



**Twelfth 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.**

April 7, 2025

Contents

Page

1.	Introduction	1
	1.1 Investigation	7
	1.2 Purposes of this Report	7
	1.3 Restrictions	8
	1.4 Currency	9
2.	Background	9
3.	SISP and Restructuring Term Sheet.....	10
	3.1 Closed Credit Bid Transactions.....	11
4.	Secondary Credit Bid Process	11
	4.1 Secondary Credit Bid APAs	12
	4.2 Assignment and Assumption of Leases	14
	4.3 Proposed Form of Secondary Credit Bid Vesting Order	15
	4.4 Service of the Second Omnibus Credit Bid Vesting Order Motion	15
	4.5 Equity Properties	15
	4.6 Recommendation re Second Omnibus Credit Bid Vesting Order	17
5.	Second DIP Allocation	18
6.	Liquidation Portfolio	19
	6.1 Orderly Liquidation Mechanics	20
	6.2 Distribution of Proceeds	22
7.	Unsecured Lender Committee	22
8.	Cash Flow Forecast.....	23
9.	Stay Extension	24
10.	Professional Fees.....	24
11.	Conclusion and Recommendation	25

Appendices

Appendix	Tab
Second Amended and Restated Initial Order	A
Expanded Powers Order and Ancillary Order	B
Monitor's Eleventh Report (without appendices)	C
Restructuring Term Sheet.....	D
Listing of Closed Properties Subject to Credit Bids	E
Listing of Properties Subject to Secondary Credit Bids	F
Secondary Credit Bid APA	G
Tenant Notice	H
Revised Remaining Portfolio Analysis	I
Proposed Second DIP Allocation	J
Liquidation Properties Listed	K
Viscount DIP Term Sheet	L
Cash Flow Forecast	M
Monitor's Report on Cash Flow	N
KSV Fee Affidavit.....	O
Cassels Fee Affidavit	P

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.**

**TWELFTH REPORT OF KSV RESTRUCTURING INC. AS
MONITOR**

APRIL 7, 2025

1. Introduction

1. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "Court") made on January 23, 2024 (the "Initial Order"), each 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") were granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), and KSV Restructuring Inc. was appointed monitor of the Applicants (in such capacity, the "Monitor").
2. The Applicants together with certain non-Applciant related entities, including SIDRWC Inc. o/a SID Developments ("SID Developments"), SID Management Inc. ("SID Management") and 2707793 Ontario Inc. o/a SID Renos ("SID Renos" and together with SID Developments and SID Management, the "SID Companies"), are part of a group of companies (collectively, the "Company") involved in the acquisition, renovation and leasing of distressed residential real estate in undervalued markets throughout Ontario (the "Business").
3. In the Applicants' materials filed in support of the Initial Order, they provided that the principal purpose for commencing these CCAA proceedings was to create a stabilized environment to enable the Applicants to preserve and maximize value for their stakeholders and provide the stability and liquidity necessary to complete value accretive renovations to their portfolio of residential homes (the "Portfolio"), including by securing debtor-in-possession ("DIP") financing, in order to pursue a comprehensive refinancing or restructuring transaction and/or implement a consensual plan of compromise or arrangement while continuing operations in the ordinary course of business.

4. Pursuant to the Initial Order, the Court, among other things:
 - a) granted a stay of proceedings until February 2, 2024 (the “Stay Period”) in respect of the Applicants, the Monitor, the Business and the Applicants’ current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “Applicants’ Property”) and three of the Applicants’ directors and officers, being Aruba Butt, Dylan Suitor and Ryan Molony (the “Additional Stay Parties”);
 - b) appointed Chaitons LLP (“Chaitons”) as representative counsel (the “Secured Lender Representative Counsel”) to all of the Applicants’ secured creditors (the “Secured Lenders”) and unsecured promissory noteholders (the “Unsecured Lenders”) and approved a mechanism by which a committee of up to six parties would be formed to instruct Secured Lender Representative Counsel (the “Secured Lender Representatives”); and
 - c) granted a charge (the “Administration Charge”) in the amount of \$750,000 on the Applicants’ Property to secure the fees and disbursements of the Monitor and its legal counsel, Cassels Brock & Blackwell LLP (“Cassels”), the Applicants’ legal counsel, Bennett Jones LLP (“Bennett Jones”), and Secured Lender Representative Counsel.
5. On January 31, 2024, the Court granted an amended Initial Order which, among other things:
 - a) extended the Stay Period to February 16, 2024;
 - b) approved the Applicants’ ability to borrow under a DIP credit facility (the “Harbour DIP Facility”) pursuant to a DIP Agreement dated January 26, 2024 (the “Harbour DIP Agreement”) between the Applicants and Harbour Mortgage Corp. (“Harbour”) and granted a charge in favour of Harbour in the maximum amount of \$4 million (plus interest, fees and expenses) to secure the Applicants’ obligations under the Harbour DIP Agreement and Harbour DIP Facility (the “DIP Lender’s Charge”);
 - c) increased the maximum amount of the Administration Charge from \$750,000 to \$1 million; and
 - d) authorized the Applicants to pay certain amounts owing to suppliers for goods and services supplied to the Applicants prior to the date of the Initial Order, subject to the consent of the Monitor.
6. Pursuant to an Amended and Restated Initial Order granted on February 15, 2024 (the “ARIO”), the Court, among other things:
 - a) extended the Stay Period to March 28, 2024;
 - b) increased the maximum amount of the Administration Charge to \$1.5 million;
 - c) increased the maximum amount of the Harbour DIP Facility and the DIP Lender’s Charge to \$12 million (plus interest, fees and costs);

- d) amended the scope of Secured Lender Representative Counsel's mandate by removing the Unsecured Lenders such that the group of creditors represented by Secured Lender Representative Counsel includes only the Secured Lenders; and
 - e) directed and empowered the Monitor to (i) conduct an investigation into the use of funds borrowed by the Applicants, prefiling transactions conducted by the Applicants and/or their principals (the "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 Applicants' Property, the Business or such other matters as may be relevant to the proceedings herein as determined by the Monitor (the "Investigation"), and (ii) report to the Secured Lender Representatives and the Court on the findings of such Investigation as the Monitor deems necessary and appropriate.
7. Pursuant to a Second Amended and Restated Initial Order granted on March 28, 2024 (the "Second ARIO"), a copy of which is attached as Appendix "A", the Court, among other things:
- a) extended the Stay Period to April 30, 2024; and
 - b) appointed Goldman Sloan Nash & Haber LLP ("GSNH") as representative counsel (the "Unsecured Lender Representative Counsel") to the Applicants' Unsecured Lenders other than (i) The Lion's Share Group Inc.¹ ("Lion's Share") and (ii) any other unsecured lenders directly or indirectly controlled by, or under common control or otherwise affiliated with, Lion's Share or its principal, Claire Drage.
8. On April 12, 2024, the Court granted an order (the "SISP Approval Order"), which, among other things:
- a) extended the Stay Period to June 24, 2024;
 - b) approved a sale and investment solicitation process ("SISP"); and
 - c) approved the Applicants' engagement of Howards Capital Corp. ("HCC") and CBRE Limited ("CBRE" and jointly with HCC, the "SISP Advisors").
9. On June 25, 2024, the Court granted two orders (the "Expanded Powers Order" and the "Ancillary Order"), which, among other things:
- a) expanded the Monitor's powers over the Applicants, including removing the Principals' decision-making authority over the Applicants, as more fully discussed in Section 1.1 below;

¹ On March 16, 2024, Lion's Share filed a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act*. The Fuller Landau Group Inc. ("Fuller Landau") was appointed as proposal trustee. On April 3, 2024, Lion's Share was placed into receivership and bankruptcy proceedings. Fuller Landau is the receiver and licensed insolvency trustee administering Lion's Share's receivership and bankruptcy proceedings (in such capacities, the "Lion's Share Representative").

- b) provided a process for the Monitor to transition the Applicants' property and other management service providers from the SID Companies as determined necessary by the Monitor;
- c) extended the Stay Period to July 31, 2024;
- d) extended the stay of proceedings in respect of the Additional Stay Parties pursuant to paragraph 14 of the Second ARIO during the Transition Period (as defined in the Expanded Powers Order) to be automatically terminated upon the issuance of the Monitor's Transition Period Termination Certificate (as defined in the Expanded Powers Order);
- e) provided that, until the issuance of the Monitor's Transition Period Termination Certificate, no proceeding shall be commenced against or in respect of any of the SID Companies, or their respective employees, advisors or representatives, or affecting their respective business or property, except with the prior written consent of the Monitor and the SID Companies, or with leave of this Court;
- f) provided that none of the Applicants, the SID Companies and/or their respective principals and affiliates shall be required to take any further steps in connection with, or respond to any requests made pursuant to, paragraph 41(k) of the ARIO, but without derogating from any other obligations of any Person under the Second ARIO; and
- g) provided that, during the Transition Period, each of the Additional Stay Parties shall provide the Monitor with notice of the earlier of (i) seven (7) business days prior to any closing date and (ii) the listing date, for the sale of any real property owned, directly or indirectly, by the applicable Additional Stay Party, subject to certain express exceptions. (No such notice was provided to the Monitor over the course of the Transition Period).

Copies of the Expanded Powers Order and the Ancillary Order are attached as Appendix "B".

10. On July 31, 2024, the Court granted an order, which, among other things:

- a) extended the Stay Period to August 31, 2024; and
- b) approved a form of Property Management Agreement (the "PMA") with Richmond Advisory Services Inc. ("Richmond"), pursuant to which the property management services for the Portfolio would be transitioned from the SID Companies to Richmond. The PMA was finalized on August 8, 2024.

11. On August 30, 2024, the Court granted an order, which, among other things:

- a) extended the Stay Period to October 31, 2024;

- b) approved a form of restructuring term sheet (the “Restructuring Term Sheet”) and authorized the Monitor to carry out its obligations under the Restructuring Term Sheet, including, without limitation, facilitating the negotiation and settlement of the transactions contemplated therein and finalizing all documentation reasonably necessary to carry out such transactions, provided that nothing in such order approved any specific transaction or agreement contemplated by the Restructuring Term Sheet, all of which remained subject to further approval by the Court;
 - c) increased the maximum amount of the Harbour DIP Facility and the DIP Lender’s Charge to \$15 million (plus interest, fees and costs); and
 - d) approved the fees and disbursements of the Monitor and its counsel through to July 31, 2024.
12. Pursuant to an order dated October 7, 2024 (the “Suitor Interim Receivership Order”), TDB Restructuring Limited was appointed as interim receiver over Mr. Suitor’s property, assets and undertaking. The Suitor Interim Receivership Order was sought by the Lion’s Share Representative in a separate proceeding in connection with its bankruptcy application against Mr. Suitor, which was heard on February 25, 2025. On March 26, 2025, Justice Steele granted the bankruptcy application against Mr. Suitor, which decision Mr. Suitor is in the process of appealing.
13. On October 30, 2024, this Court granted an order which extended the Stay Period to November 30, 2024.
14. On November 26, 2024, this Court granted an order which extended the Stay Period to December 31, 2024.
15. On December 6, 2024, this Court granted an order, which, among other things:
- a) extended the Stay Period to February 28, 2025;
 - b) approved the Credit Bid APAs, as defined in the Monitor’s Tenth Report to Court (the “Tenth Report”) and authorized the Monitor to execute each of the Credit Bid APAs on behalf of each applicable Applicant in its capacity as “super” monitor of the Applicants pursuant to the Expanded Powers Order;
 - c) approved credit bid transactions (the “Omnibus Credit Bid Vesting Order”) in respect of 323 of the Applicants’ properties, including assigning tenant leases for the properties subject to the Omnibus Credit Bid Vesting Order to the respective purchasers, and separate from the Omnibus Credit Bid Vesting Order, assigned all tenant leases applicable to the Remaining Portfolio (as defined below) from the SID Companies to the applicable Applicant;
 - d) approved the Monitor’s methodology to allocate the \$15 million drawn on the Harbour DIP Facility (plus interest, fees and costs payable thereunder) across the Portfolio (the “First DIP Allocation”);

- e) approved a replacement DIP Term Sheet (the “Viscount DIP Term Sheet”) entered into with Viscount Capital Inc. (“Viscount”) and authorized the Monitor to execute the Viscount DIP Term Sheet on behalf of the Applicants in its capacity as “super” monitor of the Applicants pursuant to the Expanded Powers Order;
 - f) authorized the Monitor, on behalf of the Applicants in its capacity as “super” monitor of the Applicants pursuant to the Expanded Powers Order, to repay the Harbour DIP Facility from: (i) cash on hand in the Applicants’ bank accounts and/or the Monitor’s trust account in respect of the Applicants; (ii) the DIP Allocations paid on closing of each Credit Bid APA, as held by the Monitor; and (iii) the proceeds advanced under the Viscount DIP Term Sheet;
 - g) approved the amendments to the Court-ordered charges in these proceedings, being a decrease to the Administration Charge from \$1.5 million to \$500,000, and a decrease to the DIP Lender’s Charge from \$15 million (plus interest and costs) to \$4.85 million (plus interest, fees and costs); and
 - h) approved the fees and disbursements of the Monitor and its counsel through to October 31, 2024.
16. On December 20, 2024, the Monitor filed and served the Monitor’s Transition Period Termination Certificate. Accordingly, effective December 20, 2024, the Additional Stay Parties and the SID Companies no longer have the benefit of the stay of proceedings granted in this proceeding.
17. On February 27, 2025, this Court granted an order, which, among other things:
- a) extended the Stay Period to May 31, 2025;
 - b) approved five credit bid transactions that were already subject to the Omnibus Credit Bid Vesting Order but were not completed for the reasons described in the Eleventh Report;
 - c) approved the amended Credit Bid APAs, as defined in the Monitor’s Eleventh Report to Court dated February 20, 2025 (the “Eleventh Report”), and authorized the Monitor to execute each of the Credit Bid APAs on behalf of each applicable Applicant;
 - d) approved a Secondary Credit Bid Process and a Orderly Liquidation Plan (each as defined in the Eleventh Report), including the broker agreements with five listing agents, and authorized the Monitor to carry out those processes on the basis detailed in the Eleventh Report; and
 - e) approved the fees and disbursements of the Monitor and its counsel through to January 31, 2025.

A copy of the Eleventh Report (without appendices) is attached as Appendix “C”.

1.1 Investigation

1. On June 11, 2024, the Monitor served on the Service List a redacted version of its Fourth Report to Court (the “Fourth Report”), which summarized the results of the Investigation.
2. The Investigation identified, among other things:
 - a) questionable transfers from the Applicants to the Principals, affiliated entities and third parties without any apparent benefit to the Business;
 - b) questionable dividend payments or repayment of amounts identified as shareholder loans;
 - c) a pervasive lack of proper record keeping, particularly for a business with assets and liabilities with a book value in the hundreds of millions of dollars; and
 - d) a myriad of other deficient business practices.
3. On June 14, 2024, the Secured Lender Representative Counsel brought a motion, supported by the Monitor, the Unsecured Lender Representative Counsel and the Lion’s Share Representative, seeking the Expanded Powers Order in order to expand the Monitor’s powers in respect of the Applicants and removing the Principals’ decision-making authority. The Applicants initially objected to the motion, but subsequently consented to the Expanded Powers Order and the Ancillary Order.

1.2 Purposes of this Report

1. The purposes of this twelfth report (“Report”) are to:
 - a) provide an update on the status of these CCAA proceedings, particularly as it relates to the 12 credit bids submitted by mortgagees under the Secondary Credit Bid Process;
 - b) set out the reasons the Monitor believes the proposed vesting order (the “Second Omnibus Credit Bid Vesting Order”) is reasonable and appropriate in the circumstances, including the proposed assignment of tenant leases for the properties subject to the Second Omnibus Credit Bid Vesting Order to the respective purchasers of those properties;
 - c) summarize the flow of funds that will result from the closing of the 12 credit bid transactions, including the Monitor’s methodology to allocate value for certain accrued liabilities and the obligations owing under the Viscount DIP Term Sheet (plus interest, fees and costs payable thereunder) across the Remaining Portfolio² (the “Second DIP Allocation”);

² The Remaining Portfolio includes the 86 properties currently owned by the Applicants (including the 12 credit bid properties).

- d) summarize the Applicants' cash flow forecast (the "Cash Flow Forecast") for the period April 7, 2025 to August 31, 2025 (the "Forecast Period");
- e) provide an update on the Orderly Liquidation Process for the 74 properties that will remain in the Portfolio (the "Liquidation Portfolio Properties")³, which is being undertaken with the assistance of CBRE and five listing agents in their respective markets, being Valery Realty Inc., John E. Smith Realty, Royal LePAGE Best Choice Realty Ltd., Zieminski Real Estate Brokerage and Royal LePage (collectively, the "Listing Agents") as previously approved by the Court;
- f) set out the Monitor's proposed mechanics to sell the Liquidation Portfolio properties without the need for further Court approval, subject to certain terms, including the consents and conditions as described below (the "Orderly Liquidation Mechanics"); and
- g) recommend that the Court grant the following relief:
 - granting the Second Omnibus Credit Bid Vesting Order;
 - approving the Second DIP Allocation;
 - approving the proposed Orderly Liquidation Mechanics;
 - approving this Report and the Monitor's activities summarized herein;
 - approving the fees and disbursements of the Monitor and Cassels from February 1, 2025 to and including March 31, 2025; and
 - extending the Stay Period to August 31, 2025.

1.3 Restrictions

1. In preparing this Report, the Monitor has relied upon the unaudited financial information of the Applicants, the Applicants' books and records and discussions with representatives of the Applicants.
2. KSV has not audited, or otherwise attempted to verify, the accuracy or completeness of the financial information relied on to prepare this Report in a manner that complies with Canadian Auditing Standards ("CAS") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, KSV expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own diligence.

³ If any of the 12 credit bid Properties are not approved by the Court or do not close, such Properties will be added into the group of remaining Liquidation Portfolio Properties.

3. An examination of the Cash Flow Forecast as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future oriented financial information relied upon in this Report is based upon assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. KSV expresses no opinion or other form of assurance on whether the Cash Flow Forecast will be achieved.

1.4 Currency

1. Unless otherwise noted, all currency references in this Report are in Canadian dollars.

2. Background

1. The Applicants are Canadian privately-held corporations that are the principal owners of the Company's rental units and the residential properties on which they are situated.
2. At the commencement of these proceedings, the Applicants had disclosed ownership in 407 residential properties (collectively, the "Properties") comprising 631 rental units. The Properties were located in tertiary markets in Ontario, including Timmins, Sault Ste. Marie, Sudbury, Kirkland Lake, Capreol, Temiskaming Shores and Val Caron. Since the issuance of the Omnibus Credit Bid Vesting Order and the Credit Bid Vesting Order dated February 27, 2025, 321 credit bid transactions have been completed (the "Closed Credit Bid Properties"), and 86 Properties remain subject to these proceedings. A summary of the 86 Properties comprising 126 rental units is provided below⁴.

Location	Number of Occupied Units	Number of Unoccupied Units	Total
Timmins	27	27	54
Sault Ste. Marie	17	18	35
Sudbury	14	3	17
Other	8	12	20
Total	66	60	126

3. The Applicants' principal stakeholders are (i) first and second mortgagees (being the Secured Lenders), which at the commencement of these proceedings were owed approximately \$81.5 million and \$8.6 million, respectively, plus interest and costs which continue to accrue⁵ and (ii) unsecured promissory note holders (being the Unsecured Lenders). After the commencement of these proceedings, the Applicants advised the Monitor that they believe the amount owing to the Unsecured Lenders is significantly less than the amount initially provided by Ms. Drage, being approximately \$54.2 million. The Applicants' creditor listings reflect obligations owing to Lion's Share totalling approximately \$39.2 million. As there have not been any funds available for distribution to Unsecured Lenders to date, a reconciliation of the total amount of the claims of Unsecured Lenders has not been completed by the Monitor to date.

⁴ These figures were provided by Richmond, based on the information and tenant responses available to date.

⁵ These amounts are based on Applicants' Books and Records, prior to the closing of the 321 Closed Credit Bid Properties.

4. Court materials filed in these proceedings, including the Monitor's reports, set out detailed information with respect to the Applicants' Business, property and creditor composition. All Court materials are available on the Monitor's website at the following link: <https://www.ksvadvisory.com/experience/case/sid> (the "Case Website").

3. SISP and Restructuring Term Sheet

1. The SISP was approved pursuant to the SISP Approval Order. With the assistance of the SISP Advisors, the Monitor carried out the SISP in accordance with the SISP Approval Order.
2. As set out in the Monitor's previous reports to Court, other than credit bids for individual properties, the SISP generated 12 letters of intent ("LOIs") that contemplated third-party sales or refinancing transactions. In accordance with the SISP, copies of the LOIs were provided to the applicable "Reviewing Parties" under the SISP. After extensive consultation with the Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel and the Lion's Share Representative and its counsel, the Monitor determined not to pursue any of the LOIs submitted in the SISP.
3. Throughout the SISP, the Principals conveyed to stakeholders an estimated Portfolio value of approximately \$140 million. This estimated value was based on a Comparative Market Analysis (the "CMA") obtained by the Applicants in May 2024 from a representative of Keller Williams Edge Realty, with whom Mr. Suitor is affiliated. Upon review of the CMA, the Monitor identified significant overstatements and errors in the CMA's underlying assumptions and comparable properties used for this analysis. Both SISP Advisors did not find the CMA credible and refused to include the CMA in their data rooms. Accordingly, the Monitor deemed the CMA unreliable. In the Monitor's view, the Principals' continuous references to the CMA contributed to an expectation gap and misperceptions among stakeholders about anticipated recoveries in these proceedings.
4. A summary of the offers received under the SISP was filed with the Court as a confidential appendix to the Monitor's Fifth Report to Court dated June 17, 2024 and sealed, until further order of the Court, pursuant to an order of the Court granted on June 24, 2024. Although the offer summary remains sealed, the Monitor notes that no offer provided sufficient proceeds to repay the Harbour DIP Facility and first mortgagees in full.
5. Following the conclusion of the SISP, the Monitor worked with the Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel, the Lion's Share Representative and its counsel to negotiate the Restructuring Term Sheet. The principal purposes of the Restructuring Term Sheet were to: (a) provide for a process for mortgagees to submit credit bids; and (b) for properties not subject to credit bids, outline a framework for (i) a process to complete the sale and/or liquidation of the Portfolio; and (ii) a distribution mechanism for Secured and Unsecured Lenders in accordance with their respective priorities and entitlements.
6. As noted above, the Restructuring Term Sheet was approved by the Court on August 30, 2024, provided that such Order did not constitute approval of any specific transaction or agreement contemplated by the Restructuring Term Sheet, all of which remained subject to further order of the Court.

7. A copy of the Restructuring Term Sheet is attached as Appendix “D” and the terms and conditions of the Restructuring Term Sheet were detailed in the Seventh Report.

3.1 Closed Credit Bid Transactions

1. The Restructuring Term Sheet established deadlines of September 20, 2024 for first mortgagees, and September 30, 2024 for second mortgagees, to submit credit bids for their respective Properties. In total, the Monitor received 323 credit bids representing approximately 79% of the then portfolio of Properties. Each credit bid was accompanied by the required deposit. All but two of the credit bids were submitted by first mortgagees and the remaining two were submitted by the second mortgagees on the applicable Properties.
2. In the Tenth Report, the Monitor proposed the Omnibus Credit Bid Vesting Order as an omnibus order that covers all Credit Bid APAs given the impracticality of having 323 individual vesting orders for each Credit Bid APA. The Omnibus Credit Bid Vesting Order was granted on December 6, 2024.
3. 316 credit bid transactions closed on or around December 17, 2024. On that date, the amount owing to Harbour (approximately \$15 million), then secured by the DIP Lender’s Charge, was repaid in full from the cash consideration of the credit bids and the replacement DIP funding advanced by Viscount (the “Replacement DIP Lender”) under the Viscount DIP Term Sheet.
4. Two of the credit bid transactions did not close as the mortgagees failed to pay their respective DIP Allocation. In accordance with the Credit Bid APA, the deposits paid by those two credit bidders were not refunded.
5. The Credit Bid Vesting Order granted on February 27, 2025 approved certain required amendments to allow an additional five of the original Credit Bid APAs to be completed. One of those transactions closed on or around March 4, 2025 and the remaining four transactions closed on or around April 1, 2025. Accordingly, as of the date of this Report, 321 credit bid transactions have been completed.
6. A listing of the Closed Properties that were subject to credit bids is attached as Appendix “E”.

4. Secondary Credit Bid Process

1. On February 27, 2025, the Court granted an order (“Secondary Credit Bid Approval Order”) which, among other things, approved the Secondary Credit Bid Process (discussed in detail in the Eleventh Report attached at Appendix “C”).
2. This section of the Report summarizes the Monitor’s Secondary Credit Bid Process by which first and second mortgagees of the Remaining Properties had a further and final opportunity to submit credit bids to acquire their applicable mortgaged property on the terms and conditions described below (the “Secondary Credit Bid Option”).
3. The Secondary Credit Bid Approval Order established deadlines of March 14, 2025 for first mortgagees and March 21, 2025 for second mortgagees to submit credit bids for their respective Properties. In total, the Monitor received 12 credit bids representing approximately 14% of the Remaining Properties. Each credit bid was accompanied by the required deposit (which funds are being held in the Monitor’s trust account). All of the credit bids were made by first mortgagees.

4. A listing of the 12 Properties that were subject to secondary credit bids is attached as Appendix “F”. As discussed below, based on the proposed Second DIP Allocation (if approved by the Court), the aggregate DIP to be repaid, should these transactions be completed, totals approximately \$733,000.

4.1 Secondary Credit Bid APAs

1. The initial form of purchase agreement documenting the credit bid transactions (the “Credit Bid APA”) was developed by the Secured Lender Representative Counsel, in consultation with the Monitor and its counsel. The form of agreement included select fields for mortgagees to fill in, including property details and mortgage indebtedness amount which was to form part of the purchase price. No other changes were permitted.
2. The Secondary Credit Bid mechanics were substantially the same as those used in the first credit bid process set out in the Restructuring Term Sheet and approved by this Court on August 30, 2024, subject to one substantive change (as discussed in section 4.1.3 below). In this regard, other than that change, the forms of the purchase agreements documenting the credit bid transactions (the “Secondary Credit Bid APAs”) were substantially the same as the forms of Credit Bid APAs approved by this Court under the Omnibus Credit Bid Vesting Order. The form of Secondary Credit Bid APAs are attached at Appendix “G”, which were approved in the Second Credit Bid Approval Order.
3. The following is a summary description of the form of Secondary Credit Bid APA only. Reference should be made directly to the Secondary Credit Bid APA and the Secondary Credit Bid Vesting Order for all terms and conditions. The key terms and conditions of the Secondary Credit Bid APA are as follows:
 - **Vendor:** The applicable Applicant, to be executed by the Monitor in its capacity as “super” monitor in these proceedings pursuant to the Enhanced Powers Order, subject to Court approval.
 - **Purchasers:** The respective mortgagees (or their assignees) of the 12 Properties.
 - **Purchased Assets:** The Real Property, being the real property legally described in Schedule “A” to the Secondary Credit Bid APAs
 - **Purchase Price:** The Purchase Price is equal to (a) the Mortgage Indebtedness Amount, which is an amount between (i) the Purchaser’s first-ranking mortgage principal amount, and (ii) the full amount owed, inclusive of accrued interest, fees and costs, plus (b) the Priority Payables.
 - **Priority Payables:** Includes all amounts owing (including all amounts accrued but not yet payable) by the Vendor as of the Closing Date which rank in priority to the Mortgage Indebtedness Amount, including but not limited to the amounts secured by, or to be secured by, the Administration Charge and the DIP Lender’s Charge, as may be allocated by the Monitor to the Real Property. The Monitor’s DIP Allocation is summarized below in Section 5 of this Report.

- **Additional Priority Payables Payment:** Purchasers must also provide for payment on closing of an amount equal to 125% of the DIP Allocation attributable to such Remaining Property, 25% of which will be held by the Monitor in escrow pending further order of the Court or agreement among the Monitor, the Replacement DIP Lender and the applicable purchaser. This is the only substantive change from the prior form of Credit Bid APA.
- **Deposit:** The Secondary Credit Bid APA required a Deposit of \$10,000 per property. All credit bids submitted were accompanied by the required Deposit.
- **Balance due on Closing:** The balance of the Purchase Price shall be payable in cash on the Closing Date.
- **Purchase Price Adjustments:** The Secondary Credit Bid APAs provide that there will be no adjustments to the Purchase Price at Closing, including in respect of any deposits, rental arrears under the Leases, unpaid property taxes and/or utilities that may be outstanding on the Closing Date.
- **Leases:** Subject to Court approval, the Secondary Credit Bid APAs provide that the tenant leases in respect of the Real Property are to be assumed by the Purchaser on closing. Further discussion with respect to the assignment and assumption of the Leases is provided below in Section 4.2 of this Report.
- **Permitted Encumbrances and Claims to be Expunged:** There is a schedule to the Secondary Credit Bid Vesting Order which sets out the permitted encumbrances and claims to be expunged, which has been approved by counsel for each Purchaser in respect of its corresponding Real Property. To the extent any claims are to be expunged, the Monitor's counsel is arranging for each such claimant to be served with notice of this motion on the basis proposed below in Section 4.4 of this Report.
- **Taxes:** The Purchaser is liable for and shall pay all applicable land transfer tax, GST/HST and other similar taxes, duties or fees in respect of the registration of the transfer of the Real Property, and other like charges properly payable upon and in connection with the sale, assignment and transfer of the Real Property from the Vendor to the Purchaser. To the extent any GST/HST is determined to be payable on the purchase of the Real Property or any part thereof by a Governmental Authority, such GST/HST shall be the exclusive liability of the Purchaser.
- **Representations and Warranties:** Consistent with the standard terms of an insolvency transaction, i.e. on an "*as is, where is*" and "*without recourse*" basis, with limited representations and warranties.
- **Closing Date:** Means the date that is the later of: (i) the first Business Day following the date that is ten (10) days following the date on which the Secondary Credit Bid Vesting Order is issued by the Court; and (ii) the first Business Day following the date on which any appeals or motions to set aside or vary the Secondary Credit Bid Vesting Order have been finally determined; or, if the Parties agree, such other date as agreed in writing by the Parties.
- **Material Conditions:** The only remaining substantive condition is Court approval.

4. Since the deadlines for submitting credit bids, the Monitor has communicated with mortgagees who submitted credit bids to seek clarification or supporting documentation on their submission, including in respect of their Mortgage Indebtedness Amount, before accepting the Secondary Credit Bid APAs. The Monitor also cross-referenced the name of the mortgagee and amount listed on the Secondary Credit Bid APA to the registered mortgagee of the applicable Property and ensured that such mortgagee and mortgage were registered on the applicable Property. Given the funding constraints, consistent with the approval in the first credit bid process, the Monitor did not obtain an independent legal opinion on the validity of the 12 mortgages subject to the Secondary Credit Bid APAs. As at the date of this Report, the Secondary Credit Bid APAs submitted are in the form required and are acceptable to the Monitor.
5. Consistent with the first credit bid process, to help manage and reduce costs, the Monitor retained a law firm specializing in residential real estate transactions, Kormans LLP ("Kormans"), for the purpose of closing credit bid transactions and any transactions resulting from the Orderly Liquidation Process. Kormans agreed to close each transaction at a rate estimated to be \$1,750 per transaction, including disbursements. Kormans is familiar with these proceedings and issues as it was retained to facilitate the closing of the real estate transactions for the 321 closed credit bid transactions.

4.2 Assignment and Assumption of Leases

1. The Secondary Credit Bid APAs require that each Purchaser assume any tenant leases on closing. Based on the information available to the Monitor from the Applicants' records, of the 12 properties subject to the Secondary Credit Bid Vesting Order, seven properties have tenants (the "Leases").
2. The forms of Leases do not contain any restraint on the right of the landlord to assign the Lease. However, the Monitor believes it is important to provide both purchasers and tenants with certainty as to the state of the Leases, but that it will be impractical to obtain executed consents or acknowledgments from several tenants under the Leases and that doing so will create a risk to completing the simultaneous closing of all credit bid transactions on an expedited timeframe as contemplated by the Secondary Credit Bid APAs.
3. The Monitor believes it is appropriate, and in the best interests of the affected tenants, for the Leases to be assigned to the applicable Purchaser, and the Monitor is not aware of any reason why the applicable Purchasers would not be able to satisfy their obligations under the Leases once assigned and assumed. Given the nature of the Leases, the Monitor is also not aware of any potential monetary obligations in favour of the tenants that would be outstanding.
4. The Monitor believes that the proposed assignment of the Leases is warranted under and satisfies Section 11.3(3) of the CCAA. This is consistent with the Omnibus Credit Bid Vesting Order and the Credit Bid Vesting Order granted by the Court in connection with the first credit bid process for the reasons set out in the Court's Endorsement.

4.3 Proposed Form of Secondary Credit Bid Vesting Order

1. Rather than having 12 individual vesting orders for each Secondary Credit Bid APA, the Secured Lender Representative Counsel, in consultation with the Monitor and its counsel, developed the proposed Second Omnibus Credit Bid Vesting Order as an order that covers all Secondary Credit Bid APAs. This is consistent with the Omnibus Credit Bid Vesting Order and the Credit Bid Vesting Order previously approved by this court.
2. The draft form of Second Omnibus Credit Bid Vesting Order includes the revisions provided by the Land Registry Services Branch incorporated into the Omnibus Credit Bid Vesting Order previously granted by the Court.

4.4 Service of the Second Omnibus Credit Bid Vesting Order Motion

1. Given the several Secured Lenders and Lease counterparties that are likely to be affected by the Second Omnibus Credit Bid Vesting Order being sought, the Monitor is intending to effect service of this motion as follows (in addition to service on the Service List, including the Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel and the Lion's Share Representative and its counsel):
 - a) the Monitor will serve its Motion Record on each secured creditor or other party whose interest in the Properties is proposed to be discharged by the Second Omnibus Credit Bid Vesting Order, which the Monitor intends to deliver by email and, where email address is not available, by courier to any known address of such lender; and
 - b) the Monitor will post on the Case Website and send a short-form notice substantially in the form attached as Appendix "H" (the "Tenant Notice") to each known tenant under a Lease proposed to be assigned pursuant to the Second Omnibus Credit Bid Vesting Order advising of the proposed assignment and directing the tenant to the Case Website to review a copy of the Motion Record, which the Monitor intends to deliver by email and, where email address is not available, by courier.
2. The Monitor believes that service in the manner outlined above is reasonable, appropriate and practical in the circumstances.

4.5 Equity Properties

1. The Restructuring Term Sheet included the concept of requiring mortgagees to pay an amount for certain Properties identified by the Monitor that potentially have value in excess of the mortgage debt. This was only applicable to the extent a mortgagee exercised its credit bid option on such properties.

2. The Monitor's methodology for identifying the equity properties is to use the best available estimate of current property value, less accumulated debt⁶, similar to the methodology discussed and approved in the Tenth Report. The analysis completed for the initial credit bid process, as described in the Tenth Report, used the Applicants' acquisition cost plus renovation costs incurred by the Applicants to estimate the current property value of over 400 properties. For the Remaining Properties, the Monitor used the suggested list prices provided by the Listing Agents (as set out in the Revised Remaining Portfolio Analysis (defined below) attached as Appendix "I"). Accordingly, the updated methodology is as follows:
 - Suggested list price provided by the Listing Agents;
 - Less: principal mortgage debt;
 - Less: interest at 10% for 18 months on the first mortgage;
 - Less: interest at 14% for 18 months on the second mortgage (if any);
 - Less: Second DIP Allocation.
3. Based on the above methodology, any property with an imputed equity amount (the "Equity Amount") is to be an "Equity Property" for the purposes of the Secondary Credit Bid Option. The Monitor's Revised Remaining Portfolio Analysis⁷, attached as Appendix "I", shows a total of 12 Equity Properties, of which nine are unencumbered (the "Unencumbered Properties"), and accordingly, cannot be subject to credit bids.
4. While the previous methodology to determine Equity Properties described in the Tenth Report included some degree of subjectivity, the Monitor notes the following regarding its proposed methodology for the Equity Properties:
 - a) the suggested list price as a measure of current value is more credible as they were provided by the Listing Agents after being granted access to the properties for inspection and other assessment purposes;
 - b) unlike the methodology previously used which included the costs of renovations in the determination of market value, there is no reliance on the Applicants' books and records in the proposed methodology. The Monitor's concerns with the Applicants' books and records were set out in the Fourth Report (as summarized in Section 1.1 of this Report); and
 - c) interest assumptions in the total mortgage debt figures are conservative given that most mortgagees have not been paid interest for over 18 months.
5. None of the 12 properties subject to Secondary Credit Bid APAs are Equity Properties. Accordingly, all Equity Properties will be listed and sold as part of the Orderly Liquidation Process.

⁶ The accumulated debt in this calculation is made up of the (a) principal mortgage debt, (b) interest at 10% for 18 months on the first mortgage, (c) interest at 14% for 18 months on the second mortgage (if any), and (d) DIP Allocation.

⁷ The Revised Remaining Portfolio Analysis remains consistent with the "Remaining Portfolio Analysis" provided in the Eleventh Report, with only one change being to reflect the updated DIP Allocation discussed in Section 5.

4.6 Recommendation re Second Omnibus Credit Bid Vesting Order

1. The Monitor recommends the Court approve the Secondary Credit Bid APAs and issue the proposed Second Omnibus Credit Bid Vesting Order for the following reasons:
 - a) the SISP was developed by the Monitor in consultation with the Applicants, the Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel and the Lion's Share Representative, each of whom supported or did not oppose its approval by the Court;
 - b) the rights of the Secured Lenders to credit bid were specifically preserved under the SISP, and 452⁸ Secured Lenders submitted credit bid LOIs in the SISP;
 - c) all of the acquisition or refinancing LOIs submitted under the SISP for all or a portion of the Portfolio would have resulted in a substantial shortfall to the Applicants' first ranking Secured Lenders, and each of Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel and the Lion's Share Representative agreed that the Monitor should not pursue any such offers;
 - d) the Monitor carried out the Secondary Credit Bid Process in accordance with the Secondary Credit Bid Approval Order;
 - e) the right to credit bid pursuant to the Secondary Credit Bid Process was afforded to all Secured Lenders and was exercised by Secured Lenders on 12 (or approximately 14%) of the Remaining Properties;
 - f) the Secondary Credit Bid APAs require the Purchasers to pay the Priority Payables ranking senior to their mortgages;
 - g) the Secured Lenders have not been paid interest on their mortgage debt for 18 months (or longer) and have incurred further costs and taken steps (including funding their Deposits) to prepare to complete the transactions contemplated by the Secondary Credit Bid APAs, presumably including securing the necessary funds to pay the Priority Payables and the Additional Priority Payables Payment in connection with their transactions, should the Court approve them. Accordingly, any further delay would materially prejudice the Secured Lenders who elected to submit a Secondary Credit Bid APA in accordance with the Court-approved Secondary Credit Bid Process;
 - h) the second mortgagees on the applicable 12 credit bid Properties also had the right to submit credit bids to top the applicable first mortgagee's credit bid pursuant to the Secondary Credit Bid Process, and their decision not to do so suggests, in part, that the second mortgagees did not believe there was value in the Properties beyond the debt owing to the first mortgagee plus the DIP Allocation for each such Property;

⁸ This number (452) exceeds the number of properties (407) in the Portfolio as it includes duplicative credit bid election forms submitted by multiple mortgagees on the same properties given the existing first and second mortgages on a number of properties. The credit bid form used for SISP purposes was not in the form of a binding agreement nor did it require any deposit be funded at that time. The Credit Bid APAs submitted in accordance with the Restructuring Term Sheet superseded the initial credit bid LOIs submitted under the SISP.

- i) based on the foregoing, the Monitor believes that: (i) the consideration to be received under the Secondary Credit Bid APAs is fair and reasonable in the circumstances; and (ii) the proposed sales are more beneficial to creditors than a sale or disposition under a bankruptcy; and
 - j) the Monitor is not aware of any of the credit bid Purchasers being “related” to the Applicants.
- 2. In developing its recommendation, the Monitor also considered that the cost of these proceedings has been significant since they were commenced in January 2024. A Court-approved SISF and comprehensive Investigation have been carried out and the Monitor does not believe there are any other viable alternatives for the Monitor to pursue in the circumstances. The relief requested will allow: (a) the Secured Lenders who elected to exercise their Court-sanctioned credit bid right to acquire their Properties; and (b) for the remaining Liquidation Portfolio Properties to be liquidated, in accordance with the Orderly Liquidation Plan previously approved by the Court and, if approved by the Court on this motion, the proposed Orderly Liquidation Mechanics, as discussed further in Section 6 of this Report.

5. Second DIP Allocation

- 1. Earlier in these proceedings, the Monitor sought and obtained approval of the DIP Allocation in order for the proceeds of the initial 321 credit bid transactions to be used to repay the Harbour DIP Facility. The same methodology was used for the purposes of the amount owing under the Viscount DIP Term Sheet, which the Monitor proposes be allocated on the following basis:
 - a) property specific costs, such as renovations and property taxes, to the applicable Property; and
 - b) general costs, such as professional fees associated with these CCAA proceedings, over the Portfolio in proportion to the acquisition cost of each Property.
- 2. On or around February 28, 2025, the Monitor sent an updated version of the DIP Allocation to all Secured Lenders. Since that date, the Monitor has received several requests for invoices and other supporting documentation. The Monitor has responded to each such request.
- 3. A copy of the proposed Second DIP Allocation, which totals \$5 million, is attached as Appendix “J”.
- 4. The Monitor recommends the Court approve the Second DIP Allocation for the following reasons:
 - a) in the Monitor’s view, the proposed allocation methodology follows a customary and equitable manner in which DIP funding is typically allocated in similar circumstances by allocating general costs across all properties and property specific costs to the applicable property;
 - b) using acquisition cost as the basis to allocate general costs across the entire Portfolio is reasonable in the circumstances and, in the Monitor’s view, is more appropriate than allocating those costs based on mortgage debt as the Applicants did not incur or repay mortgage debt in any systematic manner;

- c) the Second DIP Allocation methodology is consistent with the DIP Allocation methodology approved by this Court on December 6, 2024 and applied to the first credit bid transactions;
 - d) the Second DIP Allocation was communicated to stakeholders in February 2025, allowing mortgagees sufficient time to review their allocations before the secondary credit bid submission deadlines of March 14 and 21, 2025 for first and second mortgagees, respectively.
- 5. Based on the foregoing, the Monitor considers the proposed Second DIP Allocation fair and reasonable in the circumstances.
- 6. Subject to Court approval of the Second DIP Allocation and the Second Omnibus Credit Bid Vesting Order, the Monitor expects the total Second DIP Allocation from the proceeds from the 12 credit bid transactions to be approximately \$733,000 (excluding the additional 25% escrow funds).
- 7. The Monitor proposes to distribute such funds to the Replacement DIP Lender to reduce the principal outstanding under the Viscount DIP Term Sheet to approximately \$3.7 million, which will also reduce the monthly interest payments payable under the Viscount DIP Term Sheet.
- 8. In connection with the additional 25% of the Second DIP Allocation that will need to be funded as part of the Secondary Credit Bid transactions, the Viscount DIP Term Sheet requires that the Monitor hold those funds in escrow until the amounts owing under the Viscount DIP Term Sheet are repaid in full. Accordingly, the Monitor is proposing to hold those funds until further order of the Court or agreement among the Monitor, the Replacement DIP Lender and the applicable purchaser. To the extent possible without prejudicing the Replacement DIP Lender, the Monitor will consider, on an ongoing basis, the possibility of fully or partially reimbursing these escrow amounts to purchasers before all Liquidation Portfolio Properties are sold.

