by:  
  
Per: 72D0AD4433814D9...  
Name: Robert Clark  
Title: Director  
*I have authority to bind this corporation*

DSPLN INC.

DocuSigned by:  
  
Per: 1770D54E0F4A488...  
Name: Aruba Butt  
Title: Director  
*I have authority to bind this corporation*

HAPPY GILMORE INC.

DocuSigned by:  
  
Per: 1770D54E0F4A488...  
Name: Aruba Butt  
Title: Director  
*I have authority to bind this corporation*

DocuSigned by:  
  
Per: 35DC35288E3C4A4...  
Name: Ryan Molony  
Title: Director  
*I have authority to bind this corporation*

HAPPY TOWN HOUSING INC.

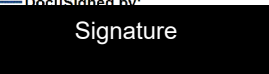
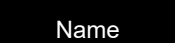
DocuSigned by:  
  
Per: 369876E71BC24C0...  
Name: Dylan Suitor  
Title: Director  
*I have authority to bind this corporation*

HOMETOWN HOUSING INC.

DocuSigned by:  
  
Per: 369876E71BC24C0...  
Name: Dylan Suitor  
Title: Director  
*I have authority to bind this corporation*

## HARD ROCK CAPITAL INC.

DocuSigned by:  
  
Per: 1770D54E0F4A488...  
Name: Aruba Butt  
Title: Director  
*I have authority to bind this corporation*

DocuSigned by:  
  
Per: EE121A6610BA42B...  
Name:   
Title: Director  
*I have authority to bind this corporation*


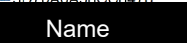
## HORSES IN THE BACK INC.

DocuSigned by:  
  
Per: 369876E71BC24C0...  
Name: Dylan Suitor  
Title: Director  
*I have authority to bind this corporation*

## INTERLUDE INC.

DocuSigned by:  
  
Per: 369876E71BC24C0...  
Name: Dylan Suitor  
Title: Director  
*I have authority to bind this corporation*

## PARKPLACE INC.

DocuSigned by:  
  
Per: 3D70A0A38CC8478...  
Name:   
Title: Director  
*I have authority to bind this corporation*

## MULTIVILLE INC.

DocuSigned by:  
  
Per: 1770D54E0F4A488...  
Name: Aruba Butt  
Title: Director  
*I have authority to bind this corporation*

DocuSigned by:  
  
Per: 35DC35288E3C4A4...  
Name: Ryan Molony  
Title: Director  
*I have authority to bind this corporation*

## OLD THING BACK INC.

DocuSigned by:  
  
Per: 369876E71BC24C0...  
Name: Dylan Suitor  
Title: Director  
*I have authority to bind this corporation*

## THE PINK FLAMINGO INC.

DocuSigned by:  
  
Per: 1770D54E0F4A488...  
Name: Aruba Butt  
Title: Director  
*I have authority to bind this corporation*

## UP TOWN FUNK INC.

DocuSigned by:  
  
Per: 369876E71BC24C0...  
Name: Dylan Suitor  
Title: Director  
*I have authority to bind this corporation*


## UPGRADE HOUSING INC.

DocuSigned by:  
  
Per: 369876E71BC24C0...  
Name: Dylan Suitor  
Title: Director  
*I have authority to bind this corporation*

## JOINT CAPTAIN REAL ESTATE INC.

DocuSigned by:  
  
Per: 1770D54E0F4A488...  
Name: Aruba Butt  
Title: Director  
*I have authority to bind this corporation*

DocuSigned by:  
  
Per: 30C8A7BD82A344D...  
Name: Bronwyn Bullen  
Title: Director  
*I have authority to bind this corporation*

DocuSigned by:  
  
Per: EB56040A13F344C...  
Name: Samuel Drage  
Title: Director  
*I have authority to bind this corporation*