



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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)
)
JUSTICE OSBORNE) THURSDAY, THE 27TH
 DAY OF FEBRUARY, 2025

**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
(Credit Bid/Liquidation Process, Stay Extension & Fee and Activities Approval)**

THIS MOTION, made by KSV Restructuring Inc., in its capacity as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**") was heard this day by judicial videoconference via Zoom.

ON READING the Eleventh Report of the Monitor dated February 20, 2025 (the "**Eleventh Report**"), the fee affidavit of Noah Goldstein sworn February 20, 2025 and the exhibits thereto (the "**Goldstein Affidavit**"), the fee affidavit of Ryan Jacobs sworn February 18, 2025 and the exhibits thereto (the "**Jacobs Affidavit**"), and such other materials that were filed, and on hearing the submissions of counsel to the Monitor, the Secured Lender Representative Counsel,

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the Unsecured Lender Representative Counsel, counsel to the Lion's Share Representative, counsel to the DIP Lender, and such other counsel that were present, no else appearing although duly served as appears from the affidavit of service of Stephanie Fernandes dated February 20, 2025, 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 terms used but not defined in this Order shall have the meaning given to them in the Eleventh Report.

STAY OF PROCEEDINGS

3. **THIS COURT ORDERS** that the Stay Period (as defined in the Second Amended and Restated Initial Order of this Court dated March 28, 2024 (as further amended from time to time, including by Order dated December 6, 2024, the "SARIO")) be and is hereby extended until and including May 31, 2025.

REMAINING PROPERTY CREDIT BID AND ORDERLY LIQUIDATION PROCESS

4. **THIS COURT ORDERS** that each duly registered first mortgagee of a Remaining Property shall be entitled to submit to the Monitor by no later than 5:00 p.m. (Toronto Time) on March 14, 2025 (the "**First Mortgagee Credit Bid Deadline**") a fully completed and executed agreement of purchase and sale substantially in the form attached at Appendix "K" to the Eleventh Report with such minor amendments acceptable to the Monitor (the "**First Mortgagee Credit Bid APA**"), together with a cash deposit in the amount of \$10,000 (the "**First Mortgagee Deposit**").
5. **THIS COURT ORDERS** that each duly registered second mortgagee of a Remaining Property shall be entitled to submit to the Monitor by no later than 5:00 p.m. (Toronto Time) on

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March 21, 2025 (the “**Second Mortgagee Credit Bid Deadline**”) a fully completed and executed agreement of purchase and sale substantially in the form attached at Appendix “L” to the Eleventh Report with such minor amendments acceptable to the Monitor (the “**Second Mortgagee Credit Bid APA**”), together with a cash deposit in the amount of \$10,000 *plus* an amount equal to 10% of the registered first mortgage on such Remaining Property (the “**Second Mortgagee Deposit**”). For greater certainty, (i) each First Mortgagee Credit Bid APA and Second Mortgagee Credit Bid APA shall require as a condition to closing that the purchaser pay, in cash on closing in addition to all other cash amounts provided therein, 125% of the DIP Allocation attributable to the applicable Remaining Property on the terms and conditions set out in the First Mortgagee Credit Bid APA or the Second Mortgagee Credit Bid APA, as applicable and (ii) each Second Mortgagee Credit Bid APA shall also require as a condition to closing that the purchaser pay, in cash on closing in addition to all other cash amounts provided therein, the full amount owed under any prior-ranking mortgage on the subject real property (other than a mortgage securing any obligations under the Viscount DIP Term Sheet), including all accrued interest, fees and costs payable under such mortgage.

6. **THIS COURT ORDERS** that, in addition to the foregoing, any First Mortgagee Credit Bid APA or Second Mortgagee Credit Bid APA in respect of a Remaining Property designated as an Equity Property in Appendix “J” to the Eleventh Report shall require as a condition to closing that the purchaser pay, in cash on closing in addition to all other cash amounts provided therein, the Equity Amount, which Equity Amount shall be subject to approval pursuant to a further order of this Court.