6. Liquidation Portfolio

- 1. Subject to Court approval and completion of the 12 secondary credit bid transactions, the Liquidation Portfolio Properties will consist of 74 properties.
- 2. Following the credit bid deadlines established under the Court-approved Secondary Credit Bid Process, the Monitor commenced its implementation of the Orderly Liquidation Plan previously approved by the Court.
- 3. The Monitor has taken the following steps in accordance with the Orderly Liquidation Plan:
 - a) entered into listing agreements with the Listing Agents;
 - b) worked with CBRE and the Listing Agents, and consulted with the Replacement DIP Lender, to determine the sequencing of listing the Liquidation Portfolio, which considers, among other things, the markets, cash flow being generated by each property (if any) and their condition (i.e. many of the 74 remaining Properties are in a state of disrepair and/or boarded up). In this regard, the Sault Ste. Marie Listing Agent has proposed listing two to four properties per week, ensuring the listings differ in area, condition and/or price range;

- c) listed a sub-set of the Liquidation Portfolio Properties (using MLS and other traditional marketing channels for residential real estate) to identify potential purchasers for each property. As at the date of this Report, a total of 26 properties are listed (listings commenced on or around April 1, 2025). The properties that have been listed for sale are set out in Appendix “K”; and
 - d) as discussed in the Eleventh Report, and approved by this Court on February 27, 2025, the Liquidation Portfolio Properties were and will initially be listed for sale at the suggested list prices provided by the Listing Agents as set out in the Revised Remaining Portfolio Analysis (Appendix “I”), provided that the Monitor shall be entitled, on behalf of the applicable Applicant in accordance with the Expanded Powers Order, from time to time as it considers necessary or appropriate, to increase or reduce the list price for any property and/or to accept an offer to purchase any property at a price greater or less than the applicable list price for such property, provided that, unless the Monitor obtains the prior consent of the Replacement DIP Lender, the Monitor shall not accept an offer that would result in net proceeds (after deduction of reasonable sale commissions and property specific legal costs) that would be less than 125% of the DIP Allocation in respect of such property, which is a condition of property sales set out in Section 11(a) of the Viscount DIP Term Sheet (a copy of which is attached at Appendix “L” to this Report). As the listing process has only recently commenced, there have been no changes to the list prices at this time.
4. As at the date of this Report, there have been four offers received by the Listing Agents on Liquidation Portfolio Properties. As at the date of this Report, there have not been any offers accepted by the Monitor. However, the Monitor anticipates being in a position to sell certain of the Liquidation Portfolio Properties in the near term. Accordingly, the Monitor worked with stakeholders and/or their counsel to develop a streamlined process to accept and close offers for the Liquidation Portfolio Properties in an effort to avoid the costs of ongoing and recurring Court appearances to sell each property. That process, being the proposed Orderly Liquidation Mechanics, is described below.

6.1 Orderly Liquidation Mechanics

1. The Monitor proposes the following guidelines to permit the Monitor to accept and complete sales of Liquidation Portfolio Properties without the need for further approval of the Court:
 - a) if the net sale proceeds after taxes and closing costs (the “Net Sale Proceeds”) are estimated to be less than 125% of the DIP Second Allocation plus the total mortgage debts on the applicable Property (the “Mortgage Debts”), the Monitor shall be entitled to accept and complete the sale with the consent of the Secured Lender Representative Counsel and the applicable first and second mortgagees (the “Applicable Secured Mortgagees”);
 - b) if the Net Sale Proceeds are estimated to be greater than 125% of the DIP Allocation plus the Mortgage Debts, the Monitor shall be entitled to accept and complete the sale with the consent of Unsecured Lender Representative Counsel and the Lion’s Share Representative;

- c) if the Net Sale Proceeds are estimated to be less than 125% of the DIP Allocation, consent of only the Replacement DIP Lender shall be required; and
 - d) if the property is one of nine Unencumbered Properties, the Monitor shall be entitled to accept and complete a sale with the consent of the Replacement DIP Lender, the Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel and the Lion's Share Representative.
- 2. If these proposed consents are not provided, the Monitor shall seek Court approval of the sale, and the costs of such motion shall be allocated to the proceeds of the applicable Property. However, if the consent of Unsecured Lender Representative Counsel and the Lion's Share Representative is required but not provided, and the expected costs of seeking Court approval would result in a deficiency to any Applicable Secured Mortgagee, the Monitor shall be entitled to accept and complete the sale without the consent of the Unsecured Lender Representative Counsel and the Lion's Share Representative, and the Monitor shall instead obtain the consent(s) required under section 6.1.1(a) above (namely, the consent of only the Applicable Secured Mortgagees).
- 3. As noted above, the Monitor further proposes that on the closing of each sale, until such time as the amount owing under the Viscount DIP Term Sheet has been repaid in full, the Monitor shall pay from the Net Sale Proceeds 100% of the Second DIP Allocation to the Replacement DIP Lender to reduce the principal obligations owing thereunder and shall hold an amount equal to the additional 25% of the Second DIP Allocation pending further order of the Court or agreement of the Monitor, the Applicable Secured Mortgagees and Viscount. Any and all Net Sale Proceeds beyond such amounts will be held by the Monitor pending further order of the Court to address distribution.
- 4. The Monitor proposes that provided all of the above is complied with, Viscount and the Applicable Secured Mortgagees shall be required to discharge their mortgages on a sale property, and the DIP Lender's Charge on the property shall be deemed to be discharged on closing.
- 5. The Monitor recommends the Court approve the Orderly Liquidation Mechanics for the following reasons:
 - a) in the Monitor's view, it would be impractical and inefficient to seek Court approval prior to completing sale transactions for individual or a subset of properties comprising the Liquidation Portfolio Properties;
 - b) the Liquidation Mechanics require consents from the economic stakeholders in the various scenarios having regard to the sale price, Mortgage Debt and the Second DIP Allocation for each Property;
 - c) counsel to the Replacement DIP Lender and Secured Lender Representative Counsel were consulted in the development of the proposed Orderly Liquidation Mechanics;

- d) the rationale for the Orderly Liquidation Mechanics is to minimize the cost of selling the Liquidation Portfolio Properties, which is in the best interest of all stakeholders; and
- e) the Liquidation Mechanics provide that Court approval is required in the event that any of the applicable economic stakeholders do not consent to the proposed sale.

6.2 Distribution of Proceeds

1. At this time, the Monitor is not seeking any relief in connection with distribution of proceeds other than to repay a portion (approximately \$733,000) of the amount outstanding under the Viscount DIP Term Sheet from the Second DIP Allocation to be collected on closing of the 12 secondary credit bid transactions.
2. As noted above, the Monitor intends to hold the net proceeds of sale of any Liquidation Portfolio Properties to fund any costs of these proceedings or operations in excess of funding through the Viscount DIP Term Sheet.
3. In due course, the Monitor will bring a distribution motion to recommend the basis on which any remaining proceeds should be distributed.

7. Unsecured Lender Committee

1. On March 4, 2025, the Monitor was provided with a copy of a letter addressed to the Honourable Mr. Justice Osborne from the Unsecured Lender Committee. The letter was dated February 24, 2025, being three days prior to the most recent Court attendance in these proceedings but was not sent to the Monitor.
2. Upon receipt of the letter, the Monitor confirmed that Unsecured Lender Representative Counsel was not aware of the letter.
3. The Monitor does not agree with the contents of the letter, a copy of which the Monitor can provide to this Court should it wish to review it. However, shortly following receiving it, the Monitor arranged for a meeting among representatives of the Monitor, its legal counsel, the Unsecured Lender Committee and Unsecured Lender Representative Counsel. That meeting took place on March 14, 2025.
4. At the meeting on March 14, 2025, the Monitor, among other things, provided its views on the letter, including confirming that every major milestone and transaction completed over the course of these proceedings has been disclosed to and approved by the Court on notice to all stakeholders, including the Unsecured Lenders. The Monitor also advised that it would be open to meeting periodically with the Unsecured Lender Committee, particularly to provide updates on the status of the Orderly Liquidation Process. The Monitor believes that would be helpful and appropriate as the Unsecured Lenders may have an interest in the outcome of the Orderly Liquidation Process, particularly as it relates to the nine unencumbered properties that are, or will be, listed for sale as part of that process.

8. Cash Flow Forecast

- As at the date of this Report, \$4.4 million has been drawn on the Viscount DIP Term Sheet (largely to repay the Harbour DIP Facility in December 2024). The following table provides a summary of the uses of the DIP funding from the commencement of these proceedings in January 2024 through April 6, 2025.

(unaudited; C\$000s)	
Receipts	
DIP funding	19,400
Credit Bid DIP Allocation Payments	12,354
Other receipts	2,045
	<u>34,040</u>
Disbursements	
Repayment of Harbour DIP Facility	(15,056)
Professional fees	(8,608)
Property taxes	(3,484)
Other	(2,966)
DIP Facility costs and interest	(1,719)
Advances to Applicants' bank accounts	(1,414)
Insurance	(426)
Total Disbursements	<u>(33,673)</u>
Balance in Monitor's Trust Account	367

- Explanations of certain line items in the table above are as follows:
 - the purpose of the table is to reflect the Applicants' uses of DIP funding over the course of these proceedings. As all DIP funding has been advanced to the Monitor's trust account, activity in the Applicants' bank accounts is not reflected in the table above; however, the Monitor took control over the Applicants' bank accounts in accordance with the Expanded Powers Order. As at the date of this Report, there is a negligible balance in the Applicants' bank accounts and approximately \$367,000 of available funds in the Monitor's trust account;
 - professional fees include the fees of the Applicants' counsel, the Monitor and its counsel, the Replacement DIP Lender's counsel (and in respect of Harbour, the previous DIP Lender), the Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel and the SISP Advisors. The SISP Advisors' fees ceased being paid shortly following the offer deadline under the SISP (June, 2024);
 - amounts reflected as advances to the Applicants' bank accounts were largely used to fund renovations, utilities, repairs and maintenance and other operating expenses incurred over the course of these proceedings; and
 - amounts reflected as Other include, among other things, bank charges, utilities, property management fees, HST, and other sundry expenses.
- The Monitor has prepared the Cash Flow Forecast for the period April 7, 2025 to August 31, 2025. The Cash Flow Forecast is attached as Appendix "M".

4. Subject to the underlying assumptions provided in the notes to the Cash Flow Forecast, the Cash Flow Forecast reflects that there is projected to be sufficient funding available to the Applicants to continue to operate in these proceedings through to the proposed stay extension date of August 31, 2025. The Cash Flow Forecast reflects that property sale proceeds of the Liquidation Portfolio Properties are required to fund a portion of the outstanding and ongoing costs of these proceedings. These assumptions, particularly as they relate to future sales under the Orderly Liquidation Plan, will be refined over time.
5. The Monitor's statutory report on the Cash Flow Forecast is attached as Appendix "N". The Monitor has not sought the statutory report on the Cash Flow Forecast to be executed by the Applicants given the Expanded Powers Order.

9. Stay Extension

1. The Stay Period currently expires on May 31, 2025. The Monitor, on behalf of the Applicants, is seeking an extension of the Stay Period until August 31, 2025.
2. The Monitor recommends the extension for the following reasons:
 - a) the Honourable Justice Steele's endorsement issued in these proceedings dated July 31, 2024 stated that *"In the context of a "super-Monitor" in CCAA proceedings, the monitor is held to the good faith standard."* As "super" Monitor in these CCAA proceedings, the Monitor believes it is discharging its duties and obligations under the CCAA, the Expanded Powers Order and other orders made in these CCAA proceedings in good faith and with due diligence;
 - b) no creditor will be prejudiced if the extension is granted;
 - c) based on the Cash Flow Forecast and the assumptions noted above, there is projected to be funding available to fund operations and the costs of these proceedings during the extension period; and
 - d) an extension of the Stay Period will provide the time necessary for the Monitor to (i) close the Secondary Credit Bid transactions; and (ii) advancing the Court-approved Orderly Liquidation Plan, particularly listing for sale, and realizing on, the Liquidation Portfolio Properties.

10. Professional Fees

1. The fees of the Monitor and Cassels from the commencement of these proceedings through January 31, 2025 have been approved pursuant to Court Orders issued over the course of these proceedings.
2. The fees (excluding disbursements and HST) of the Monitor and Cassels from February 1, 2025 to March 31, 2025 total \$133,039 and \$106,056, respectively.
3. The average hourly rates for KSV and Cassels for the referenced billing periods were \$518.06 and \$947.87, respectively.

4. Invoices in respect of the fees and disbursements of the Monitor and Cassels, redacted for privilege or confidential information, are provided in appendices to the affidavits (together, the "Fee Affidavits") filed by KSV and Cassels, which Fee Affidavits are attached as Appendices "O" and "P", respectively.
5. As set out in the invoices attached to the Fee Affidavits, the fees of the Monitor and Cassels for the referenced billing periods include those incurred to perform the aforementioned activities.
6. The Monitor is of the view that the hourly rates charged by Cassels are consistent with the rates charged by large corporate law firms practicing in the area of corporate insolvency and restructuring in the Toronto market, that Cassels' billings reflect work performed consistent with the Monitor's instructions and that the overall fees charged by Cassels and the Monitor are reasonable and appropriate in the circumstances.

11. Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully recommends that this Court grant the relief set out in Section 1.2(1)(g) of this Report.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

KSV RESTRUCTURING INC.

IN ITS CAPACITY AS 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. AND NOT IN ITS PERSONAL CAPACITY

Appendix “A”

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE)	THURSDAY, THE 28 TH
)	
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 Sutor 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.

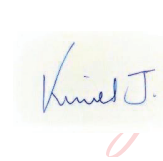
67. **THIS COURT ORDERS** that, notwithstanding paragraph 66 of this Order, each of the Applicants, the Monitor, the Secured Lender Representative Counsel or the Unsecured Lender Representative Counsel may from time to time apply to this Court to amend, vary or supplement this Order or for advice and 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, 10th Floor
North York, ON M2N 7E9
Attention: George Benchetrit
Email: george@chaitons.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

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:

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

To: Goldman Sloan Nash & 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

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:

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

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

Joshua Foster (LSO# 79447K)

Tel: (416) 777-7906

Email: fosterj@bennettjones.com

Thomas Gray (LSO# 82473H)

Tel: (416) 777-7924

Email: grayt@bennettjones.com

Lawyers for the Applicants

Appendix “B”

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

THE HONOURABLE

)

TUESDAY, THE 25TH

)

JUSTICE OSBORNE

)

DAY OF JUNE, 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”)**

**ORDER
(Expansion of Monitor’s Powers)**

THIS MOTION, made by the secured lenders of the Applicants, by their representative counsel, Chaitons LLP (“**Secured Lender Representative Counsel**”), appointed pursuant to the Initial Order of this Court dated January 23, 2024, as subsequently amended and restated by Orders dated February 15, 2024 and March 28, 2024 (as amended and restated, the “**SARIO**”), for an order expanding the powers of KSV Restructuring Inc., in its capacity as the Court-appointed monitor of the Applicants (in such capacity, the “**Monitor**”) and related relief, was heard this day by judicial videoconference via Zoom.

ON READING the Fourth Report of the Monitor dated June 11, 2024, the Fifth Report of the Monitor dated June 17, 2024, the Supplement to the Fifth Report of the Monitor dated June 23, 2024, the Affidavit of Robert Clark sworn June 20, 2024, the Affidavit of Sofia Pino sworn June 14, 2024, the Affidavit of Paul Searle sworn June 14, 2024, the Affidavit of Andrew Adams sworn June 14, 2024, the Ancillary Order of this Court dated June 25, 2024, and such other materials that

were filed, and on being advised that each of the affected parties consents to the granting of this Order, and on hearing the submissions of Secured Lender Representative Counsel, counsel to the Applicants, Unsecured Lender Representative Counsel, counsel to the Monitor, counsel to The Fuller Landau Group Inc. in its capacity as court-appointed receiver and trustee in bankruptcy of The Lion's Share Group Inc., counsel to the DIP Lender, and such other counsel that were present, no one else appearing although duly served as appears from the affidavits of service, filed,

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 motion is properly returnable today and hereby dispenses with further service thereof.
2. THIS COURT ORDERS that capitalized terms used in this Order and not defined herein shall have the meanings ascribed to them in the SARIO.

EXPANSION OF MONITOR'S POWERS

3. THIS COURT ORDERS that in addition to the powers and duties of the Monitor set out in the SARIO, any other Order of this Court granted in this CCAA Proceeding, the CCAA and applicable law, and without altering in any way the obligations of the Applicants in this CCAA Proceeding, the Monitor is hereby empowered and authorized, but not required, to exercise any powers which may be properly exercised by a board of directors or any officers of the Applicants to cause the Applicants, to, including without limitation:

- (a) exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories, and the placement of such insurance coverage as may be necessary or desirable;

- (c) manage, operate, and carry on the business of the Applicants, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Applicants, including, subject to paragraph 5 hereof, terminating any and all agreements between the Applicants and any of the SID Companies (as defined below) on twenty-one (21) days' written notice by the Monitor to the applicable SID Companies;
- (d) instruct consultants, appraisers, agents, experts, auditors, accountants, managers, property managers, counsel and any other advisors currently engaged or retained by the Applicants;
- (e) engage any other consultants, appraisers, agents, experts, auditors, accountants, managers, property managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Monitor's powers and duties, including without limitation those conferred by this Order;
- (f) receive and collect all monies and accounts now owed or hereafter owing to the Applicants and to exercise all remedies of the Applicants in collecting such monies;
- (g) settle, extend or compromise any indebtedness owing to the Applicants, including determining whether a court-ordered claims process is required;
- (h) execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, in the name and on behalf of the Applicants;
- (i) initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Applicants and/or the Property, and to settle or compromise any such proceedings;
- (j) market any or all of the Property or pursue other alternative transactions in respect of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof, negotiating such terms and conditions of sale or other

transactions as the Monitor in its discretion may deem appropriate, including, but not limited to transactions in connection with the Sale and Investment Solicitation Process approved pursuant to the SISP Approval Order issued in this proceeding on April 12, 2024, as deemed appropriate by the Monitor;

- (k) report to, meet with and discuss with such affected Persons as the Monitor deems appropriate on all matters relating to the Property and this proceeding, and to share information, subject to such terms as to confidentiality as the Monitor deems advisable;
- (l) apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof;
- (m) exercise any shareholder, partnership, joint venture or other rights which the Applicants may have; and
- (n) take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Monitor takes any such actions or steps, it shall be exclusively authorized and empowered to do so on behalf of the Applicants, to the exclusion of all other Persons, including the Applicants' directors, officers, employees and/or other representatives (including but not limited to Aruba Butt, Ryan Molony, Robert Clark and Dylan Suitor), and without interference from any other Person.

4. THIS COURT ORDERS that notwithstanding the SARIO, Bennett Jones LLP ("**Bennett Jones**") shall not be entitled to payment of any legal fees by the Applicants in connection with any services provided to, or for the benefit of, the Applicants or the principals of the Applicants (including any Additional Stay Parties) following the date of this Order, nor shall such fees be subject to the Administration Charge.

5. THIS COURT ORDERS that, without limiting the foregoing or the SARIO, each of SIDRWC Inc. o/a SID Developments, SID Management Inc. and 2707793 Ontario Inc. o/a SID Renos (collectively, the "**SID Companies**") shall, for a minimum period to be agreed upon

between the Monitor and the SID Companies, each acting reasonably, until the effective date of the termination by the Monitor of the applicable agreements between the Applicants and the SID Companies, or until further Order of this Court (the earlier of such periods being hereinafter the **“Transition Period”**):

- (a) continue to perform the services provided by them to the Applicants notwithstanding the transition of such services, in whole or in part to one or more alternative service providers, and continue to be remunerated, in accordance with their existing contracts, agreements and/or arrangements described in paragraphs 46-49 of the Affidavit of Robert Clark sworn January 23, 2024, with the Applicants, as may be required by the Monitor and in doing so shall exclusively report to and take direction from the Monitor on behalf of the Applicants, provided that the SID Companies shall not be required to pay for any costs or expenses whatsoever on the Applicants’ behalf without reimbursement;
- (b) forthwith remit any monies collected by them on behalf of the Applicants to the Monitor, including without limitation all rent collected on behalf of the Applicants, provided that the SID Companies shall not be required to pay for any costs or expenses whatsoever on the Applicants’ behalf without reimbursement;
- (c) subject to paragraph 7, as may be requested by the Monitor, cooperate with the Monitor in the provision of the transition services set out in Schedule “A” hereto and any other transition services as may be agreed to in writing by the Monitor and the SID Companies (collectively, the **“Transition Services”**) provided by the SID Companies to alternative service providers determined by the Monitor; and
- (d) refrain from incurring any obligations, or making any commitments, on behalf of any of the Applicants, including with respect to any ongoing or future renovations of the Applicants’ Property, without the prior written consent of the Monitor.

6. THIS COURT ORDERS that the Monitor shall serve on the Service List and the SID Companies, and post on the Monitor’s Website a certificate confirming the end of the Transition Period (the **“Monitor’s Transition Period Termination Certificate”**).

7. THIS COURT ORDERS that, during the Transition Period, the SID Companies shall be paid their reasonable fees and disbursements, in each case, at rates to be agreed to in writing by the Monitor and the SID Companies, each acting reasonably, in connection with the provision of the Transition Services. The Applicants are hereby authorized and directed to pay the accounts of the SID Companies in connection with the Transition Services on a monthly basis or pursuant to such other arrangements agreed to between the Monitor and the SID Companies.

8. THIS COURT ORDERS that the SID Companies, the Monitor and their respective Assistants, affiliates, partners, directors, employees, advisors, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of performing the Transition Services requested by the Monitor, except to the extent of such losses, claims, damages or liabilities arising or resulting from the gross negligence or wilful misconduct of the SID Companies or the Monitor, as applicable, as determined by this Court in a final order that is not subject to appeal or review.

9. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 and any similar legislation in any other applicable jurisdictions, the SID Companies and each of their respective Assistants, affiliates, partners, directors, employees, advisors, agents and controlling persons are hereby authorized and permitted to disclose and transfer personal information of identifiable individuals to the Monitor but only to the extent desirable or required to negotiate or attempt to complete the Transition Services.

10. THIS COURT ORDERS that the banks and/or financial institutions which maintain each of the Applicants' bank accounts are directed to recognize and permit the Monitor and its representatives to complete any and all transactions on behalf of the Applicants and for such purpose, the Monitor and its representatives are empowered and shall be permitted to execute documents for, or on behalf of and in the name of the Applicants, and shall be empowered and permitted to add and remove persons having signing authority with respect to the accounts of the Applicants. The financial institutions maintaining such accounts shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken in accordance with the instructions of the Monitor for and on behalf of the

Applicants, and/or as to the use or application of funds transferred, paid, collected or otherwise dealt with in accordance with such instructions and such financial institutions shall be authorized to act in accordance with and in reliance upon such instructions without any liability in respect thereof to any person.

11. THIS COURT ORDERS that, notwithstanding anything contained in this Order, the Monitor is not, and shall not be or be deemed to be, a director, officer or employee of any of the Applicants.

12. THIS COURT ORDERS that, without limiting the provisions of the SARIO, the Applicants shall remain in possession and control of their respective Property and the Monitor shall not take, or be deemed to have taken, possession or control of such Property, or any part thereof.

13. THIS COURT ORDERS that the Monitor shall not be liable for any employee-related liabilities of the Applicants, if any, other than amounts the Monitor may specifically agree in writing to pay. Nothing in this Order shall, in and of itself, cause the Monitor to be liable for any employee-related liabilities of the Applicants, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts.

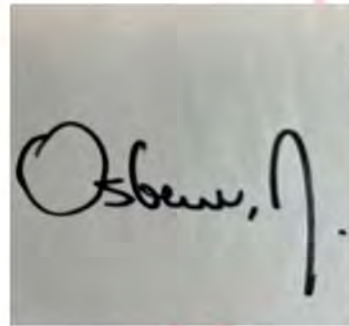
14. THIS COURT ORDERS that: (i) in addition to the rights and protections afforded to the Monitor under the CCAA or as an officer of this Court, the Monitor and its legal counsel shall continue to have the benefit of all of the indemnities, charges, protections and priorities as set out in the SARIO and any other Order of this Court, and all such indemnities, charges, protections and priorities shall apply and extend to the Monitor in carrying out of the provisions of this Order and exercising any powers granted to it hereunder; and (ii) the Monitor shall incur no liability or obligation as a result of exercising any powers granted to it hereunder, save and except for any gross negligence or wilful misconduct on its part.

15. THIS COURT ORDERS that nothing in this Order shall constitute or be deemed to constitute the Monitor as receiver, assignee, liquidator, administrator, receiver-manager, agent of the creditors or legal representative of the Applicants within the meaning of any relevant

legislation and that any distributions to creditors of the Applicants by the Monitor will be deemed to have been made by the Applicants.

16. THIS COURT ORDERS that the powers and authority granted to the Monitor by virtue of this Order shall, if exercised in any case, be paramount to the power and authority of the Applicants with respect to such matters and, in the event of a conflict between the terms of this Order and those of the SARIO or any other Order of this Court, the provisions of this Order shall govern.

17. THIS COURT ORDERS that nothing contained in this Order or in the Ancillary Order shall affect the claims for costs against any Person in respect of this Order and the Ancillary Order, including, without limitation the claims against the Principals described in the Factum of the Secured Lenders. Any such claims shall be determined via a schedule to be fixed at a case conference to be convened as soon as reasonably practicable among any such Persons and their respective counsel.

A rectangular box containing a handwritten signature in black ink. The signature appears to be "Osborne, J." with a stylized flourish at the end.

2024.06.

27

17:43:23

-04'00'

SCHEDULE "A"

TRANSITION SERVICES

- (a) The keys to each of the units, labelled by unit, shall be provided to the Monitor.
- (b) Copies of all available existing lease agreements shall be provided to the Monitor.
- (c) The Applicants' tenants' names, email addresses, phone numbers, and identification, to the extent available, shall be provided to the Monitor.
- (d) A list of all of the Applicants' tenants' methods of payment, including all pre-authorized payment methods, shall be provided to the Monitor.
- (e) Information concerning and the details of all government assistance programs directly deposited on behalf of the Applicants' tenants shall be provided to the Monitor, which shall include, to the extent available, the name of each tenant, the name of each case worker, the name of the applicable assistance program, and the amount of monthly program assistance.
- (f) All current ledgers shall be provided to the Monitor, including 12-month historical tenant ledgers and tenant outstanding balances for both the Applicants' former and current tenants.
- (g) A list of all issued N1s and N2s, if applicable, shall be provided to the Monitor.
- (h) All current LTB Filling Numbers (tenant and landlord) shall be provided to the Monitor, including the contact information for each issuing law firm or paralegal, a list of all N4s and the applicable maturity dates, copies of all LTB notices of hearings and copies of all LTB judgements (including, eviction orders, payment plans, and section 78 orders).
- (i) The account numbers and bills per property owned by the Applicants for all utility providers shall be provided to the Monitor.
- (j) A list of all rented equipment per property owned by the Applicants shall be provided to the Monitor, including the unit address, item, term and applicable service provider.
- (k) All tax roll information per property owned by the Applicants shall be provided to the Monitor.
- (l) All outstanding minimum (or property) standards orders issued by local municipalities in respect of the Applicants' properties shall be provided to the Monitor.
- (m) Copies of all open contracts or work orders with vendors in respect of the Applicants' properties shall be provided to the Monitor.

- (n) Access to any key lockboxes on unit premises owned by the Applicants shall be provided to the Monitor.
- (o) All unit inspection reports in respect of the Applicants' properties shall be provided to the Monitor, including fire safety inspections, where applicable, for all units.
- (p) Copies of all active service agreements in respect of the Applicants' properties shall be provided to the Monitor.
- (q) All information pertaining to the Applicants' properties contained on property management software utilized by SID Management or SID Renos will be transferred to the Monitor.
- (r) All tenant application information in respect of the Applicants' properties shall be provided to the Monitor.
- (s) All former lease agreements for any of the Applicants' tenants in unresolved LTB hearings shall be provided to the Monitor, including all such former tenant names, email addresses, phone numbers, and copies of identification.
- (t) All of the Applicants' corporate and mailing addresses shall be changed to an address designated by the Monitor, including in respect of insurance and property taxes.
- (u) All of the Applicants' tenants that have been sent to collections (current and former) and the applicable collection agency shall be identified for the Monitor.
- (v) All marketing material for the Applicants' existing units shall be provided to the Monitor.
- (w) All existing outstanding workorders from the Applicants' tenants shall be provided to the Monitor.
- (x) Copies of all building permits and residential permits in respect of the Applicants and/or their properties shall be provided to the Monitor.
- (y) A list of all trades that performed work in the last year that remain under warranty shall be provided to the Monitor, including the name of the applicable vendors, the work performed, and a copy of the applicable warranties.
- (z) Any surveys in respect of the Applicants' properties shall be provided to the Monitor.
- (aa) All insurance certificates in respect of the Applicants' properties and an insurance loss run shall be provided to the Monitor.

Appendix “C”



**Eleventh 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.**

February 20, 2025

Contents

Page

1.	Introduction	1
1.1	Investigation	6
1.2	Purposes of this Report	7
1.3	Restrictions	8
1.4	Currency	8
2.	Background	8
3.	SISP and Restructuring Term Sheet.....	9
3.1	Closed Credit Bid Transactions.....	10
4.	Remaining Portfolio Analysis	12
5.	Proposed Secondary Credit Bid Process.....	13
5.1	Secondary Credit Bid Option Mechanics.....	14
5.2	Equity Properties	16
6.	Orderly Liquidation Plan	18
6.1	Distributions of Proceeds	20
6.2	Big North Proposal.....	20
7.	Cash Flow Forecast.....	21
8.	Stay Extension	22
9.	Overview of Monitor's Activities	23
10.	Unsecured Lender Representative Counsel	24
11.	Professional Fees.....	25
12.	Conclusion and Recommendation	25

Appendices

Appendix	Tab
Second Amended and Restated Initial Order	A
Expanded Powers Order and Ancillary Order	B
Court Order dated August 30, 2024	C
Omnibus Credit Bid Vesting Order (without schedules), Ancillary Order and Endorsement dated December 6	D
Monitor's Transition Period Termination Certificate dated December 20, 2024	E
SISP Approval Order	F
Restructuring Term Sheet	G
Monitor's Seventh Report (without appendices)	H
Listing of Properties Subject to Credit Bids	I
Remaining Portfolio Analysis	J
Credit Bid APA	K
Credit Bid APA for Second Mortgagees	L
Monitor's Tenth Report (without appendices)	M
Viscount DIP Term Sheet	N
Listing Agreements	O
Information on Listing Agents	P
Cash Flow Forecast	Q
Monitor's Report on Cash Flow	R
KSV Fee Affidavit	S
Cassels Fee Affidavit	T

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.**

**ELEVENTH REPORT OF KSV RESTRUCTURING INC. AS
MONITOR**

FEBRUARY 20, 2025

1. Introduction

1. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "Court") made on January 23, 2024 (the "Initial Order"), 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") were granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") and KSV Restructuring Inc. was appointed monitor of the Applicants (in such capacity, the "Monitor").
2. The Applicants together with certain non-Applicant related entities, including SIDRWC Inc. o/a SID Developments ("SID Developments"), SID Management Inc. ("SID Management") and 2707793 Ontario Inc. o/a SID Renos ("SID Renos" and together with SID Developments and SID Management, the "SID Companies"), are part of a group of companies (collectively, the "Company") involved in the acquisition, renovation and leasing of distressed residential real estate in undervalued markets throughout Ontario (the "Business").
3. In the Applicants' materials filed in support of the Initial Order, they provided that the principal purpose for commencing these CCAA proceedings was to create a stabilized environment to enable the Applicants to preserve and maximize value for their stakeholders and provide the stability and liquidity necessary to complete value accretive renovations to their portfolio of residential homes (the "Portfolio"), including by securing debtor-in-possession ("DIP") financing, in order to pursue a comprehensive refinancing or restructuring transaction and implement a consensual plan of compromise or arrangement while continuing operations in the ordinary course of business.

4. Pursuant to the Initial Order, the Court, among other things:
 - a) granted a stay of proceedings until February 2, 2024 (the “Stay Period”) in respect of the Applicants, the Monitor, the Business and the Applicants’ current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “Applicants’ Property”) and three of the Applicants’ directors and officers, being Aruba Butt, Dylan Suitor and Ryan Molony (the “Additional Stay Parties”);
 - b) appointed Chaitons LLP (“Chaitons”) as representative counsel (the “Secured Lender Representative Counsel”) to all of the Applicants’ secured creditors (the “Secured Lenders”) and unsecured promissory noteholders (the “Unsecured Lenders”) and approved a mechanism by which a committee of up to six parties would be formed to instruct Secured Lender Representative Counsel (the “Secured Lender Representatives”); and
 - c) granted a charge (the “Administration Charge”) in the amount of \$750,000 on the Applicants’ Property to secure the fees and disbursements of the Monitor and its legal counsel, Cassels Brock & Blackwell LLP (“Cassels”), the Applicants’ legal counsel, Bennett Jones LLP (“Bennett Jones”), and Secured Lender Representative Counsel.
5. On January 31, 2024, the Court granted an amended Initial Order which, among other things:
 - a) extended the Stay Period to February 16, 2024;
 - b) approved the Applicants’ ability to borrow under a DIP credit facility (the “Harbour DIP Facility”) pursuant to a DIP Agreement dated January 26, 2024 (the “Harbour DIP Agreement”) between the Applicants and Harbour Mortgage Corp. (the “Harbour”) and granted a charge in favour of Harbour in the maximum amount of \$4 million (plus interest, fees and expenses) to secure the Applicants’ obligations under the Harbour DIP Agreement and Harbour DIP Facility (the “DIP Lender’s Charge”);
 - c) increased the maximum amount of the Administration Charge from \$750,000 to \$1 million; and
 - d) authorized the Applicants to pay certain amounts owing to suppliers for goods and services supplied to the Applicants prior to the date of the Initial Order, subject to the consent of the Monitor.
6. Pursuant to an Amended and Restated Initial Order granted on February 15, 2024 (the “ARIO”), the Court, among other things:
 - a) extended the Stay Period to March 28, 2024;
 - b) increased the maximum amount of the Administration Charge to \$1.5 million;
 - c) increased the maximum amount of the Harbour DIP Facility and the DIP Lender’s Charge to \$12 million (plus interest, fees and costs);

- d) amended the scope of Secured Lender Representative Counsel's mandate by removing the Unsecured Lenders such that the group of creditors represented by Secured Lender Representative Counsel includes only the Secured Lenders; and
 - e) directed and empowered the Monitor to (i) conduct an investigation into the use of funds borrowed by the Applicants, prefiling transactions conducted by the Applicants and/or their principals (the "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 Applicants' Property, the Business or such other matters as may be relevant to the proceedings herein as determined by the Monitor (the "Investigation"), and (ii) report to the Secured Lender Representatives and the Court on the findings of such Investigation as the Monitor deems necessary and appropriate.
7. Pursuant to a Second Amended and Restated Initial Order granted on March 28, 2024 (the "Second ARIO"), a copy of which is attached as Appendix "A", the Court, among other things:
- a) extended the Stay Period to April 30, 2024; and
 - b) appointed Goldman Sloan Nash & Haber LLP ("GSNH") as representative counsel (the "Unsecured Lender Representative Counsel") to the Applicants' Unsecured Lenders other than (i) The Lion's Share Group Inc.¹ ("Lion's Share") and (ii) any other unsecured lenders directly or indirectly controlled by, or under common control or otherwise affiliated with, Lion's Share or its principal, Claire Drage.
8. On April 12, 2024, the Court granted an order (the "SISP Approval Order"), which, among other things:
- a) extended the Stay Period to June 24, 2024;
 - b) approved a sale and investment solicitation process ("SISP"); and
 - c) approved the Applicants' engagement of Howards Capital Corp. ("HCC") and CBRE Limited ("CBRE" and jointly with HCC, the "SISP Advisors").
9. On June 25, 2024, the Court granted two orders (the "Expanded Powers Order" and the "Ancillary Order"), which, among other things:
- a) expanded the Monitor's powers over the Applicants, including removing the Principals' decision-making authority over the Applicants, as more fully discussed in Section 1.1 below;

¹ On March 16, 2024, Lion's Share filed a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act*. The Fuller Landau Group Inc. ("Fuller Landau") was appointed as proposal trustee. On April 3, 2024, Lion's Share was placed into receivership and bankruptcy proceedings. Fuller Landau is the receiver and licensed insolvency trustee administering Lion's Share's receivership and bankruptcy proceedings (in such capacities, the "Lion's Share Representative").

- b) provided a process for the Monitor to transition the Applicants' property and other management service providers from the SID Companies as determined necessary by the Monitor;
- c) extended the Stay Period to July 31, 2024;
- d) extended the stay of proceedings in respect of the Additional Stay Parties pursuant to paragraph 14 of the Second ARIO during the Transition Period (as defined in the Expanded Powers Order) to be automatically terminated upon the issuance of the Monitor's Transition Period Termination Certificate (as defined in the Expanded Powers Order);
- e) provided that, until the issuance of the Monitor's Transition Period Termination Certificate, no proceeding shall be commenced against or in respect of any of the SID Companies, or their respective employees, advisors or representatives, or affecting their respective business or property, except with the prior written consent of the Monitor and the SID Companies, or with leave of this Court;
- f) provided that none of the Applicants, the SID Companies and/or their respective principals and affiliates shall be required to take any further steps in connection with, or respond to any requests made pursuant to, paragraph 41(k) of the ARIO, but without derogating from any other obligations of any Person under the Second ARIO; and
- g) provided that, during the Transition Period, each of the Additional Stay Parties shall provide the Monitor with notice of the earlier of (i) seven (7) business days prior to any closing date and (ii) the listing date, for the sale of any real property owned, directly or indirectly, by the applicable Additional Stay Party, subject to certain express exceptions. (No such notice was provided to the Monitor over the course of the Transition Period).

Copies of the Expanded Powers Order and the Ancillary Order are attached as Appendix "B".

10. On July 31, 2024, the Court granted an order, which, among other things:
 - a) extended the Stay Period to August 31, 2024; and
 - b) approved a form of Property Management Agreement (the "PMA") with Richmond Advisory Services Inc. ("Richmond"), pursuant to which the property management services for the Portfolio would be transitioned from the SID Companies to Richmond. The PMA was finalized on August 8, 2024.
11. On August 30, 2024, the Court granted an order, which, among other things:
 - a) extended the Stay Period to October 31, 2024;

- b) approved a form of restructuring term sheet (the “Restructuring Term Sheet”) and authorized the Monitor to carry out its obligations under the Restructuring Term Sheet, including, without limitation, facilitating the negotiation and settlement of the transactions contemplated therein and finalizing all documentation reasonably necessary to carry out such transactions, provided that nothing in such order approved any specific transaction or agreement contemplated by the Restructuring Term Sheet, all of which remained subject to further approval by the Court;
- c) increased the maximum amount of the Harbour DIP Facility and the DIP Lender’s Charge to \$15 million (plus interest, fees and costs); and
- d) approved the fees and disbursements of the Monitor and its counsel through July 31, 2024.

A copy of the August 30, 2024 Order is attached as Appendix “C”.

- 12. Pursuant to an order dated October 7, 2024 (the “Suitor Interim Receivership Order”), TDB Restructuring Limited was appointed as interim receiver over Mr. Suitor’s property, assets and undertaking. The Suitor Interim Receivership Order was sought by the Lion’s Share Representative in a separate proceeding in connection with its pending bankruptcy application against Mr. Suitor, which is scheduled to be heard on February 25, 2025.
- 13. On October 30, 2024, the Court granted an order which extended the Stay Period to November 30, 2024.
- 14. On November 26, 2024, the Court granted an order which extended the Stay Period to December 31, 2024.
- 15. On December 6, 2024, the Court granted an order, which, among other things:
 - a) extended the Stay Period to February 28, 2025;
 - b) approved the Credit Bid APAs (as defined below) and authorized the Monitor to execute each of the Credit Bid APAs on behalf of each applicable Applicant in its capacity as “super” monitor of the Applicants pursuant to the Expanded Powers Order;
 - c) approved credit bid transactions (the “Omnibus Credit Bid Vesting Order”) in respect of 323 of the Applicants’ properties, including assigning tenant leases for the properties subject to the Omnibus Credit Bid Vesting Order to the respective purchasers, and separate from the Omnibus Credit Bid Vesting Order, assigned all tenant leases applicable to the Remaining Portfolio (as defined below) from the SID Companies to the applicable Applicant;
 - d) approved the Monitor’s methodology to allocate the \$15 million drawn on the Harbour DIP Facility (plus interest, fees and costs payable thereunder) across the Portfolio (the “DIP Allocation”);

- e) approved a replacement DIP Term Sheet with Viscount Capital Inc. (“Viscount”) (the “Viscount DIP Term Sheet”) and authorized the Monitor to execute the Viscount DIP Term Sheet on behalf of the Applicants in its capacity as “super” monitor of the Applicants pursuant to the Expanded Powers Order;
- f) authorized the Monitor, on behalf of the Applicants in its capacity as “super” monitor of the Applicants pursuant to the Expanded Powers Order, to repay the Harbour DIP Facility from: (i) cash on hand in the Applicants’ bank accounts and/or the Monitor’s trust account in respect of the Applicants; (ii) the DIP Allocations paid on closing of each Credit Bid APA, as held by the Monitor; and (iii) the proceeds of the Viscount DIP Term Sheet;
- g) approved the amendments to the Court-ordered charges in these proceedings, being a decrease in the Administration Charge from \$1.5 million to \$500,000, and a decrease to the DIP Lender’s Charge from \$15 million (plus interest and costs) to \$4.85 million (plus interest, fees and costs); and
- h) approved the fees and disbursements of the Monitor and its counsel through October 31, 2024.

A copy of the Omnibus Credit Bid Vesting Order (without schedules), the Ancillary Order and Justice Osborne’s endorsement dated December 6, 2024 are attached as Appendix “D”.

16. On December 20, 2024, the Monitor filed and served the Monitor’s Transition Period Termination Certificate, a copy of which is attached as Appendix “E”. Accordingly, effective December 20, 2024, the Additional Stay Parties and the SID Companies no longer have the benefit of the stay of proceedings granted in this proceeding.

1.1 Investigation

1. On June 11, 2024, the Monitor served on the Service List a redacted version of its Fourth Report to Court (the “Fourth Report”), which summarized the results of the Investigation.
2. The Investigation identified, among other things:
 - a) questionable transfers from the Applicants to the Principals, affiliated entities and third parties without any apparent benefit to the Business;
 - b) questionable dividend payments or repayment of amounts identified as shareholder loans;
 - c) a pervasive lack of proper record keeping, particularly for a business with assets and liabilities with a book value in the hundreds of millions of dollars; and
 - d) a myriad of other deficient business practices.

3. On June 14, 2024, Secured Lender Representative Counsel brought a motion, supported by the Monitor, the Unsecured Lender Representative Counsel and the Lion's Share Representative, seeking the Expanded Powers Order in order to expand the Monitor's powers in respect of the Applicants and removing the Principals' decision-making authority. The Applicants initially objected to the motion, but subsequently consented to the Expanded Powers Order and the Ancillary Order.

1.2 Purposes of this Report

1. The purposes of this report ("Report") are to:
 - a) summarize the reasons the Monitor is seeking a credit bid vesting order which will allow for the closing of credit bid transactions on five Properties that were already subject to the Omnibus Credit Bid Vesting Order but were not completed for reasons described below (the "Credit Bid Vesting Order");
 - b) provide an update on the status of these proceedings since the issuance of the Monitor's Tenth Report to Court dated November 29, 2024 (the "Tenth Report"), particularly as it relates to the 86 properties that will remain in the Portfolio (the "Remaining Properties")²;
 - c) outline the proposed next steps in this proceeding, being (i) a secondary credit bid process whereby mortgagees of the Remaining Properties will have a further and final opportunity to submit credit bids, subject to the conditions described further below (the "Secondary Credit Bid Process"); and (ii) an orderly sale process for the Remaining Properties that are not subject to further credit bids to be carried out by the Monitor, with the assistance of CBRE, including the engagement of Valery Realty Inc., John E. Smith Realty, Royal LePAGE Best Choice Realty Ltd., Zieminski Real Estate Brokerage and Royal LePage (collectively, the "Listing Agents") as listing agents in their respective markets, to list and sell such Remaining Properties on an orderly basis as set out further in Section 6.0 below (the "Orderly Liquidation Plan");
 - d) summarize the Applicants' cash flow forecast (the "Cash Flow Forecast") for the period March 1, 2025 to May 31, 2025 (the "Forecast Period");
 - e) summarize the fees and disbursements of the Monitor and Cassels from November 1, 2024 up to and including January 31, 2025; and

² The Remaining Properties include 84 properties that were not subject to credit bids, as well as two additional properties that were subject to credit bids but did not close as detailed further below. In the event that any of the five additional prior credit bid transactions referenced in Section 3.1 below do not close, they will also form part of the Remaining Properties.

f) recommend that the Court grant the following relief:

- granting the Credit Bid Vesting Order;
- approving the Secondary Credit Bid Process and the Orderly Liquidation Plan, including approving the broker agreements with the Listing Agents, and authorizing the Monitor to carry out those processes on the basis detailed herein;
- extending the Stay Period to May 31, 2025;
- approving the fees and disbursements of the Monitor and Cassels from November 1, 2024 to and including January 31, 2025; and
- approving this Report and the Monitor's activities summarized therein.

1.3 Restrictions

1. In preparing this Report, the Monitor has relied upon the unaudited financial information of the Applicants, the Applicants' books and records and discussions with representatives of the Applicants.
2. KSV has not audited, or otherwise attempted to verify, the accuracy or completeness of the financial information relied on to prepare this Report in a manner that complies with Canadian Auditing Standards ("CAS") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, KSV expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own diligence.
3. An examination of the Cash Flow Forecast as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future oriented financial information relied upon in this Report is based upon assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. KSV expresses no opinion or other form of assurance on whether the Cash Flow Forecast will be achieved.

1.4 Currency

1. Unless otherwise noted, all currency references in this Report are in Canadian dollars.

2. Background

1. The Applicants are Canadian privately-held corporations that are the principal owners of the Company's rental units and the residential properties on which they are situated.
2. At the commencement of these proceedings, the Applicants had disclosed ownership in 407 residential properties (collectively, the "Properties") comprising 631 rental units. The Properties were located in tertiary markets in Ontario, including Timmins, Sault Ste. Marie, Sudbury, Kirkland Lake, Capreol, Temiskaming Shores and Val Caron.

Since the issuance of the Omnibus Credit Bid Vesting Order, 316 credit bid transactions closed (the “Closed Credit Bid Properties”), and 91 Properties remain subject to these proceedings³. A summary of the 91 Properties is provided below⁴.

Location	Number of Occupied Units	Number of Unoccupied Units	Total
Timmins	35	21	56
Sault Ste. Marie	19	17	36
Sudbury	16	3	19
Other	11	9	20
Total	81	50	131

3. The Applicants’ principal stakeholders are (i) first and second mortgagees (being the Secured Lenders), which at the commencement of these proceedings were owed approximately \$81.5 million and \$8.6 million, respectively, plus interest and costs which continue to accrue⁵ and (ii) unsecured promissory note holders (being the Unsecured Lenders). After the commencement of these proceedings, the Applicants advised the Monitor that they believe the amount owing to the Unsecured Lenders is significantly less than the amount initially provided by Ms. Drage, being approximately \$54.2 million. The Applicants’ creditor listings reflect obligations owing to Lion’s Share totalling approximately \$39.2 million. A reconciliation of the total amount of the claims of Unsecured Lenders has not been completed by the Monitor to date.
4. Court materials filed in these proceedings, including the Monitor’s reports, set out detailed information with respect to the Applicants’ Business, property and creditor composition. All Court materials are available on the Monitor’s website at the following link: <https://www.ksvadvisory.com/experience/case/sid> (the “Case Website”).

3. SISP and Restructuring Term Sheet

1. The SISP was approved pursuant to the SISP Approval Order, a copy of which is attached at Appendix “F”. With the assistance of the SISP Advisors, the Monitor carried out the SISP in accordance with the SISP Approval Order.
2. As set out in the Monitor’s previous reports to Court, other than credit bids for individual properties, the SISP generated 12 letters of intent (“LOIs”) that contemplated third-party sales or refinancing transactions. In accordance with the SISP, copies of the LOIs were provided to the applicable “Reviewing Parties” under the SISP. After extensive consultation with the Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel and the Lion’s Share Representative and its counsel, the Monitor determined not to pursue any of the LOIs submitted in the SISP.

³ The 91 properties consist of 86 Remaining Properties, and five properties that the Monitor expects to close on their credit bid transactions, subject to the Credit Bid Vesting Order being approved, as discussed in Section 3.1 of this Report.

⁴ These figures were provided by Richmond, based on the information and tenant responses available to date.

⁵ These amounts are based on Applicant Books and Records, prior to the closing of the 316 Closed Credit Bid Properties.

3. Throughout the SISP, the Principals conveyed to stakeholders an estimated Portfolio value of approximately \$140 million. This estimated value was based on a Comparative Market Analysis (the “CMA”) obtained by the Applicants in May 2024 from a representative of Keller Williams Edge Realty, with whom Mr. Sutor is affiliated. Upon review of the CMA, the Monitor identified significant overstatements and errors in the CMA’s underlying assumptions and comparable properties used for this analysis. Both SISP Advisors did not find the CMA credible and refused to include the CMA in their data rooms. Accordingly, the Monitor deemed the CMA unreliable. In the Monitor’s view, the Principals’ continuous references to the CMA contributed to an expectation gap and misperceptions among stakeholders about anticipated recoveries in these proceedings.
4. A summary of the offers received under the SISP was filed with the Court as a confidential appendix to the Monitor’s Fifth Report to Court dated June 17, 2024 and sealed, until further order of the Court, pursuant to an order of the Court granted on June 24, 2024. Although the offer summary remains sealed, the Monitor notes that no offer provided sufficient proceeds to repay the Harbour DIP Facility and first mortgagees in full.
5. Following the conclusion of the SISP, the Monitor worked with the Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel, the Lion’s Share Representative and its counsel to negotiate the Restructuring Term Sheet. The principal purposes of the Restructuring Term Sheet were to: (a) provide for a process for mortgagees to submit credit bids; and (b) for properties not subject to credit bids, outline a framework for (i) a process to complete the sale and/or liquidation of the Portfolio; and (ii) a distribution mechanism for Secured and Unsecured Lenders in accordance with their respective priorities and entitlements.
6. As noted above, the Restructuring Term Sheet was approved by the Court on August 30, 2024, provided that such Order did not constitute approval of any specific transaction or agreement contemplated by the Restructuring Term Sheet, all of which remained subject to further order of the Court.
7. A copy of the Restructuring Term Sheet is attached as Appendix “G” and the terms and conditions of the Restructuring Term Sheet were detailed in the Seventh Report, a copy of which (without appendices) is attached as Appendix “H”.

3.1 Closed Credit Bid Transactions

1. The Restructuring Term Sheet established deadlines of September 20, 2024 for first mortgagees, and September 30, 2024 for second mortgagees, to submit credit bids for their respective Properties. In total, the Monitor received 323 credit bids representing approximately 79% of the Properties. Each credit bid was accompanied by the required deposit. All but two of the credit bids were made by first mortgagees and the remaining two were made by the second mortgagees on the applicable Properties.
2. A listing of the Properties that were subject to credit bids is attached as Appendix “I”.
3. In the Tenth Report, the Monitor proposed the Omnibus Credit Bid Vesting Order as an omnibus order that covers all Credit Bid APAs given the impracticality of having 323 individual vesting orders for each Credit Bid APA. The Omnibus Credit Bid Vesting Order was granted on December 6, 2024.

4. 316 credit bid transactions closed on or around December 17, 2024. On that date, the amount owing to Harbour (approximately \$15 million), then secured by the DIP Lender's Charge, was repaid in full from the cash consideration of the credit bids and the replacement DIP funding advanced by Viscount under the Viscount DIP Term Sheet.
5. Two of the credit bid transactions did not close as the mortgagees failed to pay their respective DIP Allocation. In accordance with the Credit Bid APA, the deposits paid by those two credit bidders were not refunded.
6. The transactions for the following Properties included in the Omnibus Credit Bid Vesting Order (the "Align Properties") were not completed as the credit-bidding mortgagees changed their designated transferees after the order was issued:⁶
 - a) 4299 Second Ave, Niagara
 - b) 49 Belanger Ave, Timmins
 - c) 660 Wellington St W, Sault Ste Marie
 - d) 203 Maple St N, Timmins
7. In addition, with respect to a Property located at 106 Croatia Ave, Timmins, both the first mortgagee and second mortgagee submitted credit bids for the Property. The Omnibus Credit Bid Vesting Order approved the credit bid by the second mortgagee in accordance with the process set out in the Restructuring Term Sheet. However, the second mortgagee failed to complete the transaction notwithstanding multiple requests and deadlines provided by the Monitor and counsel to the first mortgagee. The Monitor is therefore now seeking, in the Credit Bid Vesting Order, approval of the first mortgagee which still wants to complete its credit bid.
8. The Monitor requests and recommends that the Court grant the Credit Bid Vesting Order for the following reasons:
 - a) for the Align Properties, the proposed amendments (to change the legal name of the purchaser in which title to the applicable property is to vest) do not affect the business terms of the transactions and/or the Monitor's prior recommendation that they should be approved by the Court (as set out in the Monitor's Tenth Report);
 - b) for the 106 Croatia Ave, Timmins property, notwithstanding having been given every opportunity to close the transaction, the second mortgagee has not been able to do so. Accordingly, the Monitor believes it is appropriate for the first mortgagee, who submitted its credit bid on September 20, 2024 in accordance with the Restructuring Term Sheet, to complete its credit bid transaction at this time, and the Monitor believes that its prior recommendations (as set out in the Monitor's Tenth Report) apply equally to this transaction;

⁶ The mortgagees' representative indicated in December 2024 after the issuance of the Omnibus Credit Bid Vesting Order that they did not have the capacity to complete the transactions in the names originally provided to the Monitor, and asked that title be transferred to certain specified Windrose entities. On February 18, 2025, the mortgagees' representative and legal counsel asked that title be vested in BIG North Capital Inc.

- c) the prospective purchasers have all paid the cash consideration required to complete these transactions; and
- d) the required modifications will provide for the closing of an additional four credit bid transactions which were already approved by this Court on December 6, 2024, and a fifth property, being 106 Croatia, for which substantially the same transaction with the second mortgagee was also previously approved.

4. Remaining Portfolio Analysis

1. As part of its process to consider next steps in these proceedings, the Monitor worked with CBRE (one of the original SISP Advisors under the SISP), in consultation with the Secured Lender Representative Counsel and the DIP Lender, to develop an orderly liquidation process for the Remaining Properties, including identifying the most suitable local listing agents in each of the applicable markets and obtaining their suggested list prices for each of the Remaining Properties.
2. The Monitor facilitated access for the Listing Agents to inspect the Remaining Properties and provide their recommendations for the list price to be used should they be engaged to list the properties in the near term.
3. The Monitor prepared an analysis comparing the Listing Agents' suggested list prices (as an indication of potential market value) to the mortgage and other secured debt on each of the Remaining Properties (the "Remaining Portfolio Analysis") to assist the Monitor in assessing the logical next steps, including whether and on what terms it would be appropriate, on an overall basis, to provide mortgagees with a further opportunity to submit a credit bid prior to listing the Remaining Properties for sale.
4. Based on the Remaining Portfolio Analysis:
 - the Remaining Properties as a whole are significantly impaired - the suggested list prices total approximately \$18.1 million in the aggregate, while the aggregate mortgage and other secured debt exceeds \$35 million (including the DIP Allocation);
 - there are nine unencumbered Remaining Properties with an aggregate suggested listing price of approximately \$2.9 million;
 - there are an additional seven Remaining Properties that appear to have some degree of equity - the suggested list price for these properties exceeds their mortgage and other secured debt by approximately \$293,000 in the aggregate; and
 - for all other 70 Remaining Properties, the secured debt materially exceeds the suggested list price.
5. A copy of the Remaining Portfolio Analysis is attached as Appendix "J".⁷

⁷ As noted in Appendix "J", the analysis is based on the Court-approved DIP Allocation as reflected in Appendix "P" to the Monitor's Tenth Report. An updated DIP Allocation will be provided to mortgagees as part of the Secondary Credit Bid Process.

6. Based on the Remaining Portfolio Analysis and for the reasons that follow, the Monitor believes it is appropriate to permit mortgagees of the Remaining Properties one further and final opportunity to credit bid for their Remaining Property (subject to the conditions set forth below) and to thereafter publicly list and sell the balance of the Remaining Properties on an orderly basis.

5. Proposed Secondary Credit Bid Process

1. This section of the Report summarizes the Monitor's proposed Secondary Credit Bid Process by which first and second mortgagees of the Remaining Properties will, if approved by the Court, have a further and final opportunity to submit credit bids to acquire their applicable mortgaged property on the terms and conditions described below (the "Secondary Credit Bid Option").
2. In the Seventh Report, the Monitor indicated that there were *"certain significant terms of the [Restructuring] Term Sheet ... can only be finalized once the number of credit bids is known."*
3. As discussed in the Tenth Report, given the large number of credit bids submitted (which transactions have since been approved by the Court on December 6, 2024 and substantially all closed on December 17, 2024), the Remaining Portfolio is significantly smaller than anticipated (representing only 86 Properties) and generates limited positive cash flow (if any). Accordingly, a number of integral concepts contemplated in the Restructuring Term Sheet are no longer viable, including:
 - a) terminating the CCAA proceedings; and
 - b) retaining a CEO to oversee and manage the Remaining Portfolio and its liquidation under the oversight of a creditors committee outside of the CCAA proceeding.
4. The Monitor believes it is reasonable and appropriate to provide mortgagees with a final Secondary Credit Bid Option at this time for the following reasons:
 - a) some of the mortgagees have informed the Monitor that they decided to forego submitting a credit bid in September 2024 on the assumption that the Remaining Properties would potentially be more economically viable and whereby an experienced CEO could be appointed to manage and maximize value over an extended period of time outside of the CCAA proceedings. However, the approval and closing of 316 credit bid transactions to date has substantially impaired the economics of the portfolio of Remaining Properties. They are projected to generate limited positive cash flow (if any) and the Monitor believes that there is no realistic prospect of the portfolio emerging from these CCAA proceedings under the management and oversight of a CEO;
 - b) since the Court approved certain credit bid transactions on December 6, 2024, some mortgagees have expressed to the Monitor and Secured Lender Representative Counsel that they would like to credit bid even though they did not do so previously;

- c) the Restructuring Term Sheet included the concept of preserving a secondary credit bid option for those mortgagees that did not exercise their credit bid option in September 2024, albeit outside of the CCAA proceeding and only after the applicable property was listed for sale and if offers were received for less than the mortgage debt on the property. In the Monitor's view, the material change to the economics and viability of the Remaining Properties justifies providing a Secondary Credit Bid Option at this time rather than making those mortgagees wait until their property is listed for sale;
- d) completing a Secondary Credit Bid Process prior to listing the Remaining Properties should also provide more certainty and finality to the ultimate liquidation process. In the Monitor's view, marketing the properties without the need to advise the market that mortgagees have a credit bid option eliminates one potential complication to the listing and marketing process;
- e) the Remaining Portfolio Analysis supports this alternative given that, among other things, the suggested list price for all but 16 of the 86 properties is below the mortgage and other secured debt on the applicable properties. Accordingly, other than Viscount (in its capacity as DIP Lender, the "DIP Lender"), the mortgagees for which the credit bid option is being made available are likely the only economic stakeholders in those Remaining Properties;
- f) the Remaining Portfolio Analysis provides the Monitor with a credible basis to capture any equity for the select Remaining Properties whose list price exceeds the mortgage and other secured debt should a credit bid be submitted for those properties; and
- g) the Monitor discussed its recommendations on the Secondary Credit Bid Process with legal counsel to the DIP Lender, the Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel and the Lion's Share Representative and its counsel. The Monitor is not aware of any opposition to its proposed Secondary Credit Bid Process.

5.1 Secondary Credit Bid Option Mechanics

1. The Monitor is proposing for the Secondary Credit Bid Option mechanics to be substantially the same as those used in the initial credit bid process set out in the Restructuring Term Sheet and approved by this Court on August 30, 2024, subject to one substantive change. In this regard, other than that change, the forms of the purchase agreements documenting the credit bid transactions (the "Secondary Credit Bid APAs") are substantially the same as the forms of Credit Bid APAs approved by this Court under the Omnibus Credit Bid Vesting Order. Attached as Appendices "K" and "L" are the proposed forms of Secondary Credit Bid APAs for first and second mortgagees, respectively, along with blacklines against the prior forms of Credit Bid APAs.
2. The terms and conditions of the form of Credit Bid APAs were detailed in the Tenth Report (a copy of which is attached at Appendix "M", without the appendices thereto), and accordingly, are not repeated in this Report. The only substantive change from the prior Credit Bid APAs is that purchasers must pay on closing an additional 25% reserve/escrow on the DIP Allocation as required under the Viscount DIP Term Sheet. The 25% premium will be held in escrow by the Monitor until further order of the Court or upon agreement of the Monitor, the DIP Lender and the applicable purchaser.

3. Consistent with the Credit Bid APA used in the initial process, first mortgagees must provide a \$10,000 non-refundable deposit to be paid on submission of a Secondary Credit Bid APA and second mortgagees must provide a non-refundable deposit of \$10,000 plus an additional amount equal to 10% of the applicable first mortgage debt on the applicable Remaining Property to be paid on submission of a Secondary Credit Bid APA.
4. Subject to Court approval of the Secondary Credit Bid Process, the Monitor will make available the revised DIP Allocation amount for each Remaining Property on or about February 28, 2025, which will reflect the Priority Payables (as defined in the Secondary Credit Bid APAs) that would need to be funded by a credit bidding mortgagee in cash on closing (plus the additional 25% escrow). Consistent with the methodology used to determine the DIP Allocation approved by the Court on December 6, 2024, the Monitor will allocate: (a) property specific costs, such as renovations and property taxes, to the applicable property; and (b) general costs, such as professional fees associated with these CCAA proceedings, over the Remaining Properties in proportion to the acquisition cost of each Property. The Monitor will be seeking Court approval of its final DIP Allocation as part of the motion for approval of the Secondary Credit Bids (should any be submitted and accepted).
5. In order for a Secondary Credit Bid Option to be accepted, it must meet the following criteria:
 - a) be in the form of the Secondary Credit Bid APA applicable to first or second mortgagees;
 - b) it must include such evidence as may be requested by the Monitor regarding such mortgagee's mortgage on the Property, including all mortgage documentation, evidence of advances, claimed interest, fees and costs and proposed payout statement;
 - c) be accompanied by an amount equal to the sum of:
 - \$10,000, being a non-refundable deposit in respect of the payment of the cash payable on closing, to be paid by way of wire transfer, bank draft or other immediately available funds;
 - in the case of a second mortgagee's Secondary Credit Bid APA, in addition to the foregoing, an additional non-refundable deposit representing 10% of the registered first mortgage on such property to be paid by way of wire transfer, bank draft or other immediately available funds;
 - d) it must provide for payment on closing of an amount equal to 125% of the DIP Allocation attributable to such Remaining Property, 25% of which will be held by the Monitor in escrow pending further order of the Court or agreement among the Monitor, the DIP Lender and the applicable purchaser;

- e) in the case of second mortgagee credit bids, it must provide for payment in full on closing of the full amount owed under any prior-ranking mortgage on the subject real property (other than a mortgage securing obligations under the Viscount DIP Term Sheet), including all accrued interest, fees and costs payable under such mortgage; and
 - f) for the Equity Properties (as defined below), it must provide for payment in cash on closing of the Equity Amount (as defined below).
6. The timeline for completing Secondary Credit Bid transactions is contemplated to be as follows:
- a) Secondary Credit Bid APAs must be submitted by first mortgagees on or prior to 5:00 pm (EST) on March 14, 2025 (the “First Mortgagee Credit Bid Deadline”); and
 - b) Secondary Credit Bid APAs must be submitted by second mortgagees on or prior to 5:00 pm (EST) on March 21, 2025 (the “Second Mortgagee Credit Bid Deadline”).
7. The Secondary Credit Bid Option described above will be the final opportunity for mortgagees to submit a credit bid in these proceedings.
8. Consistent with the Restructuring Term Sheet: (i) any credit bid purchaser shall not have a deficiency claim in connection with the liquidation of the Remaining Portfolio after completion of a transaction under its Credit Bid APA, without prejudice to any or all other rights and remedies it may have, including against any personal guarantors of its debt or any non-Applicant parties or other recovery procedures; and (ii) the Secondary Credit Bid APAs provide that there will be no purchase price adjustments, including in respect of any deposits, rental arrears under leases and/or unpaid property taxes, utilities or other expenses that may be outstanding on the closing date.
9. The Monitor strongly recommends that first mortgagees and second mortgagees that are considering whether to submit a credit bid seek their own legal advice in connection therewith.

5.2 Equity Properties

1. The Restructuring Term Sheet included the concept of requiring mortgagees to pay an amount for certain Properties identified by the Monitor that potentially have value in excess of the mortgage debt. This was only applicable to the extent a mortgagee exercised its credit bid option on such properties. The Monitor is proposing to carry this concept forward for the purpose of the Secondary Credit Bid Process.

2. The Monitor's methodology for identifying the equity properties is to use the best available estimate of current property value, less accumulated debt⁸, similar to the methodology discussed and approved in the Tenth Report. The analysis completed for the initial credit bid process, as described in the Tenth Report, used the Applicants' acquisition cost plus renovation costs incurred by the Applicants to estimate the current property value of over 400 properties. For the Remaining Properties, the Monitor intends to use the suggested list prices provided by the Listing Agents (as set out in the Remaining Portfolio Analysis attached as Appendix "J"). Accordingly, the updated methodology is as follows:
 - Suggested list price provided by the Listing Agents;
 - Less: principal mortgage debt;
 - Less: interest at 10% for 18 months on the first mortgage;
 - Less: interest at 14% for 18 months on the second mortgage (if any);
 - Less: DIP Allocation.
3. Based on the above methodology, any property with an imputed equity amount (the "Equity Amount") is to be an "Equity Property" for the purposes of the Secondary Credit Bid Option. The Monitor's Remaining Portfolio Analysis, attached as Appendix "J", shows a total of 16 Equity Properties, of which nine are unencumbered, and accordingly, cannot be subject to credit bids.
4. While the previous methodology to determine Equity Properties described in the Tenth Report included some degree of subjectivity, the Monitor notes the following regarding its proposed methodology for the Equity Properties:
 - a) the suggested list price as a measure of current value is more credible as they were provided by the Listing Agents after being granted access to the properties for inspection and other assessment purposes;
 - b) unlike the methodology previously used which included the costs of renovations in the determination of market value, there is no reliance on the Applicants' books and records in the proposed methodology. The Monitor's concerns with the Applicants' books and records were set out in the Fourth Report (as summarized in Section 1.1 of this Report); and
 - c) interest assumptions in the total mortgage debt figures are conservative given that most mortgagees have not been paid interest for over 18 months.
5. At this time, the Monitor is not seeking Court approval in connection with the determination of which of the Remaining Properties will be deemed to be Equity Properties and/or the determination of Equity Amounts. The Monitor intends to do so as part of the motion for approval of any Secondary Credit Bid transactions, if any.

⁸ The accumulated debt in this calculation is made up of the (a) principal mortgage debt, (b) interest at 10% for 18 months on the first mortgage, (c) interest at 14% for 18 months on the second mortgage (if any), and (d) DIP Allocation.

6. Orderly Liquidation Plan

1. For the Remaining Properties that do not get acquired under the Secondary Credit Bid Process (which transactions remain subject to Court approval), the Monitor has worked with CBRE, in its capacity as an existing SISP Advisor in these proceedings, to formulate an orderly liquidation strategy.
2. Subject to Court approval, the Monitor proposes to take the following steps to implement the Orderly Liquidation Plan:
 - a) enter into listing agreements with the Listing Agents, being five reputable local realtors in their respective markets recommended by CBRE;
 - b) work with CBRE and the Listing Agents to determine the sequencing of listing the Remaining Properties, which will consider, among other things, the markets, cash flow being generated by each property (if any) and their condition (i.e. many of the Remaining Properties are in a state of disrepair and/or boarded up);
 - c) list the Remaining Properties using MLS and other traditional marketing efforts to canvass the market and identify potential purchasers for each property. Based on the advice of CBRE and the Listing Agents, in order to prevent a flooding of the market, only four or five properties will be listed concurrently in each market; and
 - d) the properties will initially be listed for sale at the suggested list prices provided by the Listing Agents as set out in the Remaining Portfolio Analysis (Appendix "J"), provided that the Monitor shall be entitled, on behalf of the applicable Applicant in accordance with the Expanded Powers Order, from time to time as it considers necessary or appropriate, to increase or reduce the list price for any property and/or to accept an offer to purchase any property at a price greater or less than the applicable list price for such property, provided that, unless the Monitor obtains the prior consent of the DIP Lender, the Monitor shall not accept an offer that would result in net proceeds (after deduction of reasonable sale commissions and property specific legal costs) that would be less than 125% of the DIP Allocation in respect of such property, which is a condition of property sales set out in Section 11(a) of the Viscount DIP Term Sheet (a copy of which is attached at Appendix "N" to this Report).
3. CBRE and the Listing Agents have advised that there may be approximately two to four sales per month in each market. Accordingly, it is likely that the entire Orderly Liquidation Plan can take up to one year, or slightly longer for the larger markets.

4. The Listing Agents recommended by CBRE in each market are set out below. These realtors are all experienced residential real estate listing agents in their respective markets and are well known to CBRE.

Region	No. of Remaining Properties ⁹	Listing Agent	Commission
Niagara	9	Valery Realty Inc. (Melissa L Vass Scott)	5%
Sudbury	9	John E. Smith Realty (Luke Smith)	5%
Temiskaming	1	Royal LePAGE Best Choice Realty Ltd., Brokerage (Suzanne Othmer)	5%
Timmins	34	Zieminski Real Estate Brokerage (Lauren Zieminski)	5%
Sault Ste. Marie	33	Royal LePage Northern Advantage (John Glavota)	5%

5. In the context of their potential engagement, the Monitor requested that each of the Listing Agents provide a form of listing agreement which has been reviewed and commented on by the Monitor and its counsel. Each of those agreements is attached in Appendix “O” (the “Listing Agreements”). Each listing agreement provides for a standard commission rate of 5%, from which the Monitor understands CBRE will participate. Any fees incurred by CBRE will not otherwise be funded by the Applicants or the Monitor.
6. The Monitor recommends that the Orderly Liquidation Plan, the engagement of the Listing Agents and the forms of Listing Agreements be approved for the following reasons:
- the Orderly Liquidation Plan, including the selection of the Listing Agents, was developed with CBRE’s assistance. CBRE is a leading national real estate brokerage and is intimately familiar with the Remaining Properties given its prior role as SISP Advisor in these proceedings;
 - CBRE’s involvement in the Orderly Liquidation Plan is not being funded by the Applicants or the Monitor. CBRE will be compensated from the commissions payable to the Listing Agents from the sale of each of the Remaining Properties;
 - the Monitor understands that the Listing Agents are reputable, experienced realtors in their respective markets. The Monitor has been provided with each of the Listing Agents’ credentials and qualifications, including experience in the local markets. That summary information is provided in Appendix “P”. The Monitor has interviewed each Listing Agent to verify their respective qualifications;
 - the forms of Listing Agreements, including the commissions payable on each sale, are in the standard OREA form and generally consistent with agreements and commission rates typically approved by this Court in the context of insolvency proceedings involving residential real estate;

⁹ Subject to reduction by Secondary Credit Bid Options exercised.

- e) the staged approach to listing the properties is based on the advice and expertise of CBRE and the Listing Agents and is consistent with the Monitor's overall objective of maximizing value in the circumstances; and
- f) in carrying out the Orderly Liquidation Plan, the Monitor intends to consult on any material matters with the DIP Lender and the Secured Lender Representative Counsel.

6.1 Distributions of Proceeds

1. The Monitor is not seeking any relief in connection with distribution of proceeds at this time. The Monitor intends to hold the net proceeds of sale of any Remaining Properties, subject to those proceeds being available to fund the costs of these proceedings. In due course, the Monitor will bring a distribution motion to recommend the basis on which proceeds should be distributed.
2. In connection with the additional 25% of the DIP Allocation that will need to be funded as part of the Secondary Credit Bid Process, the Viscount DIP Term Sheet requires that the Monitor hold those funds in escrow until the amounts owing under the Viscount DIP Term Sheet are repaid in full. Accordingly, the Monitor is proposing to hold those funds until further order of the Court or agreement among the Monitor, the DIP Lender and the applicable purchaser. To the extent possible without prejudicing the DIP Lender, the Monitor will consider, on an ongoing basis, the possibility of fully or partially reimbursing these escrow amounts to purchasers before all Remaining Properties are sold. The Monitor should be in a position to provide more guidance and potentially seek relief in this regard at the next motion in these proceedings given that the number of credit bids submitted under the Secondary Credit Bid Process will be known at that time.

6.2 Big North Proposal

1. As discussed in the Tenth Report, Big North Capital Limited Partnership ("BNC") is an entity formed by certain Secured Lenders to acquire and/or aggregate a number of Properties through Secured Lender credit bids. As previously reported, the Monitor understands that approximately 186 of the credit bids that were previously approved pursuant to the Omnibus Credit Bid Vesting Order were assigned to and/or ultimately acquired by BNC. Given that these were private transactions entered into by Secured Lenders, the Monitor was not involved in such transactions or the underlying arrangements.
2. In late December 2024, BNC also submitted an unsolicited letter of intent to acquire the Remaining Properties, which was subsequently amended on January 31, 2025 (the "BNC LOI"). The BNC LOI proposed to, among other things, acquire all of the Remaining Properties (including the unencumbered Remaining Properties and the Equity Properties) in exchange for repaying the Applicants' indebtedness under the Viscount DIP Term Sheet, funding the costs of these proceedings and issuing units in BNC to Secured Lenders equivalent to 100% of the principal Secured Lender debt on the Remaining Properties and units in BNC to second mortgagees and Unsecured Lenders, in each case equivalent to 5% of the principal second mortgage debt and unsecured debt, respectively, and in each case subject to potential reduction.

3. After considering the BNC LOI, the Monitor was not prepared to pursue and/or recommend the BNC LOI for Court approval for various reasons, including that it involves the non-consensual subscription of units by Secured and Unsecured Lenders in an entity whose value is unknown, and did not have the support of the Secured Lender Representative Counsel. In terms of valuation, the Monitor does not believe it would ever be in a position to determine, and report to the Court and the stakeholders, whether the value of the BNC units would exceed creditor recoveries under the Orderly Liquidation Plan, and accordingly, it would not be able to make an informed recommendation to the creditors and/or this Court as to whether the *Soundair* test for approval of sale transactions has been met.
4. The Monitor notes that BNC is not precluded from acquiring any Remaining Properties that are listed for sale as part of the Orderly Liquidation Plan, nor are Secured Lenders precluded from entering into their own transaction with BNC – for example, similar to those completed in connection with the prior credit bid process, as discussed above. In that regard, the Monitor is aware that BNC has recently made presentations to some or all of the Secured Lenders of the Remaining Properties and may have made proposals to Secured Lenders in connection with exercising credit bids. The Monitor has not been involved in, nor was the Monitor present at, any such presentations and is not aware of the details of proposals, if any, being made to the Secured Lenders. The Monitor is therefore not in a position to comment on, or to provide any assessment or opinion on, any information provided directly to the Secured Lenders by BNC or any proposals being made to, or discussed with, Secured Lenders by BNC. Consistent with the prior credit bid process, in the Monitor's view, transactions between a Secured Lender and BNC (or any other financier, investor, partner, etc.) are private arrangements made by the Secured Lender.

7. Cash Flow Forecast

1. As at the date of this Report, \$4.4 million has been drawn on the Viscount DIP Term Sheet (largely to repay the Harbour DIP Facility in December 2024). The following table provides a summary of the uses of the DIP funding through February 12, 2025.

(unaudited; C\$000s)	
Receipts	
DIP funding	19,400
Credit Bid DIP Allocation Payments	12,251
Other receipts	2,021
	<u>33,672</u>
Disbursements	
Repayment of Harbour DIP Facility	(15,056)
Professional fees	(8,584)
Property taxes	(3,484)
Other	(2,627)
DIP Facility costs and interest	(1,627)
Advances to Applicants' bank accounts	(1,414)
Insurance	(416)
Total Disbursements	<u>(33,208)</u>
Balance in Monitor's Trust Account	464

2. Explanations of certain line items in the table above are as follows:
 - a) the purpose of the table is to reflect the Applicants' uses of DIP funding over the course of these proceedings. As all DIP funding has been advanced to the Monitor's trust account, activity in the Applicants' bank accounts is not reflected in the table above; however, the Monitor took control over the Applicants' bank accounts in accordance with the Expanded Powers Order. As at the date of this Report, there is a negligible balance in the Applicants' bank accounts and approximately \$464,000 in the Monitor's trust account;
 - b) professional fees include the fees of the Applicants' counsel, the Monitor and its counsel, the DIP Lender's counsel (both Harbour and Viscount), the Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel and the SISP Advisors; and
 - c) amounts reflected as advances to the Applicants' bank accounts were largely used to fund renovations, utilities, repairs and maintenance and other operating expenses incurred over the course of these proceedings.
3. The Monitor has prepared the Cash Flow Forecast for the period March 1, 2025 to May 31, 2025. The Cash Flow Forecast is attached as Appendix "Q".
4. Subject to the underlying assumptions provided in the notes to the Cash Flow Forecast and approval of the Orderly Liquidation Plan, the Cash Flow Forecast reflects that there is projected to be sufficient funding available to the Applicants to continue to operate in these proceedings through to the proposed stay extension date of May 31, 2025. The Cash Flow Forecast reflects that property sale proceeds of the Remaining Properties are required to fund a portion of the outstanding and ongoing costs of these proceedings. These assumptions, particularly as they relate to the number of properties that are acquired under credit bids under the Secondary Credit Bid Process (if approved) and future sales under the Orderly Liquidation Plan (if approved), will be refined over time.
5. The Monitor's statutory report on the Cash Flow Forecast is attached as Appendix "R". The Monitor has not sought the statutory report on the Cash Flow Forecast to be executed by the Applicants given the Expanded Powers Order.

8. Stay Extension

1. The Stay Period currently expires on February 28, 2025. The Monitor, on behalf of the Applicants, is seeking an extension of the Stay Period until May 31, 2025.
2. The Monitor recommends the extension for the following reasons:
 - a) the Honourable Justice Steele's endorsement issued in these proceedings dated July 31, 2024, included the following: *"In the context of a "super-Monitor" in CCAA proceedings, the monitor is held to the good faith standard."* As "super" Monitor in these CCAA proceedings, the Monitor believes it is discharging its duties and obligations under the CCAA, the Expanded Powers Order and other orders made in these CCAA proceedings in good faith and with due diligence;
 - b) no creditor will be prejudiced if the extension is granted;

- c) based on the Cash Flow Forecast and the assumptions noted above, there is projected to be funding available to fund operations and the costs of these proceedings during the extension period; and
- d) an extension of the Stay Period will provide the time necessary for the Monitor to, if approved by the Court: (i) conduct a Secondary Credit Bid Process; (ii) return to Court for approval of Secondary Credit Bids, if any; and (iii) commence the process contemplated by the Orderly Liquidation Plan to list the Remaining Properties for sale.

9. Overview of Monitor's Activities

1. In addition to the activities otherwise discussed in this Report, since the last time the Monitor's activities were approved (as those activities were summarized in the Tenth Report), the Monitor's activities have included:
 - a) facilitating diligence performed by Viscount and finalizing the terms and conditions of the Viscount DIP Term Sheet;
 - b) working extensively with Kormans LLP ("Kormans"), the Monitor's legal counsel used for residential closings, on all closing documents and aspects of closing 316 transactions on or around December 17, 2024 in accordance with the Omnibus Credit Bid Vesting Order;
 - c) engaging extensively on a near daily basis with Richmond regarding the property management transition process;
 - d) engaging with the Applicants' insurance broker regarding the transfer of insurance on certain Properties and to confirm insurance is in place on all Properties in the Remaining Portfolio;
 - e) dealing with tenant issues, including in connection with the closing of the credit bid transactions;
 - f) communicating with SID Management in connection with property management transition matters;
 - g) managing the Applicants' cash flow;
 - h) corresponding with various of the Applicants' trade vendors regarding accounts payable;
 - i) processing payments for repairs and maintenance and other day-to-day operating expenses;
 - j) corresponding with various utility service providers to ensure continuity of services and to confirm outstanding account balances;
 - k) corresponding with various cities and municipalities to advise of the closed properties and Remaining Portfolio;

- l) corresponding periodically with the Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel and the Lion's Share Representative and its counsel;
- m) corresponding with and responding to enquiries on a daily basis from numerous Secured Lenders and Unsecured Lenders;
- n) corresponding with CBRE and the Listing Agents regarding the Remaining Properties and their potential engagement to facilitate the Orderly Liquidation Plan;
- o) responding to requests from Secured Lenders regarding leases, tenant payments and the DIP Allocation;
- p) corresponding with Harbour in connection with the payout of the Harbour DIP Facility in December 2024;
- q) corresponding with the SID Companies regarding a reconciliation of final rental income that is to be paid to the Applicants (as at the date of this Report, this matter has not been fully resolved);
- r) developing the Secondary Credit Bid Process and Orderly Liquidation Plan, including discussing same with Viscount and its counsel and the Secured Lender Representative Counsel;
- s) drafting the Tenth Report and reviewing all Court materials filed in connection with the Monitor's motion heard on December 6, 2024; and
- t) drafting this Report and working with counsel on the Court materials to be filed in connection with the motion for the Secondary Credit Bid Process, Orderly Liquidation Plan and the other relief being sought by the Monitor.

10. Unsecured Lender Representative Counsel

1. In the Tenth Report, the Monitor set out reasons that it was proposing to have Unsecured Lender Representative Counsel discharged. That relief was adjourned on December 6, 2024. In connection therewith, the Unsecured Lender Representative Counsel agreed to be subject to a reasonable monthly fee cap of \$10,000/month.
2. For the time being, the Monitor is proposing the role of Unsecured Lender Representative Counsel continue on this basis given, among other things, that the Remaining Properties include nine unencumbered properties. The Monitor believes it will be helpful to have Unsecured Lender Representative Counsel involved in the discussions concerning distribution issues that may arise once those unencumbered properties are sold.

11. Professional Fees

1. The fees (excluding disbursements and HST) of the Monitor and Cassels from the commencement of these proceedings through October 31, 2024 have been approved pursuant to Court Orders issued over the course of these proceedings.
2. The fees (excluding disbursements and HST) of the Monitor and Cassels from November 1, 2024 to January 31, 2025 total \$329,091 and \$162,160, respectively.
3. The average hourly rates for KSV and Cassels for the referenced billing periods were \$488.19 and \$862.55, respectively.
4. The Monitor and Cassels have been required to undertake an extensive amount of work in this CCAA proceeding to-date, which has included enhanced cash flow and operational oversight mandated by the Second ARIO, taking control over the Applicants in accordance with the Expanded Powers Order, coordinating the transition of the property management function from the SID Companies to Richmond and dealing with all aspects of the Credit Bid APAs in order to prepare for the closing of those 316 transactions.
5. Invoices in respect of the fees and disbursements of the Monitor and Cassels, redacted for privilege or confidential information, are provided in appendices to the affidavits (together, the "Fee Affidavits") filed by KSV and Cassels, which Fee Affidavits are attached as Appendices "S" and "T", respectively.
6. As set out in the invoices attached to the Fee Affidavits, the fees of the Monitor and Cassels for the referenced billing periods include those incurred to perform the aforementioned activities.
7. The Monitor is of the view that the hourly rates charged by Cassels are consistent with the rates charged by large corporate law firms practicing in the area of corporate insolvency and restructuring in the Toronto market, that Cassels' billings reflect work performed consistent with the Monitor's instructions and that the overall fees charged by Cassels and the Monitor are reasonable and appropriate in the circumstances.
8. Kormans acted as the Monitor's legal counsel in connection with the closing of all credit bid transactions completed to-date. The Monitor intends to have Kormans also handle the closing of any transactions that result from the Secondary Credit Bid Process and the Orderly Liquidation Plan (if approved), following which the Monitor will seek Court approval of Kormans' fees and disbursements in this proceeding.

12. Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully recommends that this Court grant the relief set out in Section 1.2(1)(f) of this Report.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
IN ITS CAPACITY AS 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. AND NOT IN ITS PERSONAL CAPACITY**

Appendix “D”

RESTRUCTURING TERM SHEET

Capitalized term used herein and not otherwise defined herein or on Schedule “A” have the meaning given to them in the Second Amended and Restated Initial Order dated March 28, 2024 in the CCAA Proceedings of Balboa Inc. et al.

The purpose of this restructuring term sheet (the “**Term Sheet**”) is to outline the terms and conditions for the sale and/or liquidation of the Applicants’ real estate assets (the “**Properties**”) and recovery for secured and unsecured lenders in accordance with their respective priorities and entitlements as set out herein.

The proposed Restructuring (as defined and described herein) contemplates the following key objectives:

- (a) an option for Secured Lenders to credit bid for their specific mortgaged properties through a mechanism supported by the Monitor and as described herein;
- (b) an orderly liquidation and management of the Properties not acquired under credit bids (the “**Portfolio Properties**”) by a professional property manager and oversight of the Portfolio Properties by an appointed CEO and Creditors’ Committee;
- (c) preservation of Lenders’ rights and entitlements pursuant to their contractual arrangements with the Applicants;
- (d) the payout of Claims in accordance with their legal entitlement and priority as Portfolio Properties are sold; and
- (e) use of Available Cash as described herein.

The Restructuring contemplates the termination of the CCAA Proceedings with the following goals in mind: (a) significant reduction in professional costs; (b) control and oversight by the CEO, Property Manager and the Creditors’ Committee; and (c) implementation of a plan of strategic management and liquidation of the Portfolio Properties, with ongoing protective relief from the Court which relief should include the protections, authorizations and injunctions necessary to efficiently and effectively carry out the purpose and intent of the Restructuring. It is anticipated that the Restructuring will provide for the orderly distribution of cash to Lenders as may be determined by the CEO, subject to the assessment of Claims as determined herein and the availability of funds to make distributions at any given time.

The Restructuring anticipates that all Related Party Claims, Equity Claims (as defined in the CCAA) and D&O Claims will be fully subordinated to the recoveries of the Lenders’ Claims.

Title to each Portfolio Property will remain in the entity where it is currently held, but will be subject to governance and control as set out more particularly below. Rental revenue from the Properties will be pooled into a single account on a consolidated basis.

Pursuant to the CCAA Proceedings, Harbour Mortgage Corp. (“**Harbour**” and in such capacity, the “**DIP Lender**”) has provided a debtor-in-possession financing loan (the “**DIP Loan**”) to the Applicants in the maximum amount of \$12 million (as the same is anticipated to be increased to

\$15 million on August 30, 2024), which DIP Loan is secured by a super priority DIP Lender's Charge.