7. **THIS COURT ORDERS** that any mortgagee that completes a credit bid acquisition of a Remaining Property in accordance with a First Mortgagee Credit Bid APA or Second Mortgagee Credit Bid APA, as applicable, shall not have any deficiency claim in connection with the liquidation of any other Remaining Properties, but 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.

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8. **THIS COURT ORDERS** that the Orderly Liquidation Plan be and is hereby approved and the Monitor, including on behalf of the Applicants in accordance with the Order (Expansion of Monitor’s Powers) of this Court dated June 25, 2024 (the “**Expanded Powers Order**”), be and is hereby authorized to carry out the Orderly Liquidation Plan as described in the Eleventh Report.

9. **THIS COURT ORDERS** that, as soon as practicable following the Second Mortgagee Credit Bid Deadline, the Monitor be and is hereby authorized and directed, on behalf of the applicable Applicant in accordance with the Expanded Powers Order, to enter into and seek Court approval of: (i) any duly completed and executed First Mortgagee Credit Bid APA submitted in respect of a Remaining Property by the First Mortgagee Credit Bid Deadline and accompanied by a First Mortgagee Deposit in accordance with this Order, provided that no duly completed and executed Second Mortgagee Credit Bid APA was submitted by the Second Mortgagee Credit Bid Deadline in respect of such Remaining Property in accordance with this Order or (ii) any duly completed and executed Second Mortgagee Credit Bid APA submitted in respect of a Remaining Property by the Second Mortgagee Credit Bid Deadline and accompanied by the applicable Second Mortgagee Deposit in accordance with this Order.

10. **THIS COURT ORDERS** that the Monitor, on behalf of the applicable Applicant in accordance with the Expanded Powers Order, be and is hereby authorized and directed to (i) enter into each Listing Agreement as defined in the Eleventh Report, in each case substantially in the form attached at Appendix “O” to the Eleventh Report, as applicable, with such minor amendments acceptable to the Monitor, and (ii) to list for sale, or cause to be listed for sale, each Remaining Property for which no First Mortgagee Credit Bid APA or Second Mortgagee Credit Bid APA was duly submitted to the Monitor in accordance with this Order by the First Mortgagee Credit Bid Deadline or Second Mortgagee Credit Bid Deadline, as applicable (collectively, the “**Non-Credit Bid Remaining Properties**”).

11. **THIS COURTS ORDERS** that the Non-Credit Bid Remaining Properties shall be listed for sale at the amount ascribed to such property in Appendix “J” to the Eleventh Report, 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

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reduce the list price for any Non-Credit Bid Remaining Properties and/or to accept an offer to purchase any Non-Credit Bid Remaining Property at a price greater or less than the applicable list price for such property, provided that the Monitor shall not accept an offer to purchase a Non-Credit Bid Remaining Property without the prior consent of the DIP Lender unless the net proceeds (after deduction of reasonable sale commissions and property specific legal costs) will not be less than 125% of the DIP Allocation attributable to such Non-Credit Bid Remaining Property.

APPROVAL OF THE MONITOR'S ELEVENTH REPORT, ACTIVITIES AND FEES

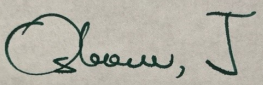
12. **THIS COURT ORDERS** that the Eleventh Report and the activities of the Monitor referred to therein be and are hereby approved; provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

13. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and its counsel, Cassels Brock & Blackwell LLP, as set out in the Eleventh Report, the Goldstein Affidavit and the Jacobs Affidavit, be and are hereby approved.

GENERAL

14. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

15. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Eastern Time) on the date of this Order without the need for entry or filing.



Osborne, J.

Digitally signed
by Osborne J.
Date:
2025.02.27
12:05:56 -05'00'

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PROCEEDING COMMENCED AT
TORONTO

**ORDER
(Credit Bid/Liquidation Process, Stay Extension & Fee and
Activities Approval)**

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