In connection with the Restructuring, Harbour or a replacement DIP lender (in such capacity, the "**Exit Lender**") will have agreed to extend the DIP Loan in the CCAA Proceedings on the terms and conditions set out in a term sheet to be negotiated between the Exit Lender and the Monitor, in consultation with the Lender Representatives (the "**Exit Financing Term Sheet**").

In connection with the Restructuring, the Exit Order shall (i) affirm the retention of Richmond Advisory Services Inc. (the "**Property Manager**") with respect to the Portfolio Properties, and the Property Manager shall manage the Portfolio Properties on the term and conditions set out in Schedule "B" (the "**Property Manager Engagement Letter**"), and (ii) approve the retention of a chief executive officer (the "**CEO**") chosen by the Monitor, with the powers and authorities as set out in governance by-laws to be affirmed in the Exit Order.

Credit Bid Option	
1. Credit Bid Form	<p>First Mortgagees and Second Mortgagees with Accepted Claims shall have the option (the "Credit Bid Option") to submit a credit bid by way of a binding asset purchase agreement substantially in the form attached as <u>Schedule "C"</u> (a "Credit Bid APA") to credit bid for the Property on which they hold an Accepted Claim on the terms set out in section 3 below.</p> <p>A First Mortgagee or Second Mortgagee submitting a Credit Bid APA is referred to as a "Credit Bid Purchaser" in such capacity.</p> <p>Any Credit Bid APA submitted by a Second Mortgagee must provide for the repayment in full on closing of the Accepted First Mortgagee Claim in respect of such Property.</p>
2. Option Deadline	<p>Credit Bid Options may be exercised by either First Mortgagees or Second Mortgagees until the First Mortgagee Credit Bid Option Deadline or the Second Mortgagee Credit Bid Option Deadline (as the case may be).</p> <p>If a First Mortgagee submits a Credit Bid APA in respect of a Property, the Monitor shall promptly notify any applicable Second Mortgagee of such bid and of the applicable Second Mortgagee Credit Bid Option Deadline.</p>
3. Credit Bid Criteria	<p>In order for a Credit Bid Option to be accepted, it must provide for the following (the "Credit Bid Criteria"):</p> <ol style="list-style-type: none"> be in the form of the Credit Bid APA; a First Mortgagee shall credit bid a minimum of the principal amount of its Accepted First Mortgagee Claim up to the full amount thereof, inclusive of accrued interest, fees and costs;

	<p>c. shall include such evidence as may be requested by the Monitor regarding such First Mortgagee's first mortgage on the Property, including all mortgage documentation, evidence of advance(s) made, claimed interest, fees and costs, and proposed payout statement;</p> <p>d. be accompanied by an amount equal to the sum of:</p> <ol style="list-style-type: none"> [\$] as a non-refundable deposit in respect of the payment of the Allocated DIP Amount, to be paid by way of wire transfer, bank draft or other immediately available funds; and in the case of a Second Mortgagee's Credit Bid, in addition to the foregoing, an additional non-refundable deposit representing [10%] of the Accepted First Mortgagee Claim, to be paid by way of wire transfer, bank draft or other immediately available funds; and <p>e. for each of the Properties listed in <u>Schedule "D"</u>, be accompanied by the Equity Amount or provide for payment of the Equity Amount and consent to the granting of the Equity Charge, based on the Credit Bid Purchaser's selection of Option A or Option B as set out in Section 6 below.</p>
4. DIP Lender Partial Discharge	<p>In connection with the completion of a transaction under a Credit Bid APA, the DIP Lender shall provide its consent to the discharge of the DIP Lender's Charge in respect of the Property subject to the Credit Bid APA through the Credit Bid Vesting Order.</p>
5. Acceptance and Closing of Credit Bids	<p>Credit Bid APAs must be submitted to the Monitor on or prior to the First Mortgagee Credit Bid Option Deadline or the Second Mortgagee Credit Bid Option Deadline (as the case may be). The Monitor may accept the Credit Bid APA or request further information and detail, or provide comments back before acceptance.</p> <p>In order for a Credit Bid APA to be accepted by the Monitor (an "Accepted Credit Bid") and completion of a transaction, the Monitor must be satisfied that:</p> <ul style="list-style-type: none"> the Credit Bid Purchaser has an Accepted Claim; the Credit Bid APA meets the Credit Bid Criteria; it provides for payment of the Allocated DIP Amount on closing to be paid by way of wire transfer, bank draft or other immediately available funds; for each of the Properties listed in <u>Schedule "D"</u>, it provides

	<p>for either: (a) payment of applicable Equity Amount on closing to be paid by way of wire transfer, bank draft or other immediately available funds; or (b) payment of the Equity Amount and the granting of the Equity Charge, based on the Credit Bid Purchaser's selection of Option A or Option B as set out in Section 6 below; and</p> <ul style="list-style-type: none">• in the case of a Credit Bid APA submitted by a Second Mortgagee, that the Credit Bid APA provides for the full repayment on closing of the Accepted First Mortgagee Claim (to be paid by way of wire transfer, bank draft or other immediately available funds) and such Credit Bid APA has been consented to by the First Mortgagee. <p>For greater certainty, where both a First Mortgagee and Second Mortgagee submit Credit Bid APAs for the same Property, provided that the Second Mortgagee Credit Bid APA is an Accepted Credit Bid, the Second Mortgagee Credit Bid APA shall be the accepted bid for the Property.</p> <p>The Monitor shall seek approval from the Court of all Accepted Credit Bids within 10 business days after the Second Mortgagee Credit Bid Option Deadline (the "Credit Bid Vesting Order") or such other date as the Monitor may propose in consultation with the Lender Representatives.</p> <p>Accepted Credit Bid transactions shall be effected through the Credit Bid Vesting Order.</p> <p>A Credit Bid Purchaser (not including a purchaser under a Secondary Credit Bid) shall not have a Deficiency Claim in connection with the liquidation of the Portfolio Properties after completion of a transaction under its Accepted Credit Bid, without prejudice to any or all other rights and remedies it may have, including against any personal guarantors of its debt or any non-Applicant parties or other recovery procedures.</p>
6. Equity Amount Determination (Properties listed in Schedule D)	<p>The Monitor shall determine the Equity Amount through a proposed calculation methodology, which methodology shall be approved pursuant to the Exit Order.</p> <p>Credit Bids for Properties listed in Schedule D shall provide for, at the option of the First Mortgagee or Second Mortgagee submitting the Credit Bid, either (a) "Option A" - payment of the Equity Amount on closing; <u>OR</u> (b) "Option B" - upon the earlier of (i) the closing of any sale of the Property subsequent to the closing of the Credit Bid transaction; or (ii) 24 months from the date of closing of the Credit Bid transaction, the Credit Bid Purchaser shall pay the Equity Amount to (A) a Second</p>

	<p>Mortgagee in respect of any Accepted Second Mortgagee Claim (unless the Credit Bid is made by a Second Mortgagee); and thereafter (B) to the Pooled Account.</p> <p>Under Option B, in order to secure the obligation to pay the Equity Amount, the Applicants shall be granted a charge (the “Equity Charge”) pursuant to the Credit Bid Vesting Order to secure the obligation to pay the Equity Amount, provided that the Applicants may delete the Equity Charge off title of the Property upon application to the Land Registrar by the Applicants.</p>
--	--

Portfolio Properties (Properties Not Subject to Credit Bids)	
7. Interest Waiver Option	<p>Lenders holding Accepted First or Second Mortgagee Claims may opt in writing to the Monitor to waive all but 4% of their entitlement to interest (whether accrued or future) in recognition of the hardship and harm of the Promissory Note Claimants and for the benefit of the Lender group as a whole.</p> <p>Where a Lender has provided an interest waiver letter, interest shall be calculated in accordance with such waiver for the purposes of this Term Sheet.</p>
8. Priority of First Mortgage Recovery and Treatment	<p>Accepted First Mortgagee Claims shall be treated as follows:</p> <ul style="list-style-type: none"> (i) all principal, interest, fees and costs shall be treated as principal and be paid out of Property Specific Net Sale Proceeds; and (ii) any Deficiency Claim shall be treated as an Unsecured Claim and paid on a pro rata basis in accordance with the Section entitled “Available Cash” below.
9. Priority of Second Mortgage Recovery and Treatment	<p>Subject to the payment of Accepted First Mortgagee Claims as set out above, Accepted Second Mortgagee Claims shall be treated as follows:</p> <ul style="list-style-type: none"> (i) all principal and interest owing at the Filing Date shall be treated as principal and shall be paid, to the extent available, out of Property Specific Net Sale Proceeds; and (ii) any Deficiency Claim shall be treated as an Unsecured Claim and paid on a pro rata basis in accordance with the Section entitled “Available Cash” below.
10. Payment of	<p>Subject to the payment of the secured portion of Accepted First Mortgagee Claims and Accepted Second Mortgagee Claims as</p>

Unsecured Claims	set out above, Unsecured Claims shall be entitled to be paid out of Available Cash, on a <i>pro rata</i> basis, the amount owing under such Claims as at the Filing Date until fully paid.
11. Net Operating Income	<p>Net Operating Income for all Portfolio Properties shall be paid into the Pooled Account.</p> <p>“Net Operating Income” shall consist of:</p> <ul style="list-style-type: none"> (a) rental or other income; <u>plus</u> (b) receipts in respect of Equity Amounts; <u>less</u> (c) Operating Expenses. <p>“Operating Expenses” shall include those operating expenses contemplated by the Cash Flow¹ and shall be updated by the CEO on not less than a quarterly basis, and shall include, for greater certainty: (a) interest on the Exit Financing; (b) CEO compensation; and (c) property management fees in respect of the Property Manager.</p>
12. Liquidation of Properties	<p>Upon disposition of a Portfolio Property, Property Specific Net Sale Proceeds shall be used to pay:</p> <ul style="list-style-type: none"> (a) First, the Allocated Exit Financing Amount shall be paid to the Exit Lender; (b) Second, to the Pooled Account, the Property Expense Reimbursement, if any; (c) Third, the applicable Accepted First Mortgagee Claim; (d) Fourth, the applicable Accepted Second Mortgagee Claim, if any; and (e) Lastly, in respect of any surplus, such amounts shall be deposited to the Pooled Account.
13. Conveyance of Properties	Conveyance of Portfolio Properties shall be effected by Court order or other efficient manner as may be contemplated by the Exit Order.
14. Secondary Credit Bid Option	In the event that an offer for the purchase of a Property is received and does not provide for the full repayment of the Accepted First Mortgagee Claim, prior to acceptance of any such offer, the First Mortgagee shall be given a 15 day option to credit bid for such

¹ The CEO, after consultation with the Creditor’s Committee and the Property Manager, and with the consent of the Exit Lender, will determine and develop a liquidation plan for the Portfolio Properties, and shall develop a cash flow projection based on such plan, which shall be updated from time to time.

	<p>Property in lieu of suffering a shortfall on its Accepted First Mortgagee Claim (a “Secondary Credit Bid”) and shall be entitled to a Deficiency Claim for the balance of its Accepted First Mortgagee Claim.</p> <p>Any Secondary Credit Bid must be submitted with an amount equal to the Property Expense Reimbursement payable on closing.</p>
15. Exit Lender Partial Discharges	<p>Upon receipt by the Exit Lender from a purchaser of a Property of the Allocated Exit Financing Amount, the Exit Lender shall provide a discharge of the Exit Lender’s Charge in respect of the Property.</p>
16. Allocated Exit Financing	<p>The Allocated Exit Financing Amount in respect of any individual Property shall include the aggregate of the following:</p> <ul style="list-style-type: none"> (a) the Allocated DIP Amount with such additions, if any, to reflect Exit Financing advanced pursuant to the Exit Facility, plus accrued and accruing interest thereon as that amount may be reduced from time to time by the disposition of Properties as contemplated in this Restructuring; plus (b) Property Specific Expenses paid during the CCAA Proceedings, to the extent not included in the Allocated DIP Amount.
17. Available Cash	<p>“Available Cash” shall mean, at any given time and only to the extent available, the aggregate of the amount of cash or cash equivalents in the Pooled Account, to be utilized as determined by the CEO (and subject to any appropriate reserves) including, without limitation in respect of distributions on Unsecured Claims.</p> <p>The CEO, in consultation with the Creditors’ Committee, may from time to time establish Disputed Claims reserves in respect of any outstanding Disputed Claims at the time of distributions. For greater certainty, “Available Cash” shall not include any Disputed Claims.</p>
18. Additional Financing	<p>The CEO may consider additional financing proposals to assist with the implementation of this Restructuring (“New 1L Credit Facility”). The quantum, terms and permitted use and proposed repayment of any New 1L Credit Facility would be agreed on by the CEO. Potential uses for such New 1L Credit Facility would include refinancing of the Exit Financing and/or the Accepted First Mortgagee Claims.</p> <p>The CEO may also pursue subordinated financing (“New 3L</p>

	<p>Credit Facility”) to the Accepted First Mortgagee Claims and Accepted Second Mortgagee Claims, which financing could be used, among other things, to provide earlier distributions of Available Cash.</p>
<p>19. Calculation and acceptance of Claims</p>	<p>The CEO shall establish a process for the reconciliation of Lender Claims related to the Portfolio Properties. Lender Claims shall be assessed and allowed based on the principles set out in <u>Schedule “E”</u> hereto.</p> <p>Any legal disputes with respect to the acceptance of a Lender Claim may be referred to a claims officer or other resolution process established by the CEO.</p>
<p>20. Proposed Restructuring Structure</p>	<p>Termination of CCAA Proceedings - The Applicants’ CCAA Proceedings shall be terminated pursuant an order of the Court, which order shall also contain provisions as set out in <u>Schedule “F”</u> hereto.</p> <p>Subordination of all Related Party Claims – All Related Party Claims shall be fully subordinated to all First Mortgagee Claims, Second Mortgagee Claims and Unsecured Promissory Note Claims.</p> <p>Absolute Priority - No Equity Claims (as defined in s.2 of the CCAA) shall be entitled to any distribution until all Claims have been paid in full.</p>
<p>21. Governance</p>	<p>The CCAA Proceedings shall be amended, terminated or converted such that the existing board of directors and management of the Applicants shall have no governing authority and the Monitor’s enhanced powers shall have been terminated pursuant to the Exit Order.</p> <p>A creditor committee of up to 7 members comprising of:</p> <ul style="list-style-type: none"> (a) 4 nominees of First Mortgagees (provided that any such nominee shall not also be an Unsecured Promissory Noteholder); (b) 1 nominee of Second Mortgagees; (c) 1 nominee of the Unsecured Promissory Noteholders; and (d) 1 nominee of the Lion’s Share Representative. <p>shall be established pursuant to the Exit Order to provide any guidance requested by the CEO to oversee the management of the Portfolio Properties with the purpose of enabling full transparency on the dealings and transactions affecting the Portfolio Properties</p>

	<p>in the course of the Restructuring (the “Creditors Committee”).</p> <p>The Creditors Committee shall govern in accordance with governance by-laws to be established by the Monitor and the proposed CEO in consultation with the Lender Representatives and approved pursuant to the Exit Order.</p>
22. Property Manager	<p>The Property Manager has been engaged and will be confirmed pursuant to the Exit Order and shall have the responsibilities and duties as set out in the Property Management Engagement Letter. The Property Manager’s fees shall be paid as Operating Expenses.</p>
23. Fees and Expenses	<p>The Secured Lender Representative Counsel, Unsecured Lender Representative Counsel and the Lions Share Representative (and its counsel) shall be entitled to be paid their reasonable fees and disbursements from the DIP Loan (at such intervals and amounts as approved by the Monitor in its sole discretion) in connection with this Term Sheet and the implementation of the Restructuring (including seeking of the Exit Order and negotiation of the definitive documents hereunder), provided that in respect the Lion’s Share Representative (and its counsel), such fees shall be capped at \$125,000 plus HST.</p>
24. Governing Law and Jurisdiction	<p>This Term Sheet and the Restructuring shall be governed by the laws of the Province of Ontario and the applicable laws of Canada therein. The Court shall have exclusive jurisdiction in respect of any disputes that may arise hereunder.</p>
25. Completion Date	<p>The targeted date for approval of this Term Sheet is on or before August 30, 2024, or such other date as may be agreed upon by the Monitor and the Lender Representatives.</p>

SCHEDULE “A” - Definitions

“Accepted Claim” means a Claim that has been accepted and verified by the Monitor, or by the CEO utilizing the procedures and principles set out in Schedule “E” herein, as a validly subsisting Claim against the Applicants, and includes Accepted First Mortgagee Claims, Accepted Second Mortgagee Claims and Accepted Unsecured Claims;

“Accepted Credit Bid” has the meaning defined in Section 5;

“Allocated DIP Amount” means the amount of the DIP Loan attributable to any individual Property as determined by the Monitor following consultation with the DIP Lender and Lender Representatives, and provided to a Credit Bid Purchaser forthwith after approval of these terms by the Court;

“Allocated Exit Financing Amount” means the amount of the Exit Financing attributable to any individual Property by the Exit Lender;

“Applicants” means the Applicants under the CCAA Proceedings;

“Available Cash” has the meaning defined in Section 17;

“CCAA Proceedings” means the proceedings commenced by the Applicants under the CCAA on January 23, 2024, bearing the Superior Court of Ontario Court No. CV-24-00713245-00 CL;

“CCAA” means the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;

“Claim” means: any right or claim of any Person against the Applicants (or any of them) in connection with any indebtedness, liability or obligation arising from a First Mortgagee Claim, Second Mortgagee Claim, Deficiency Claim or an Unsecured Claim in existence on the Filing Date, whether or not such right or claim is reduced to judgment, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, by guarantee, by surety or otherwise;

“Court” means the Ontario Superior Court of Justice (Commercial List);

“Credit Bid Criteria” has the meaning defined in Section 3;

“Credit Bid Option” has the meaning defined in Section 1;

“Credit Bid Purchaser” means a First Mortgagee or Second Mortgagee that completes a transaction under a Credit Bid APA;

“Credit Bid Vesting Order” has the meaning defined in Section 5;

“Deficiency Claim” means a Claim for any deficiency by a First Mortgagee or a Second Mortgagee following the sale of a Portfolio Property in accordance with the terms set out herein;

“D&Os” means, collectively and individually, all current and former directors and officers of the Applicants;

“D&O Claims” means any Claim held by the D&Os or any of them;

“Disputed Claim” means any Claim that has not been accepted by the Creditors’ Committee as an Accepted Claim, and **“Disputed Claims”** means all of them;

“Disputed Claims Reserve” means a reserve set aside by the CEO from any distribution in respect of Disputed Claims still under review or awaiting final resolution at the time of the making of any distribution;

“Equity Amount” means, for those Properties listed in Schedule “C”, the amount to be determined by the Monitor through a proposed calculation methodology which shall be approved pursuant to the Exit Order;

“Equity Charge” has the meaning defined in Section 6;

“Exit Order” means an order of the Court including the provisions as set out in Schedule “F” hereto;

“First Mortgagee” means a Lender holding an Accepted First Mortgagee Claim;

“First Mortgagee Claim” means the Claim of any Person holding validly subsisting security against the Property or any portion of it in priority to all other secured interests in such Property;

“First Mortgagee Credit Bid Option Deadline” means September 20, 2024;

“Lender” means any Person holding any of a First Mortgagee Claim, Second Mortgagee Claim or Promissory Note Claim;

“Lender Representatives” means the Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel and the Lion’s Share Representative;

“Lenders’ Claims” means collectively First Mortgagee Claims, the Second Mortgagee Claims and the Unsecured Promissory Note Claims;

“Mortgagee Claims” means First and/or Second Mortgagee Claims secured against Property or Properties;

“Net Operating Income” has the meaning defined in Section 11;

“Operating Expenses” has the meaning defined in Section 11;

“Person” means any individual, partnership, limited partnership, joint venture, trust, corporation, unincorporated organization, government or agency or instrumentality thereof, or any other corporate, executive, legislative, judicial, regulatory or administrative entity howsoever

designated or constituted, including, without limitation, any present or former shareholder, supplier, customer, employee, agent, client, contractor, lender, lessor, landlord, sub-landlord, tenant, sub-tenant, licensor, licensee, partner or advisor;

“Pooled Account” means a consolidated account in respect of all Portfolio Properties which shall contain, among other things, (a) rental revenue for such Properties and (b) Property Specific Net Sale Proceeds, and which shall be used to pay Operating Expenses and other things as may be determined by the CEO;

“Portfolio Property” means a Property not sold pursuant to a Credit Bid APA;

“Promissory Note Claim” means the principal amount of Claims of any Person holding unsecured promissory notes issued by the Applicants or any of them;

“Property Expense Reimbursement” means, for any given Property, an amount equal to Property Specific Expenses (to the extent not included in the Allocated DIP Amount or the Allocated Exit Financing Amount) less revenues received in connection with the Property;

“Property Specific Expenses” means, during any particular period, any costs or expenses attributable to a specific Property;

“Property Specific Net Sale Proceeds” means the proceeds of sale of a Portfolio Property, net of sale and commission expenses;

“Related Party Claims” means all intercompany claims or claims of the Additional Stay Parties (or any company owned by an Additional Stay Party), the SID Companies (or any principal, subsidiary or affiliate of the SID Companies, including but not limited to Ryan Moloney, Aruba Butt, Robert Clarke and Ryan Suitor), Bronwyn Bullen or Sam Drage;

“Restructuring” means the restructuring contemplated in this Term Sheet;

“Second Mortgagee” shall mean a Lender with an Accepted Second Mortgagee Claim;

“Second Mortgagee Claim” means the Claim of any Person holding validly subsisting security against the Property or any portion of it, ranking behind First Mortgagee Claims;

“Second Mortgagee Credit Bid Option Deadline” for any given Property means 10 days after a First Mortgagee exercises its Credit Bid Option in respect of that Property;

“Secondary Credit Bid” has the meaning defined in Section 14;

“Unsecured Claim” means any Claims not secured on real or personal property and includes Promissory Note Claims and Deficiency Claims.

SCHEDULE “B” – Property Manager Engagement Letter

Attached.

THIS PROPERTY MANAGEMENT AGREEMENT made as of this **25th** day of **July 2024**.

B E T W E E N:

RICHMOND ADVISORY SERVICES INC., a corporation duly incorporated under the laws of the Province of Ontario, having its Registered Office in the Town of Markham, Ontario,

(Hereafter referred to as the “**Property Manager**”)

OF THE FIRST PART,

AND

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.

(Hereafter collectively referred to as the “**Company**”)

OF THE SECOND PART.

WHEREAS the Company owns the properties listed on Schedule “A” hereto (collectively referred to as the “**Property**”);

AND WHEREAS the Company commenced proceedings under the *Companies’ Creditors Arrangement Act* (“**CCAA**”) pursuant to an initial order granted on January 23, 2024 (as amended and amended and restated from time to time, the “**Initial Order**”) granted by the Ontario Superior Court of Justice (Commercial List) (the “**Court**”);

AND WHEREAS KSV Restructuring Inc. (“**KSV**”) was appointed as CCAA monitor (in such capacity, the “**Monitor**”) of, *inter alia*, the Company pursuant to the Initial Order;

AND WHEREAS on June 25, 2024, the Court granted an order (the “**EMP Order**”) which, *inter alia*, empowered and authorized the Monitor to exercise any powers which may be properly exercised by a board of directors or any officers of the Company, including causing the Company to enter into agreements and engaging managers or property managers;

AND WHEREAS the Company desires to have the Property Manager manage the Property and the Property Manager has agreed to accept such appointment on the terms and conditions hereinafter set forth.

NOW THEREFORE IN CONSIDERATION of the sum of Two Dollars (\$2.00) paid by each of the parties to the other, the mutual covenants contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party, the Company hereby appoints the Property Manager, and the Property Manager accepts this appointment on the following terms and conditions as hereinafter set forth:

1. Term

- (a) The parties agree that this Agreement will take effect upon the granting of the Approval Order (as defined below).
- (b) This Agreement may be terminated by either party without cause upon giving the other party thirty (30) days' written notice.
- (c) Either party may terminate this Agreement based upon a material breach of this Agreement by the other party, provided, however, that the breaching party is given written notice of such breach and has not cured such breach within Ten (10) days after receiving such notice. A breach by the Company shall include, but not be limited to, the failure to make a payment when due.

2. Property Manager's Responsibilities

- (a) The Property Manager agrees to manage, and the Company authorizes the Property Manager to manage, the Property during the term of this Agreement in a faithful, diligent and honest manner and to enter into such contracts and agreements as may be necessary in the performance by the Property Manager of the duties as set out in Schedule "B" attached hereto (collectively referred to as the "**Services**").
- (b) Costs of repairs shall be paid by the Property Manager directly to the provider, provided that the Property Manager shall seek the prior written approval of the Company for any repairs costing in excess of \$5,000. Upon payment for any such repairs by the Property Manager, unless reimbursed pursuant to Section 7(f) hereunder, the Property Manager shall include such payment as a disbursement on its account (as hereinafter described) rendered to the Company. Alternatively, if mutually agreed to in writing by the Property Manager and the Company, the Property Manager shall specifically invoice the Company for reimbursement of its payment for the repairs, and the Company shall reimburse the Property Manager within thirty (30) days of receipt of such invoice. Failure to pay shall be considered a material breach of this Agreement and subject to the termination provisions set out in Section 1 hereunder.
- (c) In the event the Company directly contracts or subcontracts, as the case may be, any other person(s) or corporation(s) to undertake any work at the Property, the Property Manager shall not be responsible or liable for any damage or other loss affecting the Property caused by such person or corporation. Further, in the event of any such damage or other loss affecting the Property, the Property Manager shall have no obligation to repair any such damage or recover any such loss.
- (d) The Property Manager will keep books, accounts and records that reflect all revenues and rents and all expenditures incurred in connection with the management and operation of the Property. The Property Manager shall deposit all monies received in its capacity as Property Manager, including revenues or rents collected in connection with the Property, into segregated bank account(s) held by the Property Manager for the benefit of the Company. The Property Manager shall hold in trust for the Company and not commingle any such funds with any funds of any other clients or customers of the Property Manager. The Property Manager shall, on a monthly basis, remit any monies received in its capacity as Property Manager, including revenues or rents collected in connection with the Property, less deductions permitted pursuant to Sections 7(f) and (g) hereunder to the Company together with a detailed accounting and reconciliation of same.

- (e) The Property Manager will issue the following reports to the Company on a monthly and annual basis:
 - i) Operating statement
 - ii) Balance sheet
 - iii) Accounts receivable report
 - iv) Accounts payable report

All reports, both monthly and annually, shall be delivered to the Owner by no later than the 15th calendar day of every month

3. Inspection

- (a) The parties agree that if the Company requests an inspection of the Property by the Property Manager, such inspection shall involve a visual inspection only performed by direct observation of existing conditions at the time of inspection (the “**Inspection**”). Under no circumstances will the Property Manager move, relocate, adjust, shift or in any way reposition chattels, fixtures, inventory or any other items in order to conduct its Inspection. The Property Manager is not required and shall not dismantle any item or assembly to gain access to equipment, plant life, soil, ice or snow, insulation or other debris which obstructs access or hinders visibility for the purpose of completing the Inspection. The Property Manager’s report shall identify with sufficient description (and a photograph if possible) any obstruction that restricts a visual Inspection.
- (b) The parties agree that the Inspection is of a general nature and not that of a specialist. The Company acknowledges and agrees that it is aware of the limitations of this Inspection and has sought or will seek out further investigation or clarification by a specialist as it deems necessary to complete its assessment of possible adverse conditions or defects.
- (c) The Property Manager will use its best efforts to visually observe any environmental issues, including but not limited to, asbestos, radon, urea formaldehyde foam insulation, toxic or flammable chemicals, and/or soil contamination. This observation notwithstanding, the Company acknowledges and agrees that the Property Manager is not a qualified professional trained to identify possible environmental issues, adverse conditions or defects. The Property Manager recommends that the Company complete an environmental report by a certified environmental company. If the Company requires a thorough environmental inspection of the Property, for any reason, it shall be obligated to retain the services of a certified environmental inspector/assessor, at its own expense.
- (d) The Property Manager will not, under any circumstances, perform any task, enter any area, or disturb any existing condition where, in the Property Manager’s judgment, damage could result, specialized safety equipment is required, or the safety of the person conducting the Inspection is endangered. The Property Manager’s report will contain a description (and photograph where possible) to confirm the presence of such unsafe conditions.

4. Property Manager's Liability:

- (a) The Property Manager shall not be responsible or liable in any manner for personal injury to any person or for loss or damage to any person's real or personal property caused by:
 - 1. Inspectors, appraisers, contractors, realtors, prospective purchasers or tenants who are authorized to access the Property by anyone other than the Property Manager or those for whom it is in law responsible.
 - 2. Acts of third parties such as vandalism, theft, or other criminal acts.
 - 3. Freezing or leaking water pipes, unless any resulting damage, loss or liability has been caused by the negligence, breach, act, omission, fault or default of the Property Manager or those for whom it is in law responsible.
 - 4. Any dangerous condition or environmental condition on the Property, pre-existing or current, unless any resulting damage, loss or liability has been caused by the negligence, breach, act, omission, fault or default of the Property Manager or those for whom it is in law responsible; or
 - 5. The Property's non-compliance with any law or ordinance, unless any resulting damage, loss or liability has been caused by the negligence, breach, act, omission, fault or default of the Property Manager or those for whom it is in law responsible.
- (b) The Property Manager is not responsible or liable in any manner for:
 - 1. Any late fees or other charges the Company owes to any creditor caused by late or insufficient payments by any tenant in the Property; or
 - 2. Damages to the Company caused by a tenant's breach of lease.
- (c) The Property Manager is not responsible or liable for any contracts or obligations related to the Property (for example, maintenance, service and repair agreements) entered into before the date of this Agreement by the Company or anyone on their behalf.
- (d) The Property Manager shall not be liable to the Company with respect to the operation of the Property or as a result of any damage or other loss affecting the Property, or for any error in judgment or for anything which it may do or refrain from doing, unless any resulting damage, loss, injury or liability has been caused by the negligence, breach, act, omission, fault or default of the Property Manager or those for whom it is in law responsible.
- (e) The Property Manager shall not be liable to the Company for failure to perform any of the obligations set forth in this Agreement if such failure is occasioned by or results from destruction or damage to the Property by fire, strike, lockout, a civil commotion or disturbance, an act of God, or any other act or cause which is beyond the reasonable control of the Property Manager, except if due to the negligence, breach, act, omission, fault or default of the Property Manager or those for whom it is in law responsible.

5. Authorized Expenditures of Non-Budgeted Items

- a) In the event of an emergency (which shall be determined in the Property Manager's discretion), the Property Manager shall take such steps as it deems appropriate in its discretion to prevent further damage to the Property and/or harm to its occupants. The Property Manager shall attempt to contact the Company for instructions with respect to any expense that exceeds Five Thousand (\$5,000.00) Dollars; however, if the Company cannot be reached to approve such expense, the Property Manager shall, in its sole and absolute discretion and as the Company's agent, use its commercially reasonable judgment in approving such expense.
- b) The Property Manager agrees to cover the cost of any non-budgeted items over and above Seven Hundred and Fifty (\$750.00) Dollars on an emergency basis, provided that the Company reimburses the Property Manager with Five (5) business days of receipt of written evidence that such cost was incurred.
- c) The Property Manager shall have the authority, without consultation with the Company, to install or replace smoke and carbon monoxide detectors at the Company's expense and shall inform the Company as these expenses are incurred.

6. Subcontracting of Services

- (a) The Company acknowledges and agrees that the Property Manager may subcontract any one or more of the Services to a service provider, provided that the Property Manager shall obtain the prior written approval of the Company for any such Services costing in excess of \$5,000.00. The Company and the Property Manager agree that subcontracting any one or more of the Services shall not relieve either party of its obligations or duties under this Agreement.
- (b) The parties hereto acknowledge and agree that the Property Manager is responsible to remove snow and de-ice the Property (the "**Winter Services**"), and that the Property Manager may subcontract the Winter Services to a corporation or individual providing such services (the "**Winter Services Subcontractor**"). The terms of the subcontract shall require the Winter Services Subcontractor to attend the Property no later than 12 hours after the completion of a snowstorm, provided the Winter Services Subcontractor shall only be required to attend the Property if snow accumulation exceeds the accumulation required to be cleared as per City By-Laws during a 24-hour period.
- (c) In the event that a driveway or parking area is partially or wholly obstructed by a car or any other vehicle or object, snow will only be removed from the section of the driveway or parking area that is accessible to the Winter Services Subcontractor.
- (d) Though the Winter Services Subcontractor shall use its best efforts to attend the Property as stated herein, the Company hereby acknowledges and agrees that there may be circumstances (including but not limited to reduced driving visibility, equipment failure, inaccessibility to the Property or circumstances beyond the Winter Services Subcontractor's control) which may delay the Winter Services Subcontractor's attendance at the Property, in which case the Winter Services Subcontractor shall attend the Property as soon as is reasonably possible in the circumstances.
- (e) The Company hereby covenants not to hold the Property Manager liable for any damages caused or losses suffered by the Company with respect to any of the following:
 - i. General debris, loose paving materials, gravel or ice being struck, lifted or displaced by snow removal equipment.

- ii. Protrusions or objects hidden by snow accumulation being struck by snow removal equipment, including but not limited to: sod, raised beds, plant material, interlocking pavers, flagstone, cobblestone or any other alternative driveway surface, curbing, fencing, fixtures, lawn ornaments and retaining walls and any damage to the aforementioned materials or objects or temporary loss of use or enjoyment of the Property as a result of such damage;
- (f) Any liability of the Property Manager or the Winter Services Subcontractor shall be limited only to damage to the Property or persons on the Property at the time of occurrence of such incident giving rise to the liability and shall be further limited to only those losses or damages suffered as a direct result of the acts or omissions of the Property Manager or the Winter Services Subcontractor.

7. Compensation

- (a) As compensation for the Services rendered by the Property Manager, the Company agrees to pay the Property Manager the fees set out in Schedule "C" attached hereto, as may be mutually amended between the parties from time to time in writing (the "**Compensation**"). The Company acknowledges and agrees that the fees listed in Schedule "C" are exclusive of Harmonized Sales Tax or similar taxes and that payment of such taxes shall be in addition to the Property Manager's fees.
- (b) If the Company requests services of the Property Manager in addition to the Services agreed to in paragraph 2 of this Agreement, the Property Manager shall advise the Company of the resulting cost and shall obtain the Company's written approval prior to performing such additional services (the "**Additional Services**").
- (c) Within fifteen (15) business days after the end of each month, the Property Manager shall render an account of its Services and Additional Services, as the case may be, to the Company.
- (d) The Company acknowledges and agrees that invoices are due within 10 days of the account being rendered.
- (e) The Company agrees that its payment obligations arising before termination of this Agreement shall survive termination of this Agreement.
- (f) The Property Manager is authorized to pay for all compensation, repairs, maintenance and utility costs permitted pursuant to this Agreement out of revenues collected and submit the net remaining revenues to the Company, monthly, subject to subparagraph (g).
- (g) The Company allows the Property Manager to retain up to a maximum of \$50,000 as an operating fund before submitting net remaining revenues to the Company.
- (h) The Property Manager acknowledges and agrees that all obligations to make payments or reimbursements to the Property Manager under this Agreement, including the payment of the Compensation and reimbursement of costs, shall be obligations of the Company exclusively and under no circumstances shall the Monitor have liability for such payments or reimbursements.

8. Insurance

- (a) The Company agrees to maintain the current liability insurance in place with respect to the Property as disclosed to the Property Manager prior to entering into this Agreement.
- (b) Notwithstanding anything to the contrary contained in this Agreement, under no circumstances shall the Property Manager be liable to the Company for the amount of any loss or damage to the Property or its contents, against which the Receiver is insured and thereby entitled to indemnification from its insurer(s), but only to the extent of such indemnification actually received by the Company.

9. Services

The Property Manager shall not be required or obligated by this Agreement to provide any services in addition to the Services specifically mentioned in this Agreement or the Schedules attached hereto.

10. Court Approval

The parties' obligations under this Agreement shall be conditional, and shall only take effect, upon approval of this Agreement by the Court (the "**Court Approval**").

11. Termination

On termination of this Agreement in accordance with Section 1 hereunder:

- (a) The Property Manager shall, within thirty (30) days thereafter, render a final accounting to the Company.
- (b) The Property Manager shall immediately surrender to the Company all lease agreements and other files, records, contracts and information which may be requested by the Company and which are pertinent to the continuing operation of the Property, subject to the proviso that the Property Manager may retain copies of any documents and information which the Property Manager, acting reasonably, is of the opinion that it should retain to support or verify its actions during the currency of this Agreement.
- (c) The Company may, in its sole discretion, assume the obligations of any and all contracts which the Property Manager has *bona fide* entered into for the purpose of arranging the Services to be provided pursuant to this Agreement.

12. Assignment

- (a) The Company agrees not to assign or otherwise transfer its rights or delegate its obligations under this Agreement without the prior written consent of the Property Manager, which consent will not be unreasonably withheld.
- (b) The Property Manager agrees not to assign or otherwise transfer its rights or delegate its obligations under this Agreement without the prior written consent of the Company, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, the Company acknowledges and agrees that the Property Manager may subcontract any one or more of the Services to service providers in accordance with this Agreement.

No such assignment or delegation by either party will relieve it of its obligations or duties under this Agreement.

13. Notices

Any notice, report or other communication required or permitted to be given hereunder shall be in writing unless some other method of giving such notice is accepted by the party to whom it is given, and shall be given by being delivered by hand or by overnight mail or other overnight delivery service to the addresses set forth herein (with a copy by email):

To the Company:
c/o KSV Restructuring Inc., in its capacity as monitor of the Company
220 Bay Street, 13th Floor
Toronto, ON, M5J 2W4
Attention: Noah Goldstein/David Sieradski
Email: ngoldstein@ksvadvisory.com / dsieradzki@ksvadvisory.com

To the Monitor::
KSV Restructuring Inc., in its capacity as monitor of the Company
220 Bay Street, 13th Floor
Toronto, ON, M5J 2W4
Attention: Noah Goldstein/David Sieradski
Email: ngoldstein@ksvadvisory.com / dsieradzki@ksvadvisory.com

To the Property Manager:
Richmond Advisory Services Inc.
60 Renfrew Drive Suite 360
Markham Ontario
L3R 0E1
Email: amehta@richmond-team.com

14. No Legal Advice, Tax Advice or Responsibility for Non-Compliance

- (a) The Company hereby acknowledges and agrees that the Property Manager is not engaged in the practice of law and does not provide legal advice or legal services. Further, the Company hereby acknowledges having been advised by the Property Manager not to act upon any information it may receive from the Property Manager without seeking professional legal advice.
- (b) The Company hereby acknowledges and agrees that the Property Manager does not provide tax advice. Further, the Company hereby acknowledges having been advised by the Property Manager not to act upon any information it may receive from the Property Manager without seeking professional accounting or tax advice.
- (c) The Company hereby acknowledges and agrees that the Property Manager shall not be liable if the Property does not comply with building codes, zoning by-laws, fire codes, electrical safety codes, and any other relevant statutes or regulations, and the Property Manager has no obligation or responsibility to determine or ensure compliance with same.

15. Capacity of Monitor

- (a) The Property Manager acknowledges and agrees that the Monitor is executing this Agreement, in its capacity as Monitor and not in its personal or corporate capacity, on behalf of the Company in accordance with the Monitor's authority under the EMP Order it and that KSV and the Monitor, and their officers, directors, partners, managers, contractors, shareholders, advisors (including legal counsel), agents, and employees, shall have no personal or corporate responsibility or liability under this Agreement.
- (b) Notwithstanding anything to the contrary in this Agreement, the Property Manager shall engage directly and exclusively with the Monitor (and its counsel) on behalf of the Company on all matters related to this Agreement and the performance of the Property Manager's duties, obligations and covenants hereunder. Without limiting the foregoing, any information, communication or notices that are required to be provided to the Company under this Agreement shall be provided to the Monitor on the Company's behalf and any consents, agreements or approvals to be provided by the Company under this Agreement shall be provided by the Monitor on the Company's behalf pursuant to the EMP Order.

16. General Contract Provisions

- (a) If any term or provision of this Agreement or any portion of a term or a provision hereof or the application thereof to any person or circumstance shall, to any extent, be held invalid or unenforceable by a court of competent jurisdiction, the remainder of this Agreement, or the application of such terms or provisions or a portion thereof to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Agreement and each portion thereof shall be valid and enforced to the fullest extent permitted by law.
- (b) Neither party shall be responsible if the fulfillment of any of the terms or provisions of this Agreement is delayed or prevented by riots, wars, acts of enemies, acts of terrorism, national emergency, strikes, floods, fires, acts of God, or by any other cause not within the control of the party whose performance is interfered with including the unavailability of Subcontractors to perform any one or more of the Services on behalf of the Property Manager, where such unavailability is directly caused by one or more of the circumstances referenced in this subparagraph.
- (c) This Agreement shall be construed and enforced in accordance with, and the rights of the parties hereto shall be governed by, the laws of the Province of Ontario and the federal laws of Canada applicable therein. The parties agree to the exclusive jurisdiction of the Court to adjudicate any disputes arising from or relating to this Agreement.
- (d) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof.
- (e) This Agreement may be amended, modified, superseded or canceled, and any of the terms herein contained may be waived, only by written instrument executed by the parties hereto or, in the case of a waiver, by the parties so waiving.
- (f) The failure of any party hereto at any time or times to require performance of any provisions hereof shall in no manner affect the right of such party to require such performance at a later time.

- (g) Words importing the singular number only shall include the plural and vice versa, words importing a specific gender shall include the other genders and reference to persons shall include all corporations and one or more persons, their heirs, executors, successors, administrators or assigns as the case may be.
- (h) This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, successors, administrators and assigns.
- (i) This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories.

Remainder of page intentionally blank.

IN WITNESS WHEREOF the parties duly attested to by the hands of their proper signing officers in that behalf as of the day and year first above written.

RICHMOND ADVISORY SERVICES INC.

Per:

Arun Mehta

Name: **Arun Mehta**

I have authority to bind the Corporation.

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., by KSV Restructuring Inc., in its capacity as monitor and not in its personal or corporate capacity

Per:



Name: Noah Goldstein, Managing Director

I have authority to bind the Corporation.

Schedule "A"

Property

The parties agree that the list of properties is set out in the document titled: "KSV SID List of Real Property 7 8 2024.xlsx[.]" The list of properties is subject to change consistent with the notice requirements for termination in Section 1 of the Agreement.

Arun Mehta

Schedule “B”

Services

In addition to the services contemplated in the pages of this agreement prior to Schedule B, the services shall include:

- Collection of rents and follow up on delinquent tenants
- Collection and recording of security deposits and processing and payment of security deposit refunds
- Payment of operating expenses
- The negotiating of rentals for the residential units; the amount of asking and agreed upon rentals shall be subject to the Company's prior written approval
- Preparing and negotiating residential leases.
- Endeavor to market the residential units for lease
- Processing rental increases
- Provide regular inspection and supervision of the units
- Establish lease rates and adjust to market conditions
- Prepare annual operating budgets
- Implement preventative maintenance programs
- Administer tenant relations
- Execute, as agent of the Company, all lease documents, provided the business terms thereof and the form of such lease documents have been approved by the Company
- Report to the Company with respect to any default by any tenant of the Property (such reports with respect to residential tenants to be in the Property Manager's monthly reports)
- Arrange for the repair and maintenance of the property, as required from time to time

Schedule “C”

Richmond Advisory Services Inc. - Property Management Services and Pricing Schedule

Fee Structure

Item	Description	Fee
1	Property Management Fee	6% of rent collected

Capital Project Fees

Item	Project Value	Fee
1	\$0 - \$350,000.00	6%
2	\$350,000.00 - \$700,000.00	4%
3	\$700,000.00 and up	3%

RAS provided a fee structure for capital projects as there maybe multi residential sites within the portfolio which needs to be confirmed.

Assumptions

RAS will not be managing the golf course that is not in operation unless requested.
Additional fees would be applicable.

Additional Service Fees

One month's rent to lease a home.

An RAS rental fee of \$500 to rent an individual unit (the unit must be a legal unit to be rented).

All rental advertising costs.

Courier fees.

Travel costs if travel has been requested.

Due to the amount of vacant homes, there would be a monthly PM fee of \$150 per month per home as we are administering utility re-routes and payment and many other administrative tasks, and the coordination of vendor management services.

Services	Pricing
Inspections	\$50 per property
Inspections for multi-unit property	\$35 per unit
Initial property report with pictures and recommendations and six-month report for a single-family home	\$150 each

Lock changes	Quote required
Cleaning and removal of debris	Quote required
Winterization of property (single family home)	\$145
De-winterization of property (single family home)	\$125
Winterization of well & septic (if required)	Quote required
Winterization of pools, hot tubs, mobile homes	Quote required
Repairs and maintenance	Quote required
Installation of smoke & Carbon Dioxide detectors	Quote required
Snow removal	Quote required
De-Icing and salting Application	Quote required
Grass cutting	Quote required
Spring and Fall Clean Up	Quote required
Labour rate	\$55 per hour
Eviction Services (on-premises attendance)	\$55 per hour
Tenant Acknowledgement Form (preparation & delivery)	\$25 per Tenant
Certificate of Services (preparation & delivery)	\$25 per Tenant

Serve Notice of Termination N4 (preparation & delivery)	Paralegal fees would be applicable
Application to Tribunal or related court filings (preparation & submission)	Paralegal fees would be applicable
<i>Mileage costs could be applicable for rural properties</i>	

SCHEDULE “C” – Form of Credit Bid APA

Attached.

SCHEDULE “D” – List of Properties Subject to an Equity Amount

Schedule D

List of Equity Amount Properties

49 Dale Ave	Timmins	ON, P4N 1X6
101 Dixon St	Timmins	ON, P0N 1C0
389 Tamarack Street	Timmins	ON, P4N 6R5
381 Eva Ave	Greater Sudbury	ON, P3C 4N2
156 Cameron Street N	Timmins	ON, P4N 5B9
432 Ann Avenue	Timmins	ON, P4N 4V4
28 St. Georges Avenue East	Sault Ste. Marie	ON, P6B 1W7
75 Elm Street	Timmins	ON, P4N 1W5
43 Crescent Ave	Timmins	ON, P4N 4H9
45 Woods St	Kirkland Lake	ON, P2N 3E2
465 Pine St South	Timmins	ON, P4N 6E6
290-292 Spruce	Timmins	ON, P4N 2M9
257 Ratter Lake Road	Markstay	ON, P0M 2G0
47 Queen St	Kirkland Lake	ON, P2N 2R1
387 North Street	Sault Ste. Marie	ON, P6B 2A9
155 Wallace Terrace	Sault Ste. Marie	ON, P6C 1K2

SCHEDULE “E” – Claims Assessment Principles (Liquidation of Portfolio Properties)

Timeline

A timeline and process for the calling of and reconciliation of Claims (other than claims of First Mortgagees and Second Mortgagees submitting Credit Bid APAs) shall be established by the CEO in order to facilitate the distribution of Available Cash.

Mortgagee Claims

First Mortgagees and Second Mortgagees shall submit all relevant mortgage documentation, including evidence of advance(s) made and outstanding balance statement (“**Mortgagee Claims Package**”).

The Mortgagee Claims Package shall be reviewed by the CEO or as it may delegate.

Provided that the CEO is satisfied with the First Mortgagee’s (a) registered mortgage; (b) amounts advanced and unpaid; (c) calculation of payout (including interest thereon), it shall be accepted as an Accepted First or Second Mortgagee Claim without requirement for further proof or evidence.

Other than the Related Parties, no Mortgagee Claim shall be disallowed on the basis of subordination and shall be assessed solely as provided for herein.

Unsecured Promissory Noteholder Claims

Unsecured Promissory Noteholders shall submit to the CEO (the “**Noteholder Claims Package**”):

- a summary of note claims including amounts owed thereunder broken down by principal, interest and fees;
- evidences of any advances made, assignments, renewals or otherwise to evidence the indebtedness owing under the notes; and
- all relevant note documentation.

Noteholder Claims Packages shall be reviewed by the CEO or as it may delegate.

Provided that the CEO is satisfied with the amount of the note, the evidence of indebtedness and calculation of outstanding balance, it shall be accepted as an Accepted Unsecured Promissory Note Claim, without requirement for further proof or evidence;

Other than the Related Parties, no Unsecured Promissory Noteholder Claim shall be disallowed on the basis of subordination and shall be assessed solely as provided for herein.

Other Unsecured Claims

[need a mechanism for this]

[NTD: consider fair and efficient process for reconciliation of noteholder claims – should there be a note reconciliation manager that is retained.]

SCHEDULE “F” – Exit Order Terms

The Exit Order shall be in form and substance acceptable to the Monitor, the Exit Lender, the Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel and the Lion’s Share Representative and shall include the following provisions:

1. Approval of the following:
 - (a) term sheet and the Restructuring
 - (b) Property Manager Engagement Letter
 - (c) Equity Amount methodology
2. Matters pertaining to the CEO and the Creditors’ Committee:
 - (a) CEO Engagement Letter
 - (b) Authorization of powers and responsibilities of the CEO
 - (c) Appointment of the Creditors’ Committee
 - (d) Approval of the governance By-Laws
3. Matters pertaining to the Exit Financing Term Sheet:
 - (a) Approval of the Exit Financing Term Sheet
 - (b) Granting of a first priority charge on all Portfolio Properties (the “**Exit Financing Charge**”)
4. CCAA Proceedings:
 - (a) Termination of the SISF;
 - (b) Approval of the Equity Charge (which may also be contained in the Credit Bid Vesting Order);
 - (c) Termination or transition of the CCAA Proceedings following completion of all transactions under Credit Bid APAs;
 - (d) Discharge of the Administration Charge and the DIP Lender’s Charge;
 - (e) Discharge of the Monitor upon the filing of a Monitor’s Certificate;
 - (f) Releases in favour of the Monitor (and its counsel), the Exit Lender (and its counsel) and the Lender Representatives;

***Strictly Confidential
Without Prejudice
Draft***

- (g) Provide for a standstill, subordination and injunction against the commencement of any claims, actions, suits or demands in respect of the Properties and prohibition against registration of any notices or otherwise on title in respect of any such Claims prior to the termination of the CCAA Proceedings; and
- (h) Provide that the notwithstanding the termination of the CCAA Proceedings, any party may seek direction and relief in Court File No. CV-24-00713425-00CL in connection with the Restructuring.

Appendix “E”

Balboa Inc. et al
Closed Credit Bid Properties (321 Properties)

Address	City
10 Stull Street	Capreol
100 Conley Street South	Timmins
101 Fourth Avenue	Timmins
1026 Michener Blvd	Timmins
103 Rea Street North	Timmins
104 London Street	Sault Ste. Marie
104 Ruth Street	Timmins
105 Victor Emmanuel	Sault Ste. Marie
1050 McNabb Street	Sault Ste. Marie
106 Conley St S	Timmins
106 Croatia Ave	Timmins
106 Toke St	Timmins
107 Breton Road	Sault Ste. Marie
108 Niagara Falls Road	Thorold
109 Bannerman	Timmins
11 Pietro Street	Sudbury
116 Main St	Timmins
116 Railroad Avenue	Sault Ste. Marie
117 Turner Avenue	Sault Ste. Marie
118 Grosvenor Ave	Sault Ste. Marie
118 Kathleen Street	Greater Sudbury
12 Winfield Dr	Sault Ste. Marie
122 Windsor Ave	Timmins
1224 Wellington St E	Sault Ste. Marie
123 Goulais Ave	Sault Ste. Marie
124 Balsam Street North	Timmins
1244 Martindale Road	Greater Sudbury
125 Grosvenor Avenue	Sault Ste. Marie
126 Crescent Ave	Timmins
126 Tancred St	Sault Ste. Marie
127 Pine Street	Sault Ste. Marie
128 Dennis St	Sault Ste. Marie
129 Birch St. S	Timmins
129 Kent Ave	Timmins
13 Bloor Ave	Timmins
13 Grosvenor Ave	Sault Ste. Marie
13 Premier Ave W	Kirkland Lake
1314 Wellington St. E	Sault Ste. Marie
136 Pine St N	Timmins
137 Rea St. N	Timmins
139-141 Balsam Street South	Timmins
141 Elm Street North	Timmins
141 Pine Street North	Timmins
142 Kent Avenue	Timmins
144 Evans Street	Timmins

Balboa Inc. et al
Closed Credit Bid Properties (321 Properties)

Address	City
145 Biggings Ave	Sault Ste. Marie
145 Carufel Ave	Sault Ste. Marie
145 Elm Street North	Timmins
145-149 Fifth Ave	Timmins
146 Birch Street South	Timmins
147 Front St.	Timmins
147 Glasgow Avenue	Sault Ste. Marie
147 Maple St. S	Timmins
148 Elm St N	Timmins
15 St. Georges Ave. W.	Sault Ste. Marie
150 Henrietta Avenue	Sault Ste. Marie
150 Maple St. N	Timmins
152 Elm Street N	Timmins
155 Cedar Street North	Timmins
156 Cameron Street N	Timmins
156 Maple St S	Timmins
156 Montgomery Ave	Timmins
156 St. George Ave E	Sault Ste. Marie
156 Warner St	Timmins
157 Bloor Street W	Sault Ste. Marie
157 Maple Street N	Timmins
16 Laurier Avenue	Timmins
162 Biggings Ave	Sault Ste. Marie
162 Spadina Ave	Sault Ste. Marie
1621 Second St	Val Caron
164 Birch St N	Timmins
166 Maple St. S	Timmins
168 Central Park	Sault Ste. Marie
169 Andrew St	Sault Ste. Marie
169 Balsam Street N	Timmins
169-171 Rea	Timmins
170 Kent Ave	Timmins
174 Goulais Ave	Sault Ste. Marie
176 March St	Sault Ste. Marie
178 Cedar Street North	Timmins
179 Montgomery Ave	Timmins
18 Rand Ave W	Kirkland Lake
18 Stevens Street	Sault Ste. Marie
180 Glasgow Ave	Sault Ste. Marie
182 Biggings Ave	Sault Ste. Marie
187 Moore St	Timmins
199 Cayuga Dr	Timmins
199 Oneil Ave	Timmins
2 Station Rd S	Kirkland Lake
203 Maple Street North	Timmins

Balboa Inc. et al
Closed Credit Bid Properties (321 Properties)

Address	City
204 Kathleen Street	Sudbury
211 Middleton Ave	Timmins
216 Goulais Avenue	Sault Ste. Marie
219 Birch St N	Timmins
22 Pardee Ave	Sault Ste. Marie
221 Dell St	Greater Sudbury
222 Maple Street South	Timmins
223 Beverly St	Sault Ste. Marie
225 Waterloo Rd	Timmins
226 Albert Street West	Sault Ste. Marie
227 Elm Street North	Timmins
231 Middleton Ave	Timmins
236 Birch Street N	Timmins
24 St. Andrews Ter	Sault Ste. Marie
240 Elm St N	Timmins
244 Hemlock Street	Timmins
248 Windsor Avenue	Timmins
249 Malette Cres	Timmins
25 Elmwood Ave	Sault Ste. Marie
250 Middleton Avenue	Timmins
251-253 Wellington Street East	Sault Ste. Marie
254 Ross Avenue east	Timmins
258 St James St	Sault Ste. Marie
259 Legion Drive	Timmins
26 Avenue Rd	Timmins
26 King Street	Kirkland Lake
273 Birch St. N	Timmins
276-280 Mountjoy St	Timmins
277-279 Patricia Blvd	Timmins
278 Selby	Sault Ste. Marie
280 Maclean Drive	Timmins
285 Balsam Street North	Timmins
29 Alberta Ave	Sault Ste. Marie
29 Hamilton Avenue	Sault Ste. Marie
290 Cedar Street South	Timmins
290 Sixth Ave	Timmins
290-292 Spruce	Timmins
293 McNabb St	Sault Ste. Marie
295 Van Horne	Sudbury
299 Goulais Ave	Sault Ste. Marie
30 Grosvenor Avenue	Sault Ste. Marie
30 Melville Rd	Sault Ste. Marie
306 Birch St North	Timmins
31 Wellington Street W	Sault Ste. Marie

Balboa Inc. et al
Closed Credit Bid Properties (321 Properties)

Address	City
31 Windsor Ave	Timmins
322 Doncaster Rd	Sault Ste. Marie
325 Alexandra St	Sault Ste. Marie
325 Montague Ave	Greater Sudbury
327 Franklin St	Sault Ste. Marie
329 Goulais Ave	Sault Ste. Marie
331 Spruce Street	Timmins
332 Eva Avenue	Greater Sudbury
336 Eva Ave	Sudbury
336 Mountjoy St S	Timmins
337-345 Preston St	Timmins
34 Carlin Ave	Timmins
34 Duncan Avenue South	Kirkland Lake
340 Korah Road	Sault Ste. Marie
340 Mabel Avenue	Greater Sudbury
342 Sixth Ave	Sault Ste. Marie
343 Maple Street s	Timmins
344 Pine Street South	Timmins
348 First Ave	Sault Ste. Marie
348 Maple St S	Timmins
348 Poplar St	Greater Sudbury
349 Burton Avenue	Greater Sudbury
349 Douglas Street	Sault Ste. Marie
35 Taylor Ave	Kirkland Lake
351 Balsam Street S	Timmins
351 Bloor St W	Sault Ste. Marie
352 Moody Street	Sault Ste. Marie
354 Antwerp Street	Greater Sudbury
354 Diane Crescent	Timmins
355 Franklin Ave	Sault Ste. Marie
357 Gillies Street	Sault Ste. Marie
359 Farwell Terr	Sault Ste. Marie
360 Cedar St S	Timmins
363 Seventh Ave	Sault Ste. Marie
364 Cherry Street	Timmins
365 Bruce Street	Sault Ste. Marie
369 Suffolk Lane	Sudbury
370 Pine Street	Sault Ste. Marie
374 Struthers St	Sudbury
375 Lonergan Blvd	Timmins
376 Borden Ave	Sault Ste. Marie
377 Wilson St	Sault Ste. Marie
378 Maple Street South	Timmins
379 Elm St S	Timmins

Balboa Inc. et al
Closed Credit Bid Properties (321 Properties)

Address	City
38 Birch St	Sault Ste. Marie
38 Fourth Ave	Timmins
38 Laurier Ave.	Timmins
381 Eva Ave	Greater Sudbury
382 Wilson Ave	Timmins
386 Borden Avenue	Sault Ste. Marie
387 Morin Street	Sault Ste. Marie
387 North Street	Sault Ste. Marie
389 Tamarack Street	Timmins
39 Chippewa St	Sault Ste. Marie
39 Park Ave	Brantford
390 Dell St	Sudbury
392 Maple Street South	Timmins
395 Tamarack St	Timmins
397 Northland Road	Sault Ste. Marie
4 Boundary Lane	Timmins
4 Ferguson Avenue	Capreol
40 Algoma Ave.	Sault Ste. Marie
40 Comfort Street	Kirkland Lake
40 Crescent Ave	Timmins
400 Wallace Terrace	Sault Ste. Marie
402 Maclean Drive	Timmins
403 Lloyd St	Sudbury
406 Wallace Terrace	Sault Ste. Marie
41 & 43 Way Ave.	Timmins
410 Maple Street South	Timmins
423 2nd Avenue	Sault Ste. Marie
427 Wilson Ave	Timmins
428 Wellington Street E	Sault Ste. Marie
4299 Second Ave	Niagara Fa
431 Frood Rd	Sudbury
432 Ann Avenue	Timmins
433 Woodcroft Ave	Sault Ste. Marie
44 Crescent Ave	Timmins
44 Elm St N	Timmins
45 Woods St	Kirkland Lake
452 Dupont St.	Greater Sudbury
455 Percy Ave	Greater Sudbury
456 Douglas Street	Sault Ste. Marie
46 Charles Street	Timmins
462 Burke Street	Timmins
468 Toke St	Timmins
47 Cecil Ave.	Timmins
47 Queen St	Kirkland Lake
470 Randall Dr	Timmins

Balboa Inc. et al
Closed Credit Bid Properties (321 Properties)

Address	City
478 Pine Street South	Timmins
479 Second Line West	Sault Ste. Marie
48 Churchill Avenue	Sault Ste. Marie
484 1st Avenue	Sault Ste. Marie
485 Pine St S	Timmins
488 Morin Street	Sault Ste. Marie
49 Belanger Avenue	Timmins
491 Second Line W	Sault Ste. Marie
499 Second Line W	Sault Ste. Marie
50 Cecil Ave	Timmins
502 John St	Sault Ste. Marie
51 Laurier Ave	Timmins
51 Pardee Ave	Sault Ste. Marie
514 Wallace Terrace	Sault Ste. Marie
515 Cedar Street South	Timmins
52 Broadway Ave	Timmins
52 Edinburgh Street	Sault Ste. Marie
521 Clinton Ave	Sudbury
53 Wayne Crt	Sault Ste. Marie
531 Tedman Ave	Greater Sudbury
536 Montague Ave	Greater Sudbury
538 Northland Road	Sault Ste. Marie
54 Crownland Ave	Welland
545 Nelson Street	Sault Ste. Marie
55 Crescent Ave	Timmins
550 Spooner Dr	Timmins
556 Cooper Street	Sault Ste. Marie
557 Government Rd	Kirkland Lake
557-561 Norman St	Timmins
561 John Street N	Sault Ste. Marie
565 Bush St	Sault Ste. Marie
566 Douglas Street	Sault Ste. Marie
567 Wellington Street W	Sault Ste. Marie
571 Lorne Street	Greater Sudbury
576 Spruce Street South	Timmins
579 Elm Street	Sudbury
580 Morrison	Sault Ste. Marie
582 Government Road Wst	Kirkland Lake
59 Trelawne Ave	Sault Ste. Marie
597 Spooner Dr	Timmins
6 Alexander Ave	Kirkland Lake
6 Bloor St	Sudbury
6 Borden Ave	Timmins
6 Hollinger Lane	Timmins
6 Spruce St	Kirkland Lake

Balboa Inc. et al
Closed Credit Bid Properties (321 Properties)

Address	City
6 Spruce St. South	Sault Ste. Marie
60 Montgomery Ave	Timmins
61 Taylor Avenue	Kirkland Lake
62 Sterling Ave. W	Timmins
627 Farwell Terrace	Sault Ste. Marie
63 Dunn Avenue	Timmins
634 Portage Lane	Sault Ste. Marie
637 Queen Street West	Sault Ste. Marie
646 Brewster Street	Temiskamin
660 Wellington Street W	Sault Ste. Marie
668 Lillian Ave	Timmins
67 Government Rd E	Kirkland Lake
67 Rand Ave	Kirkland Lake
68 St. Georges Avenue East	Sault Ste. Marie
680 Lillian Ave	Timmins
682 Wellington Street W	Sault Ste. Marie
687 Cambrian Heights Drive	Greater Sudbury
69 Way ave	Timmins
690 Pine Street	Sault Ste. Marie
697 St Clair Street	Greater Sudbury
70 Diorite Street	Sudbury
70 Powell Avenue	Timmins
707 Wellington Street W	Sault Ste. Marie
71 Kent Avenue	Sault Ste. Marie
72 Wende Ave	Timmins
721 Howey Dr	Sudbury
73 Croatia Ave	Timmins
735 Denise St	Timmins
740 Martindale Rd	Sudbury
774 Bonney Street	Sault Ste. Marie
78 Birch Street	Sault Ste. Marie
78 Bloor Street West	Sault Ste. Marie
783 Cooper Street	Sault Ste. Marie
79 Kitchener Road	Sault Ste. Marie
8 Grosvenor Ave	Sault Ste. Marie
8 MacDonald Avenue	Sault Ste. Marie
81 Jean Street	Greater Sudbury
84 Pilgrim Street	Sault Ste. Marie
84 Tamarack St	Timmins
84 Wallace Terrace	Sault Ste. Marie
87-89 Way Avenue	Timmins
88 Wallace Terrace	Sault Ste. Marie
89 Wende Avenue	Timmins
9 Prospectors St	Timmins

Balboa Inc. et al
Closed Credit Bid Properties (321 Properties)

Address	City
90 Avenue	Timmins
92 Prospect Ave	Kirkland Lake
93 Logan Ave	Sudbury
94 Sixth Ave	Timmins
95 Tamarack Street	Timmins
96 Commercial Ave	Timmins
973 Lorne Street	Greater Sudbury
98 Way Avenue	Timmins
99-101 Kent Ave	Timmins

Appendix “F”

Balboa Inc. et al
Secondary Credit Bid Properties (12 Properties)

Address	City	Second DIP Allocation [Note 1]
127 Pardee Ave	Sault Ste. Marie	38,029.86
180 Tamarack St	Timmins	41,834.81
187 Pine Street North	Timmins	43,261.55
221 Balsam St. S	Timmins	60,921.50
257 Ratter Lake Road	Markstay	147,001.05
282 Fourth Ave	Sault Ste. Marie	40,485.69
33 McKelvie Ave	Kirkland Lake	49,853.77
4 Sheppard St	Sault Ste. Marie	54,977.31
43 Crescent Ave	Timmins	45,702.28
48 McCamus Ave	Kirkland Lake	121,813.77
549 Spooner Road	Timmins	46,440.08
86 Way Ave	Timmins	42,412.82
Total		732,734.47

Note 1

The Second DIP Allocation represents the proposed Second DIP Allocation discussed in Section 5 of this Report.

Appendix “G”

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT made this _____ day of _____, 2025.

BETWEEN:

(the “**Vendor**”)

- and -

(the “**Purchaser**”)

WHEREAS the Vendor has commenced and is subject to a proceeding (the “**CCAA Proceeding**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), under Court File No. CV-24-00713245-00CL in the Ontario Superior Court of Justice (Commercial List) in Toronto (the “**Court**”);

AND WHEREAS KSV Restructuring Inc. (“**KSV**”) was appointed as monitor (in such capacity, the “**Monitor**”) of the Vendor pursuant to the initial order granted by the Court on January 23, 2024 (as subsequently amended and restated on January 31, 2024, February 15, 2024 and March 28, 2024 and subsequently amended from time to time, including on December 6, 2024, the “**Initial Order**”);

AND WHEREAS on April 12, 2024, the Court granted an Order, which, among other things, approved a sale or investment solicitation process (the “**SISP**”);

AND WHEREAS on June 25, 2024, the Court granted an order (the “**Monitor’s Powers Order**”) expanding the powers of the Monitor in respect of the Vendor;

AND WHEREAS on February 27, 2025, the Court granted an order (the “**Credit Bid Approval Order**”), among other things, authorizing the Monitor, on the behalf of the Vendor, to enter into credit bid purchase agreements with certain mortgagees of the Vendor;

AND WHEREAS the Purchaser holds a first-ranking mortgage on the lands and premises set out in **Schedule “A”** attached hereto and described by municipal address and legal description (the “**Real Property**”);

AND WHEREAS pursuant to the Credit Bid Approval Order, the Purchaser wishes to purchase, and the Vendor wishes to sell, the Real Property upon the terms and subject to the conditions set out herein;

NOW THEREFORE, in consideration of the promises, mutual covenants and agreements contained in this Agreement (as defined herein), and for other good and valuable consideration, the receipt and sufficiency of which are each hereby acknowledged by the Parties (as defined herein), the Parties agree as follows:

ARTICLE 1 DEFINED TERMS

1.1 Definitions.

In this Agreement:

"Additional Priority Payables Payment" has the meaning set out in section 4.6 herein;

"Administration Charge" means the administration charge granted under the Initial Order;

"Agreement" means this agreement of purchase and sale, including all schedules and all amendments or restatements, as permitted, and references to **"article"**, **"section"** or **"schedule"** mean the specified article, section of, or schedule to this Agreement and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and not to any particular section or other portion of this Agreement;

"Applicable Law" means, with respect to any Person, property, transaction, event or other matter, all applicable laws, statutes, regulations, rules, by-laws, ordinances, protocols, regulatory policies, codes, guidelines, official directives, orders, rulings, judgments and decrees of any Governmental Authority;

"Approval and Vesting Order" means the approval and vesting order to be issued by the Court approving this Agreement and the transactions contemplated by this Agreement and conveying to the Purchaser the Real Property free and clear of all Encumbrances, other than the Permitted Encumbrances or any Leases, in form and substance consistent with the Ontario model form of order approved by the Commercial List Users' Committee with such modifications deemed necessary by the Vendor, acting reasonably, which approval and vesting order may, in the discretion of the Vendor, include approval of one or more other similar sale transactions in the CCAA Proceeding;

"Business Day" means a day on which Schedule 1 Banks are open for business in the City of Toronto but does not include a Saturday, Sunday or statutory holiday in Ontario;

"CCAA" has the meaning set out in the recitals hereof;

"CCAA Assignment Order" means an order of the Court made pursuant to section 11.3 of the CCAA, in form and substance satisfactory to the Vendor, acting reasonably, to be sought by the Vendor assigning the rights and obligations of the Vendor to the Purchaser under the Leases;

"Closing" means the successful completion of the Transaction;

"Closing Date" means the date that is the later of: (i) the first Business Day following the date that is ten (10) days following the date on which the Approval and Vesting Order is issued by the Court; and (ii) the first Business Day following the date on which any appeals or motions to set aside or vary the Approval and Vesting Order have been finally determined; or, if the Parties agree, such other date as agreed in writing by the Parties;

"Closing Time" means no later than 5:00 p.m. (Toronto time) on the Closing Date or such other time as agreed in writing by the Parties;

"Court" has the meaning set out in the recitals hereof;

"Deposit" has the meaning given in section 4.2 herein;

"DIP Agreement" has the meaning given to it in the Initial Order, as may be amended, supplemented, extended or replaced with the consent of the Monitor;

"DIP Lender" means Viscount Capital Inc., in its capacity as lender under the DIP Agreement;

"DIP Lender's Charge" means the DIP lender's charge granted under the Initial Order;

"Document Registration Agreement" has the meaning given in section 6.6 herein;

"Encumbrances" means all liens, charges, security interests, pledges, leases, offers to lease, title retention agreements, mortgages, restrictions on use, development or similar agreements, easements, rights-of-way, title defects, options or adverse claims or encumbrances of any kind or character whatsoever affecting the Real Property;

"Environmental Law" means any and all applicable international, federal, provincial, municipal or local laws, by-laws, statutes, regulations, treaties, orders, judgments, decrees, ordinances, official directives and all authorizations relating to the environment, occupational health and safety, health protection or any Hazardous Materials;

"ETA" means the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended;

"Governmental Authority" means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law or regulation-making organizations or entities: (a) having or purporting to have jurisdiction on behalf of any nation, province, republic, territory, state or other geographic or political subdivision thereof, including, without limitation, any municipality in which the Real Property is located; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

"GST/HST" means the goods and services tax and harmonized sales tax imposed under Part IX of the ETA, or any other similar statute in any jurisdiction of Canada;

"Hazardous Materials" means any contaminants, pollutants, substances or materials that, when released to the natural environment, could cause, at some immediate or future time, harm or degradation to the natural environment or risk to human health, whether or not such contaminants, pollutants, substances or materials are or shall become prohibited, controlled or regulated by any Government Authority and any **"contaminants"**, **"dangerous substances"**, **"hazardous materials"**, **"hazardous substances"**, **"hazardous wastes"**, **"industrial wastes"**, **"liquid wastes"**, **"pollutants"** and **"toxic substances"**, all as defined in, referred to or contemplated in federal, provincial and/or municipal legislation, regulations, orders and/or ordinances relating to environmental, health and/or safety matters and, not to limit the generality of the foregoing, includes asbestos, urea formaldehyde foam insulation and mono or poly-chlorinated biphenyl wastes;

"Initial Order" has the meaning set out in the recitals hereof;

"ITA" means the *Income Tax Act*, R.S.C. 1985, c.1, as amended;

"KSV" has the meaning set out in the recitals hereof;

"Lender Representative Counsel" means Chaitons LLP;

"Leases" means, collectively, all lease agreements existing in respect of the Real Property as at the Closing Time;

"Monitor" has the meaning set out in the recitals hereof;

"Monitor's Powers Order" has the meaning set out in the recitals hereof;

"Mortgage Indebtedness Amount" means the amount of \$ _____¹, representing [specify ☐ all or ☐ part] of the indebtedness owed by the Vendor to the Purchaser as of the Closing Date and secured by the Purchaser's mortgage on the Real Property;

"Notice" has the meaning given in section 14.3 herein;

"Parties" means the Vendor and the Purchaser;

"Permitted Encumbrances" means all those Encumbrances as determined by the Monitor, acting reasonably, not to be affected by the Approval and Vesting Order, provided that, for greater certainty, Permitted Encumbrances shall not include any mortgages registered on title to the Real Property, the Administration Charge or the DIP Lender's Charge;

"Person" means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted;

"Priority Payables" means all amounts owing (including all amounts accrued but not yet payable) by the Vendor as of the Closing Date which rank in priority to the Mortgage Indebtedness Amount, including but not limited to the amounts secured by, or to be secured by, the Administration Charge and the DIP Lender's Charge, as may be allocated by the Monitor to the Real Property;

"Purchase Price" has the meaning set out in section 4.1 herein;

"Real Property" has the meaning set out in the recitals hereof;

"Schedules" means the schedule attached hereto as **Schedule "A"**;

"Taxes" means all taxes, charges, fees, levies, imposts and other assessments, including all income, sales, use, GST/HST, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, excise, real property and personal property taxes, and any related interest, fines and penalties, imposed by any Governmental Authority, and whether disputed or not;

"Transaction" means the transaction of purchase and sale contemplated by this Agreement; and

"Transfers" has the meaning set out in Section 6.3(1) herein.

ARTICLE 2 SCHEDULES

2.1 Schedules.

The Schedules are incorporated in and form part of this Agreement.

¹ Must be an amount between (a) the Purchaser's first-ranking mortgage principal amount, and (b) the full amount owed, inclusive of accrued interest, fees and costs.

ARTICLE 3 AGREEMENT TO PURCHASE

3.1 Purchase and Sale of the Real Property.

- (1) The Vendor hereby agrees to sell, assign, convey and transfer to the Purchaser, and the Purchaser hereby agrees to purchase, the Real Property, on the terms set out herein.
- (2) Subject to the Closing, the Vendor hereby remises, releases and forever discharges to, and in favour of, the Purchaser, all of its rights, claims and demands whatsoever in the Real Property.

3.2 Assumption of Leases

Subject to Closing, the Purchaser hereby agrees to assume the Leases, if any, and from and after the Closing Time shall be responsible for all obligations of the Vendor under the Leases. This provision shall not expire with, or be terminated or extinguished by or merged in the Closing of the Transaction, and shall survive the closing of this Transaction.

ARTICLE 4 PURCHASE PRICE AND SATISFACTION OF PURCHASE PRICE

4.1 Purchase Price.

The purchase price for the Real Property shall be equal to the Mortgage Indebtedness Amount plus the amount of the Priority Payables (the "**Purchase Price**").

4.2 Deposit.

- (1) The sum of TEN THOUSAND (\$10,000) Dollars (the "**Deposit**") shall be paid to the Vendor, in trust, upon execution of this Agreement, to be held by the Vendor pending completion or other termination of this Agreement and to be credited in reduction of the purchase price on closing.
- (2) The Parties agree that the Vendor shall cause the Deposit to be placed in a non-interest bearing account and on completion of the Transaction shall be credited to the Purchaser against the Purchase Price on the Closing Date.

4.3 Satisfaction of Purchase Price.

The Purchaser shall indefeasibly pay and satisfy the Purchase Price by:

- (a) paying the Deposit in accordance with Section 4.2;
- (b) paying an amount equal to the Priority Payables (less a credit for the amount of the Deposit) by wire transfer, certified cheque or immediately available funds to the Vendor on Closing; and
- (c) reducing the amount owed by the Vendor to the Purchaser and secured by the Purchaser's mortgage on the Real Property by the Mortgage Indebtedness Amount on a dollar-for-dollar basis.

4.4 No Adjustment of Purchase Price.

- (1) There will be no adjustments to the Purchase Price at Closing, including in respect of any deposits or rental arrears under the Leases.

4.5 Allocation of Purchase Price

- (1) If necessary, the Parties, acting reasonably and in good faith, covenant to use commercially reasonable efforts to agree to allocate the Purchase Price in a mutually agreeable manner on or prior to the Closing Date, provided that failure of the Parties to agree upon an allocation shall not result in the termination of this Agreement but shall rather result in the nullity of the application of this section of the Agreement such that each Party shall be free to make its own reasonable allocation.

4.6 Additional Priority Payables Payment

In addition to the amounts payable above, on Closing, the Purchaser shall pay to the Monitor an additional amount equal to 25% of the Priority Payables (the “**Additional Priority Payables Payment**”), which the Monitor shall place in an interest bearing escrow account to be held by the Monitor pending repayment of all amounts secured by the DIP Lender’s Charge, and shall only be released by the Monitor upon either (a) the unanimous written agreement among the Purchaser, the Vendor and the DIP Lender, each in their sole discretion or (b) an order of the Court in the CCAA Proceeding. The Purchaser acknowledges that in the event that the payment of the allocated Priority Payables pursuant to section 4.3(b) is insufficient to satisfy all amounts ranking in priority to the Mortgage Indebtedness Amount as of the Closing Date, including but not limited to the amounts secured by the Administration Charge and the DIP Lender’s Charge, as allocated to the Real Property, then some or all of the Additional Priority Payables Payment may be used to satisfy such deficiency and in which case such amount shall be deemed to be added to the Purchase Price hereunder.

ARTICLE 5 TAXES

5.1 Taxes.

- (1) The Parties agree that the Purchase Price is exclusive of any applicable Taxes.
- (2) The Purchaser is liable for and shall pay all applicable land transfer tax, GST/HST and other similar taxes, duties or fees in respect of the registration of the transfer of the Real Property, and other like charges properly payable upon and in connection with the sale, assignment and transfer of the Real Property from the Vendor to the Purchaser.
- (3) To the extent any GST/HST is determined to be payable on the purchase of the Real Property or any part thereof by a Governmental Authority, such GST/HST shall be the exclusive liability of the Purchaser. The Purchaser shall indemnify and save harmless the Vendor from or against any and all GST/HST payable under the ETA, penalties, costs, and/or interest which may be payable by or assessed by a Governmental Authority as it pertains to the sale of the Real Property by the Vendor to the Purchaser.
- (4) The indemnities in this Section 5.1 shall survive the Closing Date in perpetuity.

ARTICLE 6 CLOSING ARRANGEMENTS

6.1 Closing.

Closing shall take place at the Closing Time on the Closing Date or at such other time as the Parties may agree in writing.

6.2 **Tender.**

Any tender of documents or money under this Agreement may be made upon the Parties or their respective lawyers electronically, and money shall be tendered by wire transfer of immediately available funds to the account specified by the receiving Party.

6.3 **Vendor's Closing Deliverables.**

The Vendor covenants to execute, where applicable, and deliver the following to the Purchaser at Closing or on such other date as expressly provided herein:

- (1) registrable transfer of the Real Property (the "**Transfer**") transferring the Real Property to the Purchaser or as it may direct with the *Planning Act* (Ontario) statements completed;
- (2) a copy of the issued and entered Approval and Vesting Order, and a signed certificate substantially in the form attached thereto;
- (3) a copy of the issued and entered CCAA Assignment Order in respect of the Leases;
- (4) copies of the Leases in the possession of the Vendor;
- (5) a direction as to the payee or payees of the Purchase Price;
- (6) a notice and direction to all tenants under the Leases advising of the sale of the Real Property and directing that all rent payable after Closing be paid to the Purchaser or as the Purchaser may direct; and
- (7) a bring down certificate.

6.4 **Purchaser's Closing Deliverables.**

The Purchaser covenants to execute, where applicable, and deliver the following to the Vendor at Closing or on such other date as expressly provided herein:

- (1) payment in full of the Purchase Price according to section 4.3 hereof;
- (2) payment of the Additional Priority Payables Payment according to section 4.6 hereof;
- (3) an acknowledgment delivered in accordance with section 12.1 hereof;
- (4) an indemnity in favour of the Vendor with respect to GST/HST in accordance with Article 5 hereof;
- (5) a bring down certificate; and
- (6) such further documentation relating to the completion of the Transaction as shall be otherwise referred to herein or required by the Vendor, acting reasonably, Applicable Law or any Government Authority.

6.5 **Monitor's Certificate.**

Upon receipt of written confirmation from the Purchaser that the conditions contained in Section 7.3 have been satisfied or waived by the Purchaser, and upon satisfaction or waiver by the Vendor of the conditions contained in section 7.1, the Vendor shall forthwith deliver to the Purchaser the Monitor's Certificate pursuant to the Approval and Vesting Order, and shall file same with the Court.

6.6 Electronic Registration.

If electronic registration of the Transfer at the applicable land registry office is mandatory on the Closing Date, or is optional and is requested by the Purchaser, the following terms shall form part of this Agreement:

- (1) the Vendor and the Purchaser shall each authorize and instruct their respective legal counsel to enter into an escrow closing agreement in the form mandated by the Law Society of Ontario, subject to such reasonable amendments as such legal counsel or the circumstances of the Transaction may require, establishing the procedures and timing for completion of the Transaction (the "**Document Registration Agreement**"); and
- (2) the delivery and exchange of the Transfer documents, other documents and funds and the release thereof to the Vendor and the Purchaser, as the case may be:
 - (a) shall not occur contemporaneously with the registration of the Transfer; and
 - (b) shall be governed by the Document Registration Agreement, pursuant to which the lawyer receiving the documents and/or funds will be required to hold the same in escrow and will not be entitled to release the same except in accordance with the provisions of the Document Registration Agreement.

6.7 Registration Costs.

The Purchaser shall bear all costs in registering the Transfer and all costs of preparing any further assurances required to convey the Real Property to it. The Purchaser shall register the Transfer and all such conveyances in accordance with the Document Registration Agreement.

ARTICLE 7 CONDITION PRECEDENT TO CLOSING

7.1 Conditions in Favour of the Vendor.

The obligation of the Vendor to complete the Transaction is subject and conditional to the satisfaction of the following conditions on or before the Closing Date:

- (1) all the representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all material respects on the Closing Date;
- (2) all the covenants of the Purchaser contained in this Agreement to be performed on or before the Closing Date shall have been duly performed by the Purchaser in all material respects;
- (3) the Purchaser shall have complied with all the terms contained in this Agreement applicable to the Purchaser prior to the Closing Date in all material respects, including the Purchaser deliverables in section 6.4;
- (4) there shall be no Claim, litigation or proceedings pending or threatened or order issued by a Governmental Authority against either of the Parties, or involving any of the Real Property, for the purpose of enjoining, preventing or restraining the completion of the Transaction or otherwise claiming that such completion is improper; and
- (5) the Court shall have issued the Approval and Vesting Order and the CCAA Assignment Order and the operation and effect of such orders shall not have been stayed, amended, modified, reversed, dismissed or appealed (or such appeal shall have been dismissed with no further appeal therefrom or the applicable appeal periods shall have expired).

7.2 Conditions in Favour of Vendor Not Fulfilled.

If any of the conditions contained in section 7.1 hereof is not fulfilled on or prior to the Closing Date and such non-fulfillment is not directly or indirectly as a result of any action or omission of the Vendor, then the Vendor may, at its sole discretion, and without limiting any rights or remedies available to it at law or in equity:

- (a) terminate this Agreement by Notice to the Purchaser, in which event the Vendor shall be released from its obligations under this Agreement to complete the Transaction; or
- (b) waive compliance with any such condition without prejudice to the right of termination in respect of the non-fulfillment of any other condition.

7.3 Conditions in Favour of the Purchaser.

The obligation of the Purchaser to complete the Transaction is subject and conditional to the satisfaction of the following conditions on or before the Closing Date:

- (a) all the representations and warranties of the Vendor contained in this Agreement shall be true and correct in all material respects on the Closing Date;
- (b) all the covenants of the Vendor under this Agreement to be performed on or before the Closing Date shall have been duly performed by the Vendor in all material respects;
- (c) the Vendor shall have complied with all the terms contained in this Agreement applicable to the Vendor prior to the Closing Date in all material respects, including the Vendor deliverables in section 6.3;
- (d) there shall be no Claim, litigation or proceedings pending or threatened or order issued by a Governmental Authority against either of the Parties, or involving any of the Real Property, for the purpose of enjoining, preventing or restraining the completion of the Transaction or otherwise claiming that such completion is improper; and
- (e) the Court shall have issued the Approval and Vesting Order and the CCAA Assignment Order and the operation and effect of such orders shall not have been stayed, amended, modified, reversed, dismissed or appealed (or such appeal shall have been dismissed with no further appeal therefrom or the applicable appeal periods shall have expired).

7.4 Conditions in Favour of Purchaser Not Fulfilled.

If any of the conditions contained in section 7.3 hereof is not fulfilled on or prior to the Closing Date and such non-fulfillment is not directly or indirectly as a result of any action or omission of the Purchaser, then the Purchaser may, in its sole discretion:

- (a) terminate this Agreement by notice to the Vendor, in which event the Purchaser shall be released from its obligations under this Agreement to complete the Transaction; or
- (b) waive compliance with any such condition without prejudice to the right of termination in respect of the non-fulfillment of any other condition.

**ARTICLE 8
REPRESENTATIONS & WARRANTIES OF THE VENDOR**

8.1 The Vendor represents and warrants to the Purchaser as follows:

- (1) upon the Court granting the Approval and Vesting Order, the Vendor has all necessary power and authority to enter into this Agreement and to carry out its obligations hereunder; and
- (2) the Vendor is not a non-resident of Canada for the purposes of the ITA.

**ARTICLE 9
REPRESENTATIONS & WARRANTIES OF THE PURCHASER**

9.1 The Purchaser represents and warrants to the Vendor that:

- (1) it has all necessary power and authority to enter into this Agreement and to carry out its obligations hereunder; and
- (2) it is not a non-Canadian for the purposes of the *Prohibition on the Purchase of Residential Property by Non-Canadians Act* (Canada), with the knowledge and expectation that the Vendor is placing complete reliance thereon and, but for such representation and warranty, the Vendor would not have entered into this Agreement.

**ARTICLE 10
COVENANTS**

10.1 **Mutual Covenants.**

Each of the Vendor and the Purchaser hereby covenants and agrees that, from the date hereof until Closing, each shall take all commercially reasonable actions as are within its power to control, and to use its commercially reasonable efforts to cause other actions to be taken which are not within its power to control, to have the Transaction approved in the Approval and Vesting Order on substantially the same terms and conditions as are contained in this Agreement, and to take all commercially reasonable actions as are within its power to control, and to use its commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with the conditions set forth in Article 7 hereof.

**ARTICLE 11
POSSESSION AND ACCESS PRIOR TO CLOSING**

11.1 **Possession of Real Property.**

At the Closing Time, the Purchaser shall take possession of the Real Property where situated on an "as-is, where is" basis, including any personal property, goods, chattels or fixtures that may be located at the Real Property at the Closing Time. In no event shall the Real Property be sold, assigned, conveyed or transferred to the Purchaser until all the conditions set out in the Approval and Vesting Order have been satisfied or waived.

11.2 **Risk.**

- (1) The Real Property shall be and remain at the risk of the Vendor until Closing and at the risk of the Purchaser from and after Closing.
- (2) If, following execution of this Agreement and prior to Closing, the Real Property is substantially physically damaged or destroyed by fire, casualty or otherwise, then, at its option, the Purchaser

may decline to complete the Transaction. Such option shall be exercised by the Purchaser within 15 calendar days after the Purchaser receives Notice from the Vendor of the occurrence of such physical damage or destruction (or prior to the Closing Date if such occurrence takes place within 15 calendar days of the Closing Date), and in the event of such exercise this Agreement shall be terminated automatically. If the Purchaser does not exercise such option, it shall complete the Transaction and shall be entitled to an assignment of any proceeds of insurance referable to such damage or destruction. Where any physical damage or destruction is not substantial, the Purchaser shall complete the Transaction and shall be entitled to an assignment of any proceeds of insurance referable to such physical damage or destruction. For the purposes of this section, substantial physical damage or destruction shall be deemed to have occurred if the physical loss or damage to the Real Property exceeds 15% of the total Purchase Price.

- (3) If, following execution of this Agreement and prior to the Closing Date, all or a material part of the Real Property is expropriated or a notice of expropriation or intent to expropriate all or a material part of the Real Property is issued by any Governmental Authority, the Vendor shall immediately advise the Purchaser thereof by Notice in writing. The Purchaser shall, by Notice in writing given within three Business Days after the Purchaser receives Notice in writing from the Vendor of such expropriation, elect to either: (i) complete the Transaction contemplated herein in accordance with the terms hereof without reduction of the Purchase Price, and all compensation for expropriation shall be payable to the Purchaser and all right, title and interest of the Vendor to such amounts, if any, shall be assigned to the Purchaser on a without recourse basis; or (ii) terminate this Agreement and not complete the Transaction, in which case all rights and obligations of the Vendor and the Purchaser (except for those obligations which are expressly stated to survive the termination of this Agreement) shall terminate, and the Deposit shall be returned to the Purchaser forthwith.

ARTICLE 12 PURCHASER'S ACKNOWLEDGEMENT

12.1 Acknowledgement from the Purchaser.

The Purchaser acknowledges that the Vendor is selling and the Purchaser is purchasing the Real Property on an "as is, where is" and "without recourse" basis as the Real Property shall exist on the Closing Date, including, without limitation, whatever defects, conditions, impediments, Hazardous Materials, deficiencies, work orders, or zoning or building code violations or orders exist on the Closing Date, whether patent or latent. The Purchaser further acknowledges and agrees that it has entered into this Agreement on the basis that neither the Vendor, nor KSV or the Monitor in its corporate or personal capacity, nor Cassels Brock & Blackwell LLP in its capacity as counsel to the Monitor or any other capacity, nor Chaitons LLP in its capacity as Lender Representative Counsel or any other capacity, has provided any representations, warranties, advice or guarantees in connection with this transaction, the Vendor, the Real Property or the Leases, including but not limited to with respect to title to or marketability, use or quality of the Real Property, whether any defects, conditions, impediments, Hazardous Materials, deficiencies, work orders, or zoning or building code violations or orders exist in respect of the Real Property, and the existence and terms of any tenants or occupants at the Real Property, and that the Purchaser has conducted such due diligence or inspections of the condition and title to the Real Property as it deems appropriate and has satisfied itself with regard to these matters. No representation, warranty or condition is expressed or can be implied as to title, description, fitness for purpose, environmental compliance, merchantability, condition or quality, or in respect of any other matter or thing whatsoever concerning the Real Property, or the right of the Vendor to use, lease, sell, assign, convey or transfer same, save and except as expressly provided in this Agreement. The description of the Real Property contained in this Agreement is for the purpose of identification only and no representation, warranty or condition has or will be given by the Vendor, KSV, the Monitor, Cassels Brock & Blackwell LLP or Chaitons LLP concerning the accuracy of such description.

12.2 Releases.

- (1) Upon Closing, the Purchaser agrees to irrevocably release and discharge KSV and the Monitor and their directors, officers, employees, agents, legal counsel and representatives from every claim of any kind that the Purchaser may make, suffer, sustain or incur in regard to the Vendor, the Real Property or the CCAA Proceedings.
- (2) Upon Closing, without limiting the foregoing, the Purchaser agrees to irrevocably release and discharge the Vendor, KSV and the Monitor and their directors, officers, employees, agents, legal counsel and representatives from every claim of any kind that the Purchaser may make, suffer, sustain or incur in regard to any Hazardous Materials relating to the Real Property. The Purchaser further agrees that the Purchaser will not, directly or indirectly, attempt to compel the Vendor, KSV or the Monitor to clean up or remove or pay for the cleanup or removal of any Hazardous Materials, remediate any condition or matter in, on, under or in the vicinity of the Real Property or seek an abatement in the Purchase Price or damages in connection with any Hazardous Materials.
- (3) Subsections (1) and (2) above shall not expire with, or be terminated or extinguished by or merged in the Closing of the Transaction, and shall survive the closing of this Transaction.

ARTICLE 13 TERMINATION

13.1 Termination of this Agreement.

This Agreement may be validly terminated:

- (1) upon the mutual written agreement of the Parties;
- (2) pursuant to section 7.2 hereof by the Vendor; or
- (3) pursuant to section 7.3 hereof by the Purchaser.

13.2 Remedies for Breach of Agreement.

If this Agreement is terminated as a result of any breach of a representation, warranty, covenant or obligation of the Vendor under this Agreement, then the Deposit, without deduction, shall be returned to the Purchaser forthwith (and, for greater certainty, and notwithstanding any other provision in this Agreement, this shall be the Purchaser's sole right and remedy as a result of the Vendor's breach). If this Agreement is terminated as a result of any breach of a representation, warranty, covenant or obligation of the Purchaser under this Agreement, then the Deposit shall be forfeited to the Vendor as liquidated damages and not as a penalty, which Deposit the Parties agree is a genuine estimate of the liquidated damages that the Vendor would suffer in such circumstances (and, for greater certainty, and notwithstanding any other provision in this Agreement, this shall be the Vendor's sole right and remedy as a result of the Purchaser's breach).

13.3 Termination If No Breach of Agreement.

If this Agreement is terminated other than as a result of a breach of a representation, warranty, covenant or obligation of a Party, then:

- (1) all obligations of each of the Vendor and the Purchaser hereunder shall end completely, except those that survive the termination of this Agreement;
- (2) the Deposit, without deduction, shall be returned to the Purchaser forthwith; and
- (3) neither Party shall have any right to specific performance, to recover damages or expenses or to any other remedy (legal or equitable) or relief.

ARTICLE 14
GENERAL CONTRACT PROVISIONS

14.1 Further Assurances.

From time to time after Closing, each of the Parties shall execute and deliver such further documents and instruments and do such further acts and things as may be required to carry out the intent and purpose of this Agreement and which are not inconsistent with the terms hereof.

14.2 Survival Following Completion.

Notwithstanding any other provision of this Agreement, section 4.4, article 8, article 9, article 12, section 13.2 and section 13.3 shall survive the termination of this Agreement and the completion of the Transaction, provided, however, that upon the discharge of the Monitor as monitor of the Vendor, the Parties' respective obligations by reason of this Agreement shall end completely and they shall have no further or continuing obligations by reason thereof.

14.3 Notice.

All notices, requests, demands, waivers, consents, agreements, approvals, communications or other writings required or permitted to be given hereunder or for the purposes hereof (each, a "**Notice**") shall be in writing and be sufficiently given if personally delivered, sent by prepaid registered mail or transmitted by email, addressed to the Party to whom it is given, as follows:

(a) to the Vendor:

c/o KSV Restructuring Inc., in its capacity as Monitor of the Vendor
220 Bay Street, 13th Floor
Toronto, Ontario M5J 2W4

Attention: Noah Goldstein/David Sieradzki
Email: ngoldstein@ksvadvisory.com/dsieradzki@ksvadvisory.com

and a copy to the Vendor's solicitor for the Transaction:

Kormans LLP
Suite 200, 46 Village Centre Place
Mississauga, Ontario L4Z 1V9

Attention: David Korman/Taimoor Qureshi
Email: dkorman@kormans.ca / tqureshi@kormans.ca

(b) to the Purchaser:

Attention:
Email:

and a copy to the Purchaser's counsel to:

Attention:
Email:

or such other address of which Notice has been given. Any Notice mailed as aforesaid will be deemed to have been given and received on the third (3rd) Business Day following the date of its mailing. Any Notice personally delivered will be deemed to have been given and received on the day it is personally delivered, provided that if such day is not a Business Day, the Notice will be deemed to have been given and received on the Business Day next following such day. Any Notice transmitted by email will be deemed given and received on the first (1st) Business Day after its transmission.

If a Notice is mailed and regular mail service is interrupted by strike or other irregularity on or before the fourth (4th) Business Day after the mailing thereof, such Notice will be deemed to have not been received unless otherwise personally delivered or transmitted by email.

14.4 **Waiver.**

No Party will be deemed or taken to have waived any provision of this Agreement unless such waiver is in writing and such waiver will be limited to the circumstance set forth in such written waiver.

14.5 **Governing Law.**

This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The Parties irrevocably attorn to the jurisdiction of the Court. The Parties consent to the exclusive jurisdiction and venue of the Court for the resolution of any disputes between them, regardless of whether or not such disputes arose under this Agreement.

14.6 **Entire Agreement.**

This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements and understandings between the Parties. There are not and will not be any verbal statements, representations, warranties, undertakings or agreements between the Parties. This Agreement may not be amended or modified in any respect except by written instrument signed by the Parties. The recitals herein are true and accurate, both in substance and in fact.

14.7 **Time of the Essence.**

Time will be of the essence, provided that if the Parties establish a new time for the performance of an obligation, time will again be of the essence of the new time established.

14.8 **Assignment.**

This Agreement will enure to the benefit of and be binding on the Parties and their respective heirs, executors, legal and personal administrators, successors and permitted assigns. The Purchaser may not assign this Agreement without the Vendor's prior written approval. The Purchaser shall have the right to direct that title to the Real Property be taken in the name of another person, entity, joint venture, partnership or corporation (presently in existence or to be incorporated) provided that the Purchaser notifies the Vendor of the name of the assignee at least seven (7) Business Days prior to the issuance of the Approval and Vesting Order and that the assignee shall, in writing, agree to assume and be bound by the terms and conditions of this Agreement (the "**Assumption Agreement**") and a copy of such Assumption Agreement

is delivered to the Vendor forthwith after having been entered into, in which case the Purchaser shall nonetheless not be released from any and all further obligations and liabilities hereunder.

14.9 Expenses.

Except as otherwise set out in this Agreement, all costs and expenses (including, without limitation, the fees and disbursements of legal counsel) incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such costs and expenses.

14.10 Severability.

If any portion of this Agreement is prohibited in whole or in part in any jurisdiction, such portion shall, as to such jurisdiction, be ineffective to the extent of such prohibition without invalidating the remaining portions of this Agreement and shall, as to such jurisdiction, be deemed to be severed from this Agreement to the extent of such prohibition.

14.11 Currency.

All references to dollar amounts contained in this Agreement shall be deemed to refer to lawful currency of Canada.

14.12 Planning Act.

This Agreement is to be effective only if the provisions of the *Planning Act*, R.S.O. 1990, c. P.13, as amended, are complied with.

14.13 Counterparts.

This Agreement may be executed in counterparts and by electronic transmission, each of which when so executed shall be deemed to be an original and all such counterparts together shall constitute one and the same instrument.

14.14 Independent Legal Advice.

The Purchaser acknowledges that in executing and delivering this Agreement, it has acted and continues to act freely and without duress, and has had the benefit of independent legal advice from a

solicitor duly qualified to practice law and provide legal advice in the Province of Ontario in connection with the negotiation of this agreement.

14.15 Capacity of Monitor

The Purchaser acknowledges and agrees that the Monitor is executing this Agreement, in its capacity as Monitor and not in its personal or corporate capacity, on behalf of the Vendor in accordance with the Monitor's authority under the Monitor's Powers Order and that KSV and the Monitor, and their officers, directors, partners, managers, contractors, shareholders, advisors (including legal counsel), agents, and employees, shall have no personal or corporate responsibility or liability under or in connection with this Agreement. Notwithstanding anything to the contrary in this Agreement, the Purchaser shall engage directly and exclusively with the Monitor (and its legal counsel) on behalf of the Vendor on all matters related to this Agreement and the performance of the Purchaser's duties, obligations and covenants hereunder. Without limiting the foregoing, any information, communication or Notices that are required to be provided to the Vendor under this Agreement shall be provided to the Monitor on the Vendor's behalf and any consents, agreements or approvals to be provided by the Vendor under this Agreement shall be provided by the Monitor on the Vendor's behalf pursuant to the Monitor's Powers Order.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the Purchaser has duly executed this Agreement as of the date first above written.

[Corporate Purchaser]

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

I/We have authority to bind the corporation.

[Individual Purchaser]

WITNESS

Name:

Name:

ACCEPTED by the Vendor this _____ day of _____, 2024.

_____,
**By KSV Restructuring Inc., in its capacity as Monitor of the Vendor
and not in its personal or corporate capacity**

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

I/We have authority to bind the corporation.

SCHEDULE A(APS)

“Real Property”

Municipal address

PIN Description

PIN: _____ (LT)

Legal Description:

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT made this _____ day of _____, 2025.

BETWEEN:

(the "**Vendor**")

- and -

(the "**Purchaser**")

WHEREAS the Vendor has commenced and is subject to a proceeding (the "**CCAA Proceeding**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), under Court File No. CV-24-00713245-00CL in the Ontario Superior Court of Justice (Commercial List) in Toronto (the "**Court**");

AND WHEREAS KSV Restructuring Inc. ("**KSV**") was appointed as monitor (in such capacity, the "**Monitor**") of the Vendor pursuant to the initial order granted by the Court on January 23, 2024 (as subsequently amended and restated on January 31, 2024, February 15, 2024 and March 28, 2024 and subsequently amended from time to time, including on December 6, 2024, the "**Initial Order**");

AND WHEREAS on April 12, 2024, the Court granted an Order, which, among other things, approved a sale or investment solicitation process (the "**SISP**");

AND WHEREAS on June 25, 2024, the Court granted an order (the "**Monitor's Powers Order**") expanding the powers of the Monitor in respect of the Vendor;

AND WHEREAS on February 27, 2025, the Court granted an order (the "**Credit Bid Approval Order**"), among other things, authorizing the Monitor, on the behalf of the Vendor, to enter into credit bid purchase agreements with certain mortgagees of the Vendor;

AND WHEREAS the Purchaser holds a second-ranking mortgage on the lands and premises set out in **Schedule "A"** attached hereto and described by municipal address and legal description (the "**Real Property**");

AND WHEREAS pursuant to the Credit Bid Approval Order, the Purchaser wishes to purchase, and the Vendor wishes to sell, the Real Property upon the terms and subject to the conditions set out herein;

NOW THEREFORE, in consideration of the promises, mutual covenants and agreements contained in this Agreement (as defined herein), and for other good and valuable consideration, the receipt and sufficiency of which are each hereby acknowledged by the Parties (as defined herein), the Parties agree as follows:

ARTICLE 1 DEFINED TERMS

1.1 Definitions.

In this Agreement:

"Additional Priority Payables Payment" has the meaning set out in section 4.6 herein;

"Administration Charge" means the administration charge granted under the Initial Order;

"Agreement" means this agreement of purchase and sale, including all schedules and all amendments or restatements, as permitted, and references to **"article"**, **"section"** or **"schedule"** mean the specified article, section of, or schedule to this Agreement and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and not to any particular section or other portion of this Agreement;

"Applicable Law" means, with respect to any Person, property, transaction, event or other matter, all applicable laws, statutes, regulations, rules, by-laws, ordinances, protocols, regulatory policies, codes, guidelines, official directives, orders, rulings, judgments and decrees of any Governmental Authority;

"Approval and Vesting Order" means the approval and vesting order to be issued by the Court approving this Agreement and the transactions contemplated by this Agreement and conveying to the Purchaser the Real Property free and clear of all Encumbrances, other than the Permitted Encumbrances or any Leases, in form and substance consistent with the Ontario model form of order approved by the Commercial List Users' Committee with such modifications deemed necessary by the Vendor, acting reasonably, which approval and vesting order may, in the discretion of the Vendor, include approval of one or more other similar sale transactions in the CCAA Proceeding;

"Business Day" means a day on which Schedule 1 Banks are open for business in the City of Toronto but does not include a Saturday, Sunday or statutory holiday in Ontario;

"CCAA" has the meaning set out in the recitals hereof;

"CCAA Assignment Order" means an order of the Court made pursuant to section 11.3 of the CCAA, in form and substance satisfactory to the Vendor, acting reasonably, to be sought by the Vendor assigning the rights and obligations of the Vendor to the Purchaser under the Leases;

"Closing" means the successful completion of the Transaction;

"Closing Date" means the date that is the later of: (i) the first Business Day following the date that is ten (10) days following the date on which the Approval and Vesting Order is issued by the Court; and (ii) the first Business Day following the date on which any appeals or motions to set aside or vary the Approval and Vesting Order have been finally determined; or, if the Parties agree, such other date as agreed in writing by the Parties;

"Closing Time" means no later than 5:00 p.m. (Toronto time) on the Closing Date or such other time as agreed in writing by the Parties;

"Court" has the meaning set out in the recitals hereof;

"Deposit" has the meaning given in section 4.2 herein;

"DIP Agreement" has the meaning given to it in the Initial Order, as may be amended, supplemented, extended or replaced with the consent of the Monitor;

"DIP Lender" means Viscount Capital Inc., in its capacity as lender under the DIP Agreement;

"DIP Lender's Charge" means the DIP lender's charge granted under the Initial Order;

"Document Registration Agreement" has the meaning given in section 6.6 herein;

"Encumbrances" means all liens, charges, security interests, pledges, leases, offers to lease, title retention agreements, mortgages, restrictions on use, development or similar agreements, easements, rights-of-way, title defects, options or adverse claims or encumbrances of any kind or character whatsoever affecting the Real Property;

"Environmental Law" means any and all applicable international, federal, provincial, municipal or local laws, by-laws, statutes, regulations, treaties, orders, judgments, decrees, ordinances, official directives and all authorizations relating to the environment, occupational health and safety, health protection or any Hazardous Materials;

"ETA" means the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended;

"First Mortgage Amount" means the full amount owed under the prior-ranking mortgage on the Property, including all accrued interest, fees and costs payable under such mortgage;

"First Mortgagee" means the holder of the first-ranking mortgage registered on title to the Property;

"Governmental Authority" means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law or regulation-making organizations or entities: (a) having or purporting to have jurisdiction on behalf of any nation, province, republic, territory, state or other geographic or political subdivision thereof, including, without limitation, any municipality in which the Real Property is located; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

"GST/HST" means the goods and services tax and harmonized sales tax imposed under Part IX of the ETA, or any other similar statute in any jurisdiction of Canada;

"Hazardous Materials" means any contaminants, pollutants, substances or materials that, when released to the natural environment, could cause, at some immediate or future time, harm or degradation to the natural environment or risk to human health, whether or not such contaminants, pollutants, substances or materials are or shall become prohibited, controlled or regulated by any Government Authority and any **"contaminants"**, **"dangerous substances"**, **"hazardous materials"**, **"hazardous substances"**, **"hazardous wastes"**, **"industrial wastes"**, **"liquid wastes"**, **"pollutants"** and **"toxic substances"**, all as defined in, referred to or contemplated in federal, provincial and/or municipal legislation, regulations, orders and/or ordinances relating to environmental, health and/or safety matters and, not to limit the generality of the foregoing, includes asbestos, urea formaldehyde foam insulation and mono or poly-chlorinated biphenyl wastes;

"Initial Order" has the meaning set out in the recitals hereof;

"ITA" means the *Income Tax Act*, R.S.C. 1985, c.1, as amended;

"KSV" has the meaning set out in the recitals hereof;

"Lender Representative Counsel" means Chaitons LLP;

"Leases" means, collectively, all lease agreements existing in respect of the Real Property as at the Closing Time;

"Monitor" has the meaning set out in the recitals hereof;

"Monitor's Powers Order" has the meaning set out in the recitals hereof;

"Mortgage Indebtedness Amount" means the amount of \$ _____¹, representing [specify ☐ all or ☐ part] of the indebtedness owed by the Vendor to the Purchaser as of the Closing Date and secured by the Purchaser's mortgage on the Real Property;

"Notice" has the meaning given in section 14.3 herein;

"Parties" means the Vendor and the Purchaser;

"Permitted Encumbrances" means all those Encumbrances as determined by the Monitor, acting reasonably, not to be affected by the Approval and Vesting Order, provided that, for greater certainty, Permitted Encumbrances shall not include any mortgages registered on title to the Real Property, the Administration Charge or the DIP Lender's Charge;

"Person" means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted;

"Priority Payables" means all amounts owing (including all amounts accrued but not yet payable) by the Vendor as of the Closing Date which rank in priority to the Mortgage Indebtedness Amount, including but not limited to the amounts secured by, or to be secured by, the Administration Charge and the DIP Lender's Charge, as may be allocated by the Monitor to the Real Property;

"Purchase Price" has the meaning set out in section 4.1 herein;

"Real Property" has the meaning set out in the recitals hereof;

"Schedules" means the schedule attached hereto as **Schedule "A"**;

"Taxes" means all taxes, charges, fees, levies, imposts and other assessments, including all income, sales, use, GST/HST, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, excise, real property and personal property taxes, and any related interest, fines and penalties, imposed by any Governmental Authority, and whether disputed or not;

"Transaction" means the transaction of purchase and sale contemplated by this Agreement; and

"Transfers" has the meaning set out in Section 6.3(1) herein.

ARTICLE 2 SCHEDULES

2.1 Schedules.

The Schedules are incorporated in and form part of this Agreement.

¹ Must be an amount between (a) the Purchaser's second-ranking mortgage principal amount, and (b) the full amount owed, inclusive of accrued interest, fees and costs.

ARTICLE 3 AGREEMENT TO PURCHASE

3.1 Purchase and Sale of the Real Property.

- (1) The Vendor hereby agrees to sell, assign, convey and transfer to the Purchaser, and the Purchaser hereby agrees to purchase, the Real Property, on the terms set out herein.
- (2) Subject to the Closing, the Vendor hereby remises, releases and forever discharges to, and in favour of, the Purchaser, all of its rights, claims and demands whatsoever in the Real Property.

3.2 Assumption of Leases

Subject to Closing, the Purchaser hereby agrees to assume the Leases, if any, and from and after the Closing Time shall be responsible for all obligations of the Vendor under the Leases. This provision shall not expire with, or be terminated or extinguished by or merged in the Closing of the Transaction, and shall survive the closing of this Transaction.

ARTICLE 4 PURCHASE PRICE AND SATISFACTION OF PURCHASE PRICE

4.1 Purchase Price.

The purchase price for the Real Property shall be equal to the Mortgage Indebtedness Amount, plus the First Mortgage Amount, plus the amount of the Priority Payables (the "**Purchase Price**").

4.2 Deposit.

- (1) The Purchaser shall pay to the Vendor, in trust, upon execution of this Agreement, a deposit in the sum of TEN THOUSAND (\$10,000) Dollars plus 10% of the First Mortgage Amount as of the date of this Agreement (collectively, the "**Deposit**"), to be held by the Vendor pending completion or other termination of this Agreement and to be credited in reduction of the purchase price on closing.
- (2) The Parties agree that the Vendor shall cause the Deposit to be placed in a non-interest bearing account and on completion of the Transaction shall be credited to the Purchaser against the Purchase Price on the Closing Date.

4.3 Satisfaction of Purchase Price.

The Purchaser shall indefeasibly pay and satisfy the Purchase Price by:

- (a) paying the Deposit in accordance with Section 4.2;
- (b) paying an amount equal to the Priority Payables (less a credit for the amount of the Deposit) by wire transfer, certified cheque or immediately available funds to the Vendor on Closing;
- (c) paying the First Mortgage Amount as of the Closing Date to the First Mortgagee, or as it may direct, by wire transfer, certified cheque or immediately available funds on Closing, and providing evidence of such payment to the Vendor's solicitor on Closing together with an undertaking from the Purchaser's solicitor to pay the First Mortgagee and obtain and register a discharge; and

- (d) reducing the amount owed by the Vendor to the Purchaser and secured by the Purchaser's mortgage on the Real Property by the Mortgage Indebtedness Amount on a dollar-for-dollar basis.

4.4 **No Adjustment of Purchase Price.**

- (1) There will be no adjustments to the Purchase Price at Closing, including in respect of any deposits or rental arrears under the Leases.

4.5 **Allocation of Purchase Price**

- (1) If necessary, the Parties, acting reasonably and in good faith, covenant to use commercially reasonable efforts to agree to allocate the Purchase Price in a mutually agreeable manner on or prior to the Closing Date, provided that failure of the Parties to agree upon an allocation shall not result in the termination of this Agreement but shall rather result in the nullity of the application of this section of the Agreement such that each Party shall be free to make its own reasonable allocation.

4.6 **Additional Priority Payables Payment**

In addition to the amounts payable above, on Closing, the Purchaser shall pay to the Monitor an additional amount equal to 25% of the Priority Payables (the "**Additional Priority Payables Payment**"), which the Monitor shall place in an interest bearing escrow account to be held by the Monitor pending repayment of all amounts secured by the DIP Lender's Charge, and shall only be released by the Monitor upon either (a) the unanimous written agreement among the Purchaser, the Vendor and the DIP Lender, each in their sole discretion or (b) an order of the Court in the CCAA Proceeding. The Purchaser acknowledges that in the event that the payment of the allocated Priority Payables pursuant to section 4.3(b) is insufficient to satisfy all amounts ranking in priority to the Mortgage Indebtedness Amount as of the Closing Date, including but not limited to the amounts secured by the Administration Charge and the DIP Lender's Charge, as allocated to the Real Property, then some or all of the Additional Priority Payables Payment may be used to satisfy such deficiency and in which case such amount shall be deemed to be added to the Purchase Price hereunder.

ARTICLE 5 TAXES

5.1 **Taxes.**

- (1) The Parties agree that the Purchase Price is exclusive of any applicable Taxes.
- (2) The Purchaser is liable for and shall pay all applicable land transfer tax, GST/HST and other similar taxes, duties or fees in respect of the registration of the transfer of the Real Property, and other like charges properly payable upon and in connection with the sale, assignment and transfer of the Real Property from the Vendor to the Purchaser.
- (3) To the extent any GST/HST is determined to be payable on the purchase of the Real Property or any part thereof by a Governmental Authority, such GST/HST shall be the exclusive liability of the Purchaser. The Purchaser shall indemnify and save harmless the Vendor from or against any and all GST/HST payable under the ETA, penalties, costs, and/or interest which may be payable by or assessed by a Governmental Authority as it pertains to the sale of the Real Property by the Vendor to the Purchaser.
- (4) The indemnities in this Section 5.1 shall survive the Closing Date in perpetuity.

ARTICLE 6 CLOSING ARRANGEMENTS

6.1 Closing.

Closing shall take place at the Closing Time on the Closing Date or at such other time as the Parties may agree in writing.

6.2 Tender.

Any tender of documents or money under this Agreement may be made upon the Parties or their respective lawyers electronically, and money shall be tendered by wire transfer of immediately available funds to the account specified by the receiving Party.

6.3 Vendor's Closing Deliverables.

The Vendor covenants to execute, where applicable, and deliver the following to the Purchaser at Closing or on such other date as expressly provided herein:

- (1) registrable transfer of the Real Property (the "**Transfer**") transferring the Real Property to the Purchaser or as it may direct with the *Planning Act* (Ontario) statements completed;
- (2) a copy of the issued and entered Approval and Vesting Order, and a signed certificate substantially in the form attached thereto;
- (3) a copy of the issued and entered CCAA Assignment Order in respect of the Leases;
- (4) copies of the Leases in the possession of the Vendor;
- (5) a direction as to the payee or payees of the Purchase Price;
- (6) a notice and direction to all tenants under the Leases advising of the sale of the Real Property and directing that all rent payable after Closing be paid to the Purchaser or as the Purchaser may direct; and
- (7) a bring down certificate.

6.4 Purchaser's Closing Deliverables.

The Purchaser covenants to execute, where applicable, and deliver the following to the Vendor at Closing or on such other date as expressly provided herein:

- (1) payment in full of the Purchase Price according to section 4.3 hereof;
- (2) payment of the Additional Priority Payables Payment according to section 4.6 hereof;
- (3) an acknowledgment delivered in accordance with section 12.1 hereof;
- (4) an indemnity in favour of the Vendor with respect to GST/HST in accordance with Article 5 hereof;
- (5) an undertaking from the Purchaser's solicitor in accordance with section 4.3(c) hereof;
- (6) a bring down certificate; and

- (7) such further documentation relating to the completion of the Transaction as shall be otherwise referred to herein or required by the Vendor, acting reasonably, Applicable Law or any Government Authority.

6.5 **Monitor's Certificate.**

Upon receipt of written confirmation from the Purchaser that the conditions contained in Section 7.3 have been satisfied or waived by the Purchaser, and upon satisfaction or waiver by the Vendor of the conditions contained in section 7.1, the Vendor shall forthwith deliver to the Purchaser the Monitor's Certificate pursuant to the Approval and Vesting Order, and shall file same with the Court.

6.6 **Electronic Registration.**

If electronic registration of the Transfer at the applicable land registry office is mandatory on the Closing Date, or is optional and is requested by the Purchaser, the following terms shall form part of this Agreement:

- (1) the Vendor and the Purchaser shall each authorize and instruct their respective legal counsel to enter into an escrow closing agreement in the form mandated by the Law Society of Ontario, subject to such reasonable amendments as such legal counsel or the circumstances of the Transaction may require, establishing the procedures and timing for completion of the Transaction (the "**Document Registration Agreement**"); and
- (2) the delivery and exchange of the Transfer documents, other documents and funds and the release thereof to the Vendor and the Purchaser, as the case may be:
 - (a) shall not occur contemporaneously with the registration of the Transfer; and
 - (b) shall be governed by the Document Registration Agreement, pursuant to which the lawyer receiving the documents and/or funds will be required to hold the same in escrow and will not be entitled to release the same except in accordance with the provisions of the Document Registration Agreement.

6.7 **Registration Costs.**

The Purchaser shall bear all costs in registering the Transfer and all costs of preparing any further assurances required to convey the Real Property to it. The Purchaser shall register the Transfer and all such conveyances in accordance with the Document Registration Agreement.

ARTICLE 7 CONDITION PRECEDENT TO CLOSING

7.1 **Conditions in Favour of the Vendor.**

The obligation of the Vendor to complete the Transaction is subject and conditional to the satisfaction of the following conditions on or before the Closing Date:

- (1) all the representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all material respects on the Closing Date;
- (2) all the covenants of the Purchaser contained in this Agreement to be performed on or before the Closing Date shall have been duly performed by the Purchaser in all material respects;

- (3) the Purchaser shall have complied with all the terms contained in this Agreement applicable to the Purchaser prior to the Closing Date in all material respects, including the Purchaser deliverables in section 6.4;
- (4) there shall be no Claim, litigation or proceedings pending or threatened or order issued by a Governmental Authority against either of the Parties, or involving any of the Real Property, for the purpose of enjoining, preventing or restraining the completion of the Transaction or otherwise claiming that such completion is improper; and
- (5) the Court shall have issued the Approval and Vesting Order and the CCAA Assignment Order and the operation and effect of such orders shall not have been stayed, amended, modified, reversed, dismissed or appealed (or such appeal shall have been dismissed with no further appeal therefrom or the applicable appeal periods shall have expired).

7.2 Conditions in Favour of Vendor Not Fulfilled.

If any of the conditions contained in section 7.1 hereof is not fulfilled on or prior to the Closing Date and such non-fulfillment is not directly or indirectly as a result of any action or omission of the Vendor, then the Vendor may, at its sole discretion, and without limiting any rights or remedies available to it at law or in equity:

- (a) terminate this Agreement by Notice to the Purchaser, in which event the Vendor shall be released from its obligations under this Agreement to complete the Transaction; or
- (b) waive compliance with any such condition without prejudice to the right of termination in respect of the non-fulfillment of any other condition.

7.3 Conditions in Favour of the Purchaser.

The obligation of the Purchaser to complete the Transaction is subject and conditional to the satisfaction of the following conditions on or before the Closing Date:

- (a) all the representations and warranties of the Vendor contained in this Agreement shall be true and correct in all material respects on the Closing Date;
- (b) all the covenants of the Vendor under this Agreement to be performed on or before the Closing Date shall have been duly performed by the Vendor in all material respects;
- (c) the Vendor shall have complied with all the terms contained in this Agreement applicable to the Vendor prior to the Closing Date in all material respects, including the Vendor deliverables in section 6.3;
- (d) there shall be no Claim, litigation or proceedings pending or threatened or order issued by a Governmental Authority against either of the Parties, or involving any of the Real Property, for the purpose of enjoining, preventing or restraining the completion of the Transaction or otherwise claiming that such completion is improper; and
- (e) the Court shall have issued the Approval and Vesting Order and the CCAA Assignment Order and the operation and effect of such orders shall not have been stayed, amended, modified, reversed, dismissed or appealed (or such appeal shall have been dismissed with no further appeal therefrom or the applicable appeal periods shall have expired).

7.4 **Conditions in Favour of Purchaser Not Fulfilled.**

If any of the conditions contained in section 7.3 hereof is not fulfilled on or prior to the Closing Date and such non-fulfillment is not directly or indirectly as a result of any action or omission of the Purchaser, then the Purchaser may, in its sole discretion:

- (a) terminate this Agreement by notice to the Vendor, in which event the Purchaser shall be released from its obligations under this Agreement to complete the Transaction; or
- (b) waive compliance with any such condition without prejudice to the right of termination in respect of the non-fulfillment of any other condition.

ARTICLE 8 REPRESENTATIONS & WARRANTIES OF THE VENDOR

8.1 The Vendor represents and warrants to the Purchaser as follows:

- (1) upon the Court granting the Approval and Vesting Order, the Vendor has all necessary power and authority to enter into this Agreement and to carry out its obligations hereunder; and
- (2) the Vendor is not a non-resident of Canada for the purposes of the ITA.

ARTICLE 9 REPRESENTATIONS & WARRANTIES OF THE PURCHASER

9.1 The Purchaser represents and warrants to the Vendor that:

- (1) it has all necessary power and authority to enter into this Agreement and to carry out its obligations hereunder; and
- (2) it is not a non-Canadian for the purposes of the *Prohibition on the Purchase of Residential Property by Non-Canadians Act* (Canada), with the knowledge and expectation that the Vendor is placing complete reliance thereon and, but for such representation and warranty, the Vendor would not have entered into this Agreement.

ARTICLE 10 COVENANTS

10.1 **Mutual Covenants.**

Each of the Vendor and the Purchaser hereby covenants and agrees that, from the date hereof until Closing, each shall take all commercially reasonable actions as are within its power to control, and to use its commercially reasonable efforts to cause other actions to be taken which are not within its power to control, to have the Transaction approved in the Approval and Vesting Order on substantially the same terms and conditions as are contained in this Agreement, and to take all commercially reasonable actions as are within its power to control, and to use its commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with the conditions set forth in Article 7 hereof.

ARTICLE 11 POSSESSION AND ACCESS PRIOR TO CLOSING

11.1 Possession of Real Property.

At the Closing Time, the Purchaser shall take possession of the Real Property where situated on an "as-is, where is" basis, including any personal property, goods, chattels or fixtures that may be located at the Real Property at the Closing Time. In no event shall the Real Property be sold, assigned, conveyed or transferred to the Purchaser until all the conditions set out in the Approval and Vesting Order have been satisfied or waived.

11.2 Risk.

- (1) The Real Property shall be and remain at the risk of the Vendor until Closing and at the risk of the Purchaser from and after Closing.
- (2) If, following execution of this Agreement and prior to Closing, the Real Property is substantially physically damaged or destroyed by fire, casualty or otherwise, then, at its option, the Purchaser may decline to complete the Transaction. Such option shall be exercised by the Purchaser within 15 calendar days after the Purchaser receives Notice from the Vendor of the occurrence of such physical damage or destruction (or prior to the Closing Date if such occurrence takes place within 15 calendar days of the Closing Date), and in the event of such exercise this Agreement shall be terminated automatically. If the Purchaser does not exercise such option, it shall complete the Transaction and shall be entitled to an assignment of any proceeds of insurance referable to such damage or destruction. Where any physical damage or destruction is not substantial, the Purchaser shall complete the Transaction and shall be entitled to an assignment of any proceeds of insurance referable to such physical damage or destruction. For the purposes of this section, substantial physical damage or destruction shall be deemed to have occurred if the physical loss or damage to the Real Property exceeds 15% of the total Purchase Price.
- (3) If, following execution of this Agreement and prior to the Closing Date, all or a material part of the Real Property is expropriated or a notice of expropriation or intent to expropriate all or a material part of the Real Property is issued by any Governmental Authority, the Vendor shall immediately advise the Purchaser thereof by Notice in writing. The Purchaser shall, by Notice in writing given within three Business Days after the Purchaser receives Notice in writing from the Vendor of such expropriation, elect to either: (i) complete the Transaction contemplated herein in accordance with the terms hereof without reduction of the Purchase Price, and all compensation for expropriation shall be payable to the Purchaser and all right, title and interest of the Vendor to such amounts, if any, shall be assigned to the Purchaser on a without recourse basis; or (ii) terminate this Agreement and not complete the Transaction, in which case all rights and obligations of the Vendor and the Purchaser (except for those obligations which are expressly stated to survive the termination of this Agreement) shall terminate, and the Deposit shall be returned to the Purchaser forthwith.

ARTICLE 12 PURCHASER'S ACKNOWLEDGEMENT

12.1 Acknowledgement from the Purchaser.

The Purchaser acknowledges that the Vendor is selling and the Purchaser is purchasing the Real Property on an "as is, where is" and "without recourse" basis as the Real Property shall exist on the Closing Date, including, without limitation, whatever defects, conditions, impediments, Hazardous Materials, deficiencies, work orders, or zoning or building code violations or orders exist on the Closing Date, whether patent or latent. The Purchaser further acknowledges and agrees that it has entered into this Agreement

on the basis that neither the Vendor, nor KSV or the Monitor in its corporate or personal capacity, nor Cassels Brock & Blackwell LLP in its capacity as counsel to the Monitor or any other capacity, nor Chaitons LLP in its capacity as Lender Representative Counsel or any other capacity, has provided any representations, warranties, advice or guarantees in connection with this transaction, the Vendor, the Real Property or the Leases, including but not limited to with respect to title to or marketability, use or quality of the Real Property, whether any defects, conditions, impediments, Hazardous Materials, deficiencies, work orders, or zoning or building code violations or orders exist in respect of the Real Property, and the existence and terms of any tenants or occupants at the Real Property, and that the Purchaser has conducted such due diligence or inspections of the condition and title to the Real Property as it deems appropriate and has satisfied itself with regard to these matters. No representation, warranty or condition is expressed or can be implied as to title, description, fitness for purpose, environmental compliance, merchantability, condition or quality, or in respect of any other matter or thing whatsoever concerning the Real Property, or the right of the Vendor to use, lease, sell, assign, convey or transfer same, save and except as expressly provided in this Agreement. The description of the Real Property contained in this Agreement is for the purpose of identification only and no representation, warranty or condition has or will be given by the Vendor, KSV, the Monitor, Cassels Brock & Blackwell LLP or Chaitons LLP concerning the accuracy of such description.

12.2 Releases.

- (1) Upon Closing, the Purchaser agrees to irrevocably release and discharge KSV and the Monitor and their directors, officers, employees, agents, legal counsel and representatives from every claim of any kind that the Purchaser may make, suffer, sustain or incur in regard to the Vendor, the Real Property or the CCAA Proceedings.
- (2) Upon Closing, without limiting the foregoing, the Purchaser agrees to irrevocably release and discharge the Vendor, KSV and the Monitor and their directors, officers, employees, agents, legal counsel and representatives from every claim of any kind that the Purchaser may make, suffer, sustain or incur in regard to any Hazardous Materials relating to the Real Property. The Purchaser further agrees that the Purchaser will not, directly or indirectly, attempt to compel the Vendor, KSV or the Monitor to clean up or remove or pay for the cleanup or removal of any Hazardous Materials, remediate any condition or matter in, on, under or in the vicinity of the Real Property or seek an abatement in the Purchase Price or damages in connection with any Hazardous Materials.
- (3) Subsections (1) and (2) above shall not expire with, or be terminated or extinguished by or merged in the Closing of the Transaction, and shall survive the closing of this Transaction.

ARTICLE 13 TERMINATION

13.1 Termination of this Agreement.

This Agreement may be validly terminated:

- (1) upon the mutual written agreement of the Parties;
- (2) pursuant to section 7.2 hereof by the Vendor; or
- (3) pursuant to section 7.3 hereof by the Purchaser.

13.2 Remedies for Breach of Agreement.

If this Agreement is terminated as a result of any breach of a representation, warranty, covenant or obligation of the Vendor under this Agreement, then the Deposit, without deduction, shall be returned to the

Purchaser forthwith (and, for greater certainty, and notwithstanding any other provision in this Agreement, this shall be the Purchaser's sole right and remedy as a result of the Vendor's breach). If this Agreement is terminated as a result of any breach of a representation, warranty, covenant or obligation of the Purchaser under this Agreement, then the Deposit shall be forfeited to the Vendor as liquidated damages and not as a penalty, which Deposit the Parties agree is a genuine estimate of the liquidated damages that the Vendor would suffer in such circumstances (and, for greater certainty, and notwithstanding any other provision in this Agreement, this shall be the Vendor's sole right and remedy as a result of the Purchaser's breach).

13.3 Termination If No Breach of Agreement.

If this Agreement is terminated other than as a result of a breach of a representation, warranty, covenant or obligation of a Party, then:

- (1) all obligations of each of the Vendor and the Purchaser hereunder shall end completely, except those that survive the termination of this Agreement;
- (2) the Deposit, without deduction, shall be returned to the Purchaser forthwith; and
- (3) neither Party shall have any right to specific performance, to recover damages or expenses or to any other remedy (legal or equitable) or relief.

ARTICLE 14 GENERAL CONTRACT PROVISIONS

14.1 Further Assurances.

From time to time after Closing, each of the Parties shall execute and deliver such further documents and instruments and do such further acts and things as may be required to carry out the intent and purpose of this Agreement and which are not inconsistent with the terms hereof.

14.2 Survival Following Completion.

Notwithstanding any other provision of this Agreement, section 3.2, section 4.4, article 8, article 9, article 12, section 13.2 and section 13.3 shall survive the termination of this Agreement and the completion of the Transaction, provided, however, that upon the discharge of the Monitor as monitor of the Vendor, the Parties' respective obligations by reason of this Agreement shall end completely and they shall have no further or continuing obligations by reason thereof.

14.3 Notice.

All notices, requests, demands, waivers, consents, agreements, approvals, communications or other writings required or permitted to be given hereunder or for the purposes hereof (each, a "**Notice**") shall be in writing and be sufficiently given if personally delivered, sent by prepaid registered mail or transmitted by email, addressed to the Party to whom it is given, as follows:

- (a) to the Vendor:

c/o KSV Restructuring Inc., in its capacity as Monitor of the Vendor
220 Bay Street, 13th Floor
Toronto, Ontario M5J 2W4

Attention: Noah Goldstein/David Sieradzki
Email: ngoldstein@ksvadvisory.com/dsieradzki@ksvadvisory.com

and a copy to the Vendor's solicitor for the Transaction:

Kormans LLP
 Suite 200, 46 Village Centre Place
 Mississauga, Ontario L4Z 1V9

Attention: David Korman/Taimoor Qureshi
 Email: dkorman@kormans.ca / tqureshi@kormans.ca

(b) to the Purchaser:

Attention:
 Email:

and a copy to the Purchaser's counsel to:

Attention:
 Email:

or such other address of which Notice has been given. Any Notice mailed as aforesaid will be deemed to have been given and received on the third (3rd) Business Day following the date of its mailing. Any Notice personally delivered will be deemed to have been given and received on the day it is personally delivered, provided that if such day is not a Business Day, the Notice will be deemed to have been given and received on the Business Day next following such day. Any Notice transmitted by email will be deemed given and received on the first (1st) Business Day after its transmission.

If a Notice is mailed and regular mail service is interrupted by strike or other irregularity on or before the fourth (4th) Business Day after the mailing thereof, such Notice will be deemed to have not been received unless otherwise personally delivered or transmitted by email.

14.4 **Waiver.**

No Party will be deemed or taken to have waived any provision of this Agreement unless such waiver is in writing and such waiver will be limited to the circumstance set forth in such written waiver.

14.5 **Governing Law.**

This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The Parties irrevocably attorn to the jurisdiction of the Court. The Parties consent to the exclusive jurisdiction and venue of the Court for the resolution of any disputes between them, regardless of whether or not such disputes arose under this Agreement.

14.6 **Entire Agreement.**

This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements and understandings between the Parties. There are not and will not be any verbal statements,

representations, warranties, undertakings or agreements between the Parties. This Agreement may not be amended or modified in any respect except by written instrument signed by the Parties. The recitals herein are true and accurate, both in substance and in fact.

14.7 **Time of the Essence.**

Time will be of the essence, provided that if the Parties establish a new time for the performance of an obligation, time will again be of the essence of the new time established.

14.8 **Assignment.**

This Agreement will enure to the benefit of and be binding on the Parties and their respective heirs, executors, legal and personal administrators, successors and permitted assigns. The Purchaser may not assign this Agreement without the Vendor's prior written approval. The Purchaser shall have the right to direct that title to the Real Property be taken in the name of another person, entity, joint venture, partnership or corporation (presently in existence or to be incorporated) provided that the Purchaser notifies the Vendor of the name of the assignee at least seven (7) Business Days prior to the issuance of the Approval and Vesting Order and that the assignee shall, in writing, agree to assume and be bound by the terms and conditions of this Agreement (the "**Assumption Agreement**") and a copy of such Assumption Agreement is delivered to the Vendor forthwith after having been entered into, in which case the Purchaser shall nonetheless not be released from any and all further obligations and liabilities hereunder.

14.9 **Expenses.**

Except as otherwise set out in this Agreement, all costs and expenses (including, without limitation, the fees and disbursements of legal counsel) incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such costs and expenses.

14.10 **Severability.**

If any portion of this Agreement is prohibited in whole or in part in any jurisdiction, such portion shall, as to such jurisdiction, be ineffective to the extent of such prohibition without invalidating the remaining portions of this Agreement and shall, as to such jurisdiction, be deemed to be severed from this Agreement to the extent of such prohibition.

14.11 **Currency.**

All references to dollar amounts contained in this Agreement shall be deemed to refer to lawful currency of Canada.

14.12 **Planning Act.**

This Agreement is to be effective only if the provisions of the *Planning Act*, R.S.O. 1990, c. P.13, as amended, are complied with.

14.13 **Counterparts.**

This Agreement may be executed in counterparts and by electronic transmission, each of which when so executed shall be deemed to be an original and all such counterparts together shall constitute one and the same instrument.

14.14 **Independent Legal Advice.**

The Purchaser acknowledges that in executing and delivering this Agreement, it has acted and continues to act freely and without duress, and has had the benefit of independent legal advice from a

solicitor duly qualified to practice law and provide legal advice in the Province of Ontario in connection with the negotiation of this agreement.

14.15 Capacity of Monitor

The Purchaser acknowledges and agrees that the Monitor is executing this Agreement, in its capacity as Monitor and not in its personal or corporate capacity, on behalf of the Vendor in accordance with the Monitor's authority under the Monitor's Powers Order and that KSV and the Monitor, and their officers, directors, partners, managers, contractors, shareholders, advisors (including legal counsel), agents, and employees, shall have no personal or corporate responsibility or liability under or in connection with this Agreement. Notwithstanding anything to the contrary in this Agreement, the Purchaser shall engage directly and exclusively with the Monitor (and its legal counsel) on behalf of the Vendor on all matters related to this Agreement and the performance of the Purchaser's duties, obligations and covenants hereunder. Without limiting the foregoing, any information, communication or Notices that are required to be provided to the Vendor under this Agreement shall be provided to the Monitor on the Vendor's behalf and any consents, agreements or approvals to be provided by the Vendor under this Agreement shall be provided by the Monitor on the Vendor's behalf pursuant to the Monitor's Powers Order.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the Purchaser has duly executed this Agreement as of the date first above written.

[Corporate Purchaser]

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/We have authority to bind the corporation.

[Individual Purchaser]

WITNESS

Name:

Name:

ACCEPTED by the Vendor this _____ day of _____, 2024.

_____,
**By KSV Restructuring Inc., in its capacity as Monitor of the Vendor
and not in its personal or corporate capacity**

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/We have authority to bind the corporation.

SCHEDULE A(APS)

“Real Property”

Municipal address

PIN Description

PIN: _____ (LT)

Legal Description:

Appendix “H”



ksv advisory inc.

220 Bay Street, Suite 1300

Toronto, Ontario, M5J 2W4

T +1 416 932 6262

F +1 416 932 6266

ksvadvisory.com

April 7, 2025

Re: 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”)

Pursuant to an Initial Order granted on January 23, 2024 by the Ontario Superior Court of Justice (Commercial List) (the "Court"), KSV Restructuring Inc. was appointed as monitor (the "Monitor") of the Applicants in connection with the Applicants' proceedings commenced under the Companies' Creditors Arrangement Act ("CCAA").

You are receiving this Notice because the Monitor understands that you are a tenant in a property that is owned by one of the Applicants. Your lease agreement may be with a property management company called SID Management Inc.

The purpose of this Notice is to provide you with notice of a motion that is being brought before the Court by the Monitor at 10:00 a.m. on April 14, 2025 seeking, among other things, an order of the Court approving a sale of the property to a lender of the Applicant (or their assignee/designee), which will include an assignment and transfer of your lease to the purchaser.

Please note that, effective on the closing of the purchase of the property, the purchaser of the property is required to assume your lease on its existing terms and accordingly your rights are not being negatively affected. Subject to Court approval, the assignment and assumption of your lease will occur automatically upon closing of the sale of the property. The Monitor expects that the purchaser will be in contact with you immediately following closing of the transaction to discuss, among other things, how monthly rent is to be paid going forward.

A copy of the Motion Record of the Monitor, including a copy of the Twelfth Report of the Monitor dated April 7, 2025 (the “Twelfth Report”), can be found on the Monitor’s website at <https://www.ksvadvisory.com/experience/case/SID>.

If you have any difficulties accessing the Monitor’s Motion Record or Tenth Report or if you have any questions, please contact the Monitor at Balboa@ksvadvisory.com.

The Monitor’s motion will be heard by the Court virtually via zoom. If you wish to attend the virtual court hearing, please email Stephanie Fernandes at sfernandes@cassels.com by no later than 10:00 a.m. on April 13, 2025.

Yours truly,

KSV Restructuring Inc.

KSV RESTRUCTURING INC.

IN ITS CAPACITY AS COURT-APPOINTED 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.

AND NOT IN ITS PERSONAL CAPACITY

Appendix “I”

Balboa Inc. et al - Revised Remaining Portfolio Analysis

			[Note 1]	18 month period	[Note 2]	18 month period	[Note 3]		
Property	City	Suggested List Price	1st Mortgage	1st Interest (10%)	2nd Mortgage	2nd Interest (14%)	DIP Allocation	Total Debt	Difference
55 - 63 Preston Street	Timmins	750,000.00	-	-	-	-	162,481.70	162,481.70	587,518.30
76 & 74 Prospect Ave	Kirkland Lake	750,000.00	-	-	-	-	187,205.74	187,205.74	562,794.26
496 Whissel Street	Greater Sudbury	320,000.00	-	-	-	-	106,908.65	106,908.65	213,091.35
264 Tamarack St	Timmins	260,000.00	-	-	-	-	67,710.90	67,710.90	192,289.10
1540 Wellington St E	Sault Ste. Marie	235,000.00	-	-	-	-	54,597.71	54,597.71	180,402.29
49 Dale Ave	Timmins	450,000.00	154,449.00	23,167.35	-	-	123,716.04	301,332.39	148,667.61
519 Albert St	Sault Ste. Marie	199,900.00	-	-	-	-	37,389.47	37,389.47	162,510.53
254 Goulais Ave	Sault Ste. Marie	169,900.00	-	-	-	-	37,838.50	37,838.50	132,061.50
454 Eva	Greater Sudbury	190,000.00	-	-	-	-	72,544.43	72,544.43	117,455.57
445 Bessie Avenue	Greater Sudbury	140,000.00	52,052.00	7,807.80	-	-	19,201.24	79,061.04	60,938.96
44 Cameron Ave	Sault Ste. Marie	199,900.00	133,000.00	19,950.00	-	-	28,425.25	181,375.25	18,524.75
79 Fourth Ave	Timmins	30,000.00	-	-	-	-	26,366.37	26,366.37	3,633.63
4 Sheppard St	Sault Ste. Marie	289,900.00	212,000.00	31,800.00	-	-	54,977.31	298,777.31	(8,877.31)
405 Wellington St. E	Sault Ste. Marie	199,900.00	148,000.00	22,200.00	-	-	35,060.09	205,260.09	(5,360.09)
75 Elm Street	Timmins	240,000.00	176,000.00	26,400.00	-	-	49,070.62	251,470.62	(11,470.62)
221 Balsam St. S	Timmins	315,000.00	236,000.00	35,400.00	-	-	60,921.50	332,321.50	(17,321.50)
417 Dovercourt Road	Sault Ste. Marie	239,900.00	185,000.00	27,750.00	-	-	39,530.84	252,280.84	(12,380.84)
263 Kent Avenue	Timmins	350,000.00	260,000.00	39,000.00	-	-	67,217.82	366,217.82	(16,217.82)
28 St. Georges Avenue East	Sault Ste. Marie	215,000.00	168,000.00	25,200.00	-	-	42,549.84	235,749.84	(20,749.84)
453 Northland Road	Sault Ste. Marie	230,000.00	184,000.00	27,600.00	-	-	47,865.22	259,465.22	(29,465.22)
6128 King St	Timmins	475,000.00	387,000.00	58,050.00	-	-	89,913.87	534,963.87	(59,963.87)
33 McKelvie Ave	Kirkland Lake	240,000.00	207,000.00	31,050.00	-	-	49,853.77	287,903.77	(47,903.77)
302 Franklin Street	Sault Ste. Marie	215,000.00	190,000.00	28,500.00	-	-	43,035.49	261,535.49	(46,535.49)
210 Commercial Avenue	Timmins	285,000.00	240,000.00	36,000.00	-	-	59,094.23	335,094.23	(50,094.23)
155 Wallace Terrace	Sault Ste. Marie	149,900.00	140,000.00	21,000.00	-	-	41,578.79	202,578.79	(52,678.79)
91 Greene St	Sault Ste. Marie	200,000.00	183,200.00	27,480.00	-	-	46,681.66	257,361.66	(57,361.66)
308 Belanger	Timmins	175,000.00	164,000.00	24,600.00	-	-	46,375.29	234,975.29	(59,975.29)
78 McNabb Street	Sault Ste. Marie	270,000.00	248,000.00	37,200.00	-	-	49,323.05	334,523.05	(64,523.05)
35 Walnut St	Sault Ste. Marie	250,000.00	235,000.00	35,250.00	-	-	49,914.42	320,164.42	(70,164.42)
86 Way Ave	Timmins	199,900.00	192,000.00	28,800.00	-	-	42,412.82	263,212.82	(63,312.82)
109 Victor Emmanuel Avenue	Sault Ste. Marie	235,000.00	224,000.00	33,600.00	-	-	47,630.40	305,230.40	(70,230.40)
106 Commercial Ave.	Timmins	319,900.00	285,000.00	42,750.00	-	-	67,852.31	395,602.31	(75,702.31)
528 Brunswick Avenue	Sault Ste. Marie	180,000.00	168,000.00	25,200.00	-	-	57,527.04	250,727.04	(70,727.04)
45 Maple St N	Timmins	205,000.00	200,000.00	30,000.00	-	-	47,000.71	277,000.71	(72,000.71)
250 John Street	Sault Ste. Marie	179,900.00	185,000.00	27,750.00	-	-	38,682.46	251,432.46	(71,532.46)

Balboa Inc. et al - Revised Remaining Portfolio Analysis

Property	City	Suggested List Price	[Note 1]	18 month period	[Note 2]	18 month period	[Note 3]	Total Debt	Difference
			1st Mortgage	1st Interest (10%)	2nd Mortgage	2nd Interest (14%)	DIP Allocation		
257 Jean St	Greater Sudbury	230,000.00	176,000.00	26,400.00	-	-	103,619.75	306,019.75	(76,019.75)
210 Cathcart St	Sault Ste. Marie	80,000.00	110,000.00	16,500.00	-	-	25,263.09	151,763.09	(71,763.09)
63 Jubilee Ave W	Timmins	295,000.00	269,900.00	40,485.00	-	-	66,687.37	377,072.37	(82,072.37)
43 Crescent Ave	Timmins	175,000.00	184,000.00	27,600.00	-	-	45,702.28	257,302.28	(82,302.28)
10 Wilson Ave	Kirkland Lake	125,000.00	152,000.00	22,800.00	-	-	37,395.15	212,195.15	(87,195.15)
904 Wellington Street East	Sault Ste. Marie	169,900.00	187,500.00	28,125.00	-	-	44,893.85	260,518.85	(90,618.85)
296 Lloyd St	Greater Sudbury	220,000.00	222,000.00	33,300.00	-	-	60,959.47	316,259.47	(96,259.47)
1022 Wellington Street East	Sault Ste. Marie	160,000.00	189,548.00	28,432.20	-	-	35,753.24	253,733.44	(93,733.44)
17 Southworth Street North	Welland	199,000.00	205,000.00	30,750.00	-	-	66,822.80	302,572.80	(103,572.80)
5 Picard Street	Greater Sudbury	230,000.00	240,000.00	36,000.00	-	-	62,552.35	338,552.35	(108,552.35)
80 Elm St N	Timmins	175,000.00	200,000.00	30,000.00	-	-	54,795.75	284,795.75	(109,795.75)
353 Moody St	Sault Ste. Marie	260,000.00	280,000.00	42,000.00	-	-	55,994.86	377,994.86	(117,994.86)
101 Dixon St	Timmins	75,000.00	128,000.00	19,200.00	-	-	41,449.11	188,649.11	(113,649.11)
20 Parkview Road	St. Cathar	299,000.00	245,000.00	36,750.00	-	-	137,192.00	418,942.00	(119,942.00)
159 Wallace Terrace	Sault Ste. Marie	44,900.00	106,163.00	15,924.45	-	-	40,318.98	162,406.43	(117,506.43)
465 Pine St South	Timmins	125,000.00	176,000.00	26,400.00	-	-	56,379.22	258,779.22	(133,779.22)
163 Wellington St E	Sault Ste. Marie	59,900.00	147,000.00	22,050.00	-	-	38,147.82	207,197.82	(147,297.82)
271 Brown Street	Sault Ste. Marie	79,900.00	165,000.00	24,750.00	-	-	41,845.80	231,595.80	(151,695.80)
432 Bessie Ave	Greater Sudbury	250,000.00	320,000.00	48,000.00	-	-	47,797.08	415,797.08	(165,797.08)
335 Spruce Street	Timmins	50,000.00	150,000.00	22,500.00	-	-	45,913.13	218,413.13	(168,413.13)
257 Ratter Lake Road	Markstay	650,000.00	660,000.00	99,000.00	-	-	147,001.05	906,001.05	(256,001.05)
157 Pine	Timmins	50,000.00	202,500.00	30,375.00	-	-	40,820.02	273,695.02	(223,695.02)
464 Eva Avenue	Greater Sudbury	200,000.00	299,115.00	44,867.25	-	-	81,324.20	425,306.45	(225,306.45)
396 Fairview Road	Fort Erie	199,000.00	328,000.00	49,200.00	-	-	57,927.57	435,127.57	(236,127.57)
246 East Balfour St	Sault Ste. Marie	59,900.00	209,000.00	31,350.00	-	-	58,292.65	298,642.65	(238,742.65)
227 Toke St	Timmins	250,000.00	198,483.00	29,772.45	215,000.00	45,150.00	54,590.25	542,995.70	(292,995.70)
261 Kimberly Ave	Timmins	50,000.00	200,000.00	30,000.00	-	-	116,515.90	346,515.90	(296,515.90)
168 Hudson St	Sault Ste. Marie	184,900.00	132,000.00	19,800.00	287,000.00	60,270.00	31,323.99	530,393.99	(345,493.99)
48 McCamus Ave	Kirkland Lake	275,000.00	455,000.00	68,250.00	-	-	121,813.77	645,063.77	(370,063.77)
342 Donovan Street	Greater Sudbury	220,000.00	545,000.00	81,750.00	-	-	40,212.90	666,962.90	(446,962.90)
269 Kimberley Avenue	Timmins	50,000.00	342,000.00	51,300.00	-	-	165,863.02	559,163.02	(509,163.02)
228 Birch St N	Timmins	135,000.00	75,500.00	11,325.00	400,000.00	84,000.00	83,849.32	654,674.32	(519,674.32)
107 Government Rd	Kirkland Lake	150,000.00	560,000.00	84,000.00	-	-	22,212.56	666,212.56	(516,212.56)
237 Wellington St.	Sault Ste. Marie	69,900.00	500,000.00	75,000.00	-	-	28,198.35	603,198.35	(533,298.35)
348 Sixth Ave	Sault Ste. Marie	289,900.00	188,000.00	28,200.00	490,000.00	102,900.00	47,118.40	856,218.40	(566,318.40)

Balboa Inc. et al - Revised Remaining Portfolio Analysis

			[Note 1]	<i>18 month period</i>	[Note 2]	<i>18 month period</i>	[Note 3]		
Property	City	Suggested List Price	1st Mortgage	1st Interest (10%)	2nd Mortgage	2nd Interest (14%)	DIP Allocation	Total Debt	Difference
549 Spooner Road	Timmins	255,000.00	160,000.00	24,000.00	490,000.00	102,900.00	46,440.08	823,340.08	(568,340.08)
103 Dome Avenue	Timmins	225,000.00	152,000.00	22,800.00	485,000.00	101,850.00	63,460.20	825,110.20	(600,110.20)
309 Cedar Street North	Timmins	215,000.00	160,000.00	24,000.00	490,000.00	102,900.00	83,395.74	860,295.74	(645,295.74)
148 Pine St N	Timmins	125,000.00	117,000.00	17,550.00	500,000.00	105,000.00	38,253.54	777,803.54	(652,803.54)
282 Fourth Ave	Sault Ste. Marie	195,000.00	156,000.00	23,400.00	530,000.00	111,300.00	40,485.69	861,185.69	(666,185.69)
140 Shamrock Avenue	Timmins	149,000.00	135,000.00	20,250.00	490,000.00	102,900.00	76,784.91	824,934.91	(675,934.91)
180 Tamarack St	Timmins	210,000.00	180,000.00	27,000.00	530,000.00	111,300.00	41,834.81	890,134.81	(680,134.81)
65 Kirby Ave	Timmins	125,000.00	89,600.00	13,440.00	560,000.00	117,600.00	29,235.89	809,875.89	(684,875.89)
95 Birch Street	Temiskamin	25,000.00	62,400.00	9,360.00	515,000.00	108,150.00	13,431.74	708,341.74	(683,341.74)
54 Jubilee Avenue East	Timmins	149,000.00	160,000.00	24,000.00	530,000.00	111,300.00	36,641.98	861,941.98	(712,941.98)
108 Albert St	Sault Ste. Marie	59,900.00	128,000.00	19,200.00	500,000.00	105,000.00	36,354.27	788,554.27	(728,654.27)
187 Pine Street North	Timmins	195,000.00	176,000.00	26,400.00	575,000.00	120,750.00	43,261.55	941,411.55	(746,411.55)
210 Glasgow Ave	Sault Ste. Marie	165,000.00	173,000.00	25,950.00	560,000.00	117,600.00	35,100.93	911,650.93	(746,650.93)
127 Pardee Ave	Sault Ste. Marie	190,000.00	143,200.00	21,480.00	650,000.00	136,500.00	38,029.86	989,209.86	(799,209.86)
166 Tancred St	Sault Ste. Marie	49,900.00	165,000.00	24,750.00	515,000.00	108,150.00	35,440.35	848,340.35	(798,440.35)
430 Toke St	Timmins	250,000.00	128,000.00	19,200.00	1,200,000.00	252,000.00	36,845.82	1,636,045.82	(1,386,045.82)
TOTALS		18,073,000.00	16,189,610.00	2,428,441.50	10,512,000.00	2,207,520.00	5,000,000.00	36,337,571.50	(18,264,571.50)

Notes

Note 1

The following first mortgage amounts appear to be blanket mortgages. Accordingly, the listed amounts reflect the full principal amount for every property under that blanket mortgage.

342 Donovan Street	Greater Sudbury	545,000
107 Government Rd	Kirkland Lake	560,000
237 Wellington St.	Sault Ste. Marie	500,000

It is unclear if the following first mortgage amounts are blanket mortgages. The listed amounts may reflect charges that include other properties.

464 Eva Avenue	Greater Sudbury	299,115
396 Fairview Road	Fort Erie	328,000
48 McCamus Ave	Kirkland Lake	455,000

Note 2

All second mortgage amounts appear to be blanket mortgages. Accordingly, the listed amount reflects the full principal amount for every property under that second mortgage.

Note 3

Represents the proposed Second DIP allocation (discussed in Section 5 of this Report).

Appendix “J”

Balboa Inc. et al
DIP Allocation and Amounts Payable on Closing (C\$)

#	Property	City	DIP Allocation [Note 1]	Escrow Funds (25%) [Note 2]	Total Cash Payable on Closing
1	76 & 74 Prospect Ave	Kirkland Lake	187,205.74	46,801.44	234,007.18
2	269 Kimberley Avenue	Timmins	165,863.02	41,465.75	207,328.77
3	55 - 63 Preston Street	Timmins	162,481.70	40,620.43	203,102.13
4	257 Ratter Lake Road	Markstay	147,001.05	36,750.26	183,751.31
5	20 Parkview Road	St. Cathar	137,192.00	34,298.00	171,490.00
6	49 Dale Ave	Timmins	123,716.04	30,929.01	154,645.05
7	48 McCamus Ave	Kirkland Lake	121,813.77	30,453.44	152,267.21
8	261 Kimberly Ave	Timmins	116,515.90	29,128.97	145,644.87
9	496 Whissel Street	Greater Sudbury	106,908.65	26,727.16	133,635.81
10	257 Jean St	Greater Sudbury	103,619.75	25,904.94	129,524.69
11	6128 King St	Timmins	89,913.87	22,478.47	112,392.34
12	228 Birch St N	Timmins	83,849.32	20,962.33	104,811.65
13	309 Cedar Street North	Timmins	83,395.74	20,848.94	104,244.68
14	464 Eva Avenue	Greater Sudbury	81,324.20	20,331.05	101,655.26
15	140 Shamrock Avenue	Timmins	76,784.91	19,196.23	95,981.14
16	454 Eva	Greater Sudbury	72,544.43	18,136.11	90,680.54
17	106 Commercial Ave.	Timmins	67,852.31	16,963.08	84,815.39
18	264 Tamarack St	Timmins	67,710.90	16,927.73	84,638.63
19	263 Kent Avenue	Timmins	67,217.82	16,804.46	84,022.28
20	17 Southworth Street North	Welland	66,822.80	16,705.70	83,528.49
21	63 Jubilee Ave W	Timmins	66,687.37	16,671.84	83,359.21
22	103 Dome Avenue	Timmins	63,460.20	15,865.05	79,325.25
23	5 Picard Street	Greater Sudbury	62,552.35	15,638.09	78,190.43
24	296 Lloyd St	Greater Sudbury	60,959.47	15,239.87	76,199.34
25	221 Balsam St. S	Timmins	60,921.50	15,230.37	76,151.87
26	210 Commercial Avenue	Timmins	59,094.23	14,773.56	73,867.79
27	246 East Balfour St	Sault Ste. Marie	58,292.65	14,573.16	72,865.82
28	396 Fairview Road	Fort Erie	57,927.57	14,481.89	72,409.46
29	528 Brunswick Avenue	Sault Ste. Marie	57,527.04	14,381.76	71,908.80
30	465 Pine St South	Timmins	56,379.22	14,094.80	70,474.02
31	353 Moody St	Sault Ste. Marie	55,994.86	13,998.71	69,993.57
32	4 Sheppard St	Sault Ste. Marie	54,977.31	13,744.33	68,721.64
33	80 Elm St N	Timmins	54,795.75	13,698.94	68,494.69
34	1540 Wellington St E	Sault Ste. Marie	54,597.71	13,649.43	68,247.13
35	227 Toke St	Timmins	54,590.25	13,647.56	68,237.81
36	35 Walnut St	Sault Ste. Marie	49,914.42	12,478.61	62,393.03
37	33 McKelvie Ave	Kirkland Lake	49,853.77	12,463.44	62,317.21
38	78 McNabb Street	Sault Ste. Marie	49,323.05	12,330.76	61,653.82
39	75 Elm Street	Timmins	49,070.62	12,267.65	61,338.27
40	453 Northland Road	Sault Ste. Marie	47,865.22	11,966.30	59,831.52
41	432 Bessie Ave	Greater Sudbury	47,797.08	11,949.27	59,746.34
42	109 Victor Emmanuel Avenue	Sault Ste. Marie	47,630.40	11,907.60	59,537.99
43	348 Sixth Ave	Sault Ste. Marie	47,118.40	11,779.60	58,898.00
44	45 Maple St N	Timmins	47,000.71	11,750.18	58,750.89
45	91 Greene St	Sault Ste. Marie	46,681.66	11,670.41	58,352.07
46	549 Spooner Road	Timmins	46,440.08	11,610.02	58,050.10
47	308 Belanger	Timmins	46,375.29	11,593.82	57,969.11
48	335 Spruce Street	Timmins	45,913.13	11,478.28	57,391.41
49	43 Crescent Ave	Timmins	45,702.28	11,425.57	57,127.84
50	904 Wellington Street East	Sault Ste. Marie	44,893.85	11,223.46	56,117.31
51	187 Pine Street North	Timmins	43,261.55	10,815.39	54,076.94
52	302 Franklin Street	Sault Ste. Marie	43,035.49	10,758.87	53,794.37
53	28 St. Georges Avenue East	Sault Ste. Marie	42,549.84	10,637.46	53,187.30
54	86 Way Ave	Timmins	42,412.82	10,603.20	53,016.02

Balboa Inc. et al
DIP Allocation and Amounts Payable on Closing (C\$)

#	Property	City	DIP Allocation [Note 1]	Escrow Funds (25%) [Note 2]	Total Cash Payable on Closing
55	271 Brown Street	Sault Ste. Marie	41,845.80	10,461.45	52,307.25
56	180 Tamarack St	Timmins	41,834.81	10,458.70	52,293.51
57	155 Wallace Terrace	Sault Ste. Marie	41,578.79	10,394.70	51,973.49
58	101 Dixon St	Timmins	41,449.11	10,362.28	51,811.39
59	157 Pine	Timmins	40,820.02	10,205.01	51,025.03
60	282 Fourth Ave	Sault Ste. Marie	40,485.69	10,121.42	50,607.11
61	159 Wallace Terrace	Sault Ste. Marie	40,318.98	10,079.75	50,398.73
62	342 Donovan Street	Greater Sudbury	40,212.90	10,053.23	50,266.13
63	417 Dovercourt Road	Sault Ste. Marie	39,530.84	9,882.71	49,413.56
64	250 John Street	Sault Ste. Marie	38,682.46	9,670.62	48,353.08
65	148 Pine St N	Timmins	38,253.54	9,563.38	47,816.92
66	163 Wellington St E	Sault Ste. Marie	38,147.82	9,536.95	47,684.77
67	127 Pardee Ave	Sault Ste. Marie	38,029.86	9,507.46	47,537.32
68	254 Goulais Ave	Sault Ste. Marie	37,838.50	9,459.63	47,298.13
69	10 Wilson Ave	Kirkland Lake	37,395.15	9,348.79	46,743.94
70	519 Albert St	Sault Ste. Marie	37,389.47	9,347.37	46,736.84
71	430 Toke St	Timmins	36,845.82	9,211.46	46,057.28
72	54 Jubilee Avenue East	Timmins	36,641.98	9,160.50	45,802.48
73	108 Albert St	Sault Ste. Marie	36,354.27	9,088.57	45,442.84
74	1022 Wellington Street East	Sault Ste. Marie	35,753.24	8,938.31	44,691.55
75	166 Tancred St	Sault Ste. Marie	35,440.35	8,860.09	44,300.44
76	210 Glasgow Ave	Sault Ste. Marie	35,100.93	8,775.23	43,876.16
77	405 Wellington St. E	Sault Ste. Marie	35,060.09	8,765.02	43,825.12
78	168 Hudson St	Sault Ste. Marie	31,323.99	7,831.00	39,154.99
79	65 Kirby Ave	Timmins	29,235.89	7,308.97	36,544.87
80	44 Cameron Ave	Sault Ste. Marie	28,425.25	7,106.31	35,531.56
81	237 Wellington St.	Sault Ste. Marie	28,198.35	7,049.59	35,247.94
82	79 Fourth Ave	Timmins	26,366.37	6,591.59	32,957.97
83	210 Cathcart St	Sault Ste. Marie	25,263.09	6,315.77	31,578.86
84	107 Government Rd	Kirkland Lake	22,212.56	5,553.14	27,765.70
85	445 Bessie Avenue	Greater Sudbury	19,201.24	4,800.31	24,001.55
86	95 Birch Street	Temiskamin	13,431.74	3,357.94	16,789.68
Totals			5,000,000.00	1,250,000.00	6,250,000.00

Note 1 The DIP allocation is calculated using the same methodology as the previous allocation included as Appendix "P" of the Monitor's Tenth Report and approved by the Court on December 6, 2024. The increase from the prior allocation results from, among other things, interest and other costs associated with the DIP Facility and the costs of these proceedings, including professional fees.

Note 2 As detailed in the Monitor's Eleventh Report, this amount represents an additional 25% of the DIP Allocation that is to be held by the Monitor in escrow until the DIP facility is repaid in full, pending further order of the Court or agreement among the relevant parties.

Appendix “K”

**Balboa Inc. et al
Listed Properties**

Entity	Address	City	Listing Price
Horses in the Back	396 Fairview Road	Fort Erie	199,000
Interlude	257 Jean St	Greater Sudbury	230,000
Multiville	296 Lloyd St	Greater Sudbury	220,000
Pink Flamingo	342 Donovan Street	Greater Sudbury	220,000
Interlude	432 Bessie Ave	Greater Sudbury	250,000
Interlude	445 Bessie Avenue	Greater Sudbury	140,000
Interlude	454 Eva	Greater Sudbury	190,000
Interlude	464 Eva Avenue	Greater Sudbury	200,000
Hometown Housing	496 Whissel Street	Greater Sudbury	320,000
Pink Flamingo	5 Picard Street	Greater Sudbury	230,000
Interlude	10 Wilson Ave	Kirkland Lake	125,000
Pink Flamingo	107 Government Rd	Kirkland Lake	150,000
Interlude	76 & 74 Prospect Ave	Kirkland Lake	750,000
DSPLN	108 Albert St	Sault Ste. Marie	59,900
Interlude	246 East Balfour St	Sault Ste. Marie	59,900
DSPLN	405 Wellington St. E	Sault Ste. Marie	199,900
Interlude	44 Cameron Ave	Sault Ste. Marie	199,900
Interlude	20 Parkview Road	St. Catharines	299,000
Happy Gilmore	103 Dome Avenue	Timmins	225,000
Interlude	261 Kimberly Ave	Timmins	50,000
Interlude	269 Kimberley Avenue	Timmins	50,000
Happy Gilmore	309 Cedar Street North	Timmins	215,000
DSPLN	63 Jubilee Ave W	Timmins	295,000
Interlude	79 Fourth Ave	Timmins	30,000
DSPLN	80 Elm St N	Timmins	175,000
Neat Nest	17 Southworth Street North	Welland	199,000

Appendix “L”

November 26, 2024

**Balboa Inc., DSPLN Inc., Happy Gilmore Inc.
Interlude Inc., Multiville Inc., The Pink Flamingo Inc.,
Hometown Housing Inc., The Mulligan Inc. Horses in the Back Inc.,
Neat Nests Inc. and Joint Captain Real Estate Inc.
c/o KSV Restructuring Inc., in its capacity as monitor in the CCAA Proceedings (defined
below) and not in its personal capacity
220 Bay Street, Suite 1300
Toronto, ON M5J 2W4**

Attention: Noah Goldstein/ David Sieradzki

Re: Debtor-in-Possession or Exit Financing of Balboa Inc., et. al.

A. Pursuant to an order (as amended, the **"Initial Order"**) of the Ontario Superior Court of Justice (Commercial List) (the **"Court"**), Balboa Inc. and the other parties listed below as Borrowers (collectively, the **"Borrowers"**) was granted protection pursuant to the *Companies' Creditors Arrangement Act* (the **"CCAA Proceedings"**) and KSV Restructuring Inc. was appointed as Monitor of the Borrowers (in such capacity, the **"Monitor"**).

B. Pursuant to an order of the Court made on June 25, 2024 (the **"Expanded Powers Order"**), the powers and authority of the Monitor were expanded to permit it to manage, operate and carry on the business of the Borrowers including the entry into of agreements and incurrence of obligations on behalf of the Borrowers.

C. In connection with the CCAA Proceedings, the Borrowers entered into a debtor in possession agreement dated as of January 26, 2024 (as amended, the **"Harbour DIP Agreement"**) with Harbour Mortgage Corp. (**"Harbour"**) pursuant to which Harbour has advanced \$15 million in DIP funding in the CCAA Proceedings.

D. The Borrowers require certain funding to refinance its remaining obligations under the Harbour DIP Agreement as set out below.

E. The Lender (defined below) has agreed to provide such funding on the terms and conditions set forth herein.

NOW THEREFORE in consideration of the foregoing and the mutual covenants and agreements set forth below, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

SUMMARY OF TERMS FOR DIP FACILITY

- 1. Borrowers:** 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. in each case on a
joint and several basis

2. Lender: Viscount Capital Inc.

3. DIP Facility The Lender hereby agrees to provide a non-revolving single draw facility in the maximum aggregate principal amount of \$4.85 million in the amounts and for the purposes set out below (the “**DIP Facility**”):

- (a) Maximum amount of \$3.75 million to refinance the Harbour DIP Facility in respect of properties not subject to credit bids in the CCAA Proceedings;
- (b) \$600,000 to fund interest in respect of the DIP Facility, administration, restructuring and closing costs within the CCAA Proceedings (the “**Closing Cost Facility**”); and
- (c) Maximum amount of \$500,000 to refinance the Allocated DIP Amounts under the Harbour DIP Facility in respect of properties subject to credit bids in the event that such credit bids do not close.

The purpose and amount of the DIP Facility may be amended by the Borrowers and the DIP Lender. For greater certainty, the Closing Cost Facility shall be used and applied to three (3) months’ of interest payments in respect of the DIP Facility unless otherwise consented to by the DIP Lender, in its sole discretion.

4. Advances: The Lender agrees to deliver the amount of \$1.75 million (the “**Initial Pre-Funding Amount**”) to the Monitor along with evidence of funding from a financial institution acceptable to the Monitor on the later of (a) ten (10) days prior to the return date of Monitor’s motion seeking the DIP Approval Order (as defined below); and (b) December 5, 2024. The Initial Pre-Funding Amount shall be held in a separate interest bearing trust account in trust for the Lender.

The Borrowers shall provide the Lender not less than four (4) business days’ notice of the final amount required under the DIP Facility including the advance purposes. Not less than two (2) business days thereafter, the Lender shall deliver to the Monitor (to be held by the Monitor in trust together with the Initial Pre-Funding Amount) an amount, if any, equal to the difference between the final funding amount and the Initial Pre-Funding Amount (such total amount being the “**Advance Amount**”).

Subject to the funding conditions set out in Section 12 of this Term Sheet, the DIP Facility shall be available in a single advance by directing the release of the total Advance Amount being held in trust by the Monitor (“**Advance**”).

The Lender shall make the Advance in the Advance Amount on the date on which the funding conditions have been met (the "**Closing Date**").

5. Fees

A Signing fee of \$10,000 shall be fully earned and payable by the Borrowers to the Lender upon the execution of this Term Sheet.

A commitment fee of 2% of the Advance plus \$10,000 shall be fully earned and payable from the Advance under the DIP Facility.

6. Interest:

Subject to the next paragraph, interest shall accrue on amounts advanced under the DIP Facility at a rate equal to 11% per annum (the "**Interest**"). Interest shall be calculated on the daily outstanding balance owing under the DIP Facility, not in advance, and shall accrue and be paid on the first day of every month.

7. Recoverable Expenses:

The Borrowers shall pay all reasonable fees and expenses (collectively, the "**Recoverable Expenses**") incurred by the Lender in connection with the preparation, registration and ongoing administration of this Term Sheet, the DIP Facility, the DIP Approval Order, the DIP Lender's Charge (as defined below) and with the enforcement of the Lender's rights and remedies hereunder and thereunder, at law or in equity, including, without limitation all reasonable legal fees and disbursements incurred by the Lender. If the Lender has paid any expenses for which the Lender is entitled to reimbursement from the Borrowers, such expenses shall be added to the DIP Facility and shall accrue Interest at the rate set out above. All such fees and expenses and Interest thereon shall be secured by the DIP Lender's Charge whether or not any funds under the DIP Facility are advanced.

8. Security:

All debts, liabilities and obligations of the Borrowers to the Lender under or in connection with the DIP Facility (including, without limitation, Interest and Recoverable Expenses), this Term Sheet and any other documents executed in connection therewith shall be secured by a Court-ordered priority charge (the "**DIP Lender's Charge**") granted to the Lender in and to all present and future properties, assets, and undertakings of the Borrowers not subject to credit bids, real and personal, tangible and intangible, whether now owned or hereafter acquired, and the proceeds thereof and including, without limitation, the Escrow Amount, defined below (the "**Property**"), subject only to an Administration Charge. The "Administration Charge" shall have a maximum aggregate amount of ~~\$500,000~~ under the Initial Order for the payment of the fees and expenses of the Monitor and counsel to the Monitor (the "**Administration Charge**"), provided that \$250,000

of the Administration Charge shall rank in priority to the DIP Lender's Charge and \$250,000 shall rank behind the DIP Lender's Charge.

9. Maturity Date: Unless otherwise agreed to by the Lender and the Borrowers in writing, the term of the DIP Facility shall expire, and the Borrowers shall repay all obligations owing to the Lender under this Term Sheet, on the earlier of (the "**Maturity Date**"):

- (a) The date that is 18 months after the Closing Date; or
- (b) the occurrence of an Event of Default (as defined herein), subject to a cure period of five (5) business days, beginning on the date of the occurrence of such Event of Default.

10. Repayment: The aggregate principal amount owing under the DIP Facility plus all accrued and unpaid Interest and Recoverable Expenses shall become immediately due and payable on the Maturity Date. The DIP Facility may be prepaid at any time, without penalty, (provided all accrued and unpaid Interest and Recoverable Expenses are paid in full).

Provided that the DIP Facility is repaid in full on or before the Maturity Date, the Escrow Amount (defined below) shall be released to the Borrowers.

11. Partial Discharge Provisions Provided that no Event of Default has occurred and is outstanding, the Lender agrees that will agree to provide partial discharges in respect of Property sales subject to the following conditions:

- (a) The net sale proceeds (after deduction of reasonable sale commissions and property specific legal costs) shall not be less than the 125% of the Allocated DIP Amount (as defined in the DIP Approval Order) for the Property;
- (b) The Lender shall receive 100% of the Allocated DIP Amount plus any reasonable costs or expenses associated with the partial discharge; and
- (c) An amount equal to 25% of the Allocated DIP Amount shall be placed into an interest bearing escrow account to be held by the Monitor (or another escrow agent acceptable to the Lender and the Monitor, each acting reasonably) pending repayment of the DIP Facility on or before the Maturity Date (the "**Escrow Amount**").

The Lender acknowledges that, subject to approval by the Court, Property sales may include credit bid transactions by the Borrowers'

mortgage holders provided that the foregoing Partial Discharge Provisions are complied with.

12. Conditions Precedent:

The availability of the Advance under the DIP Facility shall be subject to and conditional upon the following, which may be waived by the Lender in writing:

- (a) the Court shall have issued an order (the **"DIP Approval Order"**), in a form satisfactory to the Lender, acting reasonably, including (a) approving this Term Sheet and the DIP Facility; and (b) granting the DIP Lender's Charge in favour of the Lender, which Order shall not have been vacated, stayed, appealed or amended in a manner not acceptable to the Lender, acting reasonably;
- (b) pursuant to the terms of the DIP Approval Order, effective immediately upon and simultaneously with the Advance of the Advance Amount being made, the **"DIP Lender's Charge"** securing the Harbour DIP Agreement pursuant to the Initial Order shall be discharged, or replaced with, the DIP Lender's Charge in favour of the Lender required hereunder;
- (c) no Event of Default shall have occurred;
- (d) the Monitor shall have presented the proposed post-closing cash flow projections to the Lender (the **"Post-Closing Cash Flow Projections"**), which shall be satisfactory to the Lender acting reasonably by no later than November 26, 2024;
- (e) the Fees contemplated by section 5 shall have been received by the Lender; and
- (f) the Borrowers shall have accepted any credit bids submitted by The Lion's Share Group Inc. and/or Viscount Capital Inc. that comply with the criteria in Paragraph 3 of the Term Sheet approved by Court on August 30, 2024, subject only to approval of the Court.

13. Covenants

The Borrowers covenant and agree with the Lender, so long as any amounts are owing by the Borrowers to the Lender hereunder, to:

- (a) Within two (2) business days following the Closing Date, the DIP Lender's Charge shall have been registered on title to the Property in a manner reasonably satisfactory to the DIP Lender, which registration can be done by way of batch registration(s);

- (b) provide the Lender with drafts of all materials that the Borrowers intend to file in the CCAA Proceedings;
- (c) the Post-Closing Cash Flow Projections filed in connection with the DIP Approval Order motion shall not have changed materially since November 25, 2024;
- (d) provide the Lender with any additional reasonable financial or diligence information reasonably requested by the Lender that is reasonably available to the Monitor;
- (e) use the Advances under the DIP Facility for the purposes for which they are being provided, as set out in Section 3 of this Term Sheet, or such other purposes that may be agreed to by the Lender in writing;
- (f) provide the Lender with prompt written notice of any event which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default, a breach of any covenant, or other term or condition of this Term Sheet, or of any document executed in connection with this Term Sheet;
- (g) pay all property taxes and other claims which, under law, may rank prior to or *pari passu* with the DIP Lender's Charge due and payable from and after the DIP Approval Order, as such amounts come due;
- (h) continue to retain Richmond Advisory Services ("RAS") as property manager of the Property;
- (i) not, without the prior written consent of the Lender, incur any borrowings or other secured indebtedness, obligations or liabilities, other than the DIP Facility, or create or grant any security (other than the Administration Charge) over any of the Borrowers' Property, whether ranking in priority to or subordinate to the DIP Lender's Charge;
- (j) provide notice of any material communication received by the Borrowers to the Lender in respect of any of the Property including, without limitation, notices from any municipal or other governmental body;
- (k) provide bi-weekly updates to the Lender on the Borrowers' cash flows as compared to the Post-Closing Cash Flow Projections and an explanation of any material variances;
- (l) provide the Lender, on a monthly basis, copies of rent rolls and any other financial reporting provided by RAS; and

(m) provide oral or written quarterly reports on operational performance.

14. Portfolio Liquidation Covenants

In addition to the covenants set out above, the Borrowers hereby covenant and agree that they will work and consult with the Lender in connection with the development of a portfolio liquidation process for the marketing and sale of the Property including without limitation (a) choice of sales agent(s); (b) timing and listing amounts; (c) management of the Property by RAS, and including, if possible, the exit from the CCAA Proceedings and subsequent oversight of the liquidation by a board or committee and (d) a further right of lenders to submit credit bids for the Property, all subject to approval by the Court but provided that such credit bid transactions comply with Section 11 of this Term Sheet. In the event that the portfolio liquidation process includes a proposed exit from the CCAA Proceedings, the Borrowers agree that no such proposal shall be presented unless the Lender has at least one representative on the proposed board or committee.

15. Events of Default: The DIP Facility shall be subject to the following events of default (each, an “Event of Default”):

- (a) the Borrowers’ failure to pay any amount due hereunder when due and payable;
- (b) any covenant, condition precedent, payment obligation, or other term or condition of this Term Sheet is not complied with or fulfilled to the satisfaction of the Lender;
- (c) the DIP Approval Order is not obtained in form satisfactory to the Lender, acting reasonably, on or before ~~December 1, 2024~~ December 20, 2024; DS
ER
- (d) the seeking or support by the Borrowers, or the granting by the Court of, any Court order (in the CCAA Proceedings or otherwise) which is materially adverse to the interests of the Lender; Ⓢ
- (e) the issuance of any Court order lifting or terminating (in whole or in part) the stay of proceedings in the CCAA Proceedings, or discontinuing, dismissing or otherwise terminating the CCAA Proceedings without the consent of the Lender, acting reasonably;
- (f) the issuance of any Court order staying, reversing, vacating or modifying the terms of the Initial Order, the DIP Approval order, the DIP Facility or the DIP Lender’s Charge, in each case without the Lender’s consent;

- (g) the service or filing of a notice of appeal, application for leave to appeal, or an appeal in respect of the DIP Approval Order if the notice of appeal, application for leave to appeal or appeal is not being actively defended by the Borrowers or if the appeal is actually granted;
- (h) any material failure by the Borrowers to comply with the Initial Order or the DIP Approval Order;
- (i) the occurrence of any material adverse change in: (i) the business, operations, or financial condition of the Borrowers; (ii) the Property of the Borrowers; (iii) the DIP Lender's Charge, including its relative priority; (iv) the ability of the Borrowers to perform their obligations to the Lender or to any person under any material contract; (v) the Lender's ability to enforce any of its rights or remedies against the Borrowers' Property or for the obligations of the Borrowers to be satisfied from the realization thereof;
- (j) the Borrowers become subject to a proceeding under the BIA, or a receiver, interim receiver, receiver and manager or trustee in bankruptcy is appointed in respect of any Borrower, or any Borrower's Property other than as may be consented to by the Lender;
- (k) the sale, transfer, assignment, conveyance or lease of substantially all of the Property, other than as permitted or contemplated herein, unless such sale will result in a full repayment of the DIP Facility;
- (l) the commencement of any claim, action, proceeding, application, motion, defense or other contested matter the purpose of which is to seek, or the result of which would be, to obtain any order, judgment, determination, declaration or similar relief invalidating, setting aside, avoiding, or subordinating the obligations of the Borrowers under the DIP Facility, the DIP Lender's Charge or its priority.

16. Remedies and Enforcement

Following the occurrence of an Event of Default, and the expiration of any cure period prescribed, upon five (5) business days' written notice to the Borrowers and the service list in the CCAA Proceedings, the Lender shall have the right to:

- (a) enforce the DIP Lender's Charge and realize on the Property and any other collateral securing the DIP Facility and including, for greater certainty, the Escrow Amount; and

(b) exercise all such other rights and remedies available to the Lender under this Term Sheet, the Initial Order, the DIP Approval Order or any other order of the Court or applicable law.

No failure or delay on the part of the Lender in exercising any of its rights and remedies shall be deemed to be a waiver of any kind.

17. Further Assurances The Borrowers will, at their own expense and promptly on demand by the Lender at any time, do such acts and things and execute and deliver such documents as the Lender may reasonably request to give effect to any other provisions set out hereunder.

18. Assignment: The Borrowers shall not assign this Term Sheet or any of the provisions set out herein without the prior written consent of the Lender. The Lender shall not assign or sell its rights or obligations with respect to this Term Sheet to any person without the prior written consent of the Borrowers other than to an affiliated party of the Lender.

19. Governing Law: The DIP Facility and the provisions set out herein shall be governed and construed in all respects in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

20. Capacity of Monitor The Lender acknowledges and agrees that the Monitor is executing this Term Sheet in its capacity as Monitor, and not in its personal or corporate capacity, on behalf of the Borrowers in accordance with the Monitor's authority under the Expanded Powers Order and that KSV Restructuring Inc. and the Monitor, and their officers, directors, partners, managers, contractors, shareholders, advisors (including legal counsel), agents, and employees, shall have no personal or corporate responsibility or liability under this Term Sheet.

21. Currency: All dollar amounts herein are in Canadian Dollars.

22. Acceptance: This Term Sheet is open for acceptance until 5:00 p.m. (Toronto time) on November 26, 2024. The Borrowers may accept this Term Sheet by returning a countersigned copy of this Term Sheet to the Lender (by electronic transmission or personal delivery).

[Signature Page Follows]

Dated this 26th day of November, 2024.

VISCOUNT CAPITAL INC.

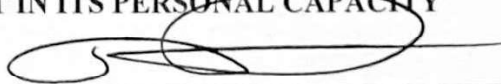
By DocuSigned by:
Eric Kalin
Name:
Title:

I have authority to bind the Corporation.

Acknowledged and agreed this 26th day of November, 2024.

**BALBOA INC., DSPLN INC., HAPPY
GILMORE INC.
INTERLUDE INC., MULTIVILLE INC.,
THE PINK FLAMINGO INC.,
HOMETOWN HOUSING INC., THE
MULLIGAN INC. HORSES IN THE
BACK INC.,
NEAT NESTS INC. AND JOINT
CAPTAIN REAL ESTATE INC.
EACH BY KSV RESTRUCTURING
INC., IN ITS CAPACITY AS MONITOR
IN THE CCAA PROCEEDINGS AND
NOT IN ITS PERSONAL CAPACITY**

By



Name: David Sieradzki

Title: *MANAGING DIRECTOR*

I have authority to bind the Corporation.

Appendix “M”

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.

Projected Cash Flow Statement

For the Period Ending August 31, 2025

(Unaudited; \$CAD in 000's)

		Week Ending																					2 day period		
Note		11-Apr-25	18-Apr-25	25-Apr-25	2-May-25	9-May-25	16-May-25	23-May-25	30-May-25	6-Jun-25	13-Jun-25	20-Jun-25	27-Jun-25	4-Jul-25	11-Jul-25	18-Jul-25	25-Jul-25	1-Aug-25	8-Aug-25	15-Aug-25	22-Aug-25	29-Aug-25	31-Aug-25	Total	
Receipts																									
Net rent collections	2	82	-	-	71	-	-	-	-	67	-	-	-	63	-	-	-	59	-	-	-	-	-	-	342
Sale Proceeds (Credit Bids)	3	-		-	733	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	733
Sale Proceeds (Listings)	4	-	-	-	-	189	189	189	189	189	189	189	189	189	189	189	189	189	189	189	189	189	189	189	3,402
Total Receipts		82	-	-	804	189	189	189	189	256	189	189	189	252	189	189	189	248	189	189	189	189	189	189	4,477
Disbursements																									
Property Taxes	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repairs & Maintenance		(20)	(20)	(20)	(20)	(13)	(13)	(13)	(13)	(12)	(12)	(12)	(12)	(11)	(11)	(11)	(11)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(285)
Utilities		-	-	(25)	-	-	-	-	(21)	-	-	-	(20)	-	-	-	(18)	-	-	-	-	(17)	-	-	(101)
Insurance	6	-	-	-	-	-	-	-	-	-	-	(71)	-	-	-	-	-	-	-	-	-	-	-	-	(71)
Property Management Fees		-	-	(58)	-	-	-	-	(51)	-	-	-	(49)	-	-	-	(46)	-	-	-	-	-	(44)	(248)	
Other	7	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(220)
Total Disbursements		(30)	(30)	(113)	(30)	(23)	(23)	(23)	(95)	(22)	(22)	(93)	(91)	(21)	(21)	(21)	(85)	(20)	(20)	(20)	(20)	(37)	(64)	(925)	
Other Disbursements																									
Professional fees	8	-	-	-	-	(110)	-	-	-	(110)	-	-	-	(110)	-	-	-	(110)	-	-	-	(110)	-	-	(550)
Viscount Interest and other fees	9	-	-	-	(45)	-	-	-	(37)	-	-	-	(35)	-	-	-	(33)	-	-	-	(31)	-	-	(181)	
DIP Repayment	10	-	-	-	(733)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(1,777)
Total Other Disbursements		-	-	-	(778)	(168)	(58)	(58)	(95)	(168)	(58)	(58)	(93)	(168)	(58)	(58)	(91)	(168)	(58)	(58)	(89)	(168)	(58)	(58)	(2,508)
Net Cash Flow		52	(30)	(113)	(4)	(2)	108	108	(1)	66	109	38	5	63	110	110	13	60	111	111	80	(16)	67	1,044	
Opening Cash Balance	11	367	419	389	276	272	270	378	486	485	551	660	698	703	766	875	985	998	1,058	1,169	1,280	1,360	1,344	367	
Net Cash Flow		52	(30)	(113)	(4)	(2)	108	108	(1)	66	109	38	5	63	110	110	13	60	111	111	80	(16)	67	1,044	
Closing Cash Balance		419	389	276	272	270	378	486	485	551	660	698	703	766	875	985	998	1,058	1,169	1,280	1,360	1,344	1,411	1,411	
DIP Facility balance	12	4,400	4,400	4,400	3,667	3,609	3,551	3,493	3,435	3,377	3,319	3,261	3,203	3,145	3,087	3,029	2,971	2,913	2,855	2,797	2,739	2,681	2,623	2,623	

Notes to Projected Statement of Cash Flows

For the Period Ending August 31, 2025

(Unaudited; \$CAD)

Purpose and General Assumptions

1. The purpose of the projection is to present a cash flow forecast 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. (the "Applicants") for the period April 7, 2025 to August 31, 2025 (the "Period") in respect of the proceedings under the *Companies' Creditors Arrangement Act* ("CCAA").

The cash flow projection has been prepared based on hypothetical and most probable assumptions.

Hypothetical

2. Represents rents collected from tenants.

Most Probable

3. Subject to Court approval and completion of the 12 secondary credit bid transactions, the anticipated cash proceeds based on the Secondary DIP Allocation for these 12 properties is approximately \$733,000. These proceeds are applied against the DIP Facility in accordance with the Viscount DIP Term Sheet.
4. At this time, the amount and timing of property sales for properties that are listed for sale is unknown. For the purpose of this analysis, the Monitor has assumed that one property is sold each week, starting in the week ending May 9, 2025. The net sale proceeds are based on the average suggested list prices provided by the Listing Agent from which the average DIP Allocation is applied against the DIP Facility in accordance with the Viscount DIP Term Sheet.
5. For the purpose of this analysis, property taxes are to be assumed by the purchasers on closing of the transactions for the Remaining Properties.
6. Represents payments required to maintain insurance over the Remaining Properties.
7. Represents miscellaneous expenses, capital expenditures and tenant concessions for repairs.
8. The professional fees projected to be paid represent accrued and projected fees and disbursements secured by the Administration Charge, including the estimated professional fees to be incurred in connection with closing the 12 secondary credit bid properties (which remain subject to court approval).
9. Represents interest and fees payable under the Viscount DIP Term Sheet.
10. Represents repayments to the DIP Lender for 100% of the DIP Allocated to specific properties (based on assumed sales and secondary credit bids). The assumed DIP Allocation repayments starting the week ending May 9, 2025 represent the average Second DIP Allocation as reflected in Appendix "J" to this Report. This excludes the 25% premium on the DIP Allocation payable on closing as required under the Viscount DIP Term Sheet, which is to be held by the Monitor in escrow.
11. The opening cash balance does not consider payment of certain arrears outstanding, including but not limited to professional fees.
12. Represents the principal balance owing under the Viscount DIP Term Sheet.

Appendix “N”

**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.**

**MONITOR'S REPORT ON CASH FLOW STATEMENT
(paragraph 23(1)(b) of the CCAA)**

The attached statement of projected cash-flow 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") as of the 7th day April, 2025, consisting of a weekly projected cash flow statement for the period April 7, 2025 to August 31, 2025 ("Cash Flow") has been prepared by the management of the Applicants for the purpose described in Note 1, using probable and hypothetical assumptions set out in the notes to the Cash Flow.

Our review consisted of inquiries, analytical procedures and discussions related to information supplied by the management and employees of the Applicants. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow. We have also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the Cash Flow.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- a) the hypothetical assumptions are not consistent with the purpose of the Cash Flow;
- b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable basis for the Cash Flow, given the hypothetical assumptions; or
- c) the Cash Flow does not reflect the probable and hypothetical assumptions.

Since the Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the Cash Flow will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon in preparing this report.

The Cash Flow has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto this 7th day of April, 2025.

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
IN ITS CAPACITY AS 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.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “O”

**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.**


**AFFIDAVIT OF NOAH GOLDSTEIN
(sworn April 7, 2025)**

I, **NOAH GOLDSTEIN**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY
AS FOLLOWS:**

1. I am a Managing Director of KSV Restructuring Inc. ("KSV"), the Court-appointed monitor (the "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. (collectively, the "Applicants"), and as such I have knowledge of the matters deposed to herein.
2. Pursuant to an order of the Ontario Superior Court of Justice ("Court") made on January 23, 2024, the Applicants were granted protection under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA") and KSV was appointed as the Monitor in this proceeding.
3. This Affidavit is sworn in support of a motion seeking, among other things, approval of the Monitor's fees and disbursements for the period February 1, 2025 to March 31, 2025 (the "Period").
4. The Monitor's invoices for the Period disclose in detail: the nature of the services rendered; the time expended by each person and their hourly rates; the total charges for the services rendered; and the disbursements charged. A copy of the Monitor's invoices is attached hereto as Exhibit "A" and the billing summary is attached hereto as Exhibit "B".

5. The Monitor spent a total of 256.80 hours on this matter during the Period, resulting in fees totalling \$133,038.50, excluding disbursements and HST, as summarized in Exhibit "B".
6. As reflected on Exhibit "B", the Monitor's average hourly rate for the Period was \$518.06.
7. I verily believe that the time expended and the fees charged are reasonable in light of the services performed and the prevailing market rates for services of this nature in downtown Toronto.

SWORN before me at the City of
Toronto, in the Province of Ontario
this 7th day of April, 2025



Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Restructuring Inc.
Expires February 23, 2027



NOAH GOLDSTEIN

Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF NOAH GOLDSTEIN

Sworn before me

this 7th day of April, 2025



Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Restructuring Inc.
Expires February 23, 2027

**ksv advisory inc.**

220 Bay Street, Suite 1300

Toronto, Ontario, M5J 2W4

T +1 416 932 6262

F +1 416 932 6266

ksvadvisory.com

INVOICE

Balboa Inc. et al.
c/o KSV Restructuring Inc.
220 Bay Street, Suite 1300
Toronto, ON M5J 2W4

April 7, 2025

Invoice No: 4308

HST #: 818808768RT0001

Re: Balboa Inc. et al (the “Company”)

For professional services rendered for the period February 1, 2025 to March 31, 2025 in our capacity as Monitor in the Company’s proceedings under the *Companies’ Creditors Arrangement Act* (“CCAA”), including:

- Corresponding extensively with Cassels Brock & Blackwell LLP (“Cassels”), the Monitor’s legal counsel, in respect of the Company’s operations and the CCAA proceedings generally, including multiple calls and email correspondence on a near daily basis as more specifically outlined herein;
- Corresponding extensively with Chaitons LLP (“Chaitons”), representative counsel to the secured lenders, in respect of, among other things, closing related matters and the remaining portfolio properties;
- Corresponding periodically with Goldman Sloan Nash & Haber LLP (“GSNH”), representative counsel to the unsecured lenders, in respect of, among other things, a letter dated February 24, 2025;
- Corresponding with SID Management Inc. (“SID”) in respect of certain Company records and the CCAA proceedings generally, including but not limited to coordinating tenant rent payments that require redirection to new purchasers, or to Richmond Advisory Services Inc. (“Richmond”);
- Corresponding with Viscount Capital Inc. (“Viscount”), its advisor and its legal counsel regarding information requests, and preparing the relevant information and analyses in response to same;
- Corresponding with Viscount’s advisor regarding, among other things, the status of the remaining properties, including occupancy rates and rent collections;
- Corresponding extensively on a near daily basis with Richmond regarding, among other things, property specific matters;

- Dealing with tenant issues;
- Monitoring the Company's bank account and transferring available remaining funds to the Monitor's trust account;
- Corresponding with various Cities and Municipalities regarding the status of these CCAA proceedings and the closed credit bid transactions;
- Corresponding with CBRE Limited, one of the original SISP advisors in these proceedings, and the local listing agents engaged regarding the final remaining properties to be listed following the secondary credit bid deadline process, and discussing the initial properties to be listed;
- Drafting the Monitor's eleventh report to court dated February 20, 2025 (the "Eleventh Report") filed in connection with the Secondary Credit Bid and Liquidation Process Motion returnable February 27, 2025 (the "Credit Bid Liquidation Process Motion");
- Discussing the Eleventh Report with legal counsel and reviewing multiple versions of same after incorporating comments from counsel;
- Reviewing and commenting on all court materials files in connection with the Credit Bid Liquidation Process Motion including the notice of motion, factum and order;
- Attending the Credit Bid Liquidation Process Motion on February 27, 2025;
- Corresponding with creditors regarding the Secondary Credit Bid Process, including preparing and providing a Notice to Mortgagees of Remaining Properties, dated February 28, 2025 (the "Notice to Remaining Mortgagees") to provide instructions on same;
- Preparing the revised draft DIP Allocation on the remaining portfolio properties and distributing same by way of attachment to the Notice to Remaining Mortgagees;
- Corresponding extensively with mortgagees regarding questions on the revised draft DIP allocation schedule;
- Working with legal counsel and the applicable stakeholders to advance and finalize the 12 Credit Bid APAs, including reviewing purchase price amounts and corresponding with the purchasers on information requests, including to support their mortgage indebtedness;
- Corresponding extensively with Chaitons and Kormans LLP in connection with all aspects of the secondary credit bids;
- Corresponding extensively with Chaitons and Kormans LLP in connection with the status of closed properties and any outstanding credit bid transactions;
- Preparing revised property analyses on the remaining portfolio properties to, among other things, compare the estimated outstanding debt to the suggested list price;
- Corresponding and meeting with Chaitons regarding next steps on certain remaining properties based on review of property parcel registers;
- Corresponding multiple times per day with Richmond in respect of the transition process and urgent property management matters arising at multiple properties;
- Dealing with SID on information requests and other matters;

- Dealing with Richmond on all property management issues, including the transition process, insurance matters, maintenance matters, tenant issues and all other matters in connection with the state of the properties in the portfolio;
- Corresponding with Richmond and certain municipalities and cities regarding court orders brought to the Monitor's attention by cities and municipalities;
- Reviewing and summarizing receipts and disbursements;
- Preparing budget to actual spend analysis for Viscount;
- Engaging and corresponding extensively with SID's former paralegal regarding outstanding Landlord Tenant Board matters related to the remaining portfolio;
- Corresponding with Co-operators Insurance Brokerage ("Co-operators") to confirm insurance is active on all properties owned by the Company and dealing with the transfer of insurance on certain properties;
- Preparing and providing requested materials to Co-operators including but not limited to occupancy reports to meet insurance reporting standards;
- Corresponding with creditors and the Company, including regarding the leased status of each property and overall status of the proceedings;
- Corresponding with various utility service providers to discuss the stay of proceedings and to ensure continuity of services;
- Preparing, reviewing, and updating several utility schedules to ensure timely payment of certain utility payments;
- Preparing cash flow projections;
- Corresponding with representatives of Big North Capital Inc ("BNC"), and its counsel, regarding a letter of intent to acquire the remaining properties;
- Corresponding and meeting with legal counsel to discuss BNC's letter of intent;
- Drafting the Monitor's twelfth report to court dated April 7, 2025 (the "Twelfth Report") filed in connection with the Secondary Credit Bid Vesting Order Motion;
- Preparing the cash flow forecast, fee affidavit and other appendices to the Twelfth Report;
- Corresponding daily with several creditors and providing, among other things, updates regarding the CCAA proceedings and property-specific status updates;
- Maintaining the Service List in these proceedings on the Monitor's case website and posting all Court materials on the Monitor's case website;
- Convening internal meetings; and
- Dealing with all other matters not otherwise referred to herein.

Total fees and disbursements	\$ 133,159.80
HST	17,310.77
Total due	<u>\$ 150,470.57</u>

KSV Restructuring Inc.

Balboa Inc. et al.

Time Summary

For the period February 1, 2025 to March 31, 2025

Personnel	Rate (\$)	Hours	Amount (\$)
David Sieradzki	850	44.00	37,400.00
Noah Goldstein	850	5.50	4,675.00
Maha Shah	475	14.90	7,077.50
Nathalie El-Zakhem	475	162.30	77,092.50
Other staff and administration		30.10	6,793.50
Total Fees		256.80	133,038.50
Total Disbursements			121.30
Total Fees and Disbursements			133,159.80

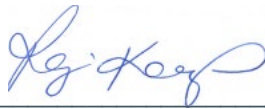
Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF NOAH GOLDSTEIN

Sworn before me

this 7th day of April, 2025



Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Restructuring Inc.
Expires February 23, 2027

Exhibit "B"

**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")**

Schedule of Professionals' Time and Rates

For the Period February 1, 2025 to March 31, 2025

Name	Role	Hours	Billing Rate (Per Hour)	Total Fees by Professional (\$)
David Sieradzki	Overall Responsibility	44.00	\$ 850	37,400.00
Noah Goldstein	Overall Responsibility	5.50	\$ 850	4,675.00
Nathalie El-Zakhem	All aspects of mandate	162.30	\$ 475	77,092.50
Maha Shah	Aspects of mandate	14.90	\$ 475	7,077.50
Other Staff and administration		30.10	\$ 210 - 240	6,793.50
Total Fees				133,038.50
Total Disbursements				121.30
Total Fees and Disbursements				133,159.80
Total hours				256.80
Average hourly rate				518.06

Appendix “P”

**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. (collectively the "**Applicants**", and each an "**Applicant**")**

**AFFIDAVIT OF RYAN JACOBS
(sworn April 7, 2025)**

I, Ryan Jacobs, of the City of Toronto, in the Province of Ontario, MAKE OATH AND
SAY:

1. I am a lawyer qualified to practice law in Ontario and a Partner¹ with Cassels Brock & Blackwell LLP ("**Cassels**"), counsel for KSV Restructuring Inc., in its capacity as the monitor (the "**Monitor**") of the Applicants, as appointed pursuant to the Initial Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated January 23, 2024, as amended and restated from time to time. As such, I have knowledge of the following matters.

2. During the period from February 1, 2025 to March 31, 2025, Cassels incurred fees and disbursements, including Harmonized Sales Tax ("**HST**"), in the amount of \$106,056.15. Particulars of the work performed are contained in the invoices (together, the "**Invoices**", each an

¹ My services are provided through a professional corporation.

“Invoice”) attached hereto as **Exhibit “A”**. The Invoices have been redacted to remove any information that may be privileged, sensitive or confidential.

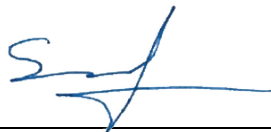
3. Attached hereto as **Exhibit “B”** is a summary of the respective years of call and billing rates of each individual at Cassels who acted for the Monitor.

4. Attached hereto as **Exhibit “C”** is a summary of each Invoice in Exhibit “A”, the total billable hours charged per Invoice, the total fees charged per Invoice and the average hourly rate charged per Invoice. The average hourly rate charged by Cassels was \$947.87.

5. To the best of my knowledge, the rates charged by Cassels are comparable to the rates charged by other law firms in the Toronto market for the provision of similar services, and the rates charged by Cassels for services rendered in similar proceedings.

6. This affidavit is sworn in support of a motion to, among other things, seek approval of the fees and disbursements of counsel of the Monitor, and for no other or improper purpose.

SWORN BEFORE ME by video conference on this 7th day of April, 2025. The affiant and I were both located at the City of Toronto, in the Province of Ontario. This affidavit was commissioned remotely in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.




Commissioner for Taking Affidavits
(or as may be)

Commissioner Name: Stephanie Savannah
Fernandes
Law Society of Ontario Number: 85819M



RYAN JACOBS

This is Exhibit “A” referred to in the Affidavit of Ryan Jacobs sworn April 7, 2025. The affiant and I were located in the City of Toronto in the Province of Ontario. This affidavit was commissioned remotely in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

Commissioner Name: Stephanie Savannah Fernandes
Law Society of Ontario Number: 85819M

EXHIBIT “A”

**Redacted Copies of the Invoices issued to the Monitor
for fees and disbursements incurred by
Cassels Brock & Blackwell LLP**



Attn: Noah Goldstein
KSV Advisory
150 King St W, Suite 2308
Toronto, ON M5H 1J9

Invoice No: 2275887
Date: March 28, 2025
Matter No.: 057984-00012
GST/HST No.: R121379572

Lawyer: Jacobs, Ryan
Tel.: (416) 860-6465
E-mail: RJacobs@cassels.com

Re: Balboa et al Restructuring

Fees for professional services rendered up to and including February 28, 2025

Our Fees	77,911.00
Disbursements	339.00
Total Fees and Disbursements	78,250.00
HST @ 13.00%	10,128.43
TOTAL DUE (CAD)	88,378.43

We are committed to protecting the environment.

Please provide your email address to payments@cassels.com to receive invoice and reminder statements electronically.

Payment due upon receipt. Please return remittance advice(s) with cheque.

REMITTANCE ADVICE: Email payment details to payments@cassels.com

Canadian Dollar EFT and Wire

Payments:

Bank of Nova Scotia
44 King St. West,
Toronto, ON, M5H 1H1

Bank I.D.: 002
Transit No.: 47696
Account No.: 0073911
Swift Code: NOSCCATT
ABA No.: 026002532

Cheque Payments:

Cassels Brock & Blackwell LLP
Finance & Accounting (Receipts)
Suite 3200, Bay Adelaide Centre - North Tower
40 Temperance St., Toronto, ON, M5H 0B4 Canada

Online Bill Payments:

Vendor name is **Cassels Brock Blackwell LLP** and
you are required to enter the first six digits of the
matter #

Invoice No: 2275887
Matter No.: 057984-00012

Amount: **CAD 88,378.43**

e-Transfer Payments: payments@cassels.com

Credit Card Payments: payments.cassels.com

Cassels Brock Blackwell LLP | cassels.com

Suite 3200, Bay Adelaide Centre - North Tower, 40 Temperance Street, Toronto, ON M5H 0B4 Canada | t: 416 869 5300 | f: 416 360 8877

FEE DETAIL			
Date	Name	Description	Hours
Feb-03-25	J. Bellissimo	Review and consider BNC proposal; call with KSV and G Benchetrit regarding same; call with D Sieradzki regarding same; emails with G Rabideaux regarding same;	1.60
Feb-04-25	J. Bellissimo	Email from G Rabideau; consider same; emails with D Sieradzki; emails with G Benchetrit; call with D Sieradzki;	0.90
Feb-05-25	J. Bellissimo	Review DIP terms regarding credit bids; call with KSV, Viscount and K Plunkett; call with D Sieradzki; draft email to BNC; emails with D Sieradzki regarding same; emails with G Rabbidueaux;	1.20
Feb-11-25	R. Jacobs	Correspondence to J. Bellissimo regarding scope of relief for upcoming motion and terms of proposed order, mechanics;	1.20
Feb-12-25	J. Bellissimo	Consider email from R. Jacobs regarding scope of relief; emails regarding notice to service list; draft same; emails regarding same; review and consider next step and relief for next motion; draft order language; consider various issues and matters to be addressed in report; emails with D Sieradzki regarding same; review revised relief; call with R Jacobs regarding order language; emails with D Sieradzki;	3.70
Feb-12-25	S. Fernandes	Serving notice to service list; preparing draft order; reviewing draft order;	2.00
Feb-13-25	S. Fernandes	Reviewing and updating draft Order; preparing draft affidavit;	2.40
Feb-13-25	J. Bellissimo	Review and revise form of credit bid APA; emails regarding same; review and revise draft order; emails regarding same;	3.60
Feb-13-25	C. Fernandez	Reviewing privilege matters for affidavit and exhibits;	0.90
Feb-14-25	R. Jacobs	Work on revised draft of order; correspondence with J. Bellissimo regarding remaining sale strategy and equity issues;	1.40
Feb-14-25	J. Bellissimo	Emails with D Sieradzki regarding revisions to form of credit bid APA; review and consider D Sieradzki revisions to draft order; emails regarding same; review draft fee affidavit and exhibits; review accounts for privilege; emails regarding same; further revise credit bid APA; further revise draft order; email to K Plunkett; emails with G Benchetrit;	3.20
Feb-15-25	R. Jacobs	Email correspondence with J. Bellissimo regarding DIP Lender comments on draft order;	0.50
Feb-16-25	R. Jacobs	Review and comment on draft report; correspondence to J. Bellissimo regarding revisions to draft order; review motion record and affidavit; correspondence with Cassels team regarding issues;	2.00
Feb-17-25	S. Fernandes	Reviewing and updating draft Order; preparing draft notice of motion; reviewing draft Report;	1.50
Feb-17-25	R. Jacobs	Review draft report and correspondence with J. Bellissimo regarding comments on same; comment on issues raised by DIP Lender with draft order and go forward approach; correspondence with KSV team regarding same;	1.90

Date	Name	Description	Hours
Feb-17-25	J. Bellissimo	Review and consider Aird & Berlis revisions to draft orders; consider various issues and review DIP requirements; emails with D Sieradzki regarding same; revise draft order; emails regarding same; emails from K Plunket regarding order; emails with D Sieradzki regarding same; review and revise draft 11th report;	4.80
Feb-18-25	S. Fernandes	Preparing draft notice of motion; reviewing updated draft Report; finalizing affidavit; call with R. Jacobs regarding swearing and commissioning of affidavit; updating draft Report; correspondence with KSV regarding sworn affidavit; attending call with counsel to DIP Lender and J. Bellissimo; reviewing updated comments to draft Order;	5.00
Feb-18-25	R. Jacobs	Email correspondence with Cassels and KSV teams regarding revisions to report; review and swear affidavit; review secured lender committee comments to draft order;	1.30
Feb-18-25	J. Bellissimo	Call with K. Plunkett; call with D. Sieradzki;	0.60
Feb-19-25	S. Fernandes	Reviewing and updating draft order; reviewing and finalizing draft Notice of Motion; reviewing and updating Motion Record Index; various correspondence regarding draft materials;	2.50
Feb-19-25	J. Bellissimo	Review G Benchetrit comments on draft order and APA; consider same; review G Benchetrit comments on report; review and review listing agreements; prepare language for same; emails regarding same; revise draft form of order; call with KSV and Chaitons; work on revised order; work on review credit bid APA; review Aird & Berlis revisions to draft report; review and revise further draft of the report; emails regarding same; various emails throughout day regarding motion and court materials;	5.50
Feb-19-25	R. Jacobs	Review comments on orders and report; correspondence with J. Bellissimo regarding same and comments on schedules;	1.20
Feb-20-25	S. Fernandes	Reviewing updated draft Report; reviewing draft motion record index; correspondence with KSV regarding contact details for service list; reviewing updated service list; reviewing finalized draft order and notice of motion; instructing B. Nasri to compile motion record; preparing draft service email; reviewing compiled motion record; correspondence with J. Bellissimo and client regarding service of same; serving motion record to the service list;	2.40
Feb-20-25	J. Bellissimo	Final review of draft report; revise same; emails regarding same; review and revise draft notice of motion; emails regarding same; work on finalizing court materials and related documents; various emails and calls throughout day regarding same;	4.70
Feb-20-25	R. Jacobs	Review and comment on draft materials and correspondence with J. Bellissimo regarding DIP comments and issues;	0.80
Feb-21-25	S. Fernandes	Correspondence with KSV regarding updated service list;	0.10

Date	Name	Description	Hours
		reviewing draft participant information form;	
Feb-24-25	S. Fernandes	Preparing draft factum;	5.30
Feb-24-25	J. Bellissimo	Review Suitor sealing motion materials; emails regarding same;	1.00
Feb-25-25	R. Jacobs	Finalize factum; correspondence with Cassels team regarding same;	0.80
Feb-25-25	S. Fernandes	Reviewing, updating, and finalizing draft Factum; correspondence with J. Bellissimo and client regarding same; preparing service email; reviewing service list; serving factum to service list; reviewing and swearing affidavit of service;	2.30
Feb-25-25	J. Bellissimo	Review and revise draft factum; consider issues regarding same; emails regarding same; review and revise draft notice to mortgagees regarding credit bids;	3.40
Feb-25-25	T. Zhan	Finalize factum;	3.10
Feb-26-25	R. Jacobs	Email correspondence with J. Bellissimo regarding hearing prep and case next steps;	0.50
Feb-26-25	S. Fernandes	Reviewing correspondence with court office; reviewing and updating draft orders; correspondence with J. Bellissimo regarding same; reviewing draft participant information form;	1.70
Feb-26-25	J. Bellissimo	Prepare for court hearing; various emails regarding court hearing and finalize orders;	2.40
Feb-27-25	S. Fernandes	Attending hearing; instructing B. Nasri to have orders issued;	0.90
Feb-27-25	J. Bellissimo	Prepare submissions for court and attend court hearing; call with D Sieradzki; attend to post-court matters and next steps;	2.10
Feb-28-25	S. Fernandes	Serving issued orders and endorsement on service list; correspondence with KSV regarding same;	0.20
Feb-28-25	J. Bellissimo	Review Justice Osborne's endorsement; emails regarding orders; emails regarding secured lender notices and next steps;	1.00

FEE SUMMARY				
Name	Title	Hours	Rate	Amount
Bellissimo, Joseph J.	Partner	39.70	1,060.00	42,082.00
Jacobs, Ryan	Partner	11.60	1,740.00	20,184.00
Fernandes, Stephanie	Associate	26.30	550.00	14,465.00
Fernandez, Craig	Law Student	0.90	295.00	265.50
Zhan, Tiffany	Law Student	3.10	295.00	914.50
TOTAL (CAD)		81.60		77,911.00

Our Fees	77,911.00	
HST @ 13.00%	10,128.43	
TOTAL FEES & TAXES (CAD)		88,039.43

DISBURSEMENT SUMMARY

Non-Taxable Disbursements

Court - Sundry	339.00
Total Non-Taxable Disbursements	339.00

TOTAL DISBURSEMENTS & TAXES (CAD)	339.00
--	---------------

TOTAL FEES	77,911.00
TOTAL DISBURSEMENTS	339.00
TOTAL TAXES	10,128.43
TOTAL FEES, DISBURSEMENTS & TAXES (CAD)	88,378.43

OUTSTANDING INVOICES

Invoice Number	Invoice Date	Bill Amount	Payments / Credits	Balance Due
2268320	12/31/24	48,878.86	0.00	48,878.86
2270229	02/13/25	11,461.07	0.00	11,461.07
2275887	03/28/25	88,378.43	0.00	88,378.43
TOTAL (CAD)		148,718.36	0.00	148,718.36



Attn: Noah Goldstein
KSV Advisory
150 King St W, Suite 2308
Toronto, ON M5H 1J9

Invoice No: 2276514
Date: April 02, 2025
Matter No.: 057984-00012
GST/HST No.: R121379572

Lawyer: Jacobs, Ryan
Tel.: (416) 860-6465
E-mail: RJacobs@cassels.com

Re: Balboa et al Restructuring

Fees for professional services rendered up to and including March 31, 2025

Our Fees	15,644.00
HST @ 13.00%	2,033.72
TOTAL DUE (CAD)	17,677.72

We are committed to protecting the environment.

Please provide your email address to payments@cassels.com to receive invoice and reminder statements electronically.

Payment due upon receipt. Please return remittance advice(s) with cheque.

REMITTANCE ADVICE: Email payment details to payments@cassels.com

Canadian Dollar EFT and Wire

Payments:

Bank of Nova Scotia
44 King St. West,
Toronto, ON, M5H 1H1

Bank I.D.: 002
Transit No.: 47696
Account No.: 0073911
Swift Code: NOSCCATT
ABA No.: 026002532

Cheque Payments:

Cassels Brock & Blackwell LLP
Finance & Accounting (Receipts)
Suite 3200, Bay Adelaide Centre - North Tower
40 Temperance St., Toronto, ON, M5H 0B4 Canada

Online Bill Payments:

Vendor name is **Cassels Brock Blackwell LLP** and
you are required to enter the first six digits of the
matter #

Invoice No: 2276514
Matter No.: 057984-00012

Amount: **CAD 17,677.72**

e-Transfer Payments: payments@cassels.com

Credit Card Payments: payments.cassels.com

Cassels Brock Blackwell LLP | cassels.com

Suite 3200, Bay Adelaide Centre - North Tower, 40 Temperance Street, Toronto, ON M5H 0B4 Canada | t: 416 869 5300 | f: 416 360 8877

FEE DETAIL			
Date	Name	Description	Hours
Mar-03-25	J. Bellissimo	Review letter from SID counsel; emails with Viscount;	0.70
Mar-04-25	J. Bellissimo	Review letter from unsecured creditor group; consider same; various emails re same;	1.50
Mar-04-25	S. Fernandes	Correspondence regarding issued Orders and endorsement; correspondence with KSV regarding updated Service List;	0.50
Mar-05-25	J. Bellissimo	Call with D. Sieradzki and M. Forte; call with D. Sieradzki; discussion with R. Jacobs regarding letter;	1.70
Mar-05-25	R. Jacobs	Review letter from unsecured lender to Court and discuss with J. Bellissimo;	0.70
Mar-21-25	J. Bellissimo	Zoom meeting; emails re broker listing agreements;	0.90
Mar-21-25	S. Fernandes	Correspondence with KSV and J. Bellissimo regarding listing agreements;	0.50
Mar-24-25	J. Bellissimo	[REDACTED] review revised listing agreements;	0.90
Mar-24-25	S. Fernandes	Reviewing and preparing listing agreements; reviewing list of credit bid properties; correspondence with KSV regarding listing agreements;	1.90
Mar-25-25	J. Bellissimo	Emails with DIP Lender counsel re liquidation process; [REDACTED]	1.90
Mar-28-25	J. Bellissimo	Call with KSV and DIP Lender counsel; call with S Fernandes re preparation of court materials; Outline drafts of same;	1.50
Mar-28-25	S. Fernandes	Attending call with KSV, J. Bellissimo and counsel for DIP Lender; conferring with J. Bellissimo regarding preparation of draft materials;	1.40
Mar-31-25	J. Bellissimo	Review draft credit bid AVO; revise same; emails re same;	1.50
Mar-31-25	S. Fernandes	Reviewing proposed liquidation process and sale approval process; preparing draft order;	1.50

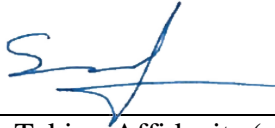
FEE SUMMARY				
Name	Title	Hours	Rate	Amount
Bellissimo, Joseph J.	Partner	10.60	1,060.00	11,236.00
Jacobs, Ryan	Partner	0.70	1,740.00	1,218.00
Fernandes, Stephanie	Associate	5.80	550.00	3,190.00
TOTAL (CAD)		17.10		15,644.00

Our Fees	15,644.00	
HST @ 13.00%	2,033.72	
TOTAL FEES & TAXES (CAD)		17,677.72

TOTAL FEES	15,644.00
TOTAL TAXES	2,033.72
TOTAL FEES & TAXES (CAD)	17,677.72

OUTSTANDING INVOICES				
Invoice Number	Invoice Date	Bill Amount	Payments / Credits	Balance Due
2268320	12/31/24	48,878.86	0.00	48,878.86
2270229	02/13/25	11,461.07	0.00	11,461.07
2275887	03/28/25	88,378.43	0.00	88,378.43
2276514	04/02/25	17,677.72	0.00	17,677.72
TOTAL (CAD)		166,396.08	0.00	166,396.08

This is Exhibit **“B”** referred to in the Affidavit of Ryan Jacobs sworn April 7, 2025. The affiant and I were located in the City of Toronto in the Province of Ontario. This affidavit was commissioned remotely in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in blue ink, appearing to read 'S. Fernandes', is positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

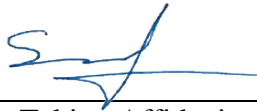
Commissioner Name: Stephanie Savannah Fernandes
Law Society of Ontario Number: 85819M

EXHIBIT “B”

**Summary of Respective Years of Call and Billing Rates of
Cassels Brock & Blackwell LLP
for the period February 1, 2025 to March 31, 2025**

Year of Call	Individual	Rate (\$) (2025)	Total Fees Billed (\$)	Total Hours Worked
2002	Joseph J. Bellissimo	1,060.00	53,318.00	50.30
2004 (New York) 2011 (Ontario)	Ryan Jacobs	1,740.00	21,402.00	12.30
2022	Stephanie Fernandes	550.00	17,655.00	32.10
	Craig Fernandez (Law Student)	295.00	265.50	0.90
	Tiffany Zhan (Law Student)	295.00	914.50	3.10

This is Exhibit “C” referred to in the Affidavit of Ryan Jacobs sworn April 7, 2025. The affiant and I were located in the City of Toronto in the Province of Ontario. This affidavit was commissioned remotely in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

Commissioner Name: Stephanie Savannah Fernandes
Law Society of Ontario Number: 85819M

EXHIBIT “C”

**Calculation of Average Hourly Billing Rates of
Cassels Brock & Blackwell LLP
for the period February 1, 2025 to March 31, 2025**

Invoice No./ Period	Fees (\$)	Disbursements (\$)	HST (\$)	Total Fees, Disbursements and HST (\$)	Hours Billed	Average Billed Rate (\$)
#2275887 (February 1, 2025 – February 28, 2025)	77,911.00	339.00	10,128.43	88,378.43	81.60	954.79
#2276514 (March 1, 2025 – March 31, 2025)	15,644.00	N/A	2,033.72	17,677.72	17.10	914.85
Total	93,555.00	339.00	12,162.15	106,056.15	98.70	947.87

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.

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

**AFFIDAVIT OF RYAN JACOBS
(SWORN APRIL 7, 2025)**

Cassels Brock & Blackwell LLP

Suite 3200, Bay Adelaide Centre - North Tower
40 Temperance Street
Toronto, ON M5H 0B4

Ryan Jacobs LSO #:59510J

Tel: 416.860.6465
rjacobs@cassels.com

Shayne Kukulowicz LSO#:30729S

Tel: 416.860.6463
skukulowicz@cassels.com

Joseph J. Bellissimo LSO#: #46555R

Tel: 416.860.6572
jbelissimo@cassels.com

Lawyers for the Monitor, KSV Restructuring Inc